

Background Paper Panel Session 1: Projects focusing on freshwater

Palau Water Conservation Incentive Programme

The Secretariat of the Pacific Community (SPC) being the implementing agency for the European Union funded Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) project is providing support to help the Republic of Palau in its prioritised water sector climate change adaptation actions. One element of this is the Palau Water Conservation Incentive Program (PWCIP) which SPC received a formal request for TA for in October 2013.

The National Development Bank of Palau (NDBP) is already implementing a successful energy efficiency subsidy programme (EESP) with support from the Italian Government, the Palau Energy Office, IUCN and the European Union funded North Pacific Africa-Caribbean-Pacific Renewable Energy and Energy Efficiency project (NorthREP). This provides property owners with a subsidy to install energy efficient measures and features to reduce the consumption of energy in new properties and to retrofit existing properties.

This model will be adapted for the PWCIP. A subsidy programme will be integrated with existing housing and commercial loan programmes to incorporate water catchment systems into new home/commercial building construction projects, as well as to existing home/business building renovation and improvement projects. The programme will also look at incorporating a small home system solar pump that can be used to pump the water from the tank into the building. This loan programme with a subsidy mix will be available to all loan applicants meeting the Bank's lending criteria for approval. The programme under the NDBP will be extended to the Palau Housing Authority through their partnership established under a Memorandum of Understanding. Part of the loan programme will incorporate continued maintenance service for at least 5 years from installation to address regular systems maintenance. As part of the proposed maintenance programme a schedule of water quality testing will be conducted as part of the maintenance service being provided, together with the Environmental Quality Protection Board.

The NDBP will also collaborate closely with the Palau Public Utilities Corporation (PPUC), SPC and the Palau Energy Office regarding the design and implementation of the programme, and with the Office of Environmental Response and Coordination (OERC) for overall coordination with government. Local contractors, architects/engineering companies and property owners will be other key stakeholders. The home owners and businesses will benefit from having a subsidised water catchment system in place which will provide a back-up water supply particularly during extreme events such as typhoons and droughts. Thus the programme will contribute to building climate change resilience by developing alternative water sources. It is also anticipated that in the long term there may be financial savings as property owners begin to use the rainwater for their everyday supply.

A letter of agreement for the Technical Assistance has been signed between ROP and SPC in May 2014, with the first tranche of funds transferred in early June 2014. This LOA includes the following activities to be undertaken by Palau by end of 2015:

- Design the incentives programme including the legal document;
- Request for proposals (RFP); Evaluate, contract and select the consultant; Develop the specifications for the design of the water catchment options, criteria for qualification to the PWCIP, marketing plan, communications plan and training programme; Design of legal documents
- Awareness Programme: Implement the communications and marketing plan utilising TV, radio and print media;

- Training Programme: Train at least 50% of the 21 major local contractors registered with the NDBP, and at least 50% of the 17 smaller local contractors registered with the NDBP in the installation of the rainwater catchment systems
- Implement PWCIP in up to 20 houses/properties and evaluate any changes in behaviour; Design and conduct water conservation surveys pre and post installation; Provide oversight for Rainwater catchment systems installed in around 20 houses/ properties; Seek funding to continue and expand the PWCIP