# INCEPTION REPORT

# Integrated Climate-Resilient Transboundary Flood Risk Management in The Drin River Basin in The Western Balkans (Drin FRM project)

**Atlas Output IDs (formerly Project ID):**
**IRH:** 00116503
**Albania:** 00117016
**Montenegro:** 00117017
**North Macedonia:** 00117018

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# ACRONYMS

| | |
|---|---|
| AF | Adaptation Fund |
| CBA | Cost-Benefit Analysis |
| CC | Climate Changes |
| CCA | Climate Change Assessment |
| CSO | Civil Society Organization |
| CO | Country Office |
| CTA | Chief Technical Advisor |
| DRB | Drin/Drim River Basin |
| DCG | Drin Core Group |
| DIM | Direct Implementation Modality |
| EC | European Commission |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| EU | European Union |
| EUFD | EU Floods Directive |
| EWG | Expert Working Group |
| FFEWS | Flood Forecasting and Early Warning System |
| FRM | Flood Risk Management |
| GAP | Gender Action Plan |
| GCF | Green Climate Fund |
| GEF | Global Environmental Fund |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH |
| GWP-Med | Global Water Partnership – Mediterranean |
| IMPA | Improving the Management of Protection Areas |
| IP | Inception Phase |
| IR | Inception Report |
| IRH | UNDP Istanbul Regional Hub |
| LiDAR | Light Detection And Ranging |
| MoU | Memorandum of Understanding |
| NGO | Non-governmental Organization |
| NHMS | National Hydro-meteorological Service |
| NSC | National Steering Committee |
| PIMS+ | Project Implementation Management System (UNDP/GEF/AF/GCF Portfolio Overview) |
| IW | Inception Workshop |
| MCA | Multi-Criteria Analysis |
| PFRA | Preliminary Flood Risk Assessment |
| PM | Project Manager |
| PMU | Project Management Unit |
| PPR | Project Performance Report |
| RfP | Request for Proposals |
| RPB | Regional Project Board |
| RTA | Regional Technical Advisor |
| SAP | Strategic Action Programme |
| SESP | UNDP Social and Environmental Screening Procedure |
| ToR | Terms of Reference |
| UNDP | United Nations Development Programme |

# EXECUTIVE SUMMARY

The "Integrated Climate-Resilient Transboundary Flood Risk Management in the Drin River Basin in the Western Balkans" Project (Drin FRM Project) was signed by UNDP on 22 October 2019, thus marking the beginning of the Inception Phase (IP) which lasted until the meeting of the Regional Project Board, the Drin Core Group (DCG) on 9 July 2020. The extension of the IP beyond the planned is caused by the novel coronavirus (COVID-19) global pandemic that broke out in February 2020 and went on with different intensity past the IP.

The project budget of USD 9,125,000 is contributed entirely by the Adaptation Fund (AF). Total expenses including commitments up to 13 November 2020 were USD 858,367 or 26.7 per cent of the initially earmarked budget until 31 December 2020. COVID-19 having severely impeded its implementation schedule from the very beginning, the project undertook planning and budget revision exercises, which resulted in reduction of the 2020 delivery forecast by 59.28 percent and relocation of balance within the same budget lines over 2021 – 2024 period. The Proposed Budget Revision (BR) tables, attached in the Annex 2 to this Report will be presented at the next session of the Regional Project Board (RPB)/ Drin Core Group (DCS) for endorsement.

This Inception Report (IR) outlines initial startup activities and refinements to the Project Document (UNDP Atlas ID No. 00120252, UNDP-GEF-GCF-AF Project Information Management System (PIMS+) No. 6215), and changes identified herein can be considered amendments to the Project Document (PD).

During the IP, the effective project governance structure was established with the Drin Core Group (DCG) in the role of the Regional Project Board, holding two sessions during the IP, on 30 and 31 January 2020 in Tirana, Albania and online one on 9 July 2020. Country Teams in Montenegro, Albania and North Macedonia were established by recruitment of the National Coordinators and Project Assistants and lastly the Regional Project Management Unit (PMU) took shape by recruitment of the Regional Project Manager (PM) and Chief Technical Advisor (CTA).

Following signature of the Legal Agreement between the AF and UNDP on 7 May 2019, in order to keep the momentum over the project activities, the UNDP Istanbul Regional Hub (IRH) led the Inception Workshop (IW) during the 17th meeting of the DCG in Pristina, Kosovo, on 30 and 31 May 2019, at which the Drin FRM Project was presented, its objectives were verified and several strategic decisions made by the key stakeholders among the Riparians. However, the IW having been held before signing of the PD and thus commencing of the IP, the IR could not be prepared immediately after the IW as foreseen by the PD. Timeline for its development was adversely affected by the unforeseen IP extension from 22 January until 9 July 2020 due to the COVID-19 pandemic outbreak. National IWs in Montenegro and in North Macedonia engaging a wide range of national stakeholders were conducted in October 2019 and in February 2020, respectfully. The National IW in Albania had to be postponed due to a number of force-majeure factors, including a disastrous earthquake in November 2019 and COVID-19 outbreak.

Several new entries have been added to the Project Risk Log, the major risk, COVID-19 pandemic outbreak, having materialized as an issue. The pandemic severely affected all countries the project is implemented

in, thus hindering the project implementation. The issue was addressed by the project personnel switching to teleworking (working from home in the duty station) and telecommuting (working from home outside of the duty station) work modalities, conducting online internal and external meetings, etc. The initial COVID-related risk tracking was conducted in May-June 2020 by the UNDP IRH and Country Offices (COs).

Despite the afore mentioned issues, the Project kept momentum in the activities that had already started, such as the detailed design of structural flood protection measures under the Output 3.1 in Montenegro, and coordination with relevant national institutions on mapping and identifying needs and developing technical specifications for procurement of relevant hydrometric monitoring equipment under the Output 1.1.

COVID-19 pandemic and the severe impact it left on the economies of the three beneficiary countries, still represent a major challenge to the timely implementation of the project. Output in the Western Balkans is expected to fall by 5.1 per cent in 2020 due to a collapse in tourism (affecting in particular, Albania and Montenegro), disruptions in global supply chains and decline in foreign direct investment inflows and remittances. While growth is expected to recover to 3.4 per cent in 2021, these projections are subject to great uncertainty.

As a lesson learned during the IP, the UNDP will accelerate the uptake of digital solutions while assisting the countries to fast-track the construction of new digital infrastructure and speeding up a global transition towards digital economies. In that way, the Drin FRM has followed up with the GEF Drin project on development of the Drin Basin Information Management System (IMS), to which the project aims to contribute through establishment of spatial data initiative and introduction of contemporary modelling tools and technologies for the strategic flood risk assessment.

Drin FRM Project has assessed the Project Document against the conditions in the field, through meetings with the external stakeholders, such as the DCG, public institutions in the riparian countries, implementing parties, GWP-Med and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), the project development team and others. During this period no update of the Project Results Framework was made.

During the Inception Phase, Drin FRM Project updated the Gender Action Plan (GAP), developed a draft Terms of Reference (ToR) for a project-specific Grievance Redress Mechanism (GRM) and a gender-sensitive Regional Communications and Advocacy Strategy, paying special attention to the role of women in vulnerable communities.

The multi-year activity plan has been updated and aligned with the budget revisions (BR) for Albania, Montenegro and North Macedonia Country Offices (COs) and UNDP Istanbul Regional Hub (IRH) Regional Component, and attached to this report.

# 1. PROJECT BACKGROUND

The Drin FRM Project contributes to UNDP's **Regional Programme Outcome 3:** Building resilience to shocks and crises through enhanced prevention and risk-informed development and **UNDP Strategic Plan Outcome 3**. Build resilience to shocks and crises (**UNDP Strategic Plan Outcome Indicator 3.1.** Number of people per 100,000 that are covered by early warning information through local governments or through national dissemination mechanisms).

The project is implemented by the UNDP Istanbul Regional Hub (IRH) under the UNDP Direct Implementation Modality (DIM) in line with UNDP's Programme and Operations Policies and Procedures and IRH Standard Operating Procedures for Regional Programme Management.

Brief description

The **objective of the project** is to assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance resilience of vulnerable communities in the Drin River Basin (DRB) to climate- change induced floods. The **following results** shall be achieved: (i) Improved climate and risk informed decision-making, availability and use of climate risk information;(ii) Improved institutional arrangements, legislative and policy frameworks for climate-resilient FRM, and development of CCA and FRM strategy and plans at the basin, sub-basin, national and sub-national levels; (iii) Strengthened community resilience through improved flood risk management, through implementation of structural and non-structural measures and enhanced local capacity for CCA and FRM.

# 2. PROJECT INCEPTION UPDATE

The project Inception Phase lasted from 22 October 2019 until 9 July 2020, during which the following was achieved:

i) Inception Workshop with the Drin Core Group (DCG) and external stakeholders conducted in May 2019;
ii) Two sessions of the Regional Project Board, represented by the DCG were held, on 29 and 30 January 2020 in Tirana, Albania, and the virtual one 9 July 2020.
iii) National Inception Workshops conducted in Montenegro (October 2019) and North Macedonia (February 2020)
iv) The project governance and implementation structure has been established, and the regional and national project implementation teams have been recruited.
v) Terms of References for key technical consultancies have been developed and discussed with partners.
vi) Consultations with regional and international partners on programmatic synergies and cooperation have been conducted (GIZ, GWP-Med).
vii) The multi-year work plan and budget have been reviewed, reflecting above all COVID-19 pandemic impacts.

Progress against the technical Outputs and more details on the project governance and implementation arrangements are described below.

## 2.1 PROJECT OVERVIEW

The Drin River Basin (DRB) is a transboundary river basin, which is home to 1.6 Million people and extends across Albania (30% of basin area, 27% of total country area, 37% of basin population), Kosovo[1] (23% of basin area, 42% of total country area, and 35% of basin population), the Republic of North Macedonia (17% of basin area, 13% of total country area, and 11% of basin population), Montenegro (22% of basin area, 32% of total country area, and 17% of basin population) and Greece. Climate change and climate variability have been increasing the frequency, intensity and impact of flooding in the basin[2]. Historical flood data from the Western Balkans suggests a more frequent occurrence of flood events, attributed to an uneven distribution of precipitation and torrential rain, particularly over the last decade. More and larger areas and, therefore, a greater population numbers are being affected by flooding with a strong impact on national economies. Future climate scenarios project a further increase in the likelihood of floods as well as in their destructive nature. The proposed project will enhance resilience of the DRB countries and communities to climate-induced flood risks.

**The project goal** is an improved resilience to flood events of 1.6 million people living in the DRB through the implementation of an integrated climate-resilient river basin flood risk management approach in DRB countries, improving capacity to manage flood risk at regional, national and local levels, and enhancing resilience of vulnerable communities in the DRB to climate-change induced floods.

To realize this goal, the **following results** will be achieved:

1. Improved climate and risk informed decision-making, availability and use of climate risk information;
2. Improved institutional arrangements, legislative and policy framework for climate-change resilient FRM, and development of CCA and FRM strategy and plans at the basin, sub-basin, national and sub-national levels;
3. Strengthened community resilience through improved flood risk management, through implementation of structural and non-structural measures and enhanced local capacity for CCA and FRM.

The Drin FRM Project is developed in the framework of and as a contribution to the Drin Coordinated Action established through a Shared Vision for the sustainable management of the Basin and the related MoU (Tirana, 2011) signed by the Ministers of the water and environment of the Drin Riparians. The main objective of the Drin MoU is to promote joint action for the coordinated integrated management of the shared water resources in the basin. The Drin Basin Strategic Action Programme (SAP) developed in the framework of a GEF-funded UNDP project over 2018-2019 was signed on 24 April 2020. The Drin Basin SAP outlines flood risk management among the key IWRM priorities in the basin. Drin FRM project will contribute to the implementation of the Drin Basin SAP.

## 2.2 PROGRESS ACROSS PROJECT COMPONENTS, OUTCOMES AND ACTIVITIES:

[1] References to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999)
[2] FLOOD PREVENTION AND MANAGEMENT: Gap analysis and needs assessment in the context of implementing the EU Floods Directive, September 2015, European Commission

**Component 1 – Hazard and risk knowledge management tools**

**Outcome 1: Improved climate and risk informed decision-making, availability and use of climate risk information.** Key to the strategic management of climate-change induced flood risk is to have appropriate density and frequency of monitoring of important hydrometeorological variables. Given the importance of accurate historical hydrometeorological records in the assessment of flood risk, it would be important to ensure that the hydrometric network is spatially optimized and centrally managed, and that data is made available to all flood management practitioners.

**Output 1.1 – Strengthened hydrometric monitoring networks in the riparian countries based on a unified optimized basin-scale assessment of monitoring needs.** Based on a review of the status and adequacy of existing monitoring networks in riparian countries, the optimized network required for basin-scale flood risk monitoring and management will be identified, based on which, the project will design, purchase and implement new/rehabilitated monitoring networks throughout the basin.

**List of activities:**

a) Detailed review of the existing coverage, physical condition and data collection procedure including the quality of data. Collect data from the relevant riparian Institutions to get the current station coverage, equipment installed, data period and data collection procedures.
b) Undertake an assessment of the monitoring network requirements for effective monitoring for strategic flood risk management, flood forecasting and early warning in the future and optimize the station coverage.
c) Undertake an assessment of the existing telecommunication infrastructures to support the telemetered and automated stations.
d) Digitize all relevant historical paper format data for DRB and systematize and store within the hydrometric database. Establish guidelines, procedures, data sharing protocols and user's manuals for the new hydrometric database.
e) Assess the institutional arrangements and capacity for the operation and maintenance of the hydrometric networks and develop Institutional capacity development plan for hydrometric network O&M detailing manpower and financial requirements, and training needs, for the efficient O&M of all the stations in each riparian country. Assess existing roles and responsibilities and the capacity of staff responsible for operating and maintaining the hydrometric networks. Assess the existing protocols for the collection, transmission, sharing, storage, management and use of the observed data.
f) Establish mechanisms for population information and awareness, and maintenance of centralized basin hydrometric database
g) Prepare an operational plan for the hydrometric networks including transmission of data, data management, data analysis and reporting procedures. The maintenance plan will cover manpower, technical capacity, material and finance requirements.
h) Provide detailed specifications and design including costs of all equipment and each component of the hydrometric networks specified including the detailed design and bid document for the stations for future rehabilitations / new installations.
i) Provide technical and financial assistance to improve hydrometric monitoring network (undertake procurement and installation of equipment).
j) Review existing financing of hydrometric network O&M in each riparian country. Identify resourcing, and training needs as well as institutional arrangements for the management of the proposed new hydrometric networks.
k) Develop and implement O&M financing mechanisms for the hydrometric networks.

**Assessment and progress made during the IP:**

One of the immediate priorities for the Drin FRM project will be a review of data availability for all detailed modeling, topographic data that would be needed, hydrometric networks characteristics and data currently available as well as networks that project will develop. From that point project will have overview where LiDAR data would be surveyed (sufficiency of the budget for LiDAR surveys of all flood plains of the DRB is to be determined following the data review). With regards to hydrometric data, there needs to be a very detailed review of what is available, how hydrological modeling parts of it would be conceptualized and developed, then how hydraulic modeling would be conceptualized, where 1D modelling would be done and therefore where the channel river survey would be required, and where only 2D modelling might be done.

The project has committed to digitizing all historical paper data, the main reason being that the current forecasting system that GIZ had developed has a number of stations with no data in digital format.

Drin FRM project will contribute by strengthening the observation networks, which is part of the forecasting and early warning system (FEWS), which was set up and will be further developed by GIZ.

Albania did not need any hydrometric network expansion, while for North Macedonia and Montenegro, their hydrometric institutes defined what equipment was needed, including the locations, technical specifications and costing. Project will now proceed with a more detailed study what would the optimized hydrometric networks look like to enable all the things for the FEWS that GIZ is doing, i.e. what is needed and where, etc. Including the monitoring of the water level in the dams' accumulations into in the system would be essential, however relationship needs to be developed with the dams' owners and as part of the hydrometric network expansion there needs to be consideration of these privately-owned networks, mostly to do with the dams, engaging them and getting them to share data. On the Component 2, there is need to harmonize all these networks and to have data sharing protocols and technologies set up so that the dams' data could be fed directly to the hydrometric institutes, which in the past had sometimes been done on an informal basis, to be used on the models, forecasting and so on.
Moreover, the project will prior define what types of hydrometeorological data are required for forecasting, including water levels discharge, rainfall, snow accumulation, soil moisture, etc.

The Project established close coordination with relevant national institutions, through less or more formal mechanisms, such as the National Steering Committee (NSC) in Montenegro, one member of which is the Deputy Director of the national Institute of Hydrometeorology and Seismology. The NSC proposed procurement of a specialized liquid chromatograph – mass spectrometer for the Public Health Institute (PHI) of Montenegro, a device which would allow for monitoring the impact of floods on human health, flora and fauna and ecosystems during the floods during the recovery period, thus contributing to establishment of water quality EWS and fulfillment of Montenegro obligations under the EU Drinking Water Directive (98/83/EC). The proposal was justified by Government of Montenegro having already acquired additional hydrometeorological monitoring equipment with EU funding since the AF project was designed, which would be a subject of an analysis by the AF Drin FRM Project International Hydrometric Network Expert and the Chief Technical Advisor, once on board.

The Project components in North Macedonia and Albania will also formalize their partnerships through NSCs, once established.

In the meantime, the Macedonian component initiated preliminary assessment of the hydrometric monitoring network requirements and development of technical specifications with the national Administration for Hydrometeorology. The collaboration upon the ongoing UNDP project ''Improving the Resilience to Floods in the Polog Region of North Macedonia'' has yielded benefits from its activities on enhancement of the hydrological and meteorological network in the Polog Region, aiming to support development of hydrological and hydraulic models for the purpose of establishment of an early flood warning system. Thus, established network of relevant stakeholders, including National Hydrometeorological Unit, Crisis Management Center and Protection and Rescue Directorate of North Macedonia, was informed about the Drim project and together with the engaged relevant experts lessons were learnt for the successful replication of the knowledge in the monitoring network expansion, technical specifications for the foreseen procurement of hydro-meteorological equipment, etc.

Drin FRM Project finalized the Terms of References for the International Hydrometric Network Expert, which was shared with the project partners: Global Water Partnership Mediterranean (GWP-Med), GIZ, and the Drin Core Group (DCG) as the Expert Working Group (EWG) on Floods had not been established, prior to launching the recruitment process, planned for the 4th quarter of 2020.

**Output 1.2 - Improved knowledge of climate change induced flood risk, and risk knowledge sharing through the introduction of modelling tools and technologies for the strategic flood risk assessment based on EU Flood Directive (EUFD) and development of basin flood hazard maps.** The project will assess the current level of implementation of the EUFD in each riparian country and review data availability for the detailed strategic basin-wide flood hazard and risk modelling and mapping. The first step regarding EUFD is assumed to be already implemented from GIZ Project, which appraised and mapped Preliminary Flood Risk Assessment (PFRA) over the Drin River basin.

**Updated list of activities:**

a) Establish Spatial Data Initiative[3] and data management system for the project. A common GIS and related database will be consolidated and shared from GPW-Med's one.
b) Undertake detailed topographic surveys of the river channel in high risk areas including all major infrastructure across the river (e.g. bridges, dams etc.) and along river banks (e.g. flood walls, levees etc.) for the Crn Drim in Macedonia.
c) Acquire/purchase/commission high resolution topographic data for the floodplain areas through high risk areas of the Crn Drim in Macedonia. Photogrammetry data based on aerial photographs or preferably LiDAR sources would be recommended in order to obtain a high-resolution DEM covering the whole basin. Coarser DEM and topographic data will be used for the rest of the basin for basin wide modeling.
d) Using the most appropriate modelling techniques, establish numerical high-level basin wider hydrological and hydraulic models of the DRB. Undertake detailed hydrological and hydraulic modelling for the Crn Drim in Macedonia in line with EUFD and produce high resolution flood hazard inundation maps suitable for use in land use planning, development zoning, design of flood risk mitigation measures, establishment of flood insurance criteria, raising public awareness, and emergency planning for the Crn Drim in Macedonia. Maps will be produced for a number of different return periods and for a range of climate change scenarios. Flood modelling and mapping will cover all relevant flooding mechanisms within the basin. This activity will then aim

[3] A data repository which will provide a structured environment to enforce data integrity and support data auditing, versioning and data quality. Audit trails, as well as structured and categorized schemas, will make data collation, manipulation and analysis more manageable throughout the project

firstly at implementing a detailed enough hydrological model for the whole river basin and a global hydraulic model to calculate flood propagation all along valleys (also accounting for dam impacts on flood routing and attenuation), then to elaborate detailed local hydraulic models in Macedonia. Global hydrologic and hydraulic models will provide hydrographs for various return periods and scenario at each risk area for detailed studies. Moreover, the hydrological model might be adapted for flood forecasting.

e) Integrate detailed hydrological and hydraulic modelling for other Areas for Further Assessment (AFAs) being modelled by GIZ and riparian governments into the high-level river basin models and into the global hydraulic model, as and when they become available.

f) Undertake capacity assessment of relevant institutions for flood risk assessment and modeling and develop a long-term capacity development plan and training needs. For this purpose, hydrological and hydraulic models will preferably be prepared using free non-commercial software.

**Assessment and progress made during the IP:**

GIZ had implemented Preliminary Flood Risk Assessment (PFRA) for the Drin/Drim and Bojana/Buna River Basin, which in some countries involved some modeling but not to the level of detail, e.g. it did not include detailed river cross section surveys and LiDAR data. In line with the first step required for EUFD implementation, PFRA provides location and gross damage assessment in high risk areas and GIZ proceeded through the next phase of the project with detailed modeling of the Bojana/Buna – Drin/Drim downstream area, while the Drin FRM would be doing detailed modeling through high risk areas in North Macedonia and Albania.

Drin FRM project will take a basin approach: in addition to detailed models in high-risk areas, a basin hydrological and hydraulic model is needed even with less detailed hydro-dynamic representation between the detailed high-risk areas, as the long-term river basin strategy and long-term forecasting depends on it. Detailed hydraulic models in high-risk areas identified early on need to be interlinked with a higher-level model, including detailed model GIZ is developing for the downstream areas and Drin FRM detailed modeling for North Macedonia. High risk areas could be "linked" with more simple representation in a number of ways, simple routing models, should there be LiDAR data for all of the floodplain, there could be 2D routing models between the more detailed 1D-2D hydrodynamic models in the local areas. Even coarser model grids in the areas of low risk are needed for giving representation of the conveyance of the high-risk areas.

In addition to Crni Drim sub-basin in North Macedonia and Bojana/Buna confluence as the two highest risk areas, and detailed modeling of the latter being done by GIZ, all high-risk areas in Albania should be studied as well, by the local experts. Kosovo being one of the high-risk areas, from the basin perspective it would be important to include it in at least the coarse modeling tool and Drin FRM will raise this issue further with GIZ and other partners.

The Project component in North Macedonia started intensive consultations with relevant stakeholders on the acquiring hi-res topographic data for the Crni Drim River Basin. Foreseeing acquiring aerial LiDAR (Light Detection And Ranging) surveillance and preparation of the DRB Digital Elevation Model (DEM), parallel coordination and lessons learnt were utilized from the aforementioned UNDP Polog project since within this project the entire Polog area was surveyed for the purpose of DEM model development. Drin FRM Project undertook preparatory coordination activities with the National Cadaster Agency to facilitate the process of procurement of this service, planned for Q4 2020.

Drin FRM Project finalized the Terms of References (ToR) for the Lead International Hydrologist and Lead Hydraulic modeler, which were shared with the DCG and project partners - GWP-Med and GIZ, prior to initiation recruitment process, planned for September 2020.

Concerning the impact of the climate changes on the DRB hydrology, Drin FRM project will explore further the individual studies done by individual countries for their parts of the basin, e.g. Montenegro hydrometric institution was doing such studies, likely North Macedonia as well. Close coordination will be established with GIZ that might have done such studies as well, as part of developing of their forecasting and early warning hydrological model done such studies as well.

**Output 1.3 - GIS-based vulnerability, loss and damages assessment tool and database established to record, analyze, predict and assess flood events and associated losses.** The project will fully map the socio-economic conditions within the basin, including locations of marginalized communities (Roma community) and those populations most vulnerable to flood impacts, which will contribute to a body of data on which vulnerability and risk assessment will be based.

**Updated list of activities:**

a) Select existing relevant tools and adapt them for the project from existing social and economic vulnerability, loss and damage from recent project, as recently implemented in Bosnia and Georgia by UNDP and fully accounting for all types of vulnerable targets, including agriculture. Vulnerability will depend on various hydraulic parameters depending on the type of assets (water depths, frequency of flooding, flood duration…), so that hydraulic modeling will be required to prepare all relevant outputs.
b) Develop and codify methods and tools for undertaking socio-economic surveys to collect necessary information to fully map the socio-economic conditions of within the basin. Such surveys will be designed based on the selected GIS tool for social and economic vulnerability, loss and damage for the project, thus preparing database to be filled-in from available census tables and surveys.
c) Undertake socio-economic and vulnerability assessment to fully map existing vulnerability within the DRB, in order to identify the most appropriate adaptation options to reduce vulnerability within the basin.
d) Develop a GIS-based flood risk model which integrates various spatial socio-economic data with the flood hazard maps, calculates flood risk, performs vulnerability assessment, produce vulnerability maps which will include damages and losses of life estimates and to test flood management options.
e) Implement the DisInventar database in riparian countries for the systematic recording of damage and loss.
f) Develop harmonized methods, guidelines and procedures in line with Sendai Framework, for recording flood events, undertaking post-event surveys and assessing vulnerability to flooding as well as assessing the effectiveness of flood mitigation measures in reducing vulnerability and damages.
g) Undertake Cost-Benefit analysis (CBA) and Multi-Criteria Analysis (MCA) using the vulnerability loss and damages model to identify and compare options that maximize benefits as the basis for the development of the Integrated FRM strategy and plan for the basin.

**Assessment and progress made during the IP:**

The vulnerability model that will be developed by the project will take the approach taken in several countries including Georgia and Bosnia and Herzegovina, by developing a GIS based tool that, in addition to physical receptors, would include socio-economic receptors to flood risk. Where there is population data it will include socio-economic information about the population, which may be modeled down to the level of household, using census data, such as income levels, deprivation, gender. The model will include all sorts of information, both on the socio-economic side but also on the physical side, including physical vulnerability, infrastructure type, type of foundation and so on.

When the hazard maps are overlaid on such model, in terms of intensity, probability of flooding, the project will be able to come up with depth damage curves and damage and loss calculations, which will represent multi-criteria analysis, looking at particular population categories at risk and their social vulnerabilities.

For agricultural damages, proportional loss curves will be developed related to duration of the flood, seasonality for the flood, with probability of flood occurring in any particular month, duration of the flood for each type of agriculture; consequently, the model would include flood duration that would cause certain percent of damage to the particular crops and this allows to come up with damage loss calculation for agriculture.

**Component 2 – Transboundary FRM institutional, legislative and policy framework**

**Outcome 2: Improved institutional arrangements, legislative and policy framework for FRM, and development of climate change adaptation and flood risk management strategy and plans at the basin, sub-basin, national and sub-national levels.** The Adaptation Fund (AF) project will consolidate and extend current flood risk management efforts by DRB countries through the establishment of a dedicated coordination mechanism on flood risk management with the necessary political support and resourcing from the riparian countries to comprehensively address missing formalized and effective cooperation on FRM.

**Assessment and progress during the IP:**

The Drin FRM Project has continued the effective cooperation with the Global Water Partnership – Mediterranean (GWP-Med), the inter-governmental organization that will act as a Responsible Party for the Project's Outcome 2: under which capacity, it will implement specific regional activities of the project together with maintaining links with the GEF-funded transboundary project in the Drin River basin, as well as the potential SAP implementation activities in the basin. GWP-Med has served as Secretariat to the DCG thus supporting the Drin FRM in presenting its activities and obtaining relevant guidance and consents from the DCG as the Project's Regional Steering Committee (RSC). Drin FRM through the UNDP Istanbul Regional Hub (IRH) will formalize the extension of partnership with the GWP during the Q4 2020, as detailed hereunder.

**Output 2.1 – Drin River Basin FRM Policy Framework and improved long-term cooperation on flood risk management.** The project will support the establishment of the long-term financing mechanism of the working group as part of the Drin Core Group operation; and will review existing FM policy and enabling environments in each riparian country and develop basin FRM policies for the implementation of FRM legislative and policy framework in line with relevant EU directives.

**Updated list of activities:**

a) Review existing FM policy and enabling environments in each riparian country and develop basin FRM policies for the implementation of FRM legislative and policy framework in line with relevant EU directives. Cooperation between GWP-Med team and the present project team and experts will be needed, based on flood risk modeling and technical know-how and experience.
b) Development of risk financing and risk transfer mechanisms strategy to include private sector engagement strategy for long-term implementation of risk financing and risk transfer mechanisms for national-level flood risk financing and resilience strategy. Also, to include identification or public-sector risk financing mechanisms for flood risk management. Risk financing and transfer mechanisms products and tools will be identified (if existing) and/or developed based on detailed socio-economic risk, damages and losses assessment (to be undertaken in Output 1.3). The project will undertake feasibility studies for the identified and shortlisted risk financing mechanisms.
c) Sector FRM policies (at least 2 – energy, agriculture) - Undertake detailed technical studies (including modelling) on climate change impacts on the identified sectors (energy and agriculture) in the DRB. Consult with national sector leaders and relevant stakeholders on findings of study and invite comments on recommendations through the floods working group. Develop and codify detailed methodologies for incorporating climate-change responsive flood risk considerations into risk assessments, strategies, policies and plans for the energy and agriculture sectors. Develop and finalize robust sector FRM policies and any necessary enabling guidelines and/or tools for effective implementation of new policies

**Output 2.2 – Regional, national and sub-national institutions (including meteorological and hydrological sectors) are trained in flood risk management, roles and responsibilities clarified and coordination mechanisms strengthened for effective climate-resilient FRM.** The project will develop a DRB Stakeholders Analysis and the Governance Analysis focusing on Flood management based on the Stakeholders Analysis and the Governance Analysis done as part of the GEF Drin Project

**Activities:**

a) Institutional mapping to identify the current relevant national and sub-national government departments with functions in flood risk management in each riparian country.
b) Institutional capacity assessment and gap analysis to include functional, resourcing, technical and financial capacity assessment. Elaboration of long-term Institutional capacity development plan addressing resourcing, technical, and financial needs in each Riparian. Develop training programmes for climate risk management and flood risk management and embed in relevant national/regional institutions to improve the technical capacity and knowledge base for climate risk management and a long-term adaptation planning for flood risk management.
c) The ToR of the Drin Expert Working Group (EWG) on Floods will be revisited in terms of mandate, membership, resource requirements, technical capacity and technical enabling environment; data sharing and data access and technical means and tools for coordination. In consultation with riparian countries and the DCG a strategy and a five-year work program of the Drin EWG on Floods will be developed and implemented.
d) Deliver prioritized training to practitioners, decision-makers and communities.
e) The project's Knowledge Management (KM) strategy will be embedded under this Output (along with Output 3.3) and the KM tools and strategies will be developed and applied to fully embed capacity development in key institutions.

**Output 2.3 – Drin River Basin Integrated CCA and FRM Strategy and Plan Developed**

The Drin River basin FRM strategy (FRMS) and plan (FRMP) will be developed for the long-term management of flood risk in the basin. Necessary activities will be prepared jointly by GWP-MED (for animation of political decision-making, participation of relevant stakeholders and mainstreaming) and UNDP team and experts (for technical components).

**Activities:** Development of an integrated basin flood risk management plan for the DRB with participation of all relevant stakeholders. The plan will take a bottom-up, multi-stakeholder, consensus-based approach. This activity will be mainstreamed into the national on-going work on the development of the river basin management plans through the relevant national authorities. From the basin plan, and sub-national plans will be developed.

**Component 3 – Priority community-based climate change adaptation and FRM interventions**
**Outcome 3: Strengthened resilience of local communities** through improved flood forecasting and early warning, implementation of structural and non-structural measures and the strengthened capacity for CCA and FRM at the local level.

**Output 3.1 – Introduction of appraisal-led design for structural and non-structural measures using climate risk information, Cost-Benefit Analysis (CBA) and Multi-Criteria Analysis (MCA) appraisal methods, and application of methods to the detailed design of prioritized structural and non-structural measures for three riparian countries.**

**Activities:**

a) Undertake optioneering for long-term FRM measures for DRB including feasibility, outline design and indicative costing.
b) Undertake detailed design for structural measures to be implemented by the project. The project will undertake detailed design for implementation of structural options identified as priority measures during project development, in line with outputs of Component 2 of the project. The measures to be implemented are described under Output 3.2.

**Assessment and progress made during the IP**

Although both Montenegro and North Macedonia had structural measures at the outline design level, with appraisal of associated costs, as measures that the Drin FRM project will design (pre-selected during project proposal development stage) further long and short-listing of the structural options under this output is part of the development of the river basin long term strategy. After project has done all the modeling, mapping and further identifying highest risk areas, a long-term strategy will be developed and each of the riparian governments will have a list of long-term measures they would be implementing to address flood risk – it is basically embedding this process, as part of optioneering, into the strategic river basin management.

In case of Albania, there were no engineering solutions at the project design stage, which is why this component is doing a feasibility study, different from long listing and short listing as part of the river basin management plans, to be developed under Component 2.

In the case of Montenegro, there was a long-term issue in regards with the embankment between Montenegro and Albania and the project was seen as the opportunity to address the difference in levels of the embankments between the two countries. UNDP Montenegro Country Team (CT), following pre-selection of the protective embankment along the Bojana River as a structural flood protection measure,

developed the Terms of Reference (ToR) and advertised a Request for Proposals (RFP) for the detailed design on 9 March 2020, which resulted in awarding the Contract worth USD 342,162 to CESTRA Ltd. Company on 2 June, that provided the most favorable among the four received bids, two of which were substantially and technically responsive.

The ToR included the screening of the national Environmental and Social Impact Assessment (ESIA) requirements and development of the environmental and social safeguards, including a site-specific Environmental and Social Management Plan (ESMP), based on the results of the UNDP Social and Environmental Screening (SES) that encompasses 15 principles of the AF Environmental and Social Policy. These processes will be mandatory for all designs and structural interventions undertaken by the project.

The Design will be followed by an independent Design Review, foreseen to be completed by 25 February and 31 March 2021, respectfully.

In addition to construction of the protective embankment along the Bojana River in the Municipality of Ulcinj as a structural risk reduction measure pre-selected through the PD, the Montenegro NSC proposed regulation of riverbed and reconstruction of bridges in the downstream Gracanica River in the flood-prone Municipality of Niksic as another structural measure related to the Output 3.2. UNDP would ensure that appropriate safeguard procedures are completed fully in line with its safeguard standards and policies, as well as relevant national legislation. In line with the recommendation, UNDP Montenegro developed the ToR for detail design for riverbed regulation and reconstruction of bridges downstream the Gracanica River. The RfP, advertised on 30 June had to be extended until 21 August 2020 due to only one bid having been received by the initial deadline.

Relatively small market lacking expertise of this kind, the design of hydrotechnical and flood protection structures in Montenegro, and COVID-19 affected circumstances and imposed limitations for the international companies contributed to the issue with inadequate number of participants in such a tendering process. This issue was addressed by the Project by adjusting the design licensing requirements thus allowing the potential bidders sufficient time to obtain national licenses in case they win the tender.

An international hydrotechnical engineer has been engaged to oversee and validate the design of structural measures in Montenegro.

Proposed structural measures In North Macedonia were based on modelling for particular problems that they had already identified long ago: the modeling had been already done based on work done for the PFRA, and they had already started developing solutions for the particular tributary, Crn Drim. Design of the structural measures for flood protection in the Crn Drim River Basin in North Macedonia has been undertaken in close cooperation and consultations with another regional initiative, the UNDP project funded by the European Commission (EC), Improving the Management of Protected Areas (IMPA), which is conducting detailed design for several structural interventions in the Crn Drim River Basin, such as the Detail design for sedimentation removal and improvement of hydraulic capacity of Crn Drim riverbed. Since the Design encompasses a portion of the Crn Drim in the urban zone of the Municipality of Struga, which has been preselected as a structural measure on the Crn Drim in North Macedonia, it will be used by the Drin FRM for implementation of the said measure, i.e. Improvement of hydraulic capacity of Crni Drim River within the urban zone of the Municipality of Struga. Thus, the synergy between the two projects will ensure avoidance of overlapping of the design processes.

The IMPA project is also conducting a design of the Sateska River restoration and displacement of its riverbed to the initial Crni Drim Basin, which to the large extent covers another Drin FRM preselected structural intervention of Construction of nature-based sediment retention structures at fan apex or on fan (on 2 locations). The design will be reviewed and if needed updated by the Drin FRM Project in 2020, before it could be used for tendering the aforementioned structural measure.

Concerning the remaining two structural measures foreseen by the Project Document in North Macedonia, reconstruction and upgrading (increasing the capacity) of banks on Crni Drim in rural parts in total length of up to 10 km and Improvement of existing drainage system in Struga Municipality for underground flood protection, the Project has started gathering the relevant historic and other data in collaboration with the Municipality of Struga, and will proceed with required analyses and detailed design in 2020.

The long listing and short listing would be embedding this process into identifying long-term strategic options, combining both structural and non-structural measures, that would be part of the river basin flood management plan and this is after modelling, mapping and risk vulnerability assessments are done and accounting for possible methods to prioritize the options, putting forward schedule of interventions that each country has to do as part of the flood risk management in the basin.

Long term solutions are those that this project might not and does not have timeframe and budget to implement, but it is developing the framework that allows the governments to implement later on.

**Output 3.2 – Construction of structural risk reduction measures in prioritized areas.**
During proposal developments, riparian countries provided lists of structural measures that have already been prioritized for implementation. The Adaptation Fund (AF) project will undertake the detailed design of these structures during project implementation (Output 3.1) and take account of the full river basin impact of the intervention measures. It will undertake detailed climate-risk based assessment (using models and methods developed in output 1 of the project) to appraise all options and develop the detailed design of the proposed interventions.

**Assessment and progress during the IP:**

Commencement of the construction of Improvement of hydraulic capacity of Crni Drim River within the urban zone of the Municipality of Struga in North Macedonia, the first in series of the structural risk reduction measures is planned for Q4 2020. The procurement of the civil works on the sediment removal in urban part of Crni Drim, estimated at USD 200,000, will start immediately after the issuance of the construction permit by the Ministry of Environment and Physical Planning and the water management approval by the Joint Stock Company Water Economy of North Macedonia in September 2020. The measure is planned to be implemented by the end of 2020.

Commencement of construction of structural measures on Bojana and Gracanica Rivers in Montenegro is planned for the Q2 2021.

The processes mandated under the Environmental and Social Management Framework (ESMF) from the Annex 6 to the PD, outlined under the proceeding Output, will be implemented during the detailed design and prior to implementation of each structural intervention by the project.

**Output 3.3 - Strengthened local community resilience to flooding through the participatory design and implementation of non-structural community-based resilience, adaptation and awareness measures**
In order to ensure participatory and long-term sustainable community resilience, the project will provide training to selected municipalities/communities on maintenance of non-structural intervention measures. Some non-structural measures have already been identified as complements to structural measures (e.g. for Macedonia), but it is envisaged that, during the development of the basin FRM strategy, additional non-structural measures will be identified. Non-structural options will namely include a suit of measures for management of hillslope and floodplain vegetation to enable greater rainfall infiltration and transmission and reduce erosion. This may include reforestation (with diverse, native species) and the use of seasonal cropping, agroforestry, the use of vegetative bundles to build flood defenses etc., floodplain agro-forestry systems and bio-engineering measures. Flood risk management measures will promote the re-establishment of natural floodplain functionality including: floodplain reconnection; selective bed raising / riffle creation; wash lands/wetland creation; re-meandering straightened rivers; land and soil management activities to retain/delay surface flows; creation or re-instatement of a ditch network to promote infiltration (swales, interception ditches, etc.); in-channel vegetation management growth to maximize channel roughness. Income generating ecosystem-based adaptation and FRM measures (e.g. agro-forestry) will be implemented in priority areas throughout the basin. These schemes will form part of the non-structural interventions to be implemented and will be subjected to the same assessment and appraisals as structural interventions as described above. National standards for the non-structural measures will be reviewed and the project will aim to harmonize standards for the basin. This will be done through the development of guidance documents associated with each type of intervention.

The project will develop local government response capacity, training first and second responders for flood emergencies through drills and role play exercises. Training will be provided for communities on roles and responsibilities during flood emergency procedures. Community-based resilience and adaptation will be built using participatory methods of risk assessment and community resilience planning. Community-based response roles and responsibilities will be defined and training of local communities will be undertaken. Community-managed flood forums will be established.

Training will be undertaken in a gender-sensitive manner on the operation and maintenance of non-structural measures to increase capacity of local communities in the maintenance of non-structural intervention measures, utilizing the project KM tools and strategies. Information dissemination to reach all beneficiaries will be established, awareness raising and education, and gender mainstreaming approaches established.

# 3 ESTABLISHMENT OF THE PROJECT GOVERNANCE STRUCTURE

## 3.1 REGIONAL STEERING COMMITTEE (RSC)/ REGIONAL PROJECT BOARD (RPB)

The existing Drin Core Group (DCG) took over the role of the Regional Steering Committee (RSC)/ Regional Project Board (RPB). The DCG is a body with the mandate to coordinate actions for the implementation of the Shared Vision for the sustainable management of the Drin Basin and the related Memorandum of Understanding (MoU) signed by the ministries of water and environmental management of the Drin Riparians. In its capacity as RSC, the DCG has ensured synergy of this intervention with a broader

sustainable transboundary water management work in the Drin River Basin, including implementation of the on-going GEF-funded project and potential follow-up initiatives to implement the DRB SAP.

This DCG role was confirmed at its 17th meeting held on 30 and 31 May 2019 in Pristina, Kosovo, which also served as the Drin FRM Project Inception Workshop, as elaborated in more detail below. The DCG's subsequent 18th and 19th sessions, in Drin FRM RSC capacity, took place on 29 and 30 January 2020 in Tirana, Albania, and on 9 July 2020 online, respectively. At both DCG meetings, updates on the Drin FRM project inception activities and progress were presented to stakeholders.

In addition, the RPB is responsible for ensuring that the project remains on course to deliver products of the required quality to meet the outcomes defined. The RPB's role will include: (i) providing overall leadership, guidance and direction in successful delivery of outputs and their contribution to outcomes under the regional programme, ensuring the project remains within any specified constraints; (ii) overseeing project implementation; (iii) approving all work plans and budgets, at the proposal of the Project Manager (PM), for submission to UNDP-GEF; (iv) approving any major changes in plans or programmes; (v) reviewing annual progress reports and end project report; (vi) ensuring commitment of resources to support implementation; (vii) arbitrating any conflicts within the project and/or negotiating solutions between the project and any other stakeholders. The DCG will also be the focal point for data sharing and dissemination through its existing transboundary coordination functions and links with the national structures.

UNDP IRH Senior Manager will represent UNDP in the RPB performing the role of the RSC Executive. Representatives of the participating UNDP COs together with the UNDP IRH Regional Technical Adviser will act as the Senior Supplier whose primary function is to provide guidance regarding the technical feasibility of the project. Representatives of the three beneficiary governments (National Focal Points) will perform the role of Senior Beneficiary who will ensure the realization of project results from the perspective of project beneficiaries. Project Assurance role will be performed by the Head of the UNDP IRH Programme Support Unit. The RSC will meet as necessary, at minimum annually, to review progress, approve work plans and approve major deliverables.

In addition, the project will rely for technical advisory support and guidance on the DCG Expert Working Group (EWG) on Floods once fully operational, the Terms of Reference of which will be revisited and the strategy and five-year work program developed under the Project Output 2.1, in coordination with the riparian countries and the DCG.

## 3.2 NATIONAL STEERING COMMITTEES (NSCS)

The National Steering Committees (NSC) shall oversee and guide project implementation at the country level, including implementation of structural and non-structural flood risk management measures. The NSCs are composed of the UNDP COs senior managers performing the roles of the NSC Executive and Senior Supplier, National Focal Points appointed by the beneficiary countries in the role of the NSC Senior Beneficiary and representatives of other national institutions, such as National Hydro-meteorological Services (NHMSs) as members. Drin FRM National Coordinators will be responsible for organization of the NSC meetings and follow up, documenting the discussions and preparation of the meeting reports.

The NSC for Drin FRM Project in Montenegro was established at the meeting held in UN House in Podgorica on 30 October 2019 with participation of Mr Momcilo Blagojevic, General Director of the

Directorate for Water Management of the Ministry of Agriculture and Rural Development (National Focal Point, Senior Beneficiary and Co-chair), Mr Tomica Paovic, Team Leader, UNDP Country Office Montenegro (Executive, Senior Supplier and Co-chair), Ms Jovana Zaric, Head of the Division for International Cooperation and EU Integration of the Ministry of Sustainable Development and Tourism (member), Mr Danilo Globarevic, Advisor, Water Administration of Montenegro (member) and Mr Ervin Kalac, Sector for Hydrology of the Institute of Hydrometeorology and Seismology (member).

Establishment of the NSC in Albania and North Macedonia was underway at the end of the reporting period.

The project will provide technical assistance to disseminate the programme results towards the related Ministries in charge of flood risk management. The National Hydro-meteorological Services (NMHS) and other national FRM entities and stakeholders will be part of national steering committees.

## 3.3 PROJECT MANAGEMENT

The project is executed by the UNDP Istanbul Regional Hub (IRH) under the UNDP Direct Implementation Modality (DIM) in line with UNDP's Programme and Operations Policies and Procedures and IRH Standard Operating Procedures for Regional Programme Management. UNDP Istanbul Regional Hub is responsible for overall management, ensuring project coherence, the preparation and implementation of work plans and annual audit plans; preparation and operation of budgets and budget revisions; disbursement and administration of funds; recruitment of national and international consultants and personnel; financial and progress reporting; and monitoring and evaluation.

For the delivery of specific regional activities, the IRH will ensure effective cooperation with the Global Water Partnership – Mediterranean (GWP-Med), the inter-governmental organization that will act as a Responsible Party for the Project's Outcome 2, under the capacity of which the GWP-Med will implement specific regional activities of the project together with providing links with the GEF-funded transboundary project in the Drin River basin as well as the potential SAP implementation activities in the basin. A Letter of Agreement with GWP-MED will be issued to reconfirm their role as the Responsible Party following the UNDP policies, including the partner's micro-assessment in line with the UNDP rules and regulations.

National/country-based activities under the Adaptation Fund project will be delivered through the UNDP Country Offices in beneficiary countries (Albania, Montenegro and North Macedonia).

## 3.4 PROJECT MANAGEMENT UNIT (PMU)

UNDP IRH and UNDP Country Offices support the project implementation by assisting in monitoring project budgets and expenditures, recruiting and contracting project personnel and consultant services, subcontracting and procuring equipment. UNDP IRH Climate and DRR Team (CDT) recruited the Regional Project Manager (PM) with the duty station in Tirana, Albania, who entered on duty on 9 July 2020. The PM and the Project/ Finance Assistant (PA), recruited by the UNDP Albania formed the Project Management Unit (PMU), hosted by the UNDP Albania. Due to COVID pandemic the physical establishment of the PMU in Tirana (Albania) had to be postponed until October 2020. Recruitment of a home-based, part-time International Chief Technical Advisor (CTA) was being finalized by the UNDP IRH at the end the reporting period. CTA will perform field visits to the beneficiary countries as necessary. The UNDP Country Offices (COs) will implement in-country activities as per the agreed workplans. IRH will ensure financial allocations to Country Offices as per established workplans / activities for each country.

### 3.4.1 National Teams

National teams have been established in the three UNDP Country Offices:

Montenegro: National Project Coordinator, full-time engaged as of 1 January 2020, Project Assistant and Project Coordinator for Public Awareness Raising and Communications, part time as of 1 January.
North Macedonia: National Project Coordinator and Project Assistant.
Albania: National Project Coordinator, part-time engaged until 1 January 2020 when the engagement will continue on a full-time basis, Project/ Finance Assistant, part-time engaged until 1 January 2020 when the engagement will continue on a full-time basis (split between the Albanian Component and Regional Component).

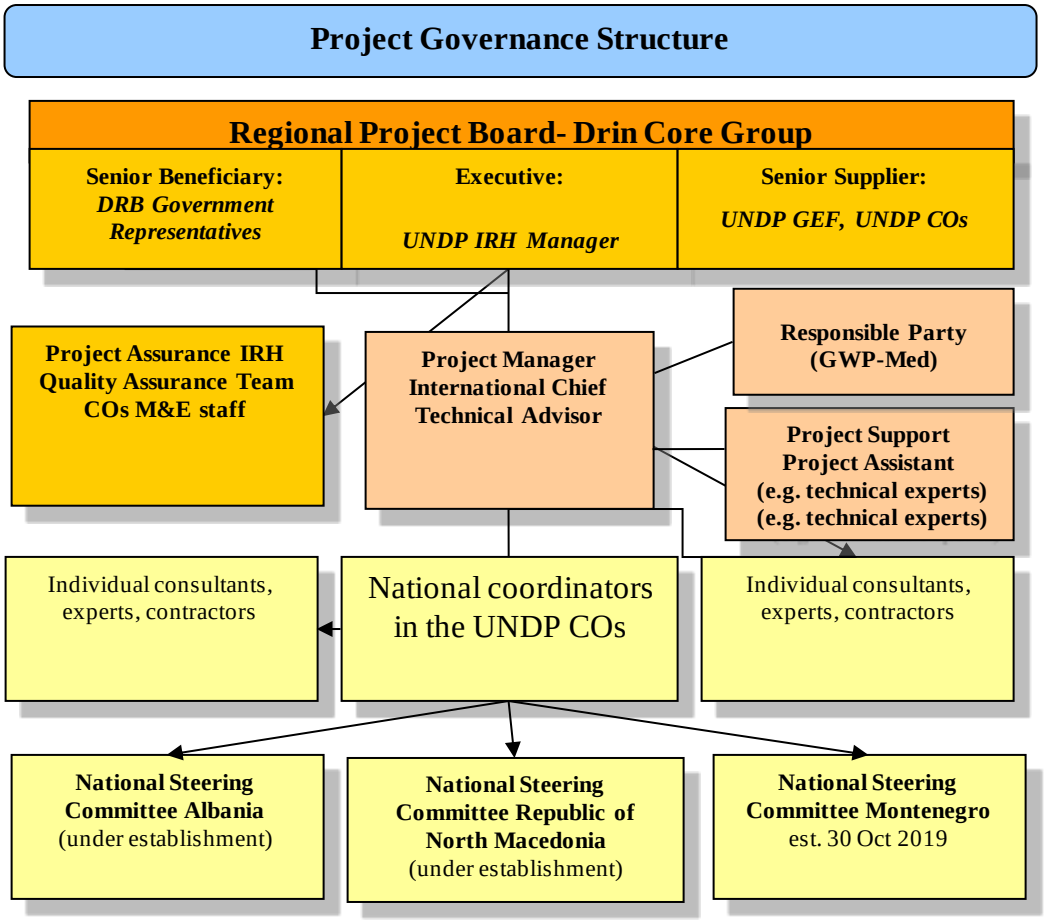


*Figure 1 – Drin FRM Project Governance Structure*

## 4. Risks, Issues and Assumptions

The risk and mitigation measures identified during the project Inception Phase have been outlined in the Updated Risk Log (Annex 4).

Major issue that seriously affected the implementation of the Project during the IP and threatened its progress past the IP was COVID-19 pandemic outbreak from February 2020.

UNDP developed COVID-19 response in line with its Strategic Plan and built on its current engagement at country level, working across its six signature solutions – poverty, governance, resilience, environment, energy and gender – and across multiple development contexts. UNDP continued to be operational in Drin FRM target countries, Albania, Montenegro and North Macedonia and its Istanbul Regional Hub, providing effective, value-for-money development support.

With investment in building a next generation network of innovation and digital solutions across its global team, UNDP and thus the Drin FRM Project addressed this issue to a certain extent, primarily through the change of UNDP working modality from working from office to teleworking (working from home in the place of the duty station) and telecommuting (working from home outside the duty station), and organizing all events, such as meetings, conferences, workshops, etc. using on line tools.

COVID-19 has however radically changed its economic outlook in the three riparian countries. Real GDP growth in Albania is expected to decline by 5% in 2020 from the estimated 2.2% growth in 2019[4]. The COVID-19 crisis has already curtailed global international travel demand and led to a collapse in tourism ahead of the Summer season. Albania and Montenegro will be hit particularly hard, as tourism revenues exceed 20% of GDP in both economies[5]. In December 2019, the Government of North Macedonia projected 3.8% growth for 2020; while in April 2020 there was a projected negative growth of -4%.[6]. These impacts reflected on the national partnering institutions responsiveness due to the change of priorities to address COVID-19 impacts, which affected timeliness of the project activities.

Screening of the social and environmental risks conducted during the project development resulted with a *moderate risk* categorization. During the IP there were *no changes registered* to any of the relevant environmental and social risks identified through the application of UNDP Social and Environmental Safeguards Procedure (SESP) which was completed at the project design phase and provides recommendations made for appropriate action for the project implementation stage. The Social and Environment Screening Report (SESP) and the environmental and social risk management framework (ESMF), which had been developed and provided in the Annex 6 to the Project Document remain in effect. Risk screening against the 15 AF ESP principles will be further updated as part of the Project Performance Reports (PPR).

For all structural interventions proposed, environmental and social compliance will be secured according to the relevant national environmental legislation and subject to Environmental and Social Impact Assessment (ESIA) as per national thresholds specified in the ESIA guidelines.

Final design of all structural measures will be screened against the risk checklist of UNDP's social and environmental screening template and against the 15 principles of the AF ESP. In case of identified risks or adverse impact, targeted ESIA will be conducted for each structural intervention.

[4] https://www.oecd.org/south-east-europe/COVID-19-Crisis-in-Albania.pdf

[5] http://www.oecd.org/south-east-europe/COVID-19-Crisis-Response-Western-Balkans.pdf

[6] https://www.oecd.org/south-east-europe/COVID-19-Crisis-in-North-Macedonia.pdf

Screening requirements have been embedded into the RfPs for the design of two structural measures in Montenegro.

The Project Manager will monitor risks quarterly and report on the status of risks to the UNDP IRH. Progress will be recorded in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high. The Results Framework presented in Section 8 further below, outlines the main assumptions built into the design of the project objectives, outputs and activities. During the Inception Phase no changes to the Results Framework were introduced.

## 5. STAKEHOLDER ENGAGEMENT

Stakeholders were consulted in open participatory manner at the proposal development stage, in all riparian project areas. Missions were conducted in each riparian country to meet with key stakeholders.

In line with the Stakeholder Engagement Plan from the Annex 7 to the Project Document, the project idea was presented to the Drin Core Group at the Inception Workshop in May 2019 and the national delegations from the DCG countries supported the proposed project outcomes. Project activities, following its commencement, were presented at the subsequent 18th and 19th DCG sessions in January and July 2020, respectively.

At the national inception workshops held in Montenegro and North Macedonia in October 2019 and February 2020, respectively, the project demonstrated continued engagement of beneficiaries at the institutional and communities' levels in implementation and monitoring of activities, in particular the voices of local communities and groups that are vulnerable due to gender, religion, ethnicity or economic well-being. Among key stakeholders, gender experts familiar with the national gender context were consulted, integrating as well concerns of intersectional marginalization, of beneficiaries (the poor and/or ethnic and religious minorities), and hence intervention locations have been chosen to minimize the impacts of floods where populations are most vulnerable, including Roma populations in the project area.

Relevant national institutions, such as the NHMSs have been incorporated into work of the NSCs where set up, while regular contact has been maintained by the National Coordinators.

As the project builds on the experience of the GEF Project 'Enabling transboundary cooperation and integrated water resources management in the extended Drin River Basin' whose objective is to promote joint management of the shared water resources of the extended transboundary Drin River Basin, including coordination mechanisms among the various sub-basin commissions and committees (Lakes Prespa, Ohrid and Shkoder/Skadar), continued coordination has been maintained with the GWP-Med as the responsible party with this project. All relevant materials for information of the DCG, such as the ToRs for the key international experts, were channeled through the GWP-Med as its secretariat.

Furthermore, the Drin FRM project builds upon the extensive work already undertaken by GIZ "Adaptation to Climate Change in transboundary Flood Risk Management, Western Balkans" and will aim to work closely with GIZ on the Implementation of flood hazard mapping for the Drin Basin under their new project and under proposed AF Output 1.2. Materials relevant to this Output, such as the ToRs for key international experts have been shared with GIZ, and meetings to ensure synergy between the two projects were held.

Given the general elections held in North Macedonia in July and Montenegro in August 2020, the project recognized that governmental priorities at higher level might change and planned mitigation measures outlined in the updated Risk Log in the Annex 4 to this Report.

## 5.1 Drin FRM Project Inception Workshop

As stated above, the the Drin FRM Project Inception Workshop was held on 30 May 2019 in Pristina, Kosovo, in the framework of the 17th meeting of the DCG.

The Workshop aimed to create awareness of the project objectives among the key stakeholders and to define their individual roles and responsibilities in the project planning, implementation and monitoring. During the event, UNDP IRH Regional Technical Adviser, presented the project, including its:

- Rationale, objectives, outcomes, outputs and expected results;
- Governance structure, implementation and management arrangements, including the role of the Regional Steering Committee to be carried out by the DCG;
- Budget;
- Risks and risk mitigation strategy;
- Monitoring and evaluation and oversight arrangements;
- Activities planned for the Drin FRM project mobilization and inception phase.

The DCG agreed to assume the role of the Regional Steering Committee for the Drin FRM project and that National Steering Committees be established in each of the beneficiary countries to ensure full national ownership and coordination.

The DCG endorsed the proposal by UNDP/AF Drin FRM project for the Project Management Office to be located in Tirana, Albania, and that the GWP-Med is engaged as a responsible party for regional coordination and policy work under Drin FRM Outcome 2.

Messrs. Momcilo Blagojevic and Arduen Karadjozi, representatives of Montenegro and Albania to the DCG, explained that the national coordination and implementation arrangements would be established during the IP.

Montenegrin representative to the DCG Mr Blagojevic also presented to the DCG the proposal by the Montenegro National Steering Committee for two additional project activities related to the Drin FRM project Outcome 1.1, procurement of the specialized equipment for the Public Health Institute of Montenegro for monitoring of hazardous chemicals in water during and in the aftermath of floods, and introducing of another structural measure of regulation of the part of Gracanica River with safeguards implemented, under Output 3.2.

Mr Gerrit Bodenbender, GIZ Programme Manager, Climate Change Adaptation through Flood Risk Management in Western Balkans presented the work done under the project for adaptation to climate change through transboundary flood risk management, and expressed satisfaction to have seen that the Drin FRM project activities would build upon and be complementary with the GIZ project. Mr Bodenbender was confident that close cooperation would be established between the GIZ-led flood risk management activities in the Drin River basin and the UNDP/AF Drin FRM project.

Finally, the DCG acknowledged the activities planned for the Inception Phase, including appointments of the National Focal Points and the NSCs in each of the beneficiary countries.

The Report from the 17th DCG meeting and Pre-Inception Workshop is attached herewith as Annex 7.

## 5.2 National Drin FRM Project Presentations and Inception Workshops

National presentation of the Project in Montenegro took place on 11 October 2019 in the Municipality of Ulcinj, one of the flood prone municipalities in the DRB.
The event was open by the Mayor of the Municipality of Ulcinj Mr Loro Nrekic, while the keynotes were delivered by Deputy Prime Minister of Montenegro and Minister of Agriculture and Rural Development Mr Milutin Simović and the United Nations Development Programme (UNDP) Resident Representative (RR) for Montenegro Ms Daniela Gasparikova.

The Project was presented by General Director of the Directorate for Water Management, Ministry of Agriculture and Rural Development and Montenegrin representative to the DCG Mr Momcilo Blagojevic, and UNDP IRH Regional Technical Adviser Ms Natalia Olofinskaya.

National Drin FRM Project Inception Workshop in North Macedonia was held on 25 February 2020 in Skopje with introductory notes by the UNDP Deputy Resident Representative (DRR) Ms Sanja Bojanic and State Secretary at the Ministry of Environment and Physical Planning of North Macedonia Ms Ana Petrovska. The project was presented by the Head of the Environment Unit at UNDP North Macedonia Ms Anita Kodzoman. Ms Nikoleta Bogatinovska, GIZ National Project Coordinator, presented the Regional Flood Management Project in the Crn Drim River Basin.

National Inception Workshop in Albania, initially planned for March 2020, was postponed due to the COVID-19 outbreak.

## 5.3 Cooperation and Partnerships

As elaborated in more details across the Components, Outcomes and Activities, given a number of ongoing regional initiatives on flood risk management in the Drin basin, the project is designed to properly focus on coordination of its activities to avoid duplication and overlap.

Major cooperation was undertaken through the Drin Coordinated Action, established through a Shared Vision for the sustainable management of the Basin and the related MoU (Tirana, 2011) signed by the Ministers of the water and environment of the Drin Riparians: Albania, the Former Yugoslav Republic of Macedonia (North Macedonia), Greece, Kosovo and Montenegro. The main objective of the Drin MoU is to promote joint action for the coordinated integrated management of the shared water resources in the basin. The Drin MoU provides the political framework for cooperation among the riparian's and identifies short-, medium- and long-term actions to address problems affecting sustainable development in the DRB. Integrated DRB Management Plan is the long-term objective.

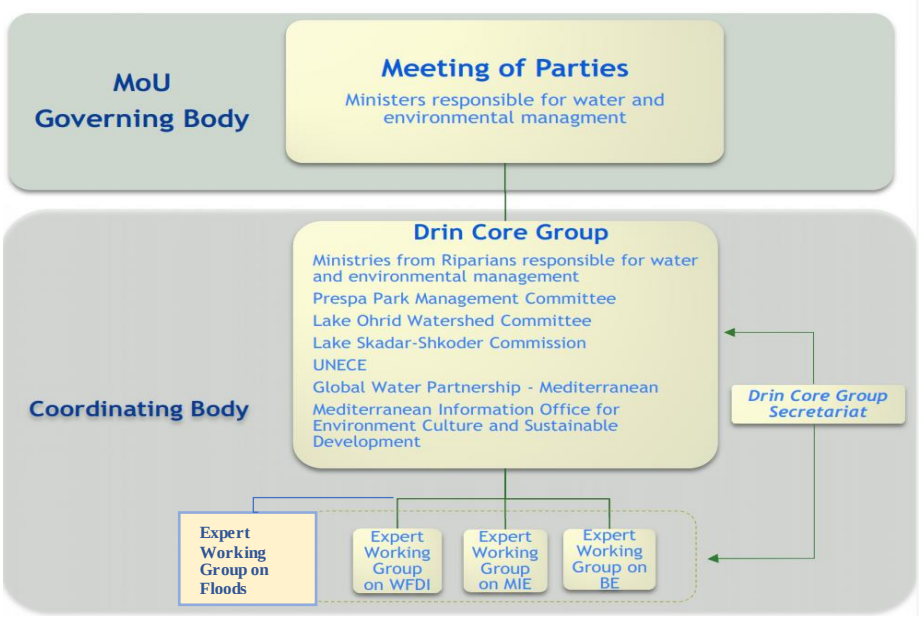


***Figure 2 Institutional Framework for the management of the Drin Basin established under the Drin MoU***

The following institutional set up supports the Drin Coordinated Action: (i) The Meeting of the Parties; (ii) The Drin Core Group (DCG) coordinates implementation of the MoU; (iii) Expert Working Groups (EWGs), an EWG on Floods is being established; (iv) DCG Secretariat hosted by the Global Water Partnership–Mediterranean (GWP-Med). The UNDP/GEF Drin Project [7] executed by GWP-Med assists in building consensus among countries on key transboundary concerns and drivers of change, including climate variability and change, and in reaching an agreement on priority actions. There are also existing bi-lateral agreements between pairs of riparian countries, such as the newly signed agreement between Montenegro and Albania on water management, including flood risk management.

The updated List of the key regional partner initiatives the Project will collaborate with is attached as the Annex 3 to this Inception Report.

## 5.4 Grievance Redress Mechanism (GRM)

In line with the Art. 34 of the AF Environmental and Social Policy, revision of March 2016, and UNDP's Supplemental Guidance on Grievance Redress Mechanisms, Drin FRM Project has drafted a ToR for a project-specific Grievance Redress Mechanism (GRM), enclosed herewith as Annex 12, which will be disseminated in advance for endorsement by the RPB/DCG at its session tentatively scheduled for 26 November 2020.

In addition to a project level Grievance Redress Mechanism (GRM), project stakeholders have access to UNDP's Accountability Mechanism (Stakeholder Response Mechanism, SRM, and Social and Environmental Compliance Unit, SECU) as additional avenues of grievance redress, as well as the AF Ad Hoc Complaints Handling Mechanism (ACHM).

[7] "Enabling transboundary cooperation and integrated water resources management in the extended Drin River Basin" approved by the GEF in 2014. The GEF Drin project includes five components: (1) Consolidating a common knowledge base; (2) Building the foundation for multi-country cooperation; (3) Institutional strengthening for Integrated River Basin Management (IRBM); (4) Demonstration of technologies and practices for IWRM and ecosystem management; (5) Stakeholder Involvement, Gender Mainstreaming and Communication Strategies.

# 6. GENDER EQUALITY AND EMPOWERING WOMEN

The project will embed nationally appropriate gender consideration in each riparian country, as well as the aforementioned AF and UNDP policies and procedures. The project will thus efficiently safeguard local communities and their assets from flood disasters with particular involvement of women as well as other vulnerable groups (marginalized, elderly, disabled).

Having reassessed the relevance of the Gender Analysis and Action Plan (GAAP) from the Annex 8 to the Project Document, the project confirmed its validity. The Gender Assessment addresses gender relations in the Western Balkan region, with a specific focus on the gender and social inclusion issues and recommendations that are relevant to the design, implementation and monitoring of the Project; and, a Gender Action Plan (GAP) identifies specific initiatives that are proposed to strengthen gender mainstreaming throughout the different outputs and activities of the Project. The updated GAP is attached as Annex 5 to this Inception Report.

The following will be used to supplement the GAP:

i) An engendered institutional analysis of key partner institutions at the regional, national and sub-national levels, to identify the participation and roles of women and men in management, professional and technical positions and administration; and, the policies, procedures, methods and other resources that are relevant to the Project design, implementation and monitoring. Currently gender-disaggregated data is lacking in regards to representation within the relevant institutions in the Drin Basin.
ii) As training and capacity building are key components of the project, a participatory training and capacity-building needs assessment will be carried out to identify the needs, priorities and preferred modalities to increase knowledge, capacity and skills among both women and men in partner institutions particularly at management, professional and technical levels, to develop and adopt gender-responsive strategies, methods and tools for the work of the Project at institutional and community levels. This can also include training of local institutions in the collection of gender-disaggregated data in regards to flood impacts.

Gender mainstreaming will be considered throughout all stages of the project cycle. The project will carry out an ongoing participatory gender analysis required to translate existing conditions, opportunities and constraints identified at national levels into the Gender Assessment, to continue to mainstream gender-responsiveness into development of methods, tools and institutional capacity-building for the Project.

All Drin FRM project personnel are familiar with gender concepts such as a gender mainstreaming approach and with respect to the climate-resilient river basin flood risk management. They all also successfully completed the relevant UNDP gender training courses. To facilitate communication and support, the PMU Project Assistant with considerable experience in gender mainstreaming was appointed the project gender focal point.

With the fact that women represent over 50% of the team, the project demonstrated that it could change gender perceptions and gender discourse through setting a good practice example.

During the Inception Phase, the CO Montenegro Project Coordinator for Public Awareness Raising and Communications in coordination with the Montenegro Project Country Coordinator and the Regional Project Manager developed a gender-sensitive Regional Communications and Advocacy strategy, which considered gender differences in access to information technology and the role of women in vulnerable communities. The strategy is attached as the Annex 7 to the Inception Report.

## 7. PROJECT RESULTS FRAMEWORK

| **Objective:** To assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance resilience of vulnerable communities in the DRB to climate-induced floods. | | | | | |
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| | **Indicators** | **Baseline** | **Targets Project completion** | **Means of verification** | **Risks and assumptions** |
| **Objective of the Project**<br><br>**To assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance resilience of vulnerable communities in the DRB to climate-induced floods** | Total Number of direct and indirect beneficiaries (disaggregated by gender) with reduced vulnerability to flood risks; Number of beneficiaries relative to total population | 0 | Direct beneficiaries: 190,000 people (XX% women TBD) / 12% of the DRB population<br><br>Indirect beneficiaries: 1.6 million people living in DRB (XX% women TBD) | Census data<br><br>Baseline and periodic vulnerability assessments and surveys<br><br>Risk and vulnerability database<br><br>Project mid-term and final evaluations | Capacities created at relevant agencies through the project are maintained and periodically renewed<br><br>Political will to implement relevant legal-regulatory reform for effective and efficient FRM at national and transboundary level<br><br>Enhanced hydrometeorological observation network results in enhanced generation and delivery of early warnings and response actions of communities at risk<br><br>Coordination mechanisms have relevant representation, participation in the coordination mechanisms are at the appropriate decision-making level, the coordination mechanism meets with sufficient periodicity and consistently, the mechanism |
| | Availability of high-quality flood hazard and risk information generated and disseminated to stakeholders on a timely basis | Gaps in observation and flood risk information hamper effective flood forecasting and EWS, development of basin-level integrated CCA and FRM strategy and plan and climate resilient sectoral planning. | Enhanced food hazard and risk information for DRB is available and used for:<br>(a) enhanced FFEWS (in cooperation with GIZ)<br>(b) Climate-informed Drin River Basin Integrated CCA and FRM Strategy and Plan and implementation capacities are in place<br>(c) Sectoral planning | Regional and national climate change and FRM/DRR policies, plans and reporting at the national, district and community levels;<br><br>Project Reports; Midterm and Final Evaluations | |

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| | Number and level[8] (where relevant) of effective coordination mechanisms for climate-resilient FRM in DRB | 1 coordination mechanism: Drin Core Group/MOU: Level 3<br><br>The Drin Coordinated Action was established to promote joint action for the coordinated integrated management of the shared water resources in the basin. The MoU does not currently specifically address joint actions required for cooperation on flood risk management. The existing coordination and bilateral agreements are insufficient for a truly transboundary river basin approach to flood risk management. | 4 coordination mechanisms:<br><br>(a) DCG/MOU: Level 4<br>(b) Drin Floods Working Group: Level 4<br>(c) DRB Framework Agreement on FRM<br>(d) DRB SAP is informed of climate-induced flood risks and integrated resilient FRM measures | Minutes of the meetings of coordination mechanisms<br><br>Project annual reports; Mid-term evaluation, final report. | coordinates appropriate information flows and the mechanism monitors action on items/issues raised<br>Effective cooperation and coordination with GIZ project on the implementation and enhancement of the FFEWS. GIZ project delivers its planned outcomes.<br>Structural and non-structural measures met their design standards in reducing the risks to populations and reduction in agricultural land losses<br>Target communities understand shorter-to-longer-term benefits of CRM and risk reduction interventions and engage on a voluntary basis in operations and maintenance of such systems |
| **Outcome 1**<br><br>Improved climate and risk informed decision-making, availability and use of climate risk information | **Indicator 1.1:**<br>a) Coverage and effectiveness of the hydrometric monitoring networks in riparian countries.<br>b) Number of new observation stations installed | Significant gaps in the coverage (especially in Republic of North Macedonia and Montenegro) and inefficiencies in data management, operations and maintenances of the hydrometric monitoring network across DRB prevents | **Indicator target 1.1.**<br>a) Enhanced coverage and efficiency of the hydrometric monitoring network in DRB and improved O&M provides for improved FFEWS and FRM decisions across DRB.<br>b) Target number of new stations to be defined during Year1 of the project based on the network design. | Inventory of the new hydrometric monitoring equipment in riparian countries installed by the project (NHMSs)<br><br>Reports on the operations of the FFEWS (GIZ project)<br><br>DRB integrated | Government commitments to secure adequate O/M of monitoring equipment, relevant software and databases are fulfilled on a continuous basis both during the project implementation and afterwards<br><br>Capacities built across relevant agencies through the project are maintained and periodically updated |

[8] Level 1 = no coordination mechanism; Level 2= coordination mechanism in place; Level 3 = coordination mechanism in place, mee ting regularly with appropriate representation (gender and decision-making authorities); Level 4 = coordination mechanism in place, meeting regularly, with appropriate representation, with appr opriate information flows and monitoring of action items/issues raised.

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| | **Indicator 1.2:**<br>Level of introduction of modelling tools and technologies for the strategic flood risk assessment and flood hazard mapping | adequate forecasting and early warning and efficient decision making on FRM.<br><br>An integrated basin wide hydrological and hydraulic model for the DRB is absent. Under the new GIZ project detailed flood modelling and mapping is planned for the Lake Shkoder/Skadar and Bojana-Buna area.<br><br>Lack of socio-economic data for risk, damages, losses, exposure and vulnerability assessments. | **Indicator target 1.2.**<br>Enhanced modelling tools and technologies for the strategic flood risk assessment in DRB based on EUFD, including:<br>a) Spatial Data Initiative [9] and data management system;<br>b) Detailed topographic surveys and data for the Crn Drim in Macedonia.<br>c) Detailed hydrological and hydraulic modelling for the Crn Drim in Macedonia and high-resolution flood hazard inundation maps<br>d) Numerical high-level basin-wide hydrological and hydraulic models of the DRB integrating detailed area-based modeling developed under AF, GIZ and national projects. | hydrological and hydraulic models<br><br>Project annual reports; Mid-term evaluation, final report. | Relevant government agencies cooperate on and allocate resources for the implementation of the data management<br><br>Unified modeling methodologies, developed with the Project support and with GIZ project, are endorsed and used for mapping;<br>Necessary data sets for developing hazard maps and risk models are available<br><br>Effective cooperation and coordination with GIZ project on the implementation and enhancement of the FFEWS<br><br>Governments allocate necessary human and technical resources to conduct vulnerability assessment;<br>Decision-makers at selected state agencies use assessment data in prioritizing resilience measures in high-risk areas |
| | **Indicator 1.3.**<br>Level of implementation of the systematic gender-responsive socio-economic vulnerability assessment in the DRB | | **Indicator target 1.3.**<br>(a) Socio-economic data collection tool developed and embedded at local and central institutions to systematically collect damages and losses data. Bespoke GIS-based socio-economic modelling tool developed and introduced.<br>(b) Baseline, progress and final report on social and gender vulnerability. At least 30% participants of consultations are women. | Reports of the socio-economic surveys<br><br>Evaluation of the socio-economic risk model<br><br>Project annual reports; Mid-term evaluation, final report. | |

[9] A data repository which will provide a structured environment to enforce data integrity and support data auditing, versioning and data quality. Audit trails, as well as structured and categorized schemas, will make data collation, manipulation and analysis more manageable throughout the project

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| | | | (c) Systematic recording of flood damage and losses in DisInventar database | | |
| **Outcome 2**<br><br>Improved institutional arrangements, legislative and policy framework for climate-resilient FRM, and development of CCA and FRM strategy and plans at the basin, sub-basin, national and sub-national levels | **Indicator 2.1:**<br>State of the Drin River Basin FRM Policy Framework and cooperation on flood risk management | Limited basin-level coordination and cooperation on flood risk management.<br><br>Under an MoU between the national hydromet institutions there is cooperation and data exchange for flood warning, based on regional forecasts, EFAS and SEE FFG. The Drin Coordinated Action was established to promote joint action for the coordinated integrated management of the shared water resources in the basin. The MoU does not currently specifically address joint actions required | **Indicator target 2.1.**<br>(a) FRM policies designed in line with relevant EU directives.<br>(b) Basin risk transfer mechanisms designed, including risk financing and risk transfer strategy, private sector engagement strategy, feasibility studies for identified and shortlisted risk financing mechanisms.<br>(c) Sector FRM policies (at least 2 – energy, agriculture) based on modelling of climate change impacts on the identified sectors and on the detailed methodologies for incorporating climate-change responsive flood risk considerations into risk assessments, strategies, policies and plans for the energy and agriculture sectors. | Project annual reports; Mid-term evaluation, final report; | Riparian governments have political will to implement relevant legal-regulatory reform for effective and efficient FRM framework in line with EUFD<br><br>DCG maintain adequate mandate and authority to spearhead resilient FRM policies and strategies across the sub-region<br><br>Private sector is interested and is engaging in developing risk transfer and risk reduction mechanisms<br><br>Beneficiary and partner institutions are willing to cooperate and conduct regulatory and institutional reform<br><br>Capacities created at relevant agencies through the project |

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| | **Indicator 2.2.**<br>**a)** % increase in institutional capacity to promote integrated climate resilient flood risk management<br>b) Number of staff from targeted institutions trained to respond to impacts of climate-related events | for cooperation on flood risk management.<br><br>Institutional capacities at the regional, national and sub-national level across the basin are insufficient to secure climate-resilient FRM.<br><br>The existing coordination and bilateral agreements are insufficient for a truly transboundary river basin approach to flood risk management. What is missing is a basin-level integrated climate change adaptation and flood risk management strategy and plan and a multi-lateral Framework Agreement for the DRB in the field of flood risk management which establishes the institutional and legal basis for cooperation. | **Indicator target 2.2.**<br>a) 50% increase in institutional capacity (measured through an institutional capacity assessment scorecard)<br>b) At least 50 officials and other key national/regional stakeholders trained on improving the enabling environment (minimum 30% women) | Institutional capacity assessment scorecard<br>Capacity review<br>Training test results<br><br>Project annual reports; Mid-term evaluation, final report;<br><br>Partner reporting and audit. | are maintained and periodically renewed |
| | **Indicator 2.3.**<br>State of Drin River Basin Integrated CCA and FRM Strategy | | **Indicator target 2.3.**<br>Drin River Basin Integrated CCA and FRM Strategy and Plan developed and endorsed by regional and national stakeholders; Implementation started. | Review of the Drin River Basin Integrated CCA and FRM Strategy<br><br>Minutes of the DCG meetings<br><br>Project annual reports; Mid-term evaluation, final report | |
| **Outcome 3**<br><br>Strengthened community resilience through improved flood management, through implementation of structural and non-structural measures and enhanced local capacity for CCA and FRM | **Indicator 3.1:**<br>State of climate-responsive design of structural and non-structural measures for long-term FRM investment in DRB. | Communities of the DRB remain highly exposed to flooding. In the Riparian countries of the DRB, flood defense and flood risk management are done in a reactive manner and as | **Indicator target 3.1.**<br>For each of 3 riparian countries a set of structural and non-structural flood protection options identified and designed using climate risk information and cost-benefit appraisal methods. | Project design documentation, CBA<br><br>Mid-term evaluation, final report | Co-financiers fully meet its commitment towards implementation of structural flood protection measures<br><br>Structural and non-structural measures met their design standards in reducing the risks to populations and reduction in agricultural land losses |
| | **Indicator 3.2:** | | **Indicator target 3.2.**<br>(a) 10,000 people directly | Project annual reports. Mid-term | |

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| | **(a)** Number of people directly protected from flood risks through structural measures at 3 high risk sites in Albania, Republic of North Macedonia and Montenegro<br><br>(b) Area of land protected from flood risks through structural measures at Drin FRM project 3 sites | budgets allow. Relevant institutions have limited annual budgets to address urgent issues like structural defense needs, and currently do not take a climate risk-informed strategic approach (e.g. river basin approach) to flood risk management interventions. Capacities to design climate-responsive and resilient flood protection structures are limited. Many defenses have exceeded their design life and have not been upgraded or maintained and are therefore now largely ineffective. There is limited use of modern eco-system-based flood risk management approaches and approaches which combine both structural and non-structural measures as part of FRM, due to a lack of knowledge and application of non-structural measures and ecosystem-based approaches (EbA) to flood risk management. There is also limited knowledge and | protected<br>(b) 7000 ha protected, including agricultural and municipal land | evaluation, final report<br><br>Field visits, pilot site reports<br><br>Community surveys | Communities actively participate in planning and implementation of risk reduction measures<br><br>Effective cooperation and coordination with GIZ project on the implementation and enhancement of the FFEWS |
| | **Indicator 3.3:**<br>(a) number of communities across DRB supported with non-structural measures and adaptation planning (including training, participatory planning and implementation)<br>(b) scale of agroforestry measures implemented (ha) | | **Indicator target 3.3.**<br>(a) At least 50 communities across DRB are supported with training, participatory CRM and FRM planning and/or implementation of non-structural measures<br>(b) At least 150 ha | Project annual reports. Mid-term evaluation, final report<br><br>Demonstration site reports<br><br>Community training and awareness workshop reports<br><br>Community Surveys | |

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| | | capacities among local communities on climate resilient livelihoods for coping with climate-induced hazards. | | | |

## LIST OF ANNEXES

Annex 1: Updated Multi Year Working Plan
Annex 2: Revised Project Budget
Annex 3: Updated List of Key Relevant Projects for Cooperation
Annex 4: Updated Risk Log
Annex 5: Updated Gender Action Plan (GAP)
Annex 6: Communications and Advocacy Strategy
Annex 7: 17th DCG – Inception Workshop Meeting Report
Annex 8: Project Personnel List with Contact Details
Annex 9: Terms of Reference for the four key international experts under the Outcome 1
Annex 10: RfP for Preparation of Detailed Design of Dyke Reconstruction on the Right Bank of the Bojana River in Montenegro
Annex 11: RfP for Preparation of Detailed Design for Bridges Reconstruction in downstream Gracanica River in Montenegro
Annex 12: Draft ToR for the Drin FRM Project Grievance Redress Mechanism (GRM)