

PROJECT DOCUMENT***Republic of Moldova*****Project Title:** Implementation of the Energy Vulnerability Reduction Fund (EVRF) in the Republic of Moldova**Project Number:** TBD**Implementing Partner:** Ministry of Finance **Start Date:** 12 December 2022**End Date:** 31 December 2023**Brief Description**

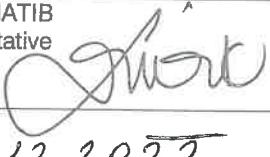
Based on available evidence, about 60% of the Moldovan households spend considerably more than 10% of their income on energy expenses. Under the current energy crisis and sharp increase in energy prices, as well as an overall inflation of about 35%, around 60% of the vulnerable Moldovan households risk to fall under the poverty line. To tackle energy vulnerability, an emergent form of poverty, the Government of Moldova and the United Nations Development Programme (UNDP) agreed to collaborate for the development and implementation of a well-targeted mechanism to compensate energy costs based on energy vulnerability levels.

The Project strengthens the financial capacities of the Republic of Moldova to reduce poverty and mitigate energy vulnerability that is caused by high inflation, staggering energy prices and uncertain supply of energy resources, through compensating energy bills at household level.

Contributing Outcome (UNDAF/CPD 2023-2027):
 UNDAF Outcome 4: Green development, sustainable communities, and disaster and climate resilience
Indicative Outputs with gender marker²:
OUTPUT: Moldovan and refugee households have improved access to social protection assistance through targeted winterization support;
Gender marker: GEN1

Total resources required:	US\$ 16,666,667.00	
Total resources allocated:	UNDP TRAC:	-
	Donor (Government of Sweden)	10,000,000.00
	Donor (SDC – Swiss Development Cooperation)	6,666,667.00
	In-Kind:	-
Unfunded:		

Agreed by (signatures)¹:

UNDP	Implementing Partner
Name: Dima AL-KHATIB Resident Representative 	Name: Dumitru Budianschi Minister of Finance 
Date: 12.12.2022	Date: 12.12.2022

¹ Note: Adjust signatures as needed.² The Gender Marker measures how much a Project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality).

ACRONYMS AND ABBREVIATIONS

EE	Energy Efficiency
EU	European Union
EVRF	Energy Vulnerability Reduction Fund
EVIS	Energy Vulnerability Information System
LPA	Local Public Authorities
MF	Ministry of Finance
MLSP	Ministry of Labour and Social Protection
NBS	National Bureau of Statistics
NGOs	Non-Governmental Organizations
SDGs	Sustainable Development Goals
UNDP	United Nations Development Programme

I. DEVELOPMENT CHALLENGE

Since October 2021, Moldova has faced significant increase of gas prices as a consequence of very tight global energy markets and a recently amended contract with Gazprom Moldova gas supplier. During the winter season 2021-2022, Moldova purchased its gas at prices about three or four times higher than in previous years which represented about \$770/1000 cubic meters in October, \$450/1000 cubic meters in November and December and \$650/1000 cubic meters in January 2022. The prices are highly dependent of international gas market fluctuations which puts Moldovan Government in the situation to quickly react in case of unforeseen excessive price increases. This has put significant pressures on Moldova's public finances and on the ability of the most vulnerable citizens to afford gas throughout the winter. The situation is becoming more complex as the Gazprom applies a rigid approach in terms of contractual deadlines for payments of advances, which has not been the case ever before.

With the war in Ukraine, the energy crisis has only deepened: the country has faced a 30% reduction of gas supply and price increase on 1st October, and an additional reduction to 50% since then; the increased energy prices have also contributed to Moldova's inflation, which has now reached 34% as compared to last year. The ongoing strikes on Ukraine's energy infrastructure also impact Moldova, as power facilities in Ukraine were supplying app. 30% of Moldova's electricity. Compared to last year, Moldovan households are faced with a gas prices six times as high as last year, and twice as high as in Romania, with a similar trend for electricity.

Therefore, the country faced major risks in terms of supply (quantities) and price for gas and electricity. The repercussions on the economy are severe, as the country is entering a recession period and an important reduction in GDP. Households will be particularly affected by the prices, since over 60% of the HHs spend much more than 10% of their incomes on energy. UNDP and the Government conducted a first assessment of the energy vulnerability in the country that resulted in a much better understanding of the complex issue and definition of specific options to tackle energy poverty in the current volatile context. One of such options is the establishment, resourcing and implementation of an energy vulnerability fund and capability to provide targeted on-bill compensations to households in the current and upcoming cold seasons.

UNDP and the Government realize the importance to go beyond compensations and support energy resilience in residential sector via applying energy efficiency measures and supporting residential sector to invest into more efficient home appliances, insulation works and many other available options. Also, UNDP and the Government have prior experience in addressing the existing social norms and consumption behaviours, developing and implementing large behavioural programmes to incentivize HHs to reduce consumption. The behavioural program proved successful, leading to up to 2% decrease in electricity consumption (before Covid-19 pandemics), and about 3-5% in the current context, which differences depending on the region, consumption intervals, etc.

The Energy Vulnerability Reduction Fund (EVRF)

The Energy Vulnerability Reduction Fund (EVRF), established by Law 241/2022 and in force since September 1st, 2022, was set up with the objective to compensate energy poor and vulnerable households for the increase in the tariffs for centralized heating, natural gas and electricity, with the aim to reduce vulnerability, decrease the risks for vulnerable households to fall into energy poverty and overall income poverty and ensure that proper energy efficiency measures are applied to reduce vulnerability in the future.

The fund consists of two components – on-bill targeted compensations and targeted support programmes to increase energy efficiency. The planned compensations will be on-bill, through a partnership between the Government, private sector partners such as energy providers, and with UNDP as supporting the operationalization of the fund. The cost of the fund is estimated at a minimum of 250 mil. EURO (5 months of the cold period), to be partly funded by the Government, the rest of the needed resources to be mobilized from development partners and IFIs. Given the recent increase in prices, particularly for electricity, it is envisaged that the potential deficit for the Fund is around 200 mil. EURO.

Current legal framework and description of the compensation scheme

The regulation of the compensation scheme stipulates a differentiated compensation scheme, from very high to non-vulnerable, dividing households in five categories of energy vulnerability. The level of energy vulnerability is based on the salary, the number of people within the households, the number of assets (real estate) owned, and main type of heating source. Based on a ratio between

energy expenses and disposable income of each family, households are assigned into one of the five categories of energy vulnerability. During the online registration process, data is automatically cross-referenced with official government datasets, to ensure concordance of data and avoid mistakes and duplicated entries. Compensations are directly reflected on the invoices to households sent by energy suppliers, with the amount of compensations paid off by the Fund.

To support households struggling with online registration, a network of librarians and social workers are supporting households who struggle with the online registration; also, a dedicated Call Centre and communication unit within the Ministry of Labour and Social Protection are further supporting the registration process.

The informational system for the online registration of Moldovan households to the compensation scheme was launched on October 12th, with a deadline of mid-November for registration. As of 21 December, an approximate 800,000 households have already registered and were categorized in one of the 5 vulnerability categories, representing a third of Moldova's households (according to national census data).

Energy poverty distribution in Moldova

While this number reflects traction for the registration, it is estimated that a total of 1.5 million households are to register before the end of November. Indeed, according to UNDP estimates, between 60% and up to 80% of Moldova's population is energy vulnerable or energy-poor as a result of the war in Ukraine and resulting compound crisis in Moldova. Heating sources differ depending on geographical location, with urban households spending more on electricity and network-supplied gas, while rural households spend more on firewood and electricity. Rural households tend to have lower expenses as compared to urban households, although their energy expenditures are much higher than in urban areas. Overall, according to a UNDP report, rural inhabitants, women, and people with disabilities are particularly affected by energy poverty in the Republic of Moldova.

II. STRATEGY

The main purpose of the Programme is to further support the implementation of the EVRF, as well as develop and test/implement specific additional interventions to compensate most vulnerable households. It aims at increasing the coverage and to provide compensations to most vulnerable and alleviate the pressure on the public budget.

The specific objectives are therefore to:

Objective 1: Improve the on-bill compensation system of the EVRF to support households during the cold period

- Supplement the efforts of the Government to compensate on-bill the most vulnerable households that register on compensatii.gov.md; provide and mobilize financial resources into the EVRF;
- Support efficient communication efforts of the Government around EVRF and its implementation and impact
- Maintain and further improve the information system of the compensatii.gov.md and increase institutional capacities at the Ministry of Labour and Social Protection and manage and improve the EVRF in an agile modality; provide support to the Energy Vulnerability Team functioning at the Ministry of Labour and Social Protection
- Support the Government in further mobilization of partnerships for EVRF, including additional financial resources and knowledge

III. RESULTS AND PARTNERSHIPS

Expected Results

Output 1: Moldovan and refugee households in the very high vulnerability category benefit from on-bill compensation during the cold period

Set of activities:

1. **Activity 1.1 - Provision of compensations:** support the compensations on-bill to the most energy-vulnerable households using the public EVRF mechanism, cover at least 100,000 HHs in the upcoming winter period from the very high vulnerability category;
2. **Activity 1.2 - Capacity-building:** The EVRF team at the Ministry of Labour is fully functional and capacitated to implement and improve EVRF
3. **Activity 1.3 - Communication and outreach:** The EVRF team is supporting the Government to efficiently communicate on the progress in the implementation of the EVRF and the produced impact
4. **Activity 1.4 - Improvement of the software:** The compensatii.gov.md is further improved to include new functionalities and modules
5. **Activity 1.5 - support the implementation of activities and programmes for Energy Efficiency (EE):** The EVRF team is implementing additional activities and programmes to incentivize households to reduce overall monthly average consumption and hourly/peak intervals consumption by use of new tools and social norms

Resources Required to Achieve the Expected Results

Output 1: 16,666,667 USD.

Partnerships and Stakeholder Engagement

The project involves strong coordination needs among different stakeholders. Through funding support and proper timeframe, systematic project implementation process and technology transfer, the project is expected to provide energy-vulnerable households with on-bill compensation and energy efficiency measures for the winter period 2022-2023. The main stakeholders and their roles are described below.

1. **The Government of the Republic of Moldova** represented by the Ministry of Finance is responsible for the technical and administrative implementation of a development cooperation project pursuant to UNDP Regulations and Rules. The implementing partner is accountable to UNDP for the resources entrusted to it.
2. **UNDP** will be responsible for providing technical support and managing the implementation of the project. UNDP will also be responsible for the project reporting and independent verification of achievement of targets.
3. **The energy provider companies** will be responsible for supporting the implementation of the compensation scheme and the energy efficiency measures. Compensations are ensured with the coordination of energy provider companies, as compensations are directly reflected on the invoices, and energy suppliers calculate and submit monthly the amount of compensations to be transferred back to them.
4. **Associations of homeowners** with central heating systems will be responsible for the monthly calculations of the compensations for all eligible vulnerable households, and the submission of that information to the energy supplier. They will also serve as potential contact points for the implementation of energy-efficient measures in residential areas.
5. **Networks of librarians and social workers** will closely work with the MLSP on providing registration information and support to households with low to very low digital skills. Paper registrations for these households will be collected by the network.
6. **Local public authorities** will be responsible for ensuring the increase and monitoring of biomass stocks as heating source in rural areas, and the management of bioeconomy programs falling under their administrative territory.

7. **Development partners**— UNDP will coordinate the response between development partners supporting Moldova's energy security, to ensure an effective response to the energy vulnerability and energy poverty crisis.
8. **Coordination and consultation.** The above-mentioned stakeholders would be engaged at various points during project initiation, implementation monitoring and other specific project activities. The project intends to maintain the coordination and consultation among stakeholders through the below indicative actions and their frequency spread over the duration of the project:
 - a) Operational and coordination meetings of the EVRF team: once a week;
 - b) Consultation meetings with the private sector and other stakeholders for the implementation of energy efficiency measures: once a month;

Risks and Assumptions

9. As per standard UNDP requirements, the national MPU of the P.I. "EPIU" will monitor risks and report periodically on the status of the risks to the UNDP Country Office.
10. The UNDP Country Office will record progress in the UNDP system risk log. Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher).

Project risks					
Description	Type	Impact & Probability 1 (low) to 5 (high)	Mitigation Measures	Owner	Status
Volatile political and socio-economic environment: Evolution of the socio-economic and security situation in the region – the war in Ukraine and associated risks risks of increased vulnerability and social unrest.	Contextual	I = 3 P = 3	Further support the capacity building activities for the Government to anticipate further vulnerabilities and risks and develop response plans	Project Board	
Evolution in prices for energy – further increase in prices and decreased availability of gas and electricity and prospects of uncontrolled increase in prices that will further affect all households	Contextual / financial	I = 3 P = 4	Further mobilize additional financial resources into the EVRF to support potential new increases in prices for energy (natural gas, electricity and heating).	Project Team	
<u>Outreach risks:</u> Difficulty to reach most vulnerable in remote communities, including households with low to very low digital competencies, persons with disabilities	Operational	I = 3-4 P = 2	The entire network of over 1200+ social assistants and librarians was activated and is actively supporting the most vulnerable HHs to register;	Project Team	
Possible change in Government - due to repercussions of socio-economic and political situation; possibility of having a new Government with a different vision on energy poverty and mitigation strategies	Political*	I = 3 P = 3		Project Team	
There is a risk that the Ministry of Finance may fail to comply with UNDP NIM standards as it lacks familiarity with UNDP procedures. The project is likely to face operational difficulties and delays associated with the new execution modality.	Operational	I = 3 P = 3	Although the core capacities of the Ministry of Finance (based on the results of the micro assessment to be organized in early January 2023) are sufficient to carry out the project activities, there are weaknesses in the organizational staffing, accounting policies and procedures, and programme management as per the micro HACT assessment (2023 TBD). Capacity limitations along with the lack of direct experience with UNDP NIM implementation call for targeted capacity building.	Project team	

South-South and Triangular Cooperation (SSC/TrC)

11. N/A.

Knowledge and Sustainability and Scaling Up

12. The project is strengthening governmental and institutional capacities in supporting energy-vulnerable households; additionally, it improves the use of digital solutions for the public sector, collaboration between public and private actors, and the use of data to support evidence-based interventions and policy-making.
13. Through the data collected on household consumption and levels of energy vulnerability, further insights into energy poverty, effective compensation mechanisms, energy consumption behaviours can be used by the Government to gain actionable insights for further activities within the Energy Vulnerability Fund.
14. Additionally, good practices, knowledge management and learning will be assessed and codified in order to draw upon the experiences and define the most useful types of knowledge products. Situational reports, as well as an impact assessment at the end of the winter season, will support the improvement of the EVRF, provide the means for effective communication on the progress of the implementation, the produced impact and lessons learnt.
15. The Project has been designed from the start as a government-driven and owned, with technical and institutional capacities developed through a learning-by-doing approach. National Government ownership of project implementation and achieved results is considered instrumental for ensuring that human, technical, and institutional capacities are built and sustained.

Mainstreaming Gender

16. Gender mainstreaming has been defined by the United Nations Economic and Social Council as 'a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of the policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated'. The relative status of men and women, the interaction between gender and race, class and ethnicity, and questions of rights, control, ownership, power, and voice—all have a critical impact on the success and sustainability of every development intervention.
17. In practice, gender mainstreaming means identifying gaps in gender equality through the use of sex-disaggregated data, developing strategies to close those gaps, putting resources and expertise into implementing strategies for gender equality, monitoring implementation, and holding individuals and institutions accountable for results.

IV. PROJECT MANAGEMENT

Project Management

18. Within the National Implementation of UNDP projects, the Government is responsible for the management and delivery of programme activities to achieve project outputs. Government regulations, rules and procedures therefore apply to project implementation to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Please refer to Financial Regulation 16.05: “The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP.”
19. As stated in Financial Regulation 27.02 of the UNDP Financial Regulations and Rules, an implementing partner is “the entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in such document.” By signing a project document an implementing partner enters into an agreement with UNDP to manage the project and achieve the results defined in the relevant documents. The accountability of an implementing partner is to: (i). Report, fairly and accurately, on project progress against agreed work plans in accordance with the reporting schedule and formats included in the project agreement; (ii) Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity to the project agreement and in accordance with applicable regulations and procedures. This documentation will be available on request to project monitors (project assurance role) and designated auditors.
20. UNDP will provide support to the Government, with the Ministry of Finance as the Implementing Partner, and the Ministry of Labour and Social Protection as the beneficiary for the implementation and operationalisation of the Energy Vulnerability Reduction Fund.
21. Efficient implementation and early addressing and resolution of issues will be ensured through regular communication between key implementers within the EVRF, through weekly operational meetings.
22. Coordination between central and local authorities will be enhanced through regular dialogue, providing support and capacity-building measures for managing energy-related projects on the local level.
23. Collaboration with the private sector for the effective implementation of the project will be further strengthened. The private sector – particularly energy providers companies - has been involved since the beginning of setting up the compensation scheme, which has ensured the effective collaboration and the setting up of efficient coordination mechanisms for the on-bill compensation scheme. Further collaboration will be pursued for the development of the Rabla programme and other measures to strengthen energy consumption reduction measures. Engagement with private sector actors will leverage the technical expertise, and innovation capabilities available from the private sector in the area of energy efficiency, energy reduction and IT.
24. Communication between the Governmental institutions and associations of homeowners will be sustained, with the associations understanding their role in providing monthly calculation of overall compensations for eligible households, and the submission of this information to energy suppliers. Rising prices of energy bills increase the motivation to register for the compensation scheme.
25. Coordination between the network of librarians and social workers will be ensured by the MLSP, with updates on the progress of collecting registration forms from households with low digital skills or other accessibility issues for their registration. A call centre and unit within the MLSP also provides additional information and outreach to households regarding the EVRF and the compensation scheme.

26. As per standard UNDP requirements the Project Manager will monitor risks on a quarterly basis and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP Quantum risk log. Risks will be reported as critical when the impact and probability are high (i.e., when the impact is rated as 5, and when the impact is rated as 4 and probability is rated at 3 or higher). The detailed risk management strategy for the project is included under Annex 7 UNDP ATLAS Risk Register. The project will deploy risk management measures to mitigate any implementation delays.

V. RESULTS FRAMEWORK²

<p>Intended Outcome: Moldovan and refugee households benefit from reduction of poverty and energy vulnerability</p> <p>The EVRF is further implemented; specific additional interventions to compensate most vulnerable households are developed and tested/implemented. The coverage of households receiving support against energy vulnerability is increased; compensations to most vulnerable households are distributed; the pressure on the public budget is alleviated.</p> <p><u>Output 1:</u> Moldovan and refugee households have improved access to social protection assistance through targeted winterization support.</p> <p><u>Output 2:</u> National authorities have strengthened capacities to address energy poverty and improve energy efficiency through a tested national mechanism</p>	<p>Applicable Outputs from the UNDP Strategic Plan:</p> <p>UNDAF/CP Output 4.2: Public and private actors are enabled to implement efficient and innovative practices for sustainable natural resource use, climate resilience, low-emission, and green development</p> <ul style="list-style-type: none"> - Indicator 4.2.1 Number of people with access to clean, affordable and sustainable energy 	<p>Project Title and Atlas Project Number:</p> <p>Implementation of the Energy Vulnerability Reduction Fund (EVRF), in the Republic of Moldova</p>	<table border="1"> <thead> <tr> <th>EXPECTED OUTPUTS</th><th>OUTPUT INDICATORS³</th><th>BASELINE</th><th>END OF PROJECT TARGETS</th><th>ASSUMPTIONS</th></tr> </thead> <tbody> <tr> <td> <p>Output 1:</p> <p>Moldovan and refugee households have improved access to social protection assistance through targeted winterization support</p> </td><td> <p>Indicator 1: Number of households benefitting from compensations during the winterisation season of 2022-2023</p> </td><td> <p>Baseline: 550 000 households from the very high vulnerability category registered for the compensation scheme during the cold period (data as of December 2022)</p> </td><td> <p>Target: 100'000 HHs from the very high vulnerability category receive compensation through the contribution</p> </td><td> <p>Assumptions:</p> <ul style="list-style-type: none"> ➤ Availability of adequate resources to guarantee compensation of energy bills for the beneficiaries in the very high vulnerability category. ➤ Outreach campaign reaches the most vulnerable beneficiaries. <p>Risks:</p> <ul style="list-style-type: none"> ➤ The conflict in the region affects the availability of energy resources causing displacement of Moldovan population to other European countries. ➤ Most vulnerable population left out from outreach and compensation scheme </td></tr> </tbody> </table>	EXPECTED OUTPUTS	OUTPUT INDICATORS ³	BASELINE	END OF PROJECT TARGETS	ASSUMPTIONS	<p>Output 1:</p> <p>Moldovan and refugee households have improved access to social protection assistance through targeted winterization support</p>	<p>Indicator 1: Number of households benefitting from compensations during the winterisation season of 2022-2023</p>	<p>Baseline: 550 000 households from the very high vulnerability category registered for the compensation scheme during the cold period (data as of December 2022)</p>	<p>Target: 100'000 HHs from the very high vulnerability category receive compensation through the contribution</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> ➤ Availability of adequate resources to guarantee compensation of energy bills for the beneficiaries in the very high vulnerability category. ➤ Outreach campaign reaches the most vulnerable beneficiaries. <p>Risks:</p> <ul style="list-style-type: none"> ➤ The conflict in the region affects the availability of energy resources causing displacement of Moldovan population to other European countries. ➤ Most vulnerable population left out from outreach and compensation scheme
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² UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.
³ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	monthly	Slower than expected progress will be addressed by project management.	-	0
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results, identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	-	0
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Quarterly	Relevant lessons are captured by the project team and used to inform management decisions.	-	0
Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Quarterly	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	-	0
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Quarterly	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	-	0
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		-	0
Project Review (Project Board)	A progress report and final report will be presented to key stakeholders; project board will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually		-	0

VII. MULTI-YEAR WORK PLAN⁴⁵

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	Funding source	Atlas code	Atlas budget description
		2022	Q1	Q2	Q3				
Output 1: Moldovan and refugee households have improved access to social protection assistance through targeted winterization support	Activity 1: provide on-bill compensation to most vulnerable households using the public EVF mechanism, from the very high and high vulnerability categories								
	Activity 2: capacity-building of the EVF team	14625000							
	Activity 3: communication and outreach						50000		
	Activity 4: improvement of the software						10000		
	Activity 5: additional activities for EE						10000		
							25000		
								14720000	
	Sub-total for output 1								
	Total Direct MLF Cost								
	GMS (8%)								
	Grand Total Project Cost								
							1280000		
							16000000		

⁴ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32
⁵ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager, alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

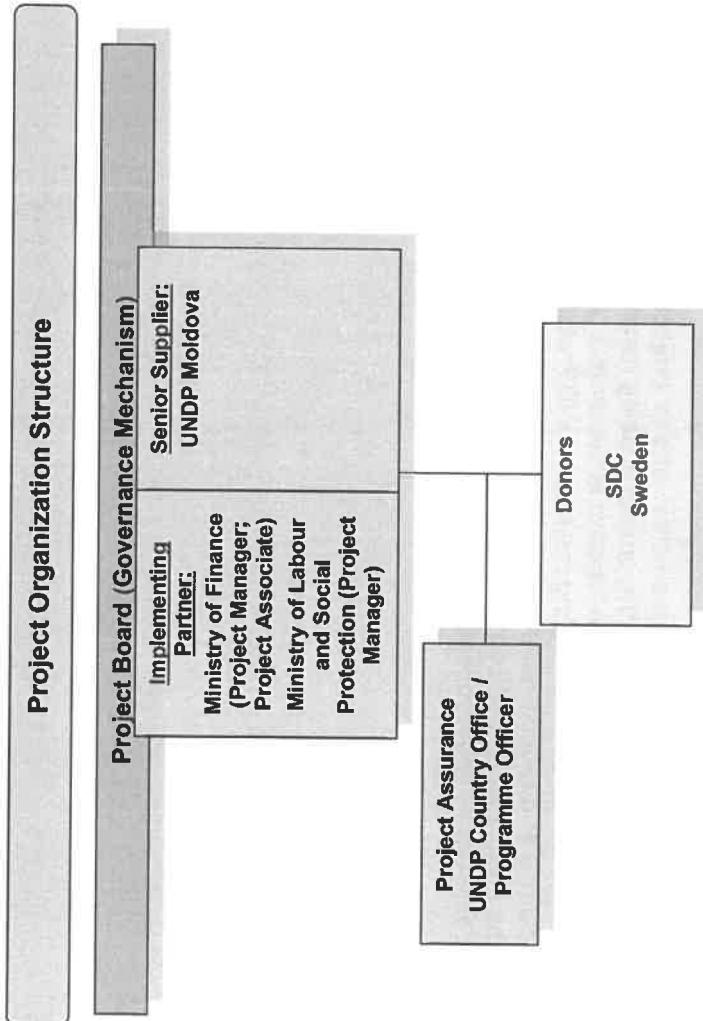
Roles and responsibilities of the project's governance mechanism:

Implementing Partner: The Implementing Partner for this project is the **Ministry of Finance (MOF)**. The MSLP represents the main beneficiary of the project, while the MOF is the implementing partner. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document. The project is implemented according to the UNDP National Implementation Modality (NIM) under harmonized cash transfers modality (HACT).

The responsibilities of the Ministry of Finance will include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems;
- Chairing the Project Board meetings;
- Monitoring the progress of the project at strategic level, towards the achievement of the development outcomes;
- Ensuring effective management of the Risks and Safeguards as outlined in this Project Document and management of new risks that may emerge during project implementation.
- Ensuring that the project partners will deliver the pledged co-financing;
- Ensuring that there is a coherent project organisation structure and logical set of work plans ;
- Set tolerances in the AWP and other plans as required for the Project Manager;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

27. The overall project governance and organizational structure is presented below.



28. **Project Board.** The Board will play a critical role in project monitoring and evaluations by assuring the quality of these processes and associated products, and by using evaluations for improving performance, accountability and learning. The Project Board will ensure that required resources are committed. It will also arbitrate on any conflicts within the project and negotiate solutions to any problems with external bodies. Specific responsibilities of the PB should include:

(i) For the processes of justifying, defining and initiating a project:

- Appraise and approve work plans;
- Delegate Project Assurance roles as appropriate;
- Commit project resources required by the work plan.

(ii) For the process of running a project:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Review annual plans and approve any essential deviations from the original plans; provided any deviations from the original plans require approval from UNDP;
- Review and approve progress and annual, as well as mid-term and final evaluation's project reports, make recommendations for follow-up actions;
- Assess and decide on conceptual project changes if necessary;

- Assure that all planned deliverables are delivered satisfactorily;
 - (iii) For the process of closing a project:
 - Assure that all products/outputs are delivered satisfactorily;
 - Review and approve the end of project report;
 - Make recommendations for follow-up actions if necessary;
 - Notify project closure to the stakeholders.
29. Project Board decisions shall be made in accordance with international standards that shall ensure management for development results, best value for money, fairness, integrity, transparency, and effective international competition. Members of the Project Board will consist of members from:
- i) Donor representatives: Government of Sweden; Swiss Development Agency for Cooperation;
 - ii) UNDP Moldova
 - iii) Ministry of Finance
 - iv) Ministry of Labour and Social Protection.

30. Project Assurance.

31. UNDP is accountable for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP policies and procedures. UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member. UNDP will oversee the implementation of HACT Micro-assessment and audit recommendations and requirements, will provide technical guidance and support targeted capacity building of the Implementing Partner in the areas highlighted by the HACT and PCAT assessments, based on a Capacity Building Plan that will be developed and agreed with the IP at the Inception stage.

IX. LEGAL CONTEXT

1. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner." This project will be implemented by the Ministry of Finance ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP.
2. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply. The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

X. RISK MANAGEMENT

32. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
33. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
34. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
35. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

- a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGBI/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA");
- b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

- 36. In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
 - i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
 - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
 - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- 37. The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project

- 38. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/seu>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

39. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
40. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
41. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
42. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
43. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
44. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
45. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
46. The Implementing Partner agrees that, where applicable, donors to UNDP whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
47. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

48. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
49. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

ANNEX I. UNDP Social and Environmental Screening Procedure (SESP)

Project Information

Project Information	
1. Project Title	Implementation of the Energy Vulnerability Reduction Fund (EVRF), in the Republic of Moldova
2. Project Number (i.e. Atlas project ID, PIMS+)	Atlas Project ID: 00130830
3. Location (Global/Region/Country)	Republic of Moldova
4. Project stage (Design or Implementation)	Design (ProDoc stage)
5. Date	22 December 2022

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

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach

The project has been designed in line with the human rights-based approach which aims at developing the capacities of the “duty-bearers” to meet their obligations and/or of the “rights-holders” to claim their rights.

In that sense, the following would be the contribution of the project to the provisions of the Universal Declaration of Human Rights:

Article 3. “Everyone has the right to life, liberty and security of person”. The project will directly contribute to the protection of human health and improve human living standards by reducing the impact of high energy prices for heating during the winter months . As such the project will contribute to protecting people’s right to life.

Article 25. “1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. 2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection”. The project directly supports the improvement of social security to vulnerable households, by providing compensation to improve standards of living and heating during the winter months. As such the project directly contribute to provide better housing and necessary social services to the most vulnerable segments of the population.

<p>Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment</p> <p>Although the project activities consist in compensating all energy vulnerable households and thus does not explicitly have a gender dimension, the project team will promote the participation of women in consultation meetings and will address gender inequalities in terms of access to affordable energy and decision-making when applicable. If relevant gender empowerment needs will be identified during the implementation of the project, which will be adequately reported and addressed.</p> <p>Briefly describe in the space below how the project mainstreams sustainability and resilience</p> <p>Briefly, the project will support energy vulnerable households, thus improving energy security and energy resilience in the Republic of Moldova. As energy vulnerability and poverty can have adverse impacts on households budgets, with potential impact on health, education and food. As such, the project contributes to resilience of Moldovan population during the winter months, while improving institutional capacities of the country in terms of social protection.</p>	<p>Briefly describe in the space below how the project strengthens accountability to stakeholders</p> <p>As part of UNDP's quality assurance role, UNDP requires adherence to the UNDP Social and Environmental Standards ("SES")⁶ for project activities implemented using funds channelled through UNDP's accounts. The SES objectives are to: (i) strengthen the social and environmental outcomes of programmes and Projects; (ii) avoid adverse impacts to people and the environment; (iii) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (iv) strengthen UNDP and partner capacities for managing social and environmental risks; and (v) ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.</p> <p>The Standards are underpinned by an Accountability Mechanism with two key functions:</p> <ul style="list-style-type: none"> • A Stakeholder Response Mechanism that ensures individuals, peoples, and communities affected by UNDP projects have access to appropriate procedures for hearing and addressing project-related grievances; and, • A Compliance Review process to respond to claims that UNDP is not in compliance with UNDP's social and environmental policies. <p>The proposal will not support activities that do not comply with national law and obligations under international law, whichever is the higher standard. In the framework of this proposal support will be provided to the Government of Moldova to adhere to their human rights obligations and empower individuals and groups, to realize their rights and to ensure that they fully participate in implementation of the project proposal.</p>
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⁶ "Environmental and Social Standards" as approved by UNDP's Organizational Performance Group in June 2014 and effective starting January 1, 2015.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks?</p> <p>Note: Complete SESP Attachment 1 before responding to Question 2.</p>	<p>QUESTION 3: What is the level of significance of the potential social and environmental risks?</p> <p>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</p>	<table border="1"> <thead> <tr> <th>Risk Description (broken down by event, cause, impact)</th><th>Impact and Likelihood (1-5)</th><th>Significance (Low, Moderate, Substantial, High)</th><th>Comments (optional)</th><th>Description of assessment and management measures for risks rated as Moderate, Substantial or High</th></tr> </thead> <tbody> <tr> <td>Risk 1: Increased energy vulnerability and energy poverty</td><td>I = 1 L = 2</td><td>Low</td><td></td><td>The EVF is designed to address energy poverty and current simulation of impact reveal an overall positive effect with neutralized energy vulnerability. The Government might reconsider compensated tariffs in case of any major increases in price for natural gas or electricity.</td></tr> <tr> <td>Risk 2: Increased consumption.</td><td>I = 3 L = 2</td><td>Low</td><td></td><td>Best available techniques/environmental practices will be followed. The designed compensation scheme should not contribute to an increased consumption; the Government is taking additional support measures to reduce or improve consumption in residential sector in the cold period.</td></tr> <tr> <td>Risk 3: Risk to worker and community health and safety due to the use of potentially flammable materials</td><td>I = 3 L = 2</td><td>Low</td><td></td><td>Not relevant.</td></tr> <tr> <td>Related to: Principle 3: Sustainability:</td><td>Environmental Standard 3; Community Health, Safety and Working Conditions, 3.2, 3.7</td><td></td><td></td><td></td></tr> <tr> <td>Risk 4: Generation of waste (both hazardous and non-hazardous).</td><td>I = 3 L = 2</td><td></td><td></td><td>The project will not generate any waste.</td></tr> </tbody> </table>	Risk Description (broken down by event, cause, impact)	Impact and Likelihood (1-5)	Significance (Low, Moderate, Substantial, High)	Comments (optional)	Description of assessment and management measures for risks rated as Moderate, Substantial or High	Risk 1: Increased energy vulnerability and energy poverty	I = 1 L = 2	Low		The EVF is designed to address energy poverty and current simulation of impact reveal an overall positive effect with neutralized energy vulnerability. The Government might reconsider compensated tariffs in case of any major increases in price for natural gas or electricity.	Risk 2: Increased consumption.	I = 3 L = 2	Low		Best available techniques/environmental practices will be followed. The designed compensation scheme should not contribute to an increased consumption; the Government is taking additional support measures to reduce or improve consumption in residential sector in the cold period.	Risk 3: Risk to worker and community health and safety due to the use of potentially flammable materials	I = 3 L = 2	Low		Not relevant.	Related to: Principle 3: Sustainability:	Environmental Standard 3; Community Health, Safety and Working Conditions, 3.2, 3.7				Risk 4: Generation of waste (both hazardous and non-hazardous).	I = 3 L = 2			The project will not generate any waste.
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Related to: Principle 3: Environmental Sustainability; Standard 7: Pollution Prevention and Resource Efficiency, 7.2	Low		
Risk 5: Potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Projects construction, operation, or decommissioning	I = 3 L = 2	Low	Not relevant for this project.
Related to: Principle 3: Environmental Sustainability; Standard 3: Community Health, Safety and Working Conditions, 3.7			
Risk 6: Manufacture, trade, release, and/or use of hazardous chemicals and/or materials.	I = 1 L = 3	Low	Not relevant for this project.
Related to: Principle 3: Environmental Sustainability; Standard 7: Pollution Prevention and Resource Efficiency, 7.3			
QUESTION 4: What is the overall project risk categorization?			
			Low Risk X
			Moderate Risk 0
			Substantial Risk 0
			High Risk 0

Question only required for Moderate, Substantial and High Risk projects			
<i>Is assessment required? (check if "yes")</i>	<i>O</i>	<i>N</i>	<i>Yes, engagement Plan</i>
<i>Are management plans required? (check if "yes")</i>			<i>No</i>
Based on identified <u>risks</u>, which Standards triggered?			Comments (not required)
Overarching Principle: Leave One Behind			
Human Rights			
Gender Equality and Women's Empowerment			
Accountability			
1. Biodiversity Conservation and Natural Resource Management			
2. Climate Change and Disaster Risks			
3. Community Health, Safety and Security			
4. Cultural Heritage			
5. Displacement and Resettlement			
6. Indigenous Peoples			
7. Labour and Working Conditions			
8. Pollution Prevention and Resource Efficiency	<input checked="" type="checkbox"/>		Addressed through Best Available Techniques and Environmental Practices

Final Sign Off

Signature	Date	Description

	Mr Dumitru Vasilescu, Policy Specialist, UNDP CO, acting as QA Assessor
	Ms. Inga Podoroghin, Programme Specialist/Cluster Lead/Energy & Environment, UNDP CO as QA Approver
	Ms. Andrea Cuzyova, Deputy Resident Representative, UNDP Moldova

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	Answer (Yes/No)
Principles 1: Human Rights	
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	NO
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ⁷	NO
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	NO
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	NO
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	NO
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	NO
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	NO
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	NO
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	NO
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	NO
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	NO
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well-being.	NO
Principle 3: Environmental Sustainability - screening questions regarding environmental risks are encompassed by the specific standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes.	NO
1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	NO
1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	NO
1.4 Would Project activities pose risks to endangered species?	NO
1.5 Would the Project pose a risk of introducing invasive alien species?	NO

⁷ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	NO
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	NO
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? For example, construction of dams, reservoirs, river basin developments, groundwater extraction.	NO
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	NO
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	NO
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.	NO
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁸ greenhouse gas emissions or may exacerbate climate change?	NO
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	NO
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding	NO
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	NO
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	NO
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	NO
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	NO
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, and erosion, flooding or extreme climatic conditions?	NO
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	NO
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	NO
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labour standards (i.e. principles and standards of ILO fundamental conventions)?	NO
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	NO

⁸ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	NO
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	NO
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	NO
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	NO
5.3	Is there a risk that the Project would lead to forced evictions? ⁹	NO
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	NO
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	NO
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	NO
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.	NO
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	NO
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	NO
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	NO
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	NO
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	NO
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	NO
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	NO
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	NO
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on	NO

⁹ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

Checklist Potential Social and Environmental Risks	Answer (Yes/No)
Persistent Organic Pollutants or the Montreal Protocol.	
7.4 Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	NO
7.5 Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	NO