



**INITIATION PLAN TEMPLATE**  
**FOR A GEF PROJECT PREPARATION GRANT (PPG)**

**Project Title:** Enabling transboundary cooperation and integrated water resources management in the Dniester River Basin

**Country:** Moldova, Ukraine

**UNDAF Outcome:** Improved environmental management and significantly increased compliance with international and regional standards.

**CP Outcome:** Improved environmental management and significantly increased compliance with international and regional standards.

**CP Output:** Enhanced capacities for environment, biodiversity and ecosystems management in line with EU/international requirements.

**Initiation Plan Start Date:** 1 May 2016

**Initiation Plan End Date:** 31 December 2016

ATLAS Project Award: 00095782  
ATLAS Project ID: 00099844  
PIMS Project ID: 5269  
Management Arrangement: DIM UNDP Moldova

Total budget: **US\$ 50,000**  
Allocated resources:  
• GEF **US\$ 50,000**

**AGREED BY UNDP RESIDENT REPRESENTATIVE, MOLDOVA**  
Resident Representative

Signature

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Date: day/month/year  
4 May 2016

## A. Brief Description of Initiation Plan:

The objective of this Project Preparation Grant (PPG) is to develop a full project document for a regional UNDP/GEF project in the International Waters Focal Area.

The “*Enabling transboundary cooperation and integrated water resources management in the Dniester River Basin*” project is in direct response to the support from the governments of Moldova and Ukraine to support the cooperation and integrated water management in the Dniester River Basin.

Development of the Dniester River basin management plan for Moldova started in 2013 and is to be finalized and approved by the government in 2016. This work was realized with the support of the US Millennium Challenge Corporation. The Ukrainian authorities plan the development of the national management plan for the Dniester river basin but the reality is such that none of the so far existing river basin management plans (or those under development) has been realized with the state budget, i.e. they were drafted with donors’ aid.

The first UNECE/OSCE project to develop a transboundary diagnostic study (TDS, November 2005) was a first attempt to identify the root causes of the transboundary and shared water management challenges. The over-arching root cause was identified to be the lack of effective planning and implementation, due to lack of dedicated resources and capacity. The excessive anthropogenic pressures and the lack of progress in addressing the most urgent environmental problems are also considered to be the result of systemic problems, faced by the existing environmental management authorities in the Dniester River Basin, in particular:

- an inadequate efficiency of the existing system for water resource management and protection;
- the basin management not being programme-oriented;
- lack of incentives for environmentally sound practices and environmental improvements;
- low level of information, methodological and technical support to the environmental authorities;
- inadequate participation and involvement of the public in decision-making on environmental issues.

The transboundary diagnostic study of 2005 has been used for priority-setting for actions by local, national and international organisations. However, ten years after the study was developed there is a need to develop a basin-wide management plan, and to develop an improved understanding of the situation in the basin. The present project will be using the GEF TDA/SAP methodology and develop an up-to-date full Transboundary Diagnostic Analysis for the basin. Taking into consideration that both riparian countries signed the Association agreements with the EU, the GEF project will provide a required support to the adaptation of

the national legislation with the EU standards, which *inter alia* focus of transboundary basin-wide participatory cooperation, flood and nitrate management.

The proposed project will build on the strong will of the two countries to deepen and expand transboundary cooperation in the basin and will support the countries in their efforts to develop the existing cooperative framework for the sustainable and integrated management of the shared water resources of the Dniester River basin. It will also build on the results of the afore-mentioned Dniester projects and, last but not the least, a strong network of stakeholders built during implementation of the previous Dniester projects facilitated by the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention), OSCE, UNEP and ENVSEC. The bilateral Dniester cooperation is presently at a point where previous work has established a strong foundation and where further catalytic efforts in the framework of a GEF project could further advance the transboundary water cooperation significantly.

The overall approach for the project strategy and main components of the project were identified during the preparation of the PIF. However, PPG resources are needed to support detailed analyses and consultations, and to define the roles and responsibilities of different institutions for project implementation.

The proposed project includes three inter-related and mutually supportive components: 1. In-depth analysis of the water resources, related ecosystems and their use; 2. Development of the policy, legal and institutional set-up, mandate and capacities of the River Basin Commission for strengthened basin-level cooperation; 3. Strengthening of water resources and biodiversity monitoring and conservation, and information exchange in the Dniester River Basin.

PPG funding, in combination with agency co-finance contributions will support the design of the proposed full-size project. The following activities will be undertaken during the PPG phase:

- strategic documents and accompanying analysis will be produced. These documents will include the development of a set of interlinked strategies for institutional development, stakeholder involvement and education, river system ecology, water-energy-food nexus methodologies, informational harmonization and experience sharing, capacity building, water use efficiency and enforcement, adaptation to climate change, pollution abatement, and gender mainstreaming, among other outputs.
- consultancies will support the preparation of all full-sized project activities, including specifying the design, terms of reference, scoping, identification of specific partner contributions and co-financing for project activities.
- the identification, design and consensus on project activities will result in a project annual work plan & budget, defined roles and responsibilities (with accompanying terms of reference) and ultimately, project document for the project implementing agency, all active partners and project steering committee members, to be prepared with support of consultants.
- stakeholders consultation with all key partners will provide validation of the project design to ensure it meets the priority needs of the Dniester Basins stakeholders.

These consultations will address the design of appropriate mechanisms to facilitate the smooth coordination, management, implementation, monitoring and evaluation of the envisioned project components.

The Initiation Plan will be directly implemented by UNDP Moldova (Executive). UNDP Moldova will be responsible for the selection and recruitment of PPG consultants (international and Moldovan local), maintaining project disbursements, regular financial reporting. UNDP Ukraine will lead the recruitment of Ukrainian PPG local consultants. During the Project Document development the UNDP Moldova, with a support from UNDP IRH, will have full oversight of all procurement and activities required to develop a Project Document. A tentative list of local and international consultants to be financed by the PPG is attached to this PPG proposal (Annex 2).

A PPG Stakeholder Board, consisting of project partners, will be established to review and endorse PPG outcomes. The PPG Stakeholder Board will consist of the key beneficiary organizations within each of the countries. This will be finalized in discussions with the National Focal Points. In Moldova the lead will be Ministry of Environment. It is suggested that additional participants represent Apele Moldovei and the Hydrometeorological Service of Moldova. In Ukraine the lead will be Ministry of Environment and Natural Resources of Ukraine. It is suggested that additionally the State Agency for Water Resources and the State Hydrometeorological Service of Ukraine is included. OSCE and UNECE will be a part of the Stakeholder Board. Representatives of the UNDP Country Offices and UNDP IRH will be invited to this board to add constructive inputs and linkages to national level UNDP Project as appropriate. An inception meeting with all project partners will take place in Chisinau in June 2016.

The role of the Stakeholder Board will be to advise the PPG Team on the direction of the Project Document development to ensure that the Project Document fully reflects the priorities of the government counterparts and key stakeholder organizations.

During the initiation plan period, a number of studies and multiple stakeholder consultations will be undertaken with the view to further develop the approved project concept into a fully formulated project document. The final output of the initiation plan will be a UNDP-GEF project document and GEF CEO Endorsement Request ready for submission to UNDP and GEF. The PPG Atlas budget is presented in the Section C. "Total Budget and Work Plan".

## **B. Project preparation activities:**

### **A. Component A: Technical review**

#### **I. Baseline studies:**

Baseline studies to be used in the development of the project document will include:

- The transboundary Diagnostic Study for the Dniester River Basin (2005),
- Legal Due Diligence on the status and options for enhancing the international legal framework of transboundary cooperation on the protection and sustainable management of the Dniester river basin (2004),
- The review for coordination between the Moldovan-Ukrainian Agreement on joint use and protection of the border waters (1994) and the bilateral Dniester River Basin Treaty (2012) as well as on participation of the Transdniester in the 2012 Treaty (2009),
- Results of the joint Moldovan-Ukrainian hydrochemical and ichthyological expeditions (2011),
- Climate change vulnerability study (2011), the Strategic Framework for Adaptation to Climate Change in the Dniester River basin (2015) and its Implementation Plan (2016)
- Documents prepared for implementation of certain climate change adaptation measures, e.g. on the information platform, reservoir modelling, inflow forecasting to the reservoirs, ecosystem restoration, monitoring stations, public awareness activities.

II. Studies to address any opportunities/risks identified during an environmental and social screening of the project proposal: see attached pre-screening.

III. Identification of specific sites for intervention

IV. Integration with development plans, policies, budgets and complementary projects

A provisional list includes:

- Bilateral EU Association Agreements, with a specific focus on provisions on the WFD, Flood Directive, Nitrate Directive, Urban Wastewater Treatment Directive, transboundary cooperation
- Obligations of the two states under the Water Convention, Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention), Convention on the Transboundary Effects of Industrial Accidents, Convention on the Protection of the Black Sea Against Pollution, Ramsar Convention, Sustainable Development Goals

- National legislation and programmes on water, flood management, agriculture, climate change
- EU projects on support of the Ukrainian government in adaptation of the EU environmental legislation
- EU Environmental Protection of International River Basins Project (EPIRB)
- EU National Policy Dialogue project
- EU Clima East project
- Austrian-Swiss project on water resources and sanitation
- UNECE project on the Protocol on Water and Health in Moldova

Key results, conclusions and challenges of closed projects in the two countries, which have relevance to the GEF Dniester project, should be taken into consideration while preparing the project document. The list includes but not limited to the GEF Dnipro River Basin project, EU Black Sea Border Cooperation Project, regional and bilateral EU water-related projects, REC small rivers projects, work by the WWF.

- V. Completion of GEF International Waters tracking tool in line with GEF6 approach to tracking project results.
- VI. Stakeholder consultations during technical review: Mobilize and engage stakeholders during project design. Negotiate partnerships with on-going projects to align their activities and the project to build synergies. Document these consultations.

**B. Component B: Institutional arrangements, monitoring and evaluation**

The outputs of Component A will be used as technical input to Component B for the formulation of the UNDP-GEF project document.

- I. Finalization of project results framework: Further define the results framework with appropriate objective-level and outcome-level quantitative and qualitative SMART indicators, and end-of-project targets. Special attention will be made to include socio-economic and gender disaggregated indicators.
- II. Definition of monitoring and evaluation (M&E): A detailed M&E work plan will be developed, including clear identification of responsibilities and accountabilities, as well as an appropriate M&E budget. The plan will be based on the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy.
- III. Define sustainability plan: The sustainability plan will outline the principles and guidelines for ensuring the long-term sustainability of project achievements. It will also outline an exit strategy, seeking the continuation of key activities/achievements without the need of long-term international financing.

- IV. Definition of management arrangements: The organisational structure governing the project will be decided. This will include identification of the project board.
- V. Stakeholder consultations during Component B: Involve key agencies in the development of the project strategy to ensure a strong national ownership. In close collaboration with key government representatives and other stakeholders ensure full participation in the development of the project results framework and ensure agreement on the project objectives and outcomes. Undertake consultations to secure agreement(s) on project implementation arrangements; including roles, responsibilities, and accountabilities of lead and partner agencies. Document these consultations.

C. Component C: Financial planning and co-financing investments:

- I. Prepare a detailed multi-year budget following the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy.
- II. Explore multilateral and bilateral co-financing opportunities: Undertake series of consultations with partners to ensure a coherent and sustainable financing package for the project including post- GEF grant phase.
- III. Collect co-financing letters. A co-financing guarantee will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who wish to provide cash or in kind contributions to the project.
- IV. Stakeholder consultations during Component C:

The contacts on the national level, among international organizations as well as donors already developed in the previous phases of support will be used for the discussions during Component C. The discussion will be initiated 20-21 April 2016 in Kiev during the 12th Meeting of the Working Group on Flood Management and Climate Change Adaptation. The local offices of OSCE in Chisinau as well as Kiev will engage in the communication efforts with stakeholders during the PPG phase.

D. Component D: Finalization of project document

- I. Draft the UNDP Project Document. Incorporate all technical inputs and results of consultations into a Project Document (including annexes) following all UNDP/GEF guidelines and requirements.
- II. Hold Regional Stakeholder Validation Workshop (in Kiev mid of October 2016) to review and agree the final PRF and institutional arrangements with the PPG Stakeholder Board. In close collaboration with respective UNDP Country Offices,

UNDP IRH, key government representatives and other key stakeholders, as outlined above ensure full participation in the development of the project results framework and ensure agreement on the project objectives, outcomes and activities. These joint consultations are to secure agreement(s) on project implementation arrangements, including roles, responsibilities, and accountabilities of both country governments, Country Offices, and other key stakeholders. This meeting will conclude with final recommendations and minutes will be documented.

- III. Develop the GEF CEO Endorsement Request using the latest template.



**C. Total Budget and Work Plan:**

<b>Award ID:</b>	00095782
<b>Award Title:</b>	PPG Dniester IWRM
<b>Business Unit:</b>	MDA10
<b>Project Title:</b>	Enabling transboundary cooperation and integrated water resources management in the Dniester River Basin
<b>Project ID:</b>	00099844
<b>Implementing Partner (Executing Agency)</b>	UNDP

GEF Outcome/Atlas Activity	Responsible Party/	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount US\$	Budget notes
Project preparation grant to finalize the UNDP-GEF project document for project "Enabling transboundary cooperation and integrated water resources management in the Dniester River Basin"	UNDP	62000	GEF TRUSTEE	71200	International Consultants	17,000	1
				71300	Local Consultants	18,000	2
				71600	Travel	8,000	3
				74500	Miscellaneous Expenses	1,500	4
				75700	Trainings / Workshops	5,500	5
<b>PROJECT TOTAL</b>					<b>50,000</b>		

**BUDGET NOTES:**

1. *Two International Consultants to provide expertise and technical assistance in project development, integrated water resources management and its mainstreaming into national policies and financial mechanisms, paying particular attention to coordination of the GEF TDA / SAP approach and the EU water-related legislation.*
2. *Local Consultants to provide expertise, technical assistance and inputs to the project proposal, with focus on the TDA/SAP, their links with national processes and EU Association Agreement, development of the national and transboundary IWRM, biodiversity, public participation and communication activities.*
3. *The budget will support airfare and DSAs for two international experts to the region to meet with stakeholders. This includes all meetings to develop strategic baselines, to negotiate institutional arrangements, work with national teams and stakeholders and finalize financial planning and co-financing, inputs for work plans, and to chair all stakeholder meetings. It includes also the travel of 6 national consultants to the regional stakeholder workshop.*
4. *Cost of translation, printing, communication, Internet and email charges*
5. *Costs of workshops and roundtables and associated charges*