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

Part I: Project Information

GEF ID
10805

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

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

Countries
Regional, Moldova, Ukraine

Agency(ies)
UNDP

Other Executing Partner(s)

Executing Partner Type

OSCE

Others

GEF Focal Area

International Waters

Taxonomy

Focal Areas, Convene multi-stakeholder alliances, Influencing models, Demonstrate innovative approache, Transform policy and regulatory environments, Strengthen institutional capacity and decision-making, Private Sector, Stakeholders, Capital providers, SMEs, Individuals/Entrepreneurs, Large corporations, Beneficiaries, Type of Engagement, Partnership, Participation, Information Dissemination, Consultation, Local Communities, Communications, Behavior change, Education, Awareness Raising, Public Campaigns, Civil Society, Academia, Non-Governmental Organization, Community Based Organization, Biodiversity, Species, Threatened Species, Invasive Alien Species, Mainstreaming, Extractive Industries, Fisheries, Biomes, Rivers, Wetlands, Protected Areas and Landscapes, Climate Change Adaptation, Climate Change, Climate resilience, Disaster risk management, Ecosystem-based Adaptation, International Waters, Pollution, Nutrient pollution from Wastewater, Persistent toxic substances, Nutrient pollution from all sectors except wastewater, Plastics, Strategic Action Plan Implementation, Learning, Freshwater, River Basin, Aquifer, Gender results areas, Gender Equality, Access and control over natural resources, Participation and leadership, Access to benefits and services, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Enabling Activities, Capacity, Knowledge and Research, Capacity Development, Knowledge Generation, Theory of change, Adaptive management, Indicators to measure change, Knowledge Exchange, Innovation

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 1

Duration

48 In Months

Agency Fee($)

570,000.00

Submission Date

3/24/2021

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
IW-3-5	GET	1,240,000.00	10,100,000.00
IW-3-6	GET	3,260,000.00	10,000,000.00
IW-3-7	GET	1,500,000.00	10,000,000.00
	Total Project Cost ($)	**6,000,000.00**	**30,100,000.00**

B. Indicative Project description summary

Project Objective

To advance Integrated Water Resources Management in the Dniester River basin contributing to sustainable development by supporting the implementation of the Strategic Action Programme priority actions

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
Component 1: Strengthening Moldovan-Ukrainian cooperation in the field of water resources management	Technical Assistance	**Outcome 1.1:** Riparians have strengthened political commitment and capacity to implement the Treaty on Cooperation on the Conservation and Sustainable Development of the Dniester River Basin	**Output 1.1.1:** Fully operational Dniester Commission	GET	350,000.00	1,460,000.00

Component 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	Technical Assistance	**Outcome 2.1:** Countries have strengthened the legal framework and capacity to implement the SAP, the UNECE Water Convention and the EU WFD	**Output 2.1.1:** Draft of new laws and regulations in the Republic of Moldova and Ukraine as a basis for implementation of SAP (a max. no. of 2 draft laws/ regulations per country) **Output 2.1.2:** Trainings to strengthen capacity in state authorities to implement the SAP, the UNECE Water Convention and the EU WFD (approx. 2 trainings)	GET	195,000.00	1,570,000.00
Component 3: Reducing anthropogenic impact to improve ecological status in the Dniester River basin as defined in the SAP	Technical Assistance	**Outcome 3.1:** Improved ecological status in the Dniester river basin	**Output 3.1.1:** Methodological guidelines and facilitated investment opportunities to improve the ecological status in the Dniester River basin (a max. no. of 2 methodological guidelines and 2 investment plans) **Output 3.1.2:** Demonstration projects to improve the ecological status of the Dniester River basin (a max. no. of 2 demonstration projects per country)	GET	1,850,000.00	15,665,000.00

Component 4: Adaptation to climate change and increasing preparedness for and resilience to natural disasters	Technical Assistance	**Outcome 4.1:** Improved adaptation to climate change and enhanced preparedness and resilience for floods and drought periods	**Output 4.1.1:** Update of the "Strategic Framework for Adaptation to Climate Change in the Dniester River Basin and of its Implementation Plan", and implementation of selected adaptation actions (a max. no. of 2 adaptation actions per country) **Output 4.1.2:** Maps, hydrological models, early warning and response systems for floods **Output 4.1.3:** Drought management plan and implementation of selected actions	GET	1,690,000.00	4,000,000.00
Component 5: Public awareness and involvement projects to empower and raise the capacity of stakeholders, project communications, outreach and M&E	Technical Assistance	**Outcome 5.1:** Improved capacity of experts and stakeholders to develop and participate in activities in support of water management and water cooperation **Outcome 5.2** Enabled stakeholders'	**Output 5.1.1:** Awareness raising campaigns and activities to empower stakeholders (at least 2 awareness raising actions) **Output 5.2.1:** Project website within the existing Dniester Commission website	GET	1,180,000.00	3,200,000.00

awareness and actions through effective project information sharing	**Output 5.2.2:** Communication, stakeholder and gender strategies documented, implemented and shared across the Dniester River basin	
Outcome 5.3 M &E strategy guiding project management to achieve delivery of project outputs	**Output 5.2.3:** Participation in regional and global GEF /IW:LEARN activities	
	Output 5.2.4: IW Experience Notes and other IW:LEARN related products and services.	
	Output 5.3.1: Monitoring and evaluation developed and implemented to ensure adaptive project management	

Component 6: Enhancing research for governance in the Dniester River basin as identified in the SAP	Technical Assistance	**Outcome 6.1:** Deepened, joint scientific understanding for decision making in the Dniester River Basin	**Output 6.1.1:** Networking meetings for the scientific community focusing on applied research in the Dniester basin (at least 2 meetings)	GET	450,000.00	2,700,000.00
			Output 6.1.2: Applied research as prioritised in SAP on issues such as biodiversity, including invasive species, protected areas, wetlands and monitoring			
				Sub Total ($)	**5,715,000.00**	**28,595,000.00**
Project Management Cost (PMC)						
				GET	285,000.00	1,505,000.00
				Sub Total($)	**285,000.00**	**1,505,000.00**
				Total Project Cost($)	**6,000,000.00**	**30,100,000.00**

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ukraine	In-kind	Recurrent expenditures	3,000,000.00
Recipient Country Government	Moldova	In-kind	Recurrent expenditures	500,000.00
Recipient Country Government	Moldova	In-kind	Investment mobilized	2,500,000.00
Donor Agency	World Bank in Moldova	Loans	Investment mobilized	10,000,000.00
GEF Agency	UNDP	In-kind	Recurrent expenditures	200,000.00
Other	OSCE	In-kind	Recurrent expenditures	2,000,000.00
Other	UNECE	In-kind	Recurrent expenditures	1,000,000.00
Other	Other organizations	Grant	Investment mobilized	10,300,000.00
Private Sector	Ukrnafta	In-kind	Investment mobilized	600,000.00
			Total Project Cost($)	**30,100,000.00**

Describe how any "Investment Mobilized" was identified

All “investment mobilized” were identified in consultation with the governments, and other relevant entities. Related co-financing letters will be provided during the PPG phase. The following gives a brief description of the investment mobilized co-financing included in the table above. They are indicative at this stage and will be explored further and confirmed during the project development phase. *Ukrainian national government will clarify the share of recurrent expenditures vs. investment mobilized at the PPG phase. Moldovan government is providing recurrent expenditures (staff time) as well as investment mobilized for a programme on water supply and sewage; The World Bank in Moldova is funding the Moldova Water Security and Sanitation Project (MWSSP) through a soft loan provided to the Government of Moldova. One of the subprojects includes investments for Soroca municipality for the expansion/rehabilitation of wastewater collection networks as well as construction of a wastewater treatment plant, in line with effluent discharge standards of the Republic of Moldova. This investment will support the protection of the water quality of the Dniester river; UNDP, OSCE and the UNECE are providing in-kind contribution calculated as staff time and/or contribution in the field of environmental protection, with a particular focus on water management, climate change, good environmental governance, etc. through projects and programmes; Investment mobilized from Other Organizations include the negotiations with the KfV about co-financing through a project related to

the construction of the Chisinau-Straseni-Calarasi magistrate pipeline through a grant provided to the Government of Moldova; The investment mobilized from Ukrnafta private company relates to the purchase of the oil waste recycling machine which has been approved by the shareholders of the company, and which will contribute to a limitation of the waste volume in the tailing storage facility. In light of the fact that the Polish water authorities provided the co-financing to the foundational project, the co-financing of the follow-up project will be explored in the PPG phase.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	Regional	International Waters	International Waters	6,000,000	570,000	6,570,000.00
				Total GEF Resources($)	**6,000,000.00**	**570,000.00**	**6,570,000.00**

E. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

150,000

PPG Agency Fee ($)

14,250

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	Regional	International Waters	International Waters	150,000	14,250	**164,250.00**
				Total Project Costs($)	**150,000.00**	**14,250.00**	**164,250.00**

Core Indicators

Indicator 7 Number of shared water ecosystems (fresh or marine) under new or improved cooperative management

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Shared water Ecosystem	Dniester			
Count	1	0	0	0

Indicator 7.1 Level of Transboundary Diagonostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Dniester	2			

Indicator 7.2 Level of Regional Legal Agreements and Regional management institution(s) (RMI) to support its implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Dniester	3			

Indicator 7.3 Level of National/Local reforms and active participation of Inter-Ministeral Committees (IMC; scale 1 to 4; See Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Dniester	2			

Indicator 7.4 Level of engagement in IWLEARN throgh participation and delivery of key products(scale 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Dniester	1			

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	10,000			
Male	10,000			
Total	20000	0	0	0

Part II. Project Justification

1a. Project Description

1) Global environmental problem, root causes and barriers that need to be addressed (systems description)

Global environmental problem

1. 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 Transdniestria), 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 km^2. 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 Novodnestrovsk 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.

2. The study of climate change scenarios and corresponding vulnerabilities in the Dniester river basin (https://dniester-commission.com/en/publications/climate-change/) demonstrate that water scarcity and increased irregularity of water flow are some of the looming threats to sustainable development. In the Dniester River basin, climate modelling scenarios indicate changing precipitation patterns. According to the A1B scenario[1] the annual mean flow of the Dniester river basin will not change by the mid-21 century, but according to other scenarios the fluctuations may be from -6,5 to +2,9%. However, changes are likely to be significant in the middle and lower course of the basin with estimates up to -32%. It is likely there will be longer stretches without rain, but also an increase in the intensity and frequency of heavy rains which may lead to (flash) floods. The distribution of precipitation throughout the basin may become more uneven. On the whole, milder and more humid winters can be expected, as well as hotter and drier summers. Declining groundwater levels and the further deterioration in the condition of small rivers are expected. The very dry year of 2020 in the Dniester basin may be an example of the changes expected due to climate change.

3. An analysis of the ensemble of regional climate models based on the “moderate” A1B scenario for global greenhouse gas emissions showed that compared to 1981–2010, by the middle of the century the mean annual, maximum and minimum air temperatures are expected to rise by 1.0°–1.2°C (please refer to the Support Document – Climate Change Screening for the Dniester Project). The increase in the minimum temperature will most likely be greater than the rise in the maximum temperature, as a result of which the monthly and annual amplitudes will decline[2]. At the other extreme, the Dniester’s flooding cycle is one of its distinctive features, with up to five floods occurring each year, when the water level in the river can rise by 3 to 4 metres. Climate change may exacerbate the increasing risks of serious floods.

4. The surface and groundwaters in the Dniester basin are the principal source of water for all sectors and users in Moldova but it is also important for Western and Southern parts of Ukraine. Examples of important dependent sectors are drinking water, hydroenergy, irrigation and fisheries. The population in the basin is about 2.7 million in the Republic of Moldova and 5 million in Ukraine. Although not geographically within the basin the Ukraine city of Odesa with a population of close to a million takes its drinking water from the river.

5. There is no immediate shortage of water resources in the region as a whole, although maintaining this status over the long term depends to a large degree on future changes in the river’s water regime, the economic development in the Republic of Moldova and Ukraine, and the introduction of an improved water management and use. In this context, the climate risk of the proposed project should be ranked as high (on a scale of low, moderate, high and very high).

6. Agricultural land accounts for approximately 70 per cent of the total basin area. As a result of wide-spread unsustainable agriculture practices, degradation and erosion of the soil contribute to the pollution of surface water and groundwater by run-off (including nitrogen and phosphorus compounds, pesticides and suspended substances). Point source pollution – from livestock production, public utilities and industry – accounts for a large part of the water

pollution. Most of the wastewater treatment installations are outdated and in poor condition.

7. The landscape in the basin includes forest, steppe and meadow. Flooded lakes and wetlands play a crucial role in maintaining water balance and for biological diversity. Wetlands are an important habitat and feeding grounds for migratory birds, mammals, amphibians and reptiles.

8. In the foundational GEF funded Dniester project ("Enabling transboundary co-operation and integrated water resources management in the Dniester River Basin") implemented in 2017-2021 a Transboundary Diagnostic Analysis (TDA) was conducted. The TDA identified the following key transboundary issues and their causes: Organic pollution due to insufficient sewage treatment or lack thereof; Nutrient pollution due to insufficient sewage treatment or lack thereof, as well as diffuse pollution from agricultural land; Pollution by hazardous substances from municipal and industrial discharges, and diffuse pollution; Hydro-morphological changes associated with hydropower, flood protection, as well as the regulation of the flow of small and medium-sized rivers, and Contamination by plastic and other household waste. Climate change, floods, droughts and water shortages are important factors for the relationship between water quantity and quality. Finally, invasive species are defined as a transboundary issue.

9. In this Table from the TDA, the main pressures on the Dniester Basin of the different sectors are outlined.

Sector	Pressure
Housing and utilities	Water withdrawals for domestic and municipal needs
	Pollution of surface and underground water and organic nutrient
	Contamination of household waste
Industry (including petrochemicals, pulp and pape r and food industries)	Water abstraction
	Pollution of surface and ground water by hazardous substances
	Accidental pollution and the impact of contaminated sites
Agriculture, including fisheries	Contamination of waters pesticides, organic matter and nutrients
	Invasive species, poaching
Hydropower	Disruption of the natural flow of rivers and the migration of aquatic organisms
	Changing hydrological and temperature regimes
Flood protection	Morphological changes

10. The foundational GEF project supported the establishment and operation of the **Commission on Sustainable Use and Protection of the Dniester River Basin** (Dniester Commission) and its Working Groups in its initial stages. While formally not members of the Dniester Commission, stakeholders from Transdnestria were involved in project activities where possible, including in the Commission meetings, as observers. Important project components included a report on the impact of the Dniester hydropower complex on water use and ecosystems, an analysis of spring ecological reproductive water releases from the Dniester reservoir and an inventory of tailing storage facilities along the river. Work on fisheries, joint monitoring and economic valuation of ecosystems constituted additional components.

11. 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. The SAP is framed around the following action areas/objectives:

· Reduction of water pollution from point, diffuse and plastic sources as well as prevention of accidental pollution and tailings management;

- Improvement of hydro-morphological status and potential of surface water bodies/arrays;
- Protection and prevention of surface and ground water degradation;
- Mitigation of climate change and natural disasters;
- Improvement of the regulatory framework and mechanisms for its implementation;
- Strengthening Moldovan-Ukrainian cooperation in the field of water resources management, and
- Promoting the principles of rational use of water resources.

12. The regulatory basis for water management in the Republic of Moldova as well as Ukraine is the EU Water Framework Directive (EU WFD). The EU WFD aims to achieve good ecological and chemical status or potential. More specifically the objectives are the following:

Surface waters (Annex V of EU WFD)

ü prevention of deterioration of the status of all water bodies

ü good ecological and chemical status of all natural categories of water bodies (rivers, lakes, transitional and coastal waters)

ü good ecological and chemical potential for artificial and heavily modified water bodies

ü progressive reduction and phase-out of pollution from priority hazard substances

Ground waters (Annex V of EU WFD)

ü prevention of deterioration of the status of all bodies

ü good quantitate chemical status of all water bodies

ü prevention and limitation of input of pollutants in groundwaters

Protected areas (Annex IV of EU WFD)

- achievement of standards and objectives set for protected areas in the national legislation

13. The SAP has been agreed on by the Republic of Moldova and Ukraine as an important instrument to achieve the objective of good ecological and chemical status in the Dniester River Basin. The SAP actions are derived from the TDA conclusions as well as the guidelines of the EU WFD. SAP implementation will serve to improve transboundary cooperation and coordination in water dependent sectors and overall strengthen cooperation between the two countries.

14. The Republic of Moldova and Ukraine are Parties to the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention). The step-by-step implementation of the Convention is an objective of the countries and the foundational project has provided support in this respect.

Root causes and barriers addressed

Root causes

15. The TDA completed during the foundational GEF project identified the driving forces of the transboundary and shared water management challenges (see above). Driving forces (socio-economic factors and activities that increase or decrease the load on the environment) include the use/pollution/limiting infrastructure of water in the following sectors: Housing and utilities, Agriculture, Fisheries, Hydropower and Flood protection.

16. Important root causes for the challenges identified in these sectors are:

- Weak governance framework and institutions
- Lack of technical capacities
- Lack of available and agreed-on scientific proof/ data
- Insufficient financial resources
- Poor awareness in the society and among stakeholders
- Climate change

Barriers

17. Implementation of the transboundary SAP requires support by a strong political will and awareness of economic benefits from long-term sustainable development. There is a growing appreciation of this link among decision makers, but the critical ties to ecosystem preservation, sustainable water quality and water quantity management in line with international best practices, growing impacts of climate change and emerging tensions between sector-driven water uses are not yet fully understood. There is a risk that tensions over water quantity, quality and availability may increase within the basin. Governments may also pursue sectoral economic development based on the political power of specific ministries at the cost of long-term sustainable development within and between the countries. Failure to harmonize informed efforts at the local, national and transboundary levels is likely to have negative effects.

More specifically, barriers include:

Policy & Regulatory

- Difficulty to fully enforce the SAP and the national legal framework to protect water resources and connected ecosystems.
- Difficulty to coordinate the different legal and policy framework for water management across all stakeholders in the basin, including Transdniestria.

Institutional

- Insufficient expertise and investment in capacity building to meet the many specific needs and conditions across the basin and within the countries at the local, national and transboundary levels.
- Lack of ability to prioritize water resource management across the basin due to lack of resources.
- Lack of sustained capacity to meet the required commitments of the bilateral Treaty.
- Frequent changes at institutional level/ reorganizations.

Knowledge/informational

- Lack of updated and research based data on surface and groundwater resource availability and quality, including flow and recharge rates, and insufficient capacity to effectively use already available information in relevant sectors.
- Lack of basin-wide coordinated information and analysis to support the balancing of sectoral demands.

Technological

- Lack of access to and application of technologies, including due to lack of financial resources, that can serve multiple benefits in water resource management and reduce costs of irrational water losses, pollution and environmental degradation.

18. COVID-19, and the restrictions imposed in the countries of the basin, will add to the barriers in the short to medium term. It may be necessary to develop and implement measures that respect national restrictions and hold virtual meetings and training sessions. These approaches, which are being adopted world-wide and applied during the foundational project, will need to be agreed in the inception phase of the proposed project. However, the foundational project has shown that moving to virtual meetings has not been an immediate problem. These experiences may be used to change modalities for project implementation also in the new project, if this becomes an absolute must. The imposed move to on-line work and the use of remotely accessible data have been smooth in the foundational project. There may be slight changes in the project implementation timelines in case the COVID-19 situation will be worsened as the conditions for the beneficiaries will be changed. These consequences will be reviewed during the PPG phase. However, it should be noted that virtual meetings may not achieve the same level of results as in-person meetings, especially when they become the rule rather than the exception, as they do not allow for establishing of human contact, strengthening of working relations between stakeholders and facilitating an environment conducing to enhanced interactions and communication.

The build back green agenda is being considered by the Republic of Moldova and Ukraine largely through their interest in the EU Green Deal, publicly availed in December 2019. Mainstreaming of these issues in the two project countries is being ensured through the current update of the EU association agreements (started in February 2021), and the Eastern Partenrship (stated in June 2020, to be planned in details in the upcoming summit in spring 2021). Ukraine announced aligning its commitment to join the EU Green Deal in January 2020. Such strong political commitments strengthen the project aim and objectives; moreover, authorities' interest in this topic (other than environment and water ones) is highly relevant and important, as it contributes to ensuring an even stronger country ownership of the Project results. The SAP implementation, including the pilot activities will naturaly fit in the narrow window of opportunities of the global trend of greening the national and local economy in the Dniester river basin, by offerring an efficient long-term framework for action, as well as by effectively aligning development needs with ecosystem integrity, as outlined in the SAP. Furthermore, the timing of the initiation of SAP implementation overalps with the need for change of government/institutional priorities in the midst of a COVID-ressource restricted scenario, which will provide an intial best practice example on how building back greener can be further considered and replicated in other areas and sectors.

2) Baseline Scenario and any associated baseline projects

19. The attention to transboundary water resources management in the Dniester River Basin has been high throughout the Post-Soviet period, including important contributions by NGOs. Biodiversity, water quality and in particular water release regimes from the Novodnestrovsk reservoirs have been and remain themes for debate. Floods and droughts are frequent phenomena in the basin. While there is a growing acknowledgement that there are already effects of climate change, adaptation measures are still not adequately or sufficiently considered.

20. Starting in 2004, at the request of both riparian countries, the Organization for Security and Co-operation in Europe (OSCE) and the United Nations Economic Commission for Europe (UNECE) have supported the development of transboundary cooperation on the river. In 2008 negotiations on a bilateral Treaty were initiated. After four years of negotiations and dialogue, and with the involvement of a wide range of stakeholders, the Treaty on Cooperation on the Conservation and Sustainable Development of the Dniester River Basin (Dniester Treaty) was signed by the Republic of Moldova and Ukraine in November 2012. The Republic of Moldova and Ukraine are Parties to the UNECE Water Convention and have an obligation to implement its articles. The signing of a basin-wide Treaty fulfilled part of these obligations.

21. In 2014 the Republic of Moldova and Ukraine signed and ratified Association Agreements with the European Union. The Association Agreements included the introduction and application of a number of EU WFD. Preparation of RBMPs according to the EU WFD is presently an important component of water-related activities in the two countries. In accordance with the Law of the Republic of Moldova "On Water", Moldova developed a RBMP for the Dniester Basin District, which was approved by the Resolution of the Government of the Republic of Moldova in 2017. This RBMP is presently being implemented. In Ukraine the preparations are on-going for the establishment of the first RBMP for the Dniester Basin. Support for the work on the Moldovan as well as Ukrainian side has been provided by the GEF foundational project.

22. To date, the implementation of the EU legislation including the WFD is challenged by a low institutional capacity that has been further exacerbated by frequent reorganizations, insufficient budget allocations, and lack of qualified national experts (see "barriers" above). The support of the GEF foundational project has been important for moving forward with the RBMPs. There is still quite a lot to be done in both countries, including in enhancing the interaction and engagement with relevant structures in Transdniestria.

23. The Dniester Treaty, signed in November 2012, was ratified by both parliaments in the following years. The first meeting of the Commission took place in Chisinau in September 2018. The GEF foundational project provided important support for the establishment and the operation of the Dniester Commission and its Working Groups.

24. There is also an Agreement between the Government of the Republic of Moldova and the Government of Ukraine on the Joint Use and Protection of Border Waters from 1994. The territorial scopes of the Agreement of 1994 and the Treaty of 2012 do not coincide. The 1994 Agreement applies to all "border waters", while the 2012 Treaty covers the Dniester River Basin.

25. In the GEF foundational project representatives of the public as well as authorities in this region were actively engaged with the aim to facilitate basin-wide cooperation and coordination. Furthermore, the project undertook continued and considerable efforts to engage stakeholders from Transdniestria in the project activities, with a view to enhance cooperation and coordination between all stakeholders in the basin.

26. The Republic of Moldova and Ukraine are commited to develop and implement RBMPs. However, the capacity to do so successfully in the long-term may not be sufficient. It is likely that the work underway will not be sufficiently coordinated across the basin. An efficient dialogue in the Dniester Commission and its Working Groups is crucial. This dialogue is supported by the GEF foundational project but further efforts are needed for sustained future cooperation and coordination.

27. In the absence of a new GEF Project the Dniester River will continue to be impacted by:

- Uncoordinated and uneven development of water-dependent sectors at the national and transboundary levels, due to lack of effective resource governance, shifting political and economic development priorities.
- National water management authorities, associated agencies and stakeholders that may not develop the capacity needed to fully implement the agreed-on SAP. There are challenges to the full implementation of directives such as the EU WFD and the articles of the UNECE Water Convention.
- Development planning and decisions not based on the needed information.
- Insufficient water coordination and cooperation with Transdniestria (left bank)
- Challenges to meet the commitments to the bilateral Treaty, including potentially through the suspension of activities of the Dniester River Basin Commission.

28. The proposed project builds on a set of baseline national and bilateral projects, which aim to support transboundary water management as well as national integrated natural resource management including cross sectoral coordination within the basin. These various initiatives and projects would benefit from being more firmly linked to and complemented by a wider initiative to address the integrated capacity building and other support needed for the full implementation of the SAP. In particular, the current donor investments on the ground do not sufficiently build the governance capacity on the basin level for the countries to sustain long-term basin-wide water management in line with the stated desires of the countries. A key component of this proposed project is the facilitation of investment support to SAP implementation.

29. The baseline projects that GEF will add an increment to include:

- Harmonization of Moldova´s legislation with EU Directives in the area of water supply and sanitation (Czech Development Agency)
- Strengthening the institutional framework in the water and sanitation sector in the Republic of Moldova (Austrian Development Agency, Swiss Agency for Development and Cooperation)
- Promotion of climate change and disaster risk reduction solution in the water and civil protection sectors for enhanced rural resilience (in Moldova, Austrian Development Agency)
- Rehabilitation of the water supply system in the Municipality of Nisporeni, Republic of Moldova (EU Commission)
- European Union Water Initiative Plus for the Eastern Partnership (for the Republic of Moldova and Ukraine among other countries, funded by the EU Commission, implemented by the UNECE, the OECD, Environment Agency Austria and the French International Office for Water)
- The Dniester Hydro Power Complex Social and Environmental Impact Study (funded by SIDA, implemented by UNDP Moldova)
- Inter-municipal water management along the Dniester (GIZ)
- Support to Ukraine in approximation of the EU environmental acquis (EU Commission)
- Improving environmental monitoring in the Black Sea (EU Commission)
- Moldova water security and sanitation project (World Bank)

- Prevention, Preparedness and Response to natural and man-made disasters in Eastern Partnership countries – phase 3 (PPRD East 3) (EU Commission)
- EU4Environment (EU Commission)
- EU4Climate (EU Commission)
- EU4Youth: Social Entrepreneurship Ecosystem Development (SEED) programme for Green Growth in Borderline Communities (EU Commission)
- Horizon 2020 (EU Commission)
- Black Sea Basin projects under development (EU Commission, GEF International Waters)
- Reconstruction of irrigation systems in the Lower Dniester (EBRD)

30. In the area of climate change, in the framework of previous projects, the OSCE and UNECE provided support to the two countries in advancing discussions on how future climate change might affect the situation in the Dniester basin, through the development of a joint analysis of problems and of concrete solutions to these problems. The joint work on climate change adaptation by riparians in the basin resulted in the development of a joint Strategy: "Strategic Framework for Adaptation to Climate Change in the Dniester River Basin"[3] and the association Implementation Plan for the Startegic Framework for Adaptation to Climate Change in the Dniester River Basin[4]. This is a unique example for transboundary basins and it shows that the countries are commited to the work on climate change adaptation. The document, which was prepared with the participation of environmental protection and water resources management agencies and organizations in Moldova and Ukraine and which has taken into account the views of a broad range of stakeholders, aimed, among others, to present the joint vision of the countries in the basin and to support and guide their joint actions with regard to:

· Understanding the basin as a single ecological system in the context of climate change and other types of impacts on water resources;

· Fulfilment of international commitments under the United Nations Framework Convention on Climate Change, the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes and other international agreements;

· Alignment of national adaptation plans, integrated management of sections of the basin and other similar management tools in the field of adaptation to the maximum extent possible with the demands of transboundary climate change adaptation, while avoiding "unilateral" adaptation to the detriment of other countries and parts of the basin;

· Validation and establishment of a hierarchy of investment needs for management of the transboundary Dniester basin in a changing climate, using governmental and other resources, as well as international cooperation mechanisms;

· Measures to promote improved management and transboundary cooperation in the basin as a whole.

Please refer to the Support Document – Climate Change Screening for the Dniester Project for more information on this topic.

3) The Proposed Alternative Scenario with a brief description of expected outcomes and components of the project

31. The principal components of the proposed GEF project are outlined below.

The components in the project have been designed to follow the strategic directions of action as identified in the SAP. As explained below, each project component addresses one of the strategic directions of action identified in the SAP, and have been kept separate with a view to provide a better overview on how the project supports the implementation of the SAP in each of its strategic directions and the associated achieved results. Furtheremore, this is also aimed at ensuring a smoother monitoring and evaluation of the progress achieved throughout the project implementation

- Component 1: Strengthening Moldovan-Ukrainian cooperation in the field of water resources management
This will include support to the item 6.1 of the SAP (To ensure the operation of joint Dniester River basin Commission).

- Component 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

This will include support to the following items in the SAP: 3.2. (Sustainable water resources management); 3.3. (Protect biodiversity); 5.1. (Update / development of regulatory framework); 5.2. (Application of the regulatory framework); 6.2. (Support the activities of national basin bodies);

- Component 3: Reducing anthropogenic impact to improve ecological status in the Dniester River basin as defined in the SAP

This will include support to the following items in the SAP: 1.1 (Reducing pollution from point sources); 1.2 (Reducing pollution from diffuse sources); 1.3. (Reducing plastic contamination); 1.4. (Prevention of accidental pollution and tailing dump management); 2.1. (Improvement of the hydrological regime); 2.2. (Restoration of morphological characteristics)

- Component 4: Adaptation to climate change and increasing preparedness for and resilience to natural disasters

This will include support to the following items in the SAP: 4.1. (Adaptation to climate change); 4.2. (Flood and drought risk management); Horizontal support to project activities and achievement of SAP objectives.

- Component 5: Public awareness and involvement projects to empower and raise the capacity of stakeholders, project communications, outreach and M&E

This will include support to the following items in the SAP: 7.1. (Increasing public awareness); Horizontal support to project communication and management.

- Component 6: Enhancing research for governance in the Dniester River basin as identified in the SAP

This will include support to the following items in the SAP: 3.1. (Monitoring of water bodies and information exchange); 7.2. (Ensuring scientific activity)

32. All sections included in the SAP are represented in the six project components.

33. Implementation of the project through the six inter-linked components will deliver the overall objective of the project. Component 1 will focus on the framework for transboundary water cooperation. The institutional and legal framework, and capacity on the national level is the main theme in component 2 while SAP-defined activities with a direct impact on the environment will be the focus in component 3. Climate change planning and adaptation will be the theme of component 4, and public awareness and stakeholder involvement will be important parts of component 5. Finally, component 6 will deal with research needed for a deepened understanding of issues specified in the SAP.

34. The Project Steering Committee and PCU will provide project co-ordination and oversight. This will ensure consistency and compatibility with the SAP and the activities of other parties involved in SAP implementation. The project will closely co-ordinate with the EU, USAID, World Bank, EBRD, UNECE, UN Agencies and other initiatives of donors and international organizations to support coordinated project implementation and to avoid overlap.

35. Project objective: To advance Integrated Water Resources Management in the Dniester River basin contributing to sustainable development by supporting the implementation of the Strategic Action Programme priority actions

The principal components of the proposed GEF project are:

36. Component 1: Strengthening Moldovan-Ukrainian cooperation in the field of water resources management

The component will build on the close cooperation of and support provided to the Dniester River Basin Commission and its Working Groups. It is important to further strengthen this body responsible for the implementation of the Dniester Treaty. The Dniester Commission and its Working Groups have improved the situation but additional steps are needed for a sustained and constructive cooperation. Examples of technical challenges are monitoring and information management, and strengthening joint data analysis where links to Component 6 and output 6.1.2 will be sought. This will be decided at the PPG phase, in agreement with the representatives of the Dniester Commission, including on topics such as e.g. the joint monitoring of the effectiveness of the spring water releases for the environment and the water discharge from the Dniester hydropower plant.

Component 1 will deliver Outcome 1.1: *Riparians have strengthened political commitment and capacity to implement the Treaty on Cooperation on the Conservation and Sustainable Development of the Dniester River Basin (Dniester Treaty).*

Component 1 will achieve this outcome through the completion of the following output.

· Output 1.1.1: Fully operational Dniester Commission

Activities planned will support and further develop the work of the Dniester Commission and its Working Groups, as well as transboundary activities of national basin committees/councils.

The activities undertaken in this output could include:

- Support to the activities of the Working Groups
- Support of professional mediators and other experts
- Twinning and experience sharing with other transboundary basins
- Facilitation of the active involvement of all stakeholders across the basin, including stakeholders from Transdniestria
- Facilitation of transboundary dialogue between national authorities and councils

Efforts to develop joint data protocols, mainstreaming of joint data standards, etc.

37. **Component 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**

Component 2 will build on the TDA, the UNECE Water Convention and the approved SAP, and also the on-going implementation of the EU WFD. In the Republic of Moldova and Ukraine new water legislation and regulations are being drafted and adopted but additional efforts are needed. There is also a need to raise capacity of institutions and officials to manage the improvement of national and transboundary water management.

Component 2 will deliver **Outcome 2.1**: *Countries have strengthened the legal framework and capacity to implement the SAP, the UNECE Water Convention and the EU WFD.*

Component 2 will achieve this outcome through the completion of the following outputs.

· **Output 2.1.1: Draft of new laws and regulations in the Republic of Moldova and Ukraine as a basis for implementation of SAP**

On the basis of needs identified with regard to water policy, legislation and regulations support will be provided. This work, undertaken at the national level will support implementation of SAP. It is difficult at the PIF stage to give an exact number of draft laws and regulations to be developed as this will be further evaluated during the PPG phase, with the close involvement of the representatives of the Dniester River Basin Commission. It is expected, however, that support can be given to the drafting of maximum two laws/regulations for each country (please refer to table B).

The activities undertaken in this output will include:

- Draft laws and regulations presented to countries for consideration in view of adoption

· **Output 2.1.2: Trainings to strengthen capacity of state authorities to implement SAP, the UNECE Water Convention and the EU WFD**

This output will respond to capacity building needs in the water sector and organize targeted training courses for staff responsible for water management.

The activities undertaken in this output will include:

· Training courses at the national and basin levels

38. **Component 3: Reducing anthropogenic impact to improve ecological status in the Dniester River basin as defined in the SAP**

Component 3 will build on conclusions from the SAP and RBMPs on how to improve the ecological status of water bodies in the Dniester River Basin. This includes application of directed policy efforts as well as facilitation of investments. Efforts will be made to identify opportunities where the GEF-project can catalyse or provide direct support to planning of investments and other activities. Stress reduction efforts will be accompanied by associated governance mechanisms as developed under other components.

Component 3 will deliver **Outcome 3.1**: *Improved ecological status in the Dniester river basin*

Component 3 will achieve this outcome through the completion of the following outputs.

· **Output 3.1.1: Methodological guidelines and facilitated investment opportunities to improve the ecological status in the Dniester River basin**

This output will be based on opportunities listed in the SAP and national RBMPs for improvement of the ecological situation in the Dniester River Basin. Important concerns in this respect are sewage networks, communal and industrial wastewater treatment (including management of sludge), agriculture, waste management, tailing storage dams and protected areas. Activities may contribute to preparations of actions implemented including in the framework of the GEF project (Output 3.1.2) to decrease environmental risks. Not more than two plans/analyses/methodologies per country will be prepared under the project.

The activities undertaken in this output could include:

o Analysis of opportunities for investments in cooperation with IFIs and local authorities

o Support to development of Code for Best Agricultural Practise

o Pre-feasibility studies for investments such as sewage treatment

· **Output 3.1.2: Demonstration projects to improve the ecological status of the Dniester River basin**

This output will be specific and targeted actions to improve the ecological status in the Dniester River Basin based on the identification and analyses in Output 3.1.1. Activities – some of which may be prepared under Output 3.1.1 - will directly impact the environmental situation or decrease the risk or consequences of accidents. Not more than 2 demonstration projects per country are expected.

The activities undertaken in this output could include demonstration projects such as:

o PPP project on use of partially treated sewage water for irrigation or on alternative sewage treatment systems in small settlements (this is, *inter alia,* a measure of adaptation to climate cnhage).

o Plan for liquidation of consequences of accidents at tailing storage facility, considering guidelines of the Convention on the Transboundary Effects of Industrial Accidents.

o Emergency response planning and test exercises at tailing storage facilities (considering guidelines of the Convention on the Transboundary Effects of Industrial Accidents).

Improvements of protected areas network/protective zones in the basin.

39. **Component 4: Adaptation to climate change and increasing preparedness for and resilience to naturally induced disasters**

Component 4 will build on conclusions from and further develop the “Strategic Framework for Adaptation to Climate Change in the Dniester Basin” agreed on by the Republic of Moldova and Ukraine (https://dniester-commission.com/wp-content/uploads/2018/12/Dniester_English_web.pdf), and efforts to operationalize this Strategy, based on its Implementation Plan (https://dniester-commission.com/wp-content/uploads/2018/12/ImpPlan_Engl_web.pdf).

Floods and droughts are common in the basin and there is a risk stressed in the SAP that as a result of climate change such events may be registered with increasing frequency and amplitude. The project will address climate risks in this and other project components.

Component 4 will deliver **Outcome 4.1**: *Improved adaptation to climate change and enhanced preparedness and resilience for floods and drought periods*

Component 4 will achieve this outcome through the completion of the following outputs.

· **Output 4.1.1: Update of the "Strategic Framework for Adaptation to Climate Change in the Dniester River Basin" and of its Implementation Plan, and implementation of selected adaptation actions**

This output will review the situation in the basin with regard to adaptation to climate change taking into account the basin-wide Strategic Framework agreed on by the Republic of Moldova and Ukraine, and propose updates of the Strategy. National documents on adaptation to climate change will be part of the analysis. Possibilities for specific pilot adaptation efforts to be supported by the project will be considered.

The activities undertaken in this output will include:

o Review and update of the Strategy

o Implementation of selected adaptation actions

· **Output 4.1.2: Maps, hydrological models, early warning and response systems for floods**

This output will contribute to planning to decrease risks for and consequences of floods on the basis of SAP and previous projects implemented in the basin

The activities undertaken in this output could include:

o Support to development of early warning and response systems for floods

o Support to mapping and modelling of floods

· **Output 4.1.3: Drought management plan and selected actions**

This output will help Riparians to manage droughts within and between seasons.

The activities undertaken in this output could include:

o Support to development of drought management plans

o Support to selected drought management actions

40. **Component 5: Public awareness and engagement projects to empower and raise the capacity of stakeholders, project communications, outreach and M&E**

The component will build on the public awareness initiatives made during the foundational project and cooperation established with NGOs in the Republic of Moldova (including Transdniestria) and Ukraine. There will be a particular focus on raising the awareness of SAP and facilitating engagement and empowering stakeholders at all levels for SAP implementation.

The component will also ensure that the lessons and experiences acquired during project implementation at national and transboundary levels (including with reagrds to the climate change) are disseminated widely, and that project monitoring and evaluation (M&E) is implemented with results reported.

Component 5 will deliver Outcome 5.1: *Improved capacity of experts and stakeholders to develop and participate in actions in support of water management and water cooperation;* Outcome 5.2 *Enabled stakeholders' awareness and actions through effective project information sharing; and* Outcome 5.3 *M &E strategy guiding project management to achieve delivery of project outputs*

Component 5 will achieve this outcome through the completion of the following outputs.

· Output 5.1.1: Awareness raising campaigns and activities to empower stakeholders

This output will develop and support various initiatives that will help to broaden the awareness, understanding and engagement in SAP implementation among the public and stakeholders. The successful implementation of the SAP, in light of the threats exposed in the TDA, requires that stakeholders from all segments of society are active and empowered to take responsibility of and influence water management.

Results of the events, research and studies under 6.1.1 and 6.1.2. will be considered for presentation during the public awareness campaigns.

The activities undertaken in this output could include:

- o Organization of youth summer schools
- o Holding of competitions to raise awareness
- o Communication campaigns to ensure access to public information among stakeholders and the public
- o Support to the Dniester Green Alert platform

· Output 5.2.1: Project website within existing Dniester Commission website

The project will continue to manage a project subpage established during the foundational GEF project at the Dniester Commission website. The website will be further updated during the inception phase of the project including with links to other regional projects and partner organisations.

· Output 5.2.2: Communication, stakeholder and gender strategies documented, implemented and shared across the Dniester River basin

During the PPG phase draft communication, stakeholder engagement (reflecting any likely COVID 19 restrictions and means to continue engagement minimising travel and contacts) and updating the Gender Strategy developed within the framework of the foundational project (including M&E indicators and targets) will be prepared for submission with the Project Document for GEF CEO endorsement. The draft strategies will be revised during the inception phase and approved at the inception meeting/first PSC meeting. These inclusive strategies will define the work of the project in dealing with different stakeholder

groups, integrating inclusive participatory approaches, and ensuring that the project adopts an active role in encouraging the involvement of girls and women in ecosystem management within the basin. The Aarhus Centres in the Republic of Moldova and Ukraine will be actively engaged in the development of this output.

· Output 5.2.3: Participation in regional and global GEF /IW:LEARN activities

The project will actively engage (in-person and remotely) with the GEF IW:LEARN project to participate in regional and global IW project exchanges, activities of the UNECE Water Convention and other information sharing events hosted by the OSCE. In addition, the project will participate in 2 GEF IW Conferences with the participation of national representatives from Riparians and project staff.

· Output 5.2.4: IW Experience Notes and other IW:LEARN related products and services.

Following IW best practices, the project will prepare at least three GEF Experience Notes related to involvement of the hydro-energy sector, approximation to the EU, etc. In addition, the project will engage with IW:LEARN to prepare other relevant material as required on the activities of the project to ensure that lessons are shared widely throughout the GEF IW community of projects.

The project will contribute 1% of the GEF budget to support the GEF IW:LEARN activities to share experiences within the IW community of projects through global and regional meetings, twinning -, and capacity development activities.

· Output 5.3.1: Monitoring and evaluation developed and implemented to ensure adaptive project management

A detailed M&E plan will be developed during the PPG phase and revalidated at the Project Inception/PSC meeting. The plan will detail the expected information to be gathered and specified by the responsible project staff, for the routine monitoring and evaluation to meet GEF and UNDP requirements (e.g. PIRs, quarterly reports, etc.). The M&E plan will ensure that indicators and their targets presented in the Project Results Framework are collected at the required time. The plan will also provide an outline Terms of Reference for the independent Mid-Term Review (MTR) and Terminal Evaluations (TE) that will be conducted.

41. Component 6: Enhancing research for governance in the Dniester River basin as identified in the SAP

This component will build on the needs identified in the SAP for further development of the understanding of the Dniester River Basin, and promote the engagement of research institutes and researchers. It is a key aspect that institutions and scientists from the different Riparians cooperate in the development of new knowledge. Possible synergies with Output 5.1.1 will be considered during the PPG phase.

Component 6 will deliver Outcome 6.1: *Deepened, joint scientific understanding for decision making in the Dniester River basin*

Component 6 will achieve this outcome through the completion of the following outputs.

· Output 6.1.1: Networking meetings for the scientific community focusing on applied research in the Dniester basin

This output will aim to facilitate development and cooperation of research institutes and researchers in the Riparians and also with a broader community of international researchers.

Results of the events, research and studies will be considered for presentation at the events under 5.1.1. The engagement of the wider science community with a view to inform interest and skills of a new generation will be taken into account.

The activities undertaken in this output could include:

- Support to events in the area of science and research as relevant in the Dniester basin
- Support to virtual and face-to-face meetings of research groups

· Output 6.1.2: Applied research as prioritised in SAP on issues such as biodiversity, including invasive species, protected areas, wetlands and monitoring

The project will support selected research activities including field work. Results of the events, research and studies will be considered for presentation at the events under 5.1.1. The engagement of the wider science community with a view to inform interest and skills of a new generation will be taken into account.

The activities undertaken in this output could include:

- Research related to improvement of monitoring systems and protected areas
- Studies of issues related to biodiversity such as invasive species

4) Alignment with GEF focal area and/or Impact Program strategies

42. The project is aligned with Objective 3 of GEF 7 International Waters Programming Directions: *Enhance water security in freshwater ecosystems*. The focus of the project is IW 3-6 Enhanced cooperation on shared freshwater basins. The demonstration projects in Output 3.1.2 are also aligned with IW 3-7 Investments in water/food/energy/environment security and Component 4 with IW 3-5 info exchange/early warning. The project will further provide benefits to the GEF Biodiversity and Climate change focal areas This will be achieved by implementation of the 6 components included in the project outline.

5) Incremental/Additional Cost Reasoning and Expected Contribution from the Baseline, the GEFTF, LDCF, SCCF, and co-financing

43. The GEF grant (GEFTF) of $6,000,000 is leveraging a co-financing contribution of approximately $30,100,000 that will collectively contribute to the implementation of the agreed-on SAP for the Dniester River Basin.

44. In the framework of implementing the SAP and coordinated RBMPs, the GEF funding will enable the consolidation of country and transboundary efforts to reduce transboundary degradation of the Dniester River Basin. This will strengthen the implementation of IWRM and enhance water security at the national and transboundary levels, and encourage ecosystem-based management. The GEF follow-up project is the only planned initiative aiming to deepen the transboundary water cooperation, contributing thus to good neighbourly relations between countries, and focusing on SAP implementation. Activities are building on the extensive baseline of completed and on-going national and regional actions and, the institutional capacity that the participating countries will provide as a resource to this project. The GEF resources will support incremental activities including:

Component 1 will develop Moldovan-Ukrainian cooperation in the field of water resources management by further strengthening the Dniester Commission and its Working Groups. The framework for cooperation is in place but additional steps are needed for a sustained constructive cooperation.

Component 2 will strengthen the regulatory framework and national capacities to implement SAP, country commitments under the UNECE Water Convention and the EU WFD in the Dniester basin. New water legislation and regulations are being drafted and adopted in the Republic of Moldova and Ukraine but additional efforts are needed. Raising capacity of institutions and officials to manage the improvement of water management is also important.

Component 3 aims to directly reduce anthropogenic impact to improve ecological status of water bodies. This includes application of directed policy efforts as well as preparations for investments. Stress reduction efforts will be accompanied where needed by associated governance mechanisms as developed in other components.

Component 4 focuses on the adaptation to climate change and the need for increasing preparedness for and resilience to naturally induced disasters. Floods and droughts are common in the basin and, as a result of climate change, such events may be registered with increasing frequency and amplitude.

In Component 5 Public awareness and, involvement and empowerment of stakeholders are in the centre of the attention. Project communications, outreach and project monitoring and evaluation are also part of this component.

Component 6 supports research for governance in the Dniester River basin as identified in the SAP. It is a key aspect that institutions and scientists from the different Riparians cooperate in the development of new knowledge.

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[1] https://dniester-commission.com/wp-content/uploads/2019/09/Dniester_English_web-1-1.pdf

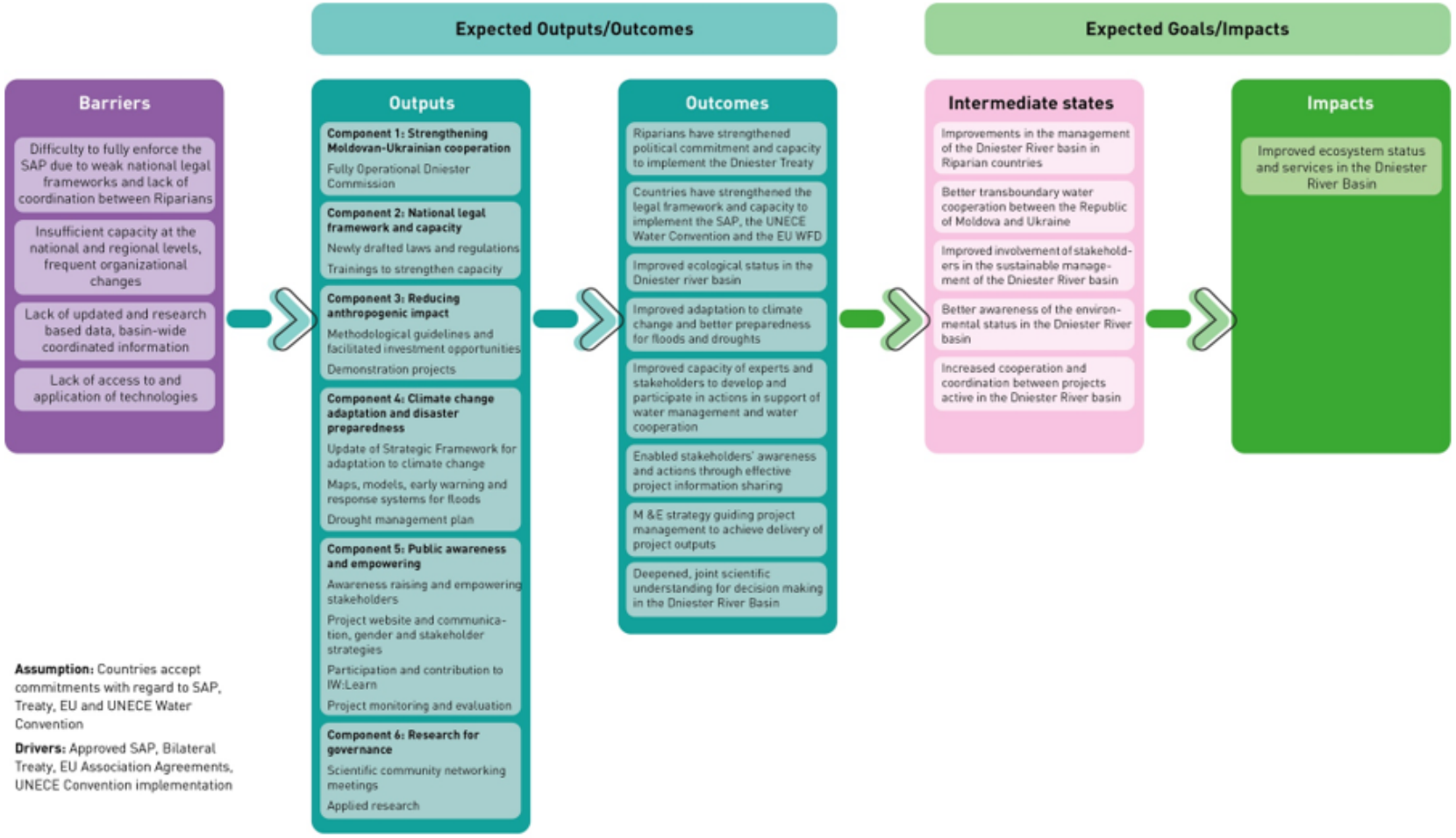
[2] https://dniester-commission.com/wp-content/uploads/2019/09/Dniester_English_web-1-1.pdf

[3] https://dniester-commission.com/wp-content/uploads/2019/09/Dniester_English_web-1-1.pdf

[4] https://dniester-commission.com/wp-content/uploads/2018/12/ImpPlan_Engl_web.pdf

A simplified Theory of Change (ToC) is shown below for this project intervention in the Dniester River basin.

Figure 1. Simplified Theory of Change.



6) Global Environmental Benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)

45. The proposed project is expected to lead to improvements in transboundary water management through both national and transboundary activities. In the longer term, as the SAP is implemented, improvements in the environmental and water resource status in the Dniester River Basin should be clearly identifiable.

46. The project will enable the countries to build confidence at the national and transboundary levels for improved water management and strengthened regional cooperation. There will be opportunities for developing shared solutions and exchanging lessons learned. 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, even under the challenge of climate change.

47. The proposed project will ensure capacity development based on the same principles in both countries, and promote the sense of local ownership of both national and transboundary solutions. This will increase confidence within and between states, and build lasting linkages for long-term sustainable development.

48. Through the multiple outputs from this project the Global Environmental Benefits (GEBs) will be a long-term positive contribution to the achievement of an improved environmental situation in the Dniester River Basin including with regard to the main priorities of GEF 7 IW focal area: Integrated land and water management, such as through advancing the nexus approach in watersheds and basins, and prevention of nutrient pollution.

49. The project will contribute to improving adaptation capacity to climate change and enhancing preparedness and resilience for floods and drought periods. The activities proposed include a review of the situation in the basin with regard to adaptation to climate change taking into account the basin-wide Strategic Framework agreed on by the Republic of Moldova and Ukraine.

50. The project will contribute to addressing some of the serious ecological challenges within the Dniester River Basin including the loss of biodiversity. The project will contribute, through applied research as prioritised in SAP, on issues such as biodiversity, including invasive species, protected areas, wetlands and monitoring.

7) Innovation, Sustainability and Potential for Scaling Up

51. Innovation: The project will build on the approaches gained from the previous GEF and other donor initiatives in the Dniester River Basin. The project's innovation will include the 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 is another innovation for GEF IW that contributes to the GEB priority nexus approach. The introduction of robust modelling hydrological models is new for the basin in the development of flood protection. Involvement of professional mediators and communications experts will boost the efficacy of the project interventions.

52. Sustainability: The actions under this project will be designed with sustainability as a core component. Sustainability of the actions will be supported by:

o The long-term engagement for cooperation of the two countries under the bilateral Treaty and the Dniester Commission will be further strengthened by project activities;

o A close cooperation with NGOs in both countries engaged in transboundary water cooperation;

o Involvement of stakeholders across all levels, in the Republic of Moldova (including Transdniestria) and Ukraine;

o Training of experts and stakeholders in the basin will contribute to the establishment of sufficient national capacity,

o Support to the application in the two countries of the UNECE Water Convention, EU WFD and other EU Directives. The Association Agreements with the EU signed by the two countries are a particularly important driver of policy change. These agreements prescribes duties and schemes for the integrated management of natural resources that, to a large degree, coincides with GEF objectives and approaches, and

o The beneficiary countries have submitted official letters requesting support for the implementation of the Strategic Action Programme (SAP) and further development of IWRM with the understanding that the new project should involve relevant stakeholders in the basin. This provides a good basis for the sustainability and accomplishment of project plans. At the same time, the countries are willing to take steps in support of SAP implementation also in the longer perspective. If individual measures of the SAP would not be entirely supported or implemented within the project, it is likely that the countries find means to provide their own support.

53. Potential for scaling-up: The key elements appropriate for upscaling to other river basins include:

o The experience of the Republic of Moldova and Ukraine to find synergies between the GEF IW process with the application of EU legislation;

o Demonstration projects, including in cooperation with IFIs, as for example on alternative sewage treatment etc. can be scaled up for use in other parts of the basin;

o The experience of the Republic of Moldova and Ukraine on addressing climate change related challenges at basin-wide level;

- Involvement of professional mediators and communication experts;
- The experience of NGO representatives being part of the Dniester Commission, and

The close involvement of organizations and representatives of the hydro-energy sector in basin-wide cooperation.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

N 46° 18' 14" E 30° 16' 25" – for map see Annex A.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above, please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

As was the case in the foundational project, the stakeholders engagement strategy will be developed by a communication expert (e.g. following Edward Freeman methodology and the Mendelow matrix), and will be regularly revised by the regional coordinator and the communication expert during the project implementation phase.

The whole Dniester commission: the co-chairs, heads and members of the Working Groups (WG) as well as the secretaries were involved into the SAP drafting and commenting providing the basis for the PIF. Members of the WG representing water and environment (central and local) authorities, research institutes, NGOs were also part of the process.

The PIF has been discussed with members of the Dniester Commission, national authorities and experts, NGO and local representatives. The PIF dialogue also included Ukrhydroenergo state Co, Ukrnafta (oil extracting and refinery Co), an agricultural Co, a number of international organizations (EU Delegations, UNDP), and development banks (NEFCO, EIB, EBRD, the World Bank, KfV)

The team of the foundational project has been in touch with the development banks in the riparian states and presented the findings of the TDA including priority sites where pollution e.g. from the sewage and tailing storage facilities should be addressed. The Dniester Commission and the project team have also presented the SAP to various bilateral and multilateral donors with indication of the priority investments as per donors' strategies.

In the PPG phase, an enhanced participatory approach will be followed, through the involvement of a wide variety of stakeholders. Multiple groups from 'Community to Cabinet' have a stake in the management and use of resources in the Dniester River Basin, therefore many of these stakeholder groups will be consulted in the formulation of the full Project Document. This is vital for the long-term impact of activities undertaken by the project. Some 100 people attended the inception meeting of the foundational and final project meetings and this approach will continue to be followed also in the new phase of the project. Consultations will take place in face-to-face meetings (if possible due to the covid-situation) and/or in an on-line format. Opportunities for written input from a wide range of stakeholders will be made possible. Consultations will involve authorities responsible for water management and water-related sectors in the Republic of Moldova (including Transdniestria) and Ukraine, NGOs in the Riparians, stakeholders involved in water use as well as water protection representing for example local communities, Vodokanals, protected areas, research, hydroenergy, agriculture. fisheries among others. In order to achieve a good coordination with other international projects, donors and international organizations will be consulted in the PPG phase.

NGOs have been strongly engaged in the transboundary management of the Dniester River basin since early 1990s. There is a network of 55 Moldovan and Ukrainian NGOs united as an association. Its members take part in the work of the bilateral Dniester Commission, in related research, public awareness activities, contribute to strategic documents like the TDA and the SAP.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

It is widely acknowledget that women and men have different roles regarding the usage and management of natural resources, particularly water, throughout the world, including in the project countries. As for example, according to the State Agency of Water Resources of Ukraine, in order for powerful hydraulic structures to work reliably, they need careful maintenance and constant care for their functioning. Most of the people who undertake such work are men. Women, in turn, perform equally important functions, in particular, they most often carry out calculations, draw up balances, analyze the quantitative and qualitative indicators of water resources, and establish interaction with organizations involved in water issues.

The project will pay dedication attention to the importance of ensuring equal rights and opportunities for men and women in transboundary water resoureces management, to promoting a gender-balanced approach to water governance/management (e.g. inviting female managers from national and local levels to the project activities) and to supporting educational material to encourage more girls/women to participate in water and environmental issues at all levels of society. Furthermore, through the implementation of its activities, the project will also offer an avenue for participants to engage in disussions regarding potential opportunities aimed at enhancing women's participation in decision-making in the area of water management.

Furthermore, competiton over natural resources, including water, can lead to tensions, which, in turn may increase the risks of conflicts. With water being a strategic resource crucial to local, national and regional security and peace, gender mainstreaming in water governance becomes an additional contributing factor to stability and security by leading to more effective policies and reducing social imbalances and tension. An inclusive approach to water management issues also increases transparency and can reduce corruption.

The Gender Strategy developed within the framework of the foundational project (including M&E indicators and targets) will be updated and prepared for submission with the Project Document.

As it was the case in the foundational project, all project activities will follow a gender strategy to be developed in the inception phase and will, as a minimum, record sex-disaggregated data on all participants.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project’s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

Private sector engagement is important for the project as many sectors with private interests uses the water and water-related ecosystems. Significant efforts will be made to communicate with private sector stakeholders and engage them in a dialogue with the objective to improve management in the Dniester River Basin.

Private sector engagement is important for the project as some sectors with private interests use the water and water-related ecosystems. Significant efforts will be made to communicate with private sector stakeholders and engage them in a dialogue with the objective to improve management in the Dniester River Basin. There have already been discussions with Ukrnafta Co, a company extracting oil and gas in Ukraine, with regards to cooperation on the management of the tailing management facilities, e.g. cooperation with the national and local authorities on improvement of the national legislation, updated vision of the use of the ecological fund, sharing experience of planned pilot activities of the Ukrnafta Co with other companies in this domain. Within the framework of the foundational project, the project team has been developing a dialogue with the agricultural sector of Ukraine, particularly, on potential pilot projects to use sewage water for irrigation, to be implemented as a private-public partnership with the sewerage management authorities. These intentions are described in the Component 3.

5. Risks to Achieving Project Objectives

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Risk	Likelihood (H, M , L)	Mitigation measures
National authorities in the Republic of Moldova and Ukraine fail to fully implement the on-going water sector reform.	L-M	The implementation of the water sector reform by the national authorities may face low-to-medium risk of being incomplete, pending ongoing governance challenges. The project will support the process by drafting of relevant legislation and providing necessary capacity building to enable the process.
National authorities fail to establish a constructive dialogue in the framework of the Dniester Commission	L	The Project will support inter-ministerial and inter-sectoral co-ordination in the respective countries and the bilateral dialogue through components 1 and 2. The project will propose the use of mediators where needed.
Climate change	L	The project will assist with updating the potential climate change risks in the basin and, where necessary, make recommendations on adaptation measures. Please refer to the Support Document – Climate Change Screening for the Dniester Project.
Lack of involvement and interest from Transdnestria in cooperation on river basin management including the implementation of the SAP	M	Contacts in this region have been developed during the foundational projects, as well as during the previous baseline projects implemented by the OSCE. Representatives of relevant organizations from Transdniestria took part in a number of activities during the foundational project. The role of the OSCE, as the executing agency, and considering its experience and mandate in the context of the Transdniestrian settlement process will also be relevant in ensuring the interaction and en

		gagement with relevant structures in Transdniestria.
Lack of support from private sector or civil society in the SAP implementation.	L	Component 5 will focus on the involvement of stakeholders including the private sector and the civil society to ensure that there is awareness and support of basin-wide cooperation on water management. There are good contacts as the foundational project has developed a constructive cooperation with civil society organizations. Stakeholders at all levels will be involved in the expected PPG phase, including the civil society, which will contribute to increasing ownership and interest for the later stage of project implementation (SAP implementation).

Co-ordination with other national and regional projects does not function effectively	L	As during the foundational project, the new project will actively encourage co-operation and co-ordination between GEF and other donors' projects. As in the foundational project, information and lesson sharing will be promoted by the facilitation of a broad participation in relevant meetings.
Covid-19 restrictions limit travel and in-person meetings	L	COVID-19 poses a short-medium term risk to the project execution and the project will develop a stakeholder and communication strategy that will describe alternative, virtual methods of communications and meetings when travel/social contact is not permitted. The presently on-going foundational project has a good experience from applying these alternative methods and adjusting to changing circumstances imposed by COVID-19 pandemic. The project will assess the longer-term impacts of any on-going COVID restrictions on e.g. sustainability or changes in working practice during project implementation.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

The proposed project will be implemented through the UNDP and executed by OSCE in collaboration with UNECE.

The Organization for Security and Co-operation in Europe (OSCE) will be the project executing agency. The OSCE is the world's largest regional security organization under Chapter VIII of the UN Charter. The OSCE comprises 57 participating States in North America, Europe and part of Asia (http://www.osce.org/participating-states) as well as 6 Mediterranean and 5 Asian Partners for Co-operation (https://www.osce.org/partners-for-cooperation)

Within the OSCE, security is defined in a broad context - what is referred as comprehensive security. This comprehensive security approach incorporates three dimensions, namely the politico-military, the economic and environmental, and the human dimension. In the economic and environmental dimension (referred also as Second Dimension), the OSCE mandate is to monitor and counter risks to security and stability that are caused by economic and environmental factors and to promote co-operation in this field with the objective of conflict prevention and confidence building. This mandate is put into action by the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) within the OSCE Secretariat (headquarters) in Vienna, Austria in close co-operation with OSCE Field Operations (country offices) in the countries in the following sub-regions: South-Eastern Europe, Eastern Europe (OSCE Mission to Moldova and OSCE Project Co-ordinator in Ukraine), the South Caucasus and Central Asia.

Working in partnership with many international organizations, including the UNDP and UNECE, national governments and civil society groups, the OSCE is active in a wide spectrum of areas related to the environment. The main areas of OSCE projects and programmes include water management, disaster risk reduction, hazardous waste management, climate change and good environmental governance. Since water is a strategic resource and an essential element of national and regional security and given the fact that over 150 rivers and lakes in the OSCE region are transboundary water bodies, promoting transboundary co-operation in such basins is a priority area of action for the OSCE. To date, the OSCE has supported transboundary water co-operation in all of the four sub-regions listed above through various projects in close co-operation with its partners.

Given OSCE's mandate and experience as a regional security organization, and the political significance of some envisioned project activities (e.g. support for the work of the bilateral Commission, implementation of the SAP activities, basin-wide activities in the area of climate change) in the context of bilateral relations between Moldova and Ukraine, the OSCE will have an important role in facilitating close collaboration with the Ministries of Foreign Affairs of both

countries.

The OSCE's experience and mandate in the context of the Transdniestrian settlement process will also be relevant in ensuring the interaction and engagement with relevant structures in Transdniestria. The OSCE has the necessary programmatic, managerial and administrative experience and capacity of implementing multi-stakeholder and multi-sectorial projects. The OSCE experience in the development, endorsement and implementation of the transboundary climate change adaptation strategy for the Dniester Basin is a good example in this regard.

As outlined further above, collaboration between OSCE country offices and the Secretariat in Vienna has provided an excellent capacity for project implementation. Furthermore, the Organization has a long-track first-hand experience in the region and in the Dniester River Basin in particular and long institutional memory in this area.

OSCE has a long-track record of managing a large number of projects dealing with water management, including transboundary water cooperation in South Eastern Europe, Eastern Europe, South Caucasus and Central Asia, as well as projects in other environmental thematic areas, such as disaster risk reduction, hazardous waste management, climate change or good environmental governance.

In particular, in the Dniester River Basin, at the request of the Republic of Moldova and Ukraine, since 2004 the OSCE has been involved in facilitating transboundary cooperation in the Dniester River Basin, in close cooperation with UNECE. Since then, within the framework of the Environment and Security Initiative (ENVSEC), the OSCE, in collaboration with UNECE have conducted a series of projects in the areas of flood management, protection of biodiversity, including fish diversity, transboundary monitoring, information and data sharing and public awareness raising, etc. Furthermore, the two organizations supported the development of a number of milestone deliverables. Most importantly, the evolving co-operation resulted in the negotiation and signing by Moldova and Ukraine of the bilateral Treaty on Co-operation on the Conservation and Sustainable Development of the Dniester River Basin (Dniester Treaty) in 2012 and of the establishment of the Dniester River Basin Commission.

In all its areas of work, the OSCE works in close collaboration with other international organizations, bilateral donors and beneficiary countries. The political sensitivity of the organization, with its comprehensive approach to security, encompassing the politico-military, economic and environmental and the human dimensions has made it a successful partner in all areas in which it operates, including in the field of transboundary water cooperation.

The OSCE has a well-established system ensuring responsibility and accountability for the effective use of donor resources and the delivery of outputs. It will embed the project into the OSCE project management systems, ensure establishment and operationalization of the Project Co-ordination Unit and supervise its work. It will have responsibilities related to reporting, including quality assurance of narrative and financial reports, as well as monitoring and evaluation. This will be supplemented by the technical quality assurance provided by UNDP, as needed.

As was the case for the foundational project, the OSCE will have a dedicated team deployed both on the ground - in the OSCE Field Operation in Kiev, Ukraine (OSCE Project Co-ordinator) and OSCE Mission to Moldova - and in the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) in Vienna all with first-hand experience on the Dniester and long institutional memory. A Project Steering Committee Advisory and Guidance Panel (AGP, three persons per country) representing key stakeholders groups, selected by the Focal Point Ministries, in both Moldova and Ukraine, will continue to provide advice and guidance to the Project. During the foundational project contacts between the AGP and the project coordinator has been frequent, This setup supports the overall coordination process and direct interaction with regional bodies. The foundational project has already established close and productive connection with the relevant agencies in the two countries, involving experts and specialists from the respective agencies in the technical work of the project. Furthermore, a number of capacity building activities responding to the needs identified by the countries have been organized in the framework of the project: e.g. a high-level field visit to study transboundary water management in Spain and Portugal, twinning and experience sharing activities trainings for representatives of the hydrometeorological centers and universities, etc. The project team regularly communicates with the stakeholders on a regular basis: at workshops, international fora, ad hoc meetings, telephone, etc. It is expected that the same good communication and co-ordination will continue in the new project.

The project will coordinate with planned and ongoing projects and activities in the region. Through the development of appropriate mechanisms (described below in Section 8 - Knowledge Management and in Component 5 activities) the results of this project will be shared widely. The dissemination of results will be guided by a communication strategy that will be drafted during the PPG phase and updated within the first few months of project execution. OSCE will establish a project management unit (PMU) to coordinate all day to day activities based either in Chisinau or in Kiev (TBC).

Project coordination: A Project Steering Committee (PSC) will be established under the name of “Dniester Project Steering Committee" to oversee project implementation and execution and to ensure continued regional ownership. The Dniester PSC will provide overall strategic policy guidance for the project and play a critical role in reviewing and approving the project planning & execution conducted by the OSCE. In line with the adoption of an adaptive management approach, the Dniester PSC will review project

progress, make recommendations and adopt the annual project work plans and budget. The PSC will meet annually and include representatives of the Republic of Moldova and Ukraine, GEF Agency, partners (including private sectors, civil society, academia etc.) etc. The GEF Agency will be responsible for contracting independent evaluators for undertaking the mid- and terminal evaluations. The PMU will be responsible for undertaking routine M&E activities to provide quantifiable evidence on the performance of the project in achieving the expected outputs and outcomes and for reporting this information to the PSC and assist the GEF Agency prepare annual PIR submissions to the GEF.

Co-ordination with regional bodies:

The project will co-operate closely with the Dniester Commission and its Secretariat.

The Dniester Commission is in contact with the Black Sea Commission via the Ukrainian focal points to the Black Sea Commission. The project results, i.e. the TDA with the identified pollution sources, results of the screening (40,000 chemicals), pressures and impacts risks have been communicated to the Black Sea Commission.

The ICPDR has been an official technical partner of the foundational GEF Dniester project (with an exchange of official letters). The ICPDR Secretary consulted the project on issues such as hydropower management, flood management, river basin management planning, etc. The Republic of Moldova chaired the ICPDR in 2020 and the Dniester experience was used in the Danube and vice versa. Ukraine is also an active member of the ICPDR and is applying this experience to the Dniester Commission.

The follow-up project aims at the same fruitful strategic and technical cooperation with the Black Sea and the Danube Commissions.

Coordination with other GEF projects:

There may be links to a GEF project in the Black Sea: "Implementing Ecosystem Based Management approaches in the Black Sea LME". The project will work closely with IW:LEARN and the UNECE to participate in relevant regional and global workshops to ensure that the results of this project are available to the wider IW community of projects.

Coordination with non-GEF initiatives:

The project will also coordinate with the multiple EU projects and other projects being undertaken in the region as indicated in the Baseline presented in this document (Section 1a.2). Coordination and exchange of information will also be made with other projects and initiatives undertaken by the OSCE within the water management portfolio implemented across the OSCE region.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions?

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

The project will support national priorities and plans within the Republic of Moldova and Ukraine through its contributions to:

· The objectives of the Treaty on Cooperation on the Conservation and Sustainable Development of the Dniester River

· Support of objectives of the Association Agreements between EU and the Republic of Moldova and Ukraine (specifically directives related to water management)

· Implementation of the obligations under the UNECE Water Convention

· SDG 6 goals, targets and reporting

· Aligning with national strategies and policies with gender mainstreaming through responsible ministries

· National implementation of the Convention on environmental impact assessment in a transboundary context (Espoo)

· National implementation of the Convention on access to information, public participation in decision-making and access to justice in environmental matters (Aarhus)

· National implementation of the Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar)

· National implementation of the Convention on the Conservation of European Wildlife and Natural Habitats (Bern)

· National implementation of the Framework Convention on the protection and sustainable development of the Carpathians (Kiev)

· National implementation of the Convention on Biological Diversity (Rio-de-Janeiro)

· National implementation of the Paris Agreement on Climate Change .

It is also worth mentioning that the principal role of the Ministries of Environment of both the Republic of Moldova and Ukraine is to develop policy and long-term strategy in the environment and water sectors. On the execution level, the national water authorities of the two riparian states are subordinated to the Ministries of Environment and, thus execute these strategies and policies. In the foundational project, the OSCE has worked closely both with the ministries and the water authorities of the two countries throughout project implementation. through regular contact between the project team on both substantive and

administrative issues related to the project. Furthermore, the respective authorities have been actively participating in the project events, provided technical expertise to the project and provided national views on various issues, which have been carefully considered and addressed. The same envisioned in the follow-up project execution, including the pilot activities.

8. Knowledge Management

Outline the knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management is a critical element of the project and has been incorporated into the project design. Component 5 will implement an IW:LEARN compliant website and multiple capacity development activities involving different stakeholder groups. The project will develop a communication and knowledge management strategy during the PPG phase to guide all project implementation activities. The project will also undertake a gender assessment and prepare a strategy (see above Section 3 - Gender) to guide the overall implementation of the project. These strategies will also identify the required M&E indicators to be reported and will ensure that participant data is collected in a sex disaggregated format to ensure relevant information is available on websites and in management reports. These strategies will be revised/updated within the first three months of project execution.

The project will benefit from the many lessons and experiences derived from earlier regional projects in the Dniester River Basin and will also gather appropriate lessons from on-going projects through the co-ordination mechanisms delivered in Component 5 (output 5.2.2).

The project will rely on the management, dissemination, and scaling-up of knowledge, experiences, and results in order to achieve the overall project objective and ensure sustainable management of the Dniester River Basin that will also facilitate up-scaling where possible and needed.

The knowledge management and communications strategy developed will include the following stakeholders:

· National authorities (ministries, institutes, etc.) to ensure information on management approaches and identified solutions for transboundary cooperation;

· Private sector - information will be collected and distributed as relevant to the different needs of the private sector partners and other stakeholders;

· Civil society will be provided with information to inform communities that are depending on Dniester River Basin and its management;

· Academia will be providing scientific support to the project activities.

· International community involved in parallel activities in the Dniester River Basin;

GEF IW community of projects: Results from the project will be disseminated through the GEF IW:LEARN projects. The project will allocate at least one percent of the total GEF project financing for a suite of IW: LEARN activities to share lessons learned and results from the project to the broader GEF IW community, as

well as actively participate in IW:LEARN capacity building workshops, forums, and biannual GEF IW Conferences. The project's website will meet the specifications suggested by the GEF IW:LEARN for International Waters projects. International and cross-regional events organized by OSCE will be an important platforms of communication,. The involvement of UNECE Water Convention Secretariat in project execution will give good opportunities to distribute important information globally. The project will when possible be present at other international meetings within the region and globally to share project results and other knowledge gained with the international community.

9. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

Project Information

Project Information	
1. Project Title	Advancing transboundary co-operation and Integrated Water Resources Management in the Dniester River Basin through implementation of the Strategic Action Programme
2. Project Number (i.e. Atlas project ID, PIMS+)	
3. Location (Global/Region/Country)	Dniester River Basin (Republic of Moldova and Ukraine)
4. Project stage (Design or Implementation)	PIF
5. Date	

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
Clean drinking water and sanitation are essential to the realization of all human rights and the project's main focus is to protect the water resources and contribute to a sustainable management in the Dniester River Basin. These water resources are crucial for large parts of the population in the Republic of Moldova and Ukraine (8.5 million people live in the basin and outside the basin itself another 3.5 million people use water from the river). Central components of the project will deal with the involvement of stakeholders and the public in discussion and decision-making, responding also to other aspects of human rights. Furthermore, the Aarhus Centres in the Republic of Moldova and Ukraine will be actively engaged in the implementation of several project activities, thus contributing to the overall implementation of the principles of the UNECE (Aarhus) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, which links environmental and human rights.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
The Project will benefit from gender experts and gender analysis and will apply a meaningful participatory process for engaging women's voices. Gender inclusion strategies (including M&E indicators and targets) will be prepared for submission with the Project Document for GEF CEO endorsement. The results framework of the project will include indicators to address gender inequality issues following IW: LEARN's guidance. Women´s groups will be involved in project activities. Moreover, participation in project workshops, meetings and other activities will be documented in sex-disaggregated reports. The Project Team will seek to achieve gender balanced PCU. The project is likely to score 2 on the ATLAS Gender Marker when the concept is developed in the Project Document.
Briefly describe in the space below how the project mainstreams sustainability and resilience
The Project Objective is 'To advance Integrated Water Resources Management in the Dniester River basin contributing to sustainable development by s

upporting the implementation of the Strategic Action Programme priority actions" thus directly aiming to improve sustainability.

The project will achieve this through strengthening of legislation and institutions, capacity development of key stakeholder groups and by improving ac cess and availability of environmental information. The project is being formulated in close co-operation with experts from the region and representativ es of the Dniester Commission.

The project will actively seek co-operation with communities, governments, academia, the business sector and other key stakeholders who will particip ate in the project's activities and capacity building activities.

The close cooperation of the project with national authorities and the Dniester Commission to strengthen national legislation and institutions and to id entify sustainable approaches for the implementation of the bilateral Dniester Treaty will be an important contribution to resilience and sustainability of the basin management. The close cooperation with the EU approximation process, an important driver of policy, is a positive factor. Cooperation with N GOs and stakeholders in the basin will further strengthen sustainability. NGOs have historically been important drivers for the improvement of the man agement in the basin.

The project will also contribute to countries progress towards achieving a number of SDGs, in particular SDG 6.

Briefly describe in the space below how the project strengthens accountability to stakeholders
Facilitating the involvement and empowerment of stakeholders and the public is an important aim of the project. This aspect is important in the whole project but the component 4 is specifically aiming to achieve this. The project will contribute to strengthening the accountability to stakeholders.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	QUESTION 3: What is the level of significance of the potential social and environmental risks? *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High
Risk Description *(broken down by event, cause, impact)*	*Impact and Likelihood (1-5)*	*Significance* *(Low, Moderate Substantial, High)*	*Comments (optional)*	*Description of assessment and management measures for risks rated as Moderate, Substantial or High*
Human Rights	I = 3 L = 3	Moderate		P2: The risk that duty bearers or holders will not devote sufficient resources to address existing challenges will be counteracted by designing appropriate awareness r

P2 – As this project aims to improve management of water resources in a transition situation, and in relatively poor countries, there is a risk for lack of resources of duty bearers to fully take on their responsibilities. One key issue is whether the two countries involved will be able to fully implement ambitious EU Directives relevant for water management.			The EU Association Agreement is a very strong political driver in the Republic of Moldova and Ukraine and opens opportunities for international support. This contributes to decreasing the risk.	aising and capacity building activities during the PPG phase. One component of the proposed project addressing this risk is the facilitation of investment support to SAP implementation. Cooperation with other projects and actors will also be important to provide coordinated support. These aspects will be taken into account during the PPG phase in the development of the ProDoc.
Human Rights P3 – The broad involvement of stakeholders may be restricted due to lack of resources and capacity.	I=2 L=3	Low		Not applicable for low risks.
Human Rights, Standard 1 on Biodiversity& Standard 5 on displacement P6 – Protection of fish populations is an important aspect of ecosystem management; as a result of the project, access to amateur fishing may be limited in parts of the basin in the short term.	I=3 L=2	Moderate		This risk will be more fully explored during the PPG and the need for further assessment/management confirmed at that time, in consideration of the Principle on Human Rights, Standard 1 on Biodiversity/SNRM and the Standard on Displacement (S5). The need for a Livelihood Action Plan and/or a Biodiversity Action Plan will be confirmed during the PPG.
Gender Equality and Women's Empowerment P10 – Gender-based discrimination is a concern/ risk that needs to be considered. There is also a risk for limited access to opportunities and benefits	I = 3 L = 2	Moderate		P10: The gender strategy developed within the framework of the foundational project will be updated during the PPG phase to deepen the analysis of the role of women and men in project implementation as well as reg

access to opportunities and benefits for women.				men and men in project implementation as well as regarding results of the project. It will be an important part of the PPG phase to identify possible project bottlenecks and risks in this regard.
Accountability P13 – There may be a risk of potentially affected stakeholders being left out of the decision-making process. In order for this risk to be prevented and mitigated, a comprehensive and detailed understanding on this issue during project implementation is required. Shall this, for external reasons not be fully achieved, there are various components of the project where the principle of accountability may not be applied fully. For example, decisions of authorities on River Basin Management Plans may not take into fully into account the views of certain stakeholders. It is a challenge for the project to minimize to the extent possible such risks that are outside of the project control.	I = 3 L = 2	Moderate	As the decisions on for example River Basin Management Plans are taken by authorities there is a limitation to the influence that the project can have on stakeholder participation in decision-making. During the foundational project, stakeholder engagement and involvement has not been identified as a significant problem for project implementation and stakeholders participation at all levels has been ensured throughout project implementation.	P13: The stakeholder engagement strategy to be further developed in the PPG phase will have as one important objective to minimize this risk. That plan will be comprehensive (as defined under the SES).
Accountability P14 - When issues are discussed and decisions need to be balanced in a complex situation there may be concerns raised by groups of stakeholders. For example, there are strong views among different stakeholders for and against hydropower. If this and other debates are not managed properly this may be a cause of concern. It cannot	I = 3 L = 2	Moderate	An open debate in policy development and implementation – if and as requested by the authorities of the riparian countries - is important and conflicting positions cannot and should not be fully avoided in project implementation.	P14: The approach in the PPG phase will be to establish procedures to facilitate that decisions are made sustainably taking into account views of different sectors and stakeholders. Precautions will be made during the PPG phase to position the project activities in such a way that corresponding risks are limited to the extent possible. An option that has been used during the foundational project is to involve mediators when issues that may lead to conflicts are debated; that will be considered

may be a cause of concern. It cannot be excluded that conflicts will arise and complicate project activities, and reaching project objectives.				for this project too. In addition, a project-level Grievance Redress Mechanism will be designed during the PPG and established at the start of implementation.
Standard 3: Community Health, Safety and Security 3.1 Facilitated by project activities, construction of sewage treatment plants or sewage systems, or improvement of irrigation may be organized by co-funding partners. The process of construction may lead to negative community health, safety and security effects.	I = 3 L = 2	Moderate	This is not a risk that goes beyond regular activities in the society; nevertheless, it should, be kept under control and scrutiny where possible.	3.1: Procedures will be added in the ProDoc during the PPG phase to minimize risks of activities organized by partner organizations. For example, in agreements on cooperation the application of national and international safety regulations will be stressed. Alternatively, this risk might be covered by an ESMF and/or a formal agreement with co-financiers, if determined necessary for SES compliance.
Standard 4: Cultural Heritage 4.1 Activities might inadvertently harm Cultural Heritage sites with protected areas.	I = 3 L = 2	Moderate	Cultural Heritage sites are frequently are found in connection with protected areas.	The project's activities will be fully screened during the PPG. If the sites are not defined during that time, then procedures for fully screening (and assessing and managing) the sites once defined during implementation will be included in the ProDoc or in an ESMF. This risk will be addressed in those procedures, as needed for SES compliance.
Standard 7: Labour and Working Conditions 7.6 occupational health and safety risks are risks at hand in any hypothetical construction activity that may take place outside the immediate scope of the project.	I = 3 L = 2	Moderate		In order to ensure that the project, including co-financed activities, meets the SES requirements (including any relevant national regulations and guidelines of international organizations) in potential construction efforts, this risk will be addressed during the PPG phase by appropriate procedures in the ProDoc (or an ESMF). See risk "3.1" above.

Standard 8: Pollution Prevention and Resource Efficiency 8.1 The release of pollutants is possible but an indirect risk, as the scope of the project does not include direct construction or rehabilitation work. Where activities are linked to issues such as sewage treatment or tailing management facilities there may be some but very limited risks. None of these risks is linked directly to project activities.	I = 3 L = 2	Moderate	Project activities related to tailing management facilities will only deal with issues such as early warning and various exercises to decrease risks in case a real accident would take place. There will be no direct links between project activities and construction or rehabilitation of tailing management facilities.	8.1 During the PPG phase procedures will be included in the ProDoc to make sure that any work dealing with tailing management facilities, sewage treatment plants or similar will have appropriate safeguards, including such work by other organizations working in cooperation with the project. See also risks 3.1 and 7.1.
Standard 1 on Biodiversity The project activities, if poorly designed or implemented, could adversely impact habitats, including protected areas.	I = 4 L = 2	Moderate		This risk will be more fully explored during the PPG and the need for further assessment/management confirmed at that time. The need for a Biodiversity Action Plan will be confirmed during the PPG, and/or an ESMF.
Standard 2 on Climate Change Climate change may exacerbate the increasing risks of serious floods, which could affect the project's activities, impacts and its partners.	I = 2 L = 4`	Moderate		This risk will be more fully explored during the PPG, and the necessary measures confirmed during that time. It is anticipated that those measures will be integrated into the project's design.
	QUESTION 4: What is the overall project risk categorization?			
	Low Risk	☐		
	Moderate Risk	x	**The significance of the potential social and environmental risks is estimated to be low or moderate. The overall categorization is thus consideredmoderate at this stage**	

			at this stage.		
	Substantial Risk	☐			
	High Risk	☐			
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)				
	Question only required for Moderate, Substantial and High Risk projects				
	Is assessment required? (check if "yes")	X			*Status? (completed, planned)*
	if yes, indicate overall type and status		X	Targeted assessment(s)	Planned for during the PPG: Gender analysis; stakeholder analysis
			☐	ESIA (Environmental and Social Impact Assessment)	
			☐	SESA (Strategic Environmental and Social Assessment)	
	Are management plans required? (check if "yes)	X			
	If yes, indicate overall type		X	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	Planned for during the PPG: A strategy for gender mainstreaming and stakeholder engagement strategy Other plans to be confirmed dur

				ing the PPG.
		☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
		☐	ESMF (Environmental and Social Management Framework)	To be confirmed during PPG

Based on identified risks, which Principles/Project-level Standards triggered?		Comments (not required)
Overarching Principle: Leave No One Behind		
Human Rights	X	
Gender Equality and Women's Empowerment	X	
Accountability	X	
1. Biodiversity Conservation and Sustainable Natural Resource Management	X	
2. Climate Change and Disaster Risks	☐	
3. Community Health, Safety and Security	X	
4. Cultural Heritage	X	
5. Displacement and Resettlement	X	
6. Indigenous Peoples	☐	
7. Labour and Working C	X	

	onditions		
	8. Pollution Prevention and Resource Efficiency	X	

Supporting Documents

Upload available ESS supporting documents.

Title	Submitted
PIMS 6643 Dniester pre-SESP_19March2021_final	

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 with this template).

Name	Position	Ministry	Date
Mr. Ion Lica	Head of Environmental Projects Management Service	Ministry of Agriculture, Regional Development and Environment of Moldova	3/9/2021
Mrs. Olena Miskun	Director of the Department on Strategic Planning and International Cooperation	Ministry of Environmental Protection and Natural Resources of Ukraine	3/4/2021

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

PROGRAM/PROJECT MAP AND GEOGRAPHIC COORDINATES (when possible)

N 46° 18' 14" E 30° 16' 25"

Fig. 2 Map of the Dniester River basin

Annex B GEF 7 Core Indicator Worksheet

Annex C Taxonomy

ANNEX D - Support Document – Climate Change Screening for the Dniester Project

Project phase	PIF
Project title	Advancing transboundary co-operation and Integrated Water Resources Management in the Dniester River Basin through implementation of the Strategic Action Programme (SAP)
Country	Republic of Moldova and Ukraine
Project area	The Dniester River Basin
Climate risk classification	High

1. Climate risk screening

The overall climate change risk of the project "Advancing transboundary co-operation and Integrated Water Resources Management in the Dniester River Basin through implementation of the Strategic Action Programme (SAP)" is ranked **high** (on a scale of low, moderate, high and very high).

Climate baseline

The mean water flow in the Lower Dniester is 311 m^3 per second and the mean annual flow is about 10 km^3. Approximately 60 per cent of the river's annual flow occurs in the summer and autumn, with 25 per cent occurring in the spring due to snowmelt and 15 per cent coming in the winter, primarily from seepage flow. The Dniester's flooding cycle is one of its distinctive features, with up to five floods occurring each year, when the water level in the river can rise by 3 to 4 meters, and sometimes more. The largest flow of 8,040 m^3 per second was recorded at Zalishchyky in September 1941. The minimum flows typically occur during the winter low-water season and in September–October.

Past and future climate trends: temperature and precipitation

A detailed analysis of climate change in the Dniester basin in the historical past and over the shorter term of 2021–2050 on the whole identified trends similar to the general European trends. An analysis of the ensemble of regional climate models based on the "moderate" A1B scenario for global greenhouse gas emissions showed that compared to 1981–2010, by the middle of the century one can expect the mean annual, maximum and minimum air temperatures to rise by 1.0°–1.2°C. The increase in the minimum temperature will most likely be greater than the rise in the maximum temperature, as a result of which the monthly and annual amplitudes will decline. The most significant warming should be expected during the colder parts of the year, especially during the winter months. There could also be a change in precipitation patterns in the Dniester basin by the middle of the twenty-first century. Although the overall annual quantity of precipitation will not change significantly (under the given scenario an increase and decrease in precipitation are equally likely), there could be a substantial redistribution of precipitation among the seasons and months. It is likely that there will be longer stretches without rain, but there will be an increase in the intensity and frequency of heavy precipitation (heavy rains in particular) and the distribution of precipitation throughout the basin will be more uneven. On the whole, milder and wetter winters can be expected in the basin, as well as hotter and drier summers; September is expected to be warm and wet, while the autumn months should be drier and warmer. An analysis of the changes expected by the middle of the century compared to 1971–2019 shows the same trends, although the quantitative parameters of these changes differ somewhat owing to differences in the climatic characteristics of the two baseline period (see tables below).

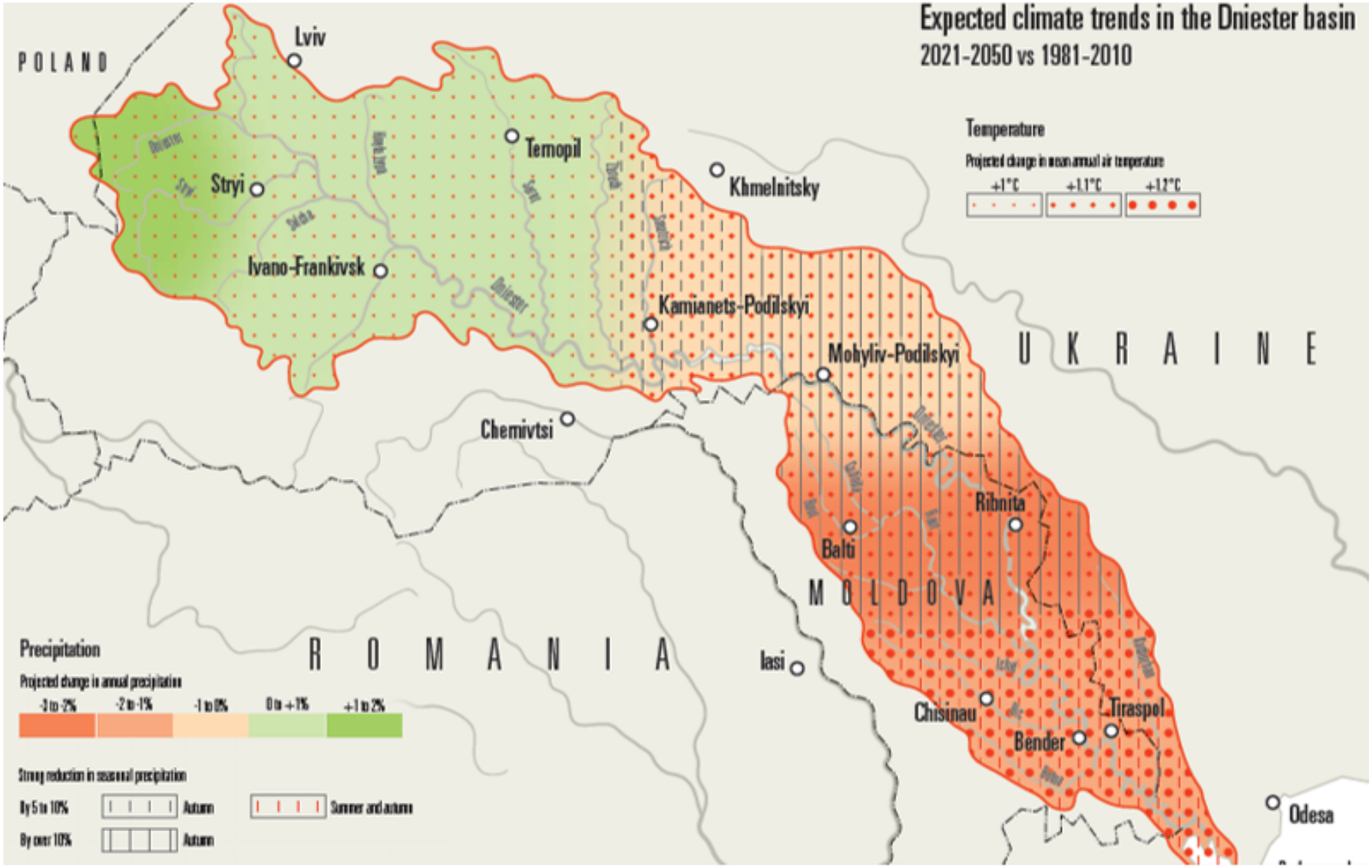
Projected change in mean air temperature and precipitation in the Dniester basin in 2021–2050 compared to 1981–2010

	Basin as a whole	Upper	Middle	Lower
Year as a whole	+1,1°C +0,2%	+1,0°C +1,0...1,8%	+1,1°C -0,9%	+1,2°C -2,8...-1,7%
Winter	+1,2°C +9%	+1,1°C +10%	+1,2°C +6...+7%	+1,2°C +8...+11%
Spring	+0,7°C -0,6%	+0,7°C +0...1,5%	+0,7°C -1%	+0,8°C -3%
Summer	+1,0°C -1,0%	+1,0°C -1%	+1,0°C -1...-0,2%	+1,2°C -7...-4%
Autumn	+1,3°C -5,0%	+1,3°C -2,8...-1,5%	+1,3°C -10...-7%	+1,4°C -11...-6%

Projected change in mean air temperature and precipitation in the Dniester basin in 2021–2050 compared to 1971–2000

	Basin as a whole	Upper	Middle	Lower
Year as a whole	+1,4°C +1%	+1,4°C +2...3%	+1,1...1,4°C +2...3%	+1,5°C -2...0%
Winter	+1,5°C -2...+6%	+1,3...1,5°C +2...12%	+1,4...1,6°C -5...+8%	+1,6°C -5...+2%
Spring	+1,1°C +5...6%	+1,0...1,2°C +2...7%	+0,8...1,1°C +4...10%	+1,2°C +2...8%
Summer	+1,4°C -9...+4%	+1,3...1,7°C -10...+5%	+0,8...1,4°C -11...+12%	+1,6...1,7°C -10...+1%
Autumn	+1,4°C -5...+12%	+1,3...1,4°C -5...+15%	+1,1...1,5°C -1...+12%	+1,5°C -5...+10%

The REMO regional climate model and the ECHAM5 global model were used to gain an understanding of the possible distribution of expected climate change trends within the Dniester basin. There is little variation in the expected changes in mean annual and seasonal temperatures within the basin, although the most pronounced increase will be in the lower part of the basin. Also worth noting is the decline in precipitation in the summer in the Lower Dniester (by 4–7 per cent compared to 1981–2019) and in the autumn in the lower and middle reaches (by 6–11 per cent compared to 1981–2019). There could be a substantial increase (of up to 20 per cent) in the maximum intensity of precipitation as well.



These trends are also confirmed by the results of future climate modelling performed recently for the Moldovan part of the basin using the methodological approaches of the new IPCC Fifth Assessment Report and the EUROCORDEX regional climate model. Under the RCP2.5 scenario, a slight increase in mean air temperature by 0.2°–0.3°C is expected over the course of the century. Under the RCP8.5 worst-case scenario, a rise in temperature by 1.5°–2°C is expected by

the middle of the twenty-first century and an increase by more than 4°C is seen by the end of the century. Under any of the scenarios, the increase or decrease in the amount of annual precipitation is estimated to be in the range of 5 per cent to 7 per cent, although seasonal changes could be significant (with a decline by as much as 10 to 20 per cent in the summer).

Natural hazards, exposure, and vulnerability

The natural disasters that are observed regularly in the basin are linked to catastrophic flooding on the Dniester and its tributaries and to droughts in years when water levels are low. The construction of a set of reservoirs along the course of the river between 1954 and 1983 partially eased the acute nature of both of these problems, while in turn creating new problems.

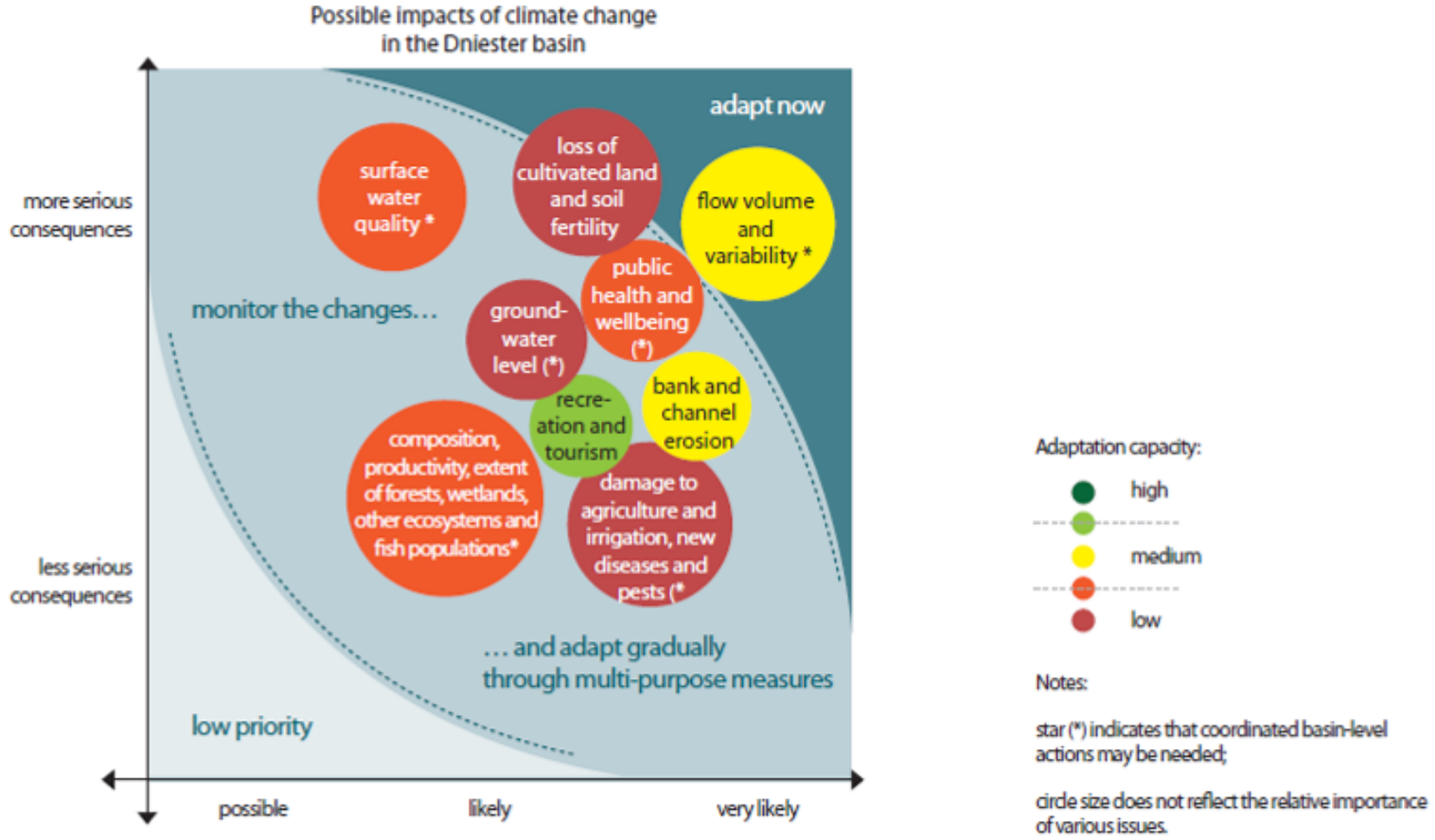
An analysis of trends in extreme weather events was performed based on these same assumptions (emissions scenario A1B, comparison with the years 1970– 2019). This analysis showed that the following trends, which have been observed in the Dniester basin since the end of the last century, will in all likelihood continue up to the middle of this century: a rise in maximum air temperature, and especially in minimum air temperature; a decrease in the number of days with frost and with very low overnight temperatures; an upward trend in the number of hot days; and an increase in the quantity and uneven distribution of extreme precipitation. These events will also occur with greater frequency. Within the basin, one can expect an increase in the number of rainy days in the upper and middle reaches of the river, and in the number of dry days in the lower part of the river, as well as an increase in the average amount of precipitation per day and in the average maximum daily precipitation. The greatest changes may occur during the warm periods of the year, especially during the summer months in the Lower Dniester. The most significant increase in average and maximum daily precipitation may occur in the upper course of the river during the autumn months. These changes may lead to a substantial rise in the amount of precipitation during heavy rains (by more than 10–20 mm per day). The largest increase in the frequency of intense precipitation can be expected in the Lower Dniester.

Flooding as a natural phenomenon has always occurred and will in all likelihood continue in the future. In principle, flooding is a beneficial thing for the health of the river and floodplain ecosystems. However, the annual economic toll from inundations in Moldova and Ukraine runs to millions of dollars and dozens of lives are lost each year. The catastrophic floods of 2008 and 2010 in the Dniester basin provided yet another reminder that the flood protection complex in place today is performing its functions only in part.

Southern Ukraine and Moldova are traditionally considered to be high-risk farming areas. Local watercourses are prone to low flow, becoming very shallow in extremely dry years, as observed in 2007 and 2020, for example. (According to World Bank estimates, the drought in Moldova at that time affected an area with a population of 1 million people, and 300,000 people in 156 population centres felt the effects of the drought particularly acutely). Within the Dniester basin, with the warming of the climate, by the end of the last century the boundary of the territory with a scarcity of water resources reached the most densely populated regions (the cities of Tiraspol and Bender, in particular). Further climate change will shift this boundary even farther to the north.

Climate resilience

Future climate change will have an impact on both the natural resources and ecosystems of the Dniester region and basin, and on the population and economy. In recent years, a number of special studies and surveys of these consequences has been performed. The figure below presents the possible impacts of climate change within the basin.



Both the Republic of Moldova and Ukraine are developing the Flood Risk Management Plan for the Dniester Basin District. The Republic of Moldova has already developed the drought risk management plan. Further efforts for on these issues should be made on these issues – at local, national and transboundary levels.

The Strategic Framework for Adaptation to Climate Change in the Dniester River Basin and the Implementation Plan were developed for the basin in 2011.

2. Recommendations

The project falls into the high climate risk category. The project area and interventions are highly likely to be impacted by climate change such as floods and low water/droughts. Project outcomes may be undermined by climate change, and adaptation measures have to be implemented. An in-depth climate impact/risk assessment has already been performed for the basin. The authorities in the basin as well as the project have already been mainstreaming climate change issues within its activities. The project component 4 is fully devoted to the climate change. More concretely, it is planned that within the project, the Implementation Plan for the Strategic Framework for Adaptation to Climate Change in the Dniester River Basin will be updated, and selected adaptation measures will be implemented.

3. Supporting documents

The climate change–related information is available at the website of the Dniester Commission at https://dniester-commission.com/en/publications/climate-change/. The most recent updated of the climate change projections and the scenarios of water used will be uploaded there in April 2021. A list of the most relevant publications is below.

1. Summary of the baseline studies for Ukraine and the Republic of Moldova
https://dniester-commission.com/wp-content/uploads/2018/12/Summary_Baseline_studies_Dniester_floods_climate_project.pdf
2. Vulnerability assessment in the Dniester River basin (summary) https://dniester-commission.com/wp-content/uploads/2018/12/8_EN_Vulnerability_assessment_summary.pdf
3. Climate change analysis of the Dniester basin
https://dniester-commission.com/wp-content/uploads/2018/12/Climate_analysis_report_eng_17Mar14.pdf
4. Strategic Framework for Adaptation to Climate Change in the Dniester River Basin (English)
https://dniester-commission.com/wp-content/uploads/2019/09/Dniester_English_web-1-1.pdf
5. Implementation Plan for the Strategic Framework for Adaptation to Climate Change in the Dniester River Basin
https://dniester-commission.com/wp-content/uploads/2018/12/ImpPlan_Engl_web.pdf

Additionally the climate change issues are reflected in the agreed between the two countries:

6. TDA https://dniester-commission.com/en/news/the-transboundary-diagnostic-analysis-for-the-dniester-river-basin-issued/ as well as in the
7. SAP https://dniester-commission.com/en/news/discussion-of-the-strategic-action-programme-for-the-dniester-basin/

Both the TDA and the SAP are available in English on the project website since April 2021.

4. **Results climate risk screening checklist**

Filter questions	Yes	No
Does climate pose a risk to the proposed study area of the project?	☒	☐
Are the proposed project activities affected by weather and climate related impacts?[1]	☒	☐

[1] Agro-chemical, capacity building and institutional training projects are considered as "No"

Step 1: Hazard identification

Climate baseline (historical and current hazards in the areas of intervention)	Yes	No	TBD
Observed climate and weather hazards (in the last 30 years):			
Extreme temperature (above 35°C or below 0°C)	☒	☐	☐
Extreme precipitation and flooding	☒	☐	☐
Lack of precipitation (agricultural droughts and/or dry spells)	☒	☐	☐
Storms (tropical storms, snowstorms, hailstorms, dust storms, etc.)	☒	☐	☐
Winds (typhoons, cyclones, hurricanes, tornadoes, harmattan)	☐	☒	☐
Sea level rise (from global warming and storm surges)	☒	☐	☐
Other weather-related hazards observed (in the last 30 years):			
Landslides	☐	☒	☐

Landslides	☐	☒	☐
Wildfires	☐	☒	☐
Salinization	☐	☒	☐
Ocean acidification	☐	☒	☐
Pests and diseases	☒	☐	☐
Others (e.g. lightning, hail, freezing rain, avalanches)	☐	☒	☐

Projected change from baseline (future hazards in the areas of intervention)	Yes	No	TBD
Do future climate scenarios foresee mid (2050) to long-term (2100) change (in frequency and intensity) on climate hazards compared to the baseline?			
Extreme temperature (above 35°C or below 0°C)	☒	☐	☐
Extreme precipitation and flooding	☒	☐	☐
Lack of precipitation (agricultural droughts and/or dry spells)	☒	☐	☐
Change in temperature (increase or decrease)	☒	☐	☐
Change in rainfall (increase or decrease)	☒	☐	☐
Climate variability (larger or smaller)	☒	☐	☐
Intensity and frequency of extreme events (larger or smaller)	☒	☐	☐

Step 2: Exposure Assessment

Exposure of agricultural systems in the areas of intervention	Yes	No	N/A

Is the project located in exposed areas to weather-related natural hazards?			
Low-lying areas (valleys, coastal zones, and small islands)	☒	☐	☐
Very warm areas (subtropical)	☒	☐	☐
Tropical areas (rainforests)	☐	☒	☐
Arid and semi-arid areas (deserts)	☒	☐	☐
Mountains zones and permafrost areas (tundra)	☒	☐	☐
Are target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?			
Is crop production affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	☒	☐	☐
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	☒	☐	☐
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	☐	☐	☒
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	☒	☐	☐
Is the biodiversity affected by changes in climate variables?	☒	☐	☐
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	☒	☐	☐

Step 3: Vulnerability Assessment

Vulnerability of the population in the areas of intervention	Yes	No	TBD
Is conflict exacerbating population´s sensitivity to weather related hazards?	☒	☐	☐
Is population displacement being exacerbated by climate change impacts?	☐	☒	☐
Are infectious diseases (e.g. COVID-19, malaria, cholera) increasing the population´s vulnerability and affecting their capacity to address potential weather-related hazards?	☐	☐	☒
Is the income of the target population predominately coming from agriculture?	☒	☐	☐

Are there sensitive groups (indigenous people or other marginalized groups) that are more sensitive to and likely to be affected by climate change?	☐	☒	☐
Are gender inequalities being exacerbated by climate change?	☒	☐	☐
Is the Human Development Index (HDI) equal or below 0.6?	☐	☒	☐
Is the Multidimensional Poverty Index (MPI) equal or above 0.1?	☐	☒	☐

Step 4: Adaptive capacity and climate resilience

Adaptive capacity and Climate Resilience Guiding Questions	Yes	No	TBD
Are climate information systems monitoring climate change, weather hazards, climate-driven crop pest/diseases and human vector borne diseases at a country level?	☒	☐	☐
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to the farmers, rural dwellers, and end users?	☐	☒	☐

Does the country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	☒	☐	☐
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate- related events?	☒	☐	☐
Is the target community carrying out (by own means) agricultural adaptation?	☐	☒	☐
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	☐	☒	☐
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	☒	☐	☐
Are social protection measures in place for informal workers (e.g. fishers and fish processors)?	☐	☐	☒

Step 5: Modulation of climate risks by the project

Project Modulation of Risks Guiding Questions:	Yes	No	TBD
1. Policies and planning			
Does the project support the integration of climate risks into policies, planning and management frameworks?	☒	☐	☐
Does the project explicitly support the increased use of climate data and information in policy development, planning and management?	☒	☐	☐
2. Capacity building, training and outreach			

Would the project invest in institutional development and capacity-building for institutions involved in climate related activities?	☒	☐	☐
Would the project invest in increased information and dissemination of climate-related information to target groups?	☒	☐	☐
Does the project invest in strengthening resilience (e.g., through access to climate data, information and services, training, etc.) of the most affected and at risk socio-economic groups?	☒	☐	☐
Does the project support equitable access and the capacity of target groups to utilize and apply climate and early warning services at the farm level?	☒	☐	☐
3. Data gathering, monitoring and information management			
Will the project support the infrastructure and technologies necessary to collect and monitor climate variables necessary used for policy development and decision-making?	☐	☒	☐
Will the project strengthen institutions and their networks by developing the skills required to collect, analyze and monitor climate related data and information?	☐	☒	☐
Will the project support development of databases and repositories of climate data and information?	☐	☒	☐
4. Mitigation			
Will the project invest in climate change mitigation measures along the food value chain (e.g., increasing energy efficiency, reforestation, land rehabilitation, reduction of food loss and waste, reduced methane and N2O emissions in livestock sector and etc.) that will reduce emissions of GHGs?	☐	☒	☐
Will project activities contribute to the government's Nationally Determined Contributions and the decarbonization of the agriculture and food systems?	☐	☒	☐
Will the project invest in renewable energy and green technologies?	☐	☒	☐
5. Adaptation			
Will the project invest in increasing adaptive capacity and resilience (e.g.,			

climate- smart agricultural practices, soil carbon enhancement, frontier technologies, dietary change, ecosystem restoration and etc.)?	☐	☒	☐
Will the project promote sustainable natural resources management?	☒	☐	☐
Does the project support Nature-based Solutions for climate change adaptation and disaster risk reduction?	☒	☐	☐
Will the project invest in agricultural insurance?	☐	☒	☐

*TBD: To be defined, *N/A: Not applicable

ANNEX E – Signed Joint Statement on the SAP

The full version of the SAP in Enlgish is available at https://dniester-commission.com/en/news/a-joint-statement-on-the-strategic-action-programme-for-the-dniester-river-basin-for-2021-2035-signed/.

JOINT STATEMENT

ON THE STRATEGIC ACTION PROGRAMME
FOR THE DNIESTER RIVER BASIN FOR 2021-2035

We, the State Secretary of the Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova and the Deputy Minister of Environmental Protection and Natural Resources of Ukraine,

noting the important historical, socio-economic, cultural and ecological value of the Dniester river basin for the sustainable development of the Republic of Moldova and Ukraine,

agreeing with the conclusions of the transboundary diagnostic analysis that the main water-related environmental problems in the Dniester river basin are: hydromorphological alterations, pollution with organics, nutrients, hazardous substances, plastic and other household waste, the spread of invasive alien species, as well as cross-cutting issues between the quantity and quality of water related to climate change, floods and inundations, droughts and water scarcity,

expressing concern about the state of the Dniester River basin and the resulting economic, social and environmental consequences for the Republic of Moldova and Ukraine,

realising the need for concrete actions to reduce the level of pollution in the Dniester river basin and improve the associated environmental state of the Black Sea,

also realising that the environmental rehabilitaiton of the Dniester river basin is one of the urgent socially significant tasks,

realising that the restoration of the ecosystems of the Dniester river basin and ensuring a sustainable balanced use of its natural resources is possible only through the implementation of targeted and coordinated measures based on the river basin management plan, interstate cooperation, as well as cooperation with international organisations,

considering the protection and preservation of the environment, the sustainable use of the natural resources of the Dniester river basin as an integral part of the development process of the Republic of Moldova and Ukraine, providing on an equitable basis for the needs of present and future generations,

guided by the principle of reasonable and equitable use of transboundary watercourses,

emphasising the role of the public in solving environmental problems,

recognising the need to comply with the obligations arising from relevant international agreements, in particular the Convention on the Protection and Use of Transboundary Watercourses and International Lakes of 17 March 1992 and its protocols, the Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991, the Convention on Wetlands of International Importance especailly as Waterfowl Habitat of 2 February 1971, and taking into account the provisions of the UN Convention on the Law of the Non-Navigational Uses of International Watercourses of 21 May 1997 and Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy,

determined to ensure implementation of the goals and objectives of the Treaty between the Cabinet of Ministers of Ukraine and the Government of the Republic of Moldova on cooperation in the field of protection and sustainable development of the Dniester river basin of 29 November 2012, the Agreement between the Government of Ukraine and the Government of the Republic of Moldova on the joint use and protection of frontier waters of 23 November 1994 and the Regulations adopted thereto,

striving to promote the development of interstate cooperation between Ukraine and the Republic of Moldova in the field of protection, sustainable use and development of the Dniester river basin,

in this regard, endorse the Strategic Action Programme for the Dniester River Basin for 2021-2035. and declare our determination to implement it together.

Done on "31" March 2021 in Chisinau, Republic of Moldova and in Kyiv, Ukraine in two copies, each in the national languages of the Republic of Moldova and Ukraine and in Russian, all texts being authentic.

Ghenadie IURCO

State Secretary of the Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova

Mykhailo KHORIEV

Deputy Minister of Environmental Protection and Natural Resources of Ukraine

The originally signed version in Russian

СОВМЕСТНОЕ ЗАЯВЛЕНИЕ

О СТРАТЕГИЧЕСКОЙ ПРОГРАММЕ ДЕЙСТВИЙ ПО БАССЕЙНУ РЕКИ ДНЕСТР НА 2021-2035 ГГ.

Мы, государственный секретарь Министерства сельского хозяйства, регионального развития и окружающей среды Республики Молдова и заместитель Министра защиты окружающей среды и природных ресурсов Украины,

отмечая важное историческое, социально-экономическое, культурное и экологическое значение бассейна реки Днестр для устойчивого развития Республики Молдова и Украины,

соглашаясь с выводами трансграничного диагностического анализа, что главными водно-экологическими проблемами в бассейне реки Днестр являются гидроморфологические изменения, загрязнение органическими, биогенными, опасными веществами, пластиком и другими бытовыми отходами, распространение инвазивных видов, а также вопросы взаимосвязи количества и качества вод, связанные с изменением климата, паводками и затоплениями, засухами и дефицитом воды,

выражая озабоченность состоянием бассейна реки Днестр и возникающими в результате этого экономическими, социальными и экологическими последствиями для Республики Молдова и Украины,

осознавая необходимость конкретных действий для снижения уровня загрязнения в бассейне реки Днестр и улучшения, связанного с этим экологического состояния Чёрного

бассейне реки Днестр и улучшения, связанного с этим экологического состояния Черного моря,

осознавая также, что экологическое оздоровление бассейна реки Днестр является одной из неотложных общественно значимых задач,

понимая, что восстановление экосистем бассейна реки Днестр и обеспечение устойчивого сбалансированного использования его природных ресурсов возможно только при реализации целенаправленных и скоординированных мер на основе плана управления речным бассейном, межгосударственного сотрудничества, а также сотрудничества с международными организациями,

рассматривая защиту и сохранение окружающей природной среды, устойчивое использование природных ресурсов бассейна реки Днестр как неотъемлемую часть процесса развития Республики Молдова и Украины, обеспечивающего на справедливой основе потребности нынешнего и будущих поколений,

руководствуясь принципом разумного и справедливого использования трансграничных водотоков,

придавая особое значение роли общественности в решении экологических проблем,

признавая необходимость следовать обязательствам, в рамках соответствующих международных соглашений, в частности Конвенции по охране и использованию трансграничных водотоков и международных озер от 17 марта 1992 года и протоколов к

ней, Конвенции об оценке воздействия на окружающую среду в трансграничном контексте от 25 февраля 1991 года, Конвенции о водно-болотных угодьях, имеющих международное значение, главным образом в качестве местообитания водоплавающих птиц от 2 февраля 1971 года, и принимая во внимание положения Конвенции ООН о праве несудоходных видов использования международных водотоков от 21 мая 1997 года и Директивы 2000/60/ЕС Европейского Парламента и Совета об установлении рамок деятельности

Сообщества в области водной политики от 23 октября 2000 года,

будучи преисполнены решимости обеспечить осуществление целей и задач Договора между Кабинетом Министров Украины и Правительством Республики Молдова о сотрудничестве в области охраны и устойчивого развития бассейна реки Днестр от 29 ноября 2012 года, Соглашения между Правительством Украины и Правительством Республики Молдова относительно совместного использования и охраны пограничных вод от 23 ноября 1994 года и принятых к нему Регламентов,

стремясь содействовать развитию межгосударственного сотрудничества Украины и Республики Молдова в сфере охраны, устойчивого использования и развития бассейна реки Днестр,

одобрем в этой связи Стратегическую программу действий по бассейну реки Днестр на 2021-2035 гг. и заявляем о нашей решимости реализовать ее совместными усилиями.

Совершено «31» 03 2021 года в г. Кишинев, Республика Молдова и г. Киев, Украина в двух экземплярах, каждый на государственных языках Республики Молдова и Украины и на русском языке, при этом все тексты являются аутентичными.

Геннадий ЮРКО
Государственный секретарь Министерства сельского хозяйства, регионального развития и окружающей среды Республики Молдова

Михаил ХОРЕВ
Заместитель Министра защиты окружающей среды и природных ресурсов Украины

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ANNEX F – Draft Terminal evaluation report of the previous GEF supported TDA/SAP development phase

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Please see as a separate attachement.