

Palau

Addressing water sector climate change vulnerabilities in the outlying island states of Palau

Report on Lessons Learnt Workshop, 17 December 2015, Palau



Global Climate Change Alliance: Pacific Small Island States Project



About this report

This publication summarises the key discussions and findings from the Palau Lessons Learnt workshop held 17 December 2015. The workshop was jointly organised by the Palau Government, and the Secretariat of the Pacific Community (SPC). It took place at the Elilai Restaurant, Belvedere Condos-Meyuns.

Funding for the workshop

This workshop was made possible with the support of the European Union through the Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) project which is implemented by the SPC.

Disclaimer

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Background

The Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) project is a four-year €11.4 million initiative funded by the European Union (EU). It is implemented regionally by the Secretariat of the Pacific Community (SPC) and involves national climate change adaptation projects in nine Pacific Island countries – Cook Islands, Federated States of Micronesia (FSM), Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga and Tuvalu. The overall objective of the GCCA: PSIS project is to support the governments of the nine Pacific small island states in their efforts to tackle the adverse effects of climate change¹.

The GCCA: PSIS project in Palau aims to improve water infrastructure in Palau's five outlying states – Angaur, Hatohobei, Kayangel, Peleliu and Sonsorol. The project is also conducting hydrological assessments; expanding water systems monitoring and maintenance regimes; and providing water conservation education.

As the project nears completion in December 2015, it was timely to hold this lessons learnt workshop to review and share the findings with government representatives and stakeholders.

Workshop objectives

1. Share information about progress with the European Union-funded Palau SPC GCCA: PSIS Project's Key Result Areas, 2015 work plan, and exit strategy.
2. Discuss successes and challenges faced in implementing water security and climate change adaptation projects and activities in Palau.
3. Develop recommendations for improving future activities.

Workshop arrangements and discussion

The Palau National Lessons Learnt workshop was held at the Elilai Restaurant, Belvedere Condos-Meyuns. Eighteen participants (7 females and 11 males) attended representing the five outlying islands, implementing partners and the FSM project team. The list of participants is presented in Appendix 2.

The meeting commenced in line with the agenda, with a quick review of the objectives, and verbal presentations by Xavier and Pasha. This was followed by introductions where participants explained their role and relationship to the project. John Kintaro gave an overview of the current status of all the key result areas. The National Lessons Learnt video was then presented before a brief question and answer session before moving into the group discussions (three groups of four to five) of two questions at a time before presenting back. The outcomes of these are captured below, together with feedback from individual forms that were completed and submitted. In the case of the forms, where there was duplication these responses have been merged. Finally there was a review of the project logical framework (Appendix 3) and a discussion of whether the indicators had been achieved. It was agreed that most had, however some of the indicators were too ambitious or difficult to measure. Several participants had to leave for a meeting with the President that was called unexpectedly, those that remained completed the evaluation form Annex Lunch was provided and the meeting closed.

Summary of workshop discussions:

¹ Secretariat of the Pacific Community. 2015. The Global Climate Change Alliance: Pacific Small Island States project in Federated States of Micronesia. Secretariat of the Pacific Community, Suva.

1. What did not go as planned with your GCCA: PSIS project?

From group discussions

- Hydrological study – became just a simple TOR, changing funds to other deliverables. Last assessment done more than 20 years ago, different result from what was expected, now would like to do another for planning purposes. Some activities like Peleliu RO went ahead without baselines.
- Merger of Palau Water Sanitation Program with PPUC led to staffing changes, insufficient capacity, caused delays.
- PPUC mandate, meters not in place to show value of water, state expectations of it to be free.
- Coverage – states and distances were not fully factored in.
- Peleliu leak repairs, mains plus households, hard to measure improvements although it is clear there are fewer losses in the system.
- Kayangel challenges – the solar system company went into receivership, filtration, contributing to SIDSDOCK renewable energy and tank project all not feasible in timeframe.
- Procurement issues – Now looking at SPC, EU and others to strengthen PPUC.
- Service consultancy as opposed to construction, e.g. Rollem was asked for a performance bond, which wasn't necessary and caused undue delays.
- Information to contractors to complete deliverables – they needed more expertise from respective agencies e.g. water survey.
- In some cases e.g. NDBP no response to bids, CC Advisor Clinton had to do training,
- Education was learning by doing.
- Procurement – materials and equipment were not available in Palau.
- Transportation – Vessels not operating as planned.
- Weather and transportation affects safety – leads to delays.
- Materials and supplies delayed.
- Permitting process for activities slow
 - State government
 - EQPB
- Typhoon happened and priorities shifted; drank water coconuts so might not have actually been a priority at other times.

From individual forms

- Timeframe was too short; we needed more time to schedule events.
- The learning curve, subjects needed more time to research.
- At the beginning of the project we had very little knowledge of the subject material so we had to learn them on our own.
- Was difficult to implement project to all outlying states in time. Distance and logistics and cost of getting out to the states.
- Timing – slow jump start due to 6 months to a year being spent on socio assessment.
- Hydro study – more expensive than expected!
- Timing based on coordination/restructuring.
- Could have more knowledgeable people.
- Supplies arrived late and stock was with the supplier waiting for payment before being released – contributes to procurement issues.

- Application process and permit process took lots of time to complete.
- KRA 3 – budget was not sufficient enough to perform a hydro assessment.
- Logistics such as transportation and scheduling of materials and equipment posed a greater challenge than anticipated.
- Unforeseen delays – weather, procurement issues, etc.
- Engineer not available to assist with design or confirmation of scope of work.
- Delay procurement of materials from overseas.

2. If starting the GCCA: PSIS project now, what would you do differently?

From group discussion

- Involve communities e.g. in outer islands more from the beginning, not just Governors.
- Look at our priorities, have a list already, and would see that funded.
- Recognise that people already know a lot, so instead of focusing on disseminating information maybe more practical competitions that demonstrate and incentivise activities, e.g. cleaning tanks.
- Self-sufficiency – promote in line with cultural sustainability.
- Expand definition of outlying island states, to include Babeldoab (just not Koror/Airai), Ngiwaal has issues more severe maybe than Peleliu, also development considerations, Chinese houses in front of water source.
- More private sectors to be involved e.g. Chamber of Commerce and Tourism.
- Develop regulations for water standards, not just EQPB, PPUC should be part of it.
- Sustainability of training, PCC, construction workers and private sector, public works and others not just water operators/utility. Use college more e.g. renewable energy curriculum
- Fancy water system on Peleliu is not suitable; need training to find people to run it and work there.
- Technical people from agencies to be made available for the education awareness component.
- Water Sector – PPUC were using existing staff – difficulty with availability, need an HR assessment, and identify the TOR and scope of work for each project in more detail, bid it out and use contractors more.
- Water efficiency market, NDBP container full of solar panel not yet installed.
- Post-assessment interviews by consultant so can be really honest.

From individual forms

- Diversify roles in project, more detailed outline in timeline.
- More partnerships, visit islands more than once if there were more funds.
- Would have made a short fun informational video on subject materials. Would have an expert from PPUC or SPC on the ground teaching us and focusing our efforts on the correct message that PPUC wanted to convey.
- More coordination between implementing agencies i.e. Rollem, us, and the local state governments.
- Involvement of communities from the beginning. Awareness needs to spread out.
- Post-assessment – done by independent consultant in 6 months – project duration might be short for actual implementation.

- Assessment (PRE)
- Post- socioeconomic assessment
- Separate program/event 1 adult and 1 youth clearly more knowledgeable people to support project.
- More practical, how to apply knowledge gained competitions: cleanest states/design sustainable home. Youth giant life board game?
- More outreach programs to get more people involved.
- NDBP loan officer to involve outreach program to get more interested homeowner who needs transportation for application and permit process.
- Review more carefully the budgetary and technical requirements needed to perform a proper hydro-study and have it reflected on the funding KRA 3 more accurately.
- Have available expanded contingency built in to logistical arrangements to deliver materials and equipment.
- Expand programs to Babeldoab – Airai and others – water quality in human resources.
- Training should not be limited to utility operators – include private sectors in PSC.
- Pre-assessment to determine actual work needed to commence immediately.
- Secure all needed resources with budget so project can start immediately after funds are approved.

3. If starting the GCCA: PSIS project now, what would you do similarly?

From group discussion presentations

- Continue to Keep key stakeholders involved through one on one on key decisions, and report backs in steering committees.
- NEPC – AHCCCC also members, focus on the NEPC, establishment.
- PMU – in Bureau of Finance office, will manage everything related to climate change, project proposal writing, Climate Change Coordinating.
- Implementation despite delays etc, the project was flexible enough to adapt and still deliver.
- Same education awareness marketing strategy working closely with community.
- All the same KRAs, maintaining flexibility.
- Help of local communities and partnerships to implement things in outer islands.
- Happy with education awareness programme focussing on kids, from concept to implementation.

From individual forms:

- Everything except for the adjustments mentioned above.
- Our marketing strategy and events.
- We had a marketing strategy that was successful. (Our fair and using mascot to promote focussing on kids).
- Logos for WOW fair/broadcasting.
- Advertisement on radio.
- Working closely with community groups i.e. Dilodesangel.
- Use and connect to the local community, widen their knowledge.

- Use local community groups to assist implementing projects.
- Stakeholder engagement.
- Would Implementation similarly, teams and reporting.
- Determine which materials unavailable on island, be aware of need to order outside which takes time.
- Install water tank system at community site (like NDBP) but this time on public school private school with student and teach them how system work and help.
- Be flexible and adapt to circumstances as they arise.
- Update/upgrade current procurement regulations as we did to include service type contracts instead of just construction.
- Explore Renewable energy, mindful of time and budget constraints for delivery.
- Create a project management unit in PPUC, this is coming now but could have been sooner.
- Continue close collaboration with donor agency to make sure target dates and project activities are in line with grant requirements. PC & CMC were very responsive to PPUC requests.

4. What are the GCCA: PSIS project achievements you are most proud of?

From group discussion presentations

- Could see communities appreciated it
- Also the policy, ownership by the sectors including water utilities, and natural resources, may not sit on shelf having being drafted by outsiders
- Policy Unified way to address climate change, also climate change tool kit.
- Internal team building
- Relationship building with communities
- Greater accessibility to fresh water in place for years to come, especially on outer islands,
- Being able to go out to outer islands, number of people reached and actually participated was impressive
- Knowledge of local areas of local community groups, learning going both ways

From individual forms

- Overall awareness, development of our mascot "Faucetina" video productions, internal team building
- Community involvement
- Communication/collaboration with stakeholders
- Reaching all the planned locations
- We were able to successfully travel to the outer island states and present our project.
- The number of outer island citizens we reached
- The turn up of the people and their interest in the subject, community involvement.
- Subsidy project materials with stakeholders
- Fresh water- how system provided to individual home owner

- That the stakeholder/recipients of the project outcome are served with water that they need for their daily use - improve quality of water.
- Training/Capacity building
- The Palau climate change policy
- Coastal change toolkit

5. How will you share the lessons learnt with other relevant stakeholders?

From group discussion presentations

- PPUC Will share hydro assessment draft TOR with other stakeholders – PPUC might be able to fund the hydro assessment themselves, as it is useful for their own future planning.
- Video broadcasting and keep reporting on development of relevant projects.
- Share resource materials with stakeholders
- Implement the hydro assessment – PPUC to find funding once TOR adjusted
- Involve more stakeholders
- Document past studies
- Store and share final project reports
- PSC radio show, Babeldoab watershed alliance etc
- NEPC and other Forums coming up in Palau like MCES and MPS and PINA media

From individual forms:

- Broadcasting of project recap video on OTV
- True video/broadcasting/keep reporting of project related subjects
- PCS Radio talk shows, BWA - use as consultant, NEPC, use exit report for SPC
- Sharing our project documents and materials, especially with overlapping sector projects and stakeholders x4
- Press conference with president weekly
- Micronesia President Summit and Micronesia Chief Executive Summit to highlight project
- Forum/Follow-up stakeholder meetings/reports Oral and written presentations, Education and Awareness
- Provide details of the various projects when the opportunity arises
- Get more contractors involved in installation of NDBP project
- PPUC will continue the community awareness program through media and to coordinate or have periodic meetings with stakeholders and share information and partnership
- Participation in similar future projects, submission of project documents

6. What are your two proposed next steps?

From group discussion presentations

- El Nino – issue – need to look at alternate sources of water, what was used traditionally, many wells are now dried up but may have potential to be revived, Japan investigated some existing used ones, Koror, Airai – include as part of TOR
- Ensure rainwater harvesting systems installed of all approved NDBP households pending
- Develop new WOW fair competition
- MCES, President summit preparations

- Look at measurable indicators achievement – best water use practices, education of users, and see these incorporated in PPUC plan going forward
- EQPB to standardise water operators certification (NRET to support)
- Replicate to other states where appropriate.

From individual forms:

- Continue to air the recap video for additional impact
- Delivering/handing over Faucetina Mascot and other materials for PPUC future events
- Continued involvement in opening projects
- Water use Business Management Plans
- EQPB Standard water operation certification. Replicate to other states that need.
- Continue airing, keep reporting/news items related to this project
- Developing new WOW fair/competition one for elderly/community and one specific for children
- System maintenance - for all NDBP water tank client how to maintain and secure the system during storm or typhoon
- Perform the hydro assessment
- Implement the Palau climate change policy
- A lot has been done in this first year but much needs to be addressed for policy development
- Institutional arrangements and more capacity building.
- To continue the communication with donor agency to get assistance to support PPUC priority areas
- PPUC to work on concept papers and have it available for future grant consideration

Workshop evaluation

An evaluation form was handed out at the end of the workshop to gauge participants' assessments of the sessions. Results of the evaluation are presented in Appendix 3.

Photos from the workshop



Appendix 1: Workshop agenda



Agenda

Palau Water Security Adaptation Project Lessons Learnt Meeting
Global Climate Change Alliance: Pacific Small Island States project
Funded by the European Union &
Implemented by the Secretariat of the Pacific Community
17th December 2015, Elilai Restaurant, Belvedere Condos-Meyuns

Time	Topic	Presenter
10:00-10:15 am	Opening and Welcome, Objectives	John Kintaro, <i>Project Officer, PPUC</i> Pasha Carruthers, <i>Climate Change Adviser SPC</i> Xavier Erbai Matsutaro, <i>Climate Change Office</i>
10:15- 10:25 am	Introductions/involvement in project	All
10:25- 10:45am	Viewing of Palau's Lessons Learnt Video & Education Awareness Activity Video	All discuss
10:45 -11:40 am	Group work session 1: <ul style="list-style-type: none"> • Review Logframe – individual sheets • What did not go as planned? • What would we do differently? Report back in plenary- 3 minutes per group <i>Discussion</i>	3 groups & Plenary
11:40 -12:20 pm	Group work session 2: <ul style="list-style-type: none"> • What would we do the same? • What are we proud of? Report back in plenary- 3 minutes per group <i>Discussion</i>	3 groups & Plenary
12:20-12:40	Lunch provided,	
12:40-1:25 pm	Group work session 3: How to share the lessons nationally? Review Achievements against Indicators Report back in plenary- 3 minutes per group Development of Action plan	3 groups & Plenary
1:25-1:45 pm	Closing and Evaluations	TBC

Appendix 2: Workshop participants

1. Charlene Mersai – OERC - Finance
2. Erbai Matsutaro – OERC – Climate Change Office
3. Amand Alexander – OERC - Finance
4. Governor of Hatohobei
5. Governor of Sonsorol
6. Governor of Kayangel
7. Governor of Peleliu – Represented by Joe Chilton
8. Governor of Angaur – Represented by Ken Uehara
9. Tmetuchl Baules – PPUC Admin.
10. Hasinta Idechong – PPUC Finance
11. Richard Basiya – PPUC Water & Wastewater Ops.
12. King Sam – Ministry of Environment
13. Carol Emaurois – PICRC
14. Grant Holdsworth – Pacific Renewables Inc. (Contractor)
15. Jill Senior – Roll'em Productions (Contractor)
16. John Kintaro Jr. Project Coordinator
17. Lola Reklai – Financial Assistant
18. Pasha Carruthers – SPC Palau Advisor

Appendix 3: Results of evaluation

Gender	Workshop Rating	What went well? What aspects were most useful to you?	What could have been done better?	Other General Comments
F	5	Learning about the project currently going on in the outlying states	More of an advanced invitation as I just found out about this workshop the day before	Great venue to have a workshop. Nice open conversation amongst participants. Useful information to think about for potential projects in the future.
M	5	The whole workshop was very informative. Hearing different agencies future goals	More participation from a more diverse cross section of the community	Very well organized and smooth meeting. It was Fun. Thank you.
M	4	The meeting was informative and involved stakeholders with different backgrounds and contribution to the project. As such we were able to make sense of the project from different perspectives	Be succinct and straight to the point	None.
M	4	Update on project status, Next Steps	Workshop was useful and helpful	Project coordination and implementation was effective overall. Replication of project could be another step to consider.
F	5	Discussions, information sharing, especially with recipient of the tanks. Makes a difference to get hands on experience sharing	More people committed showed up, private sectors/other key holder participation	Great facilitation and resources, great venue/food
M	5	Communication/sharing ideas and suggestions	System installation, providing fresh, clean water for people of Palau	Increase timetable for project deadline - 1. loan subsidy, 2. Project installation
M	5	Communication, working together as a team	Information/folders given day before 2 read true	n/a

Appendix 4: Amended Project Logical Framework and Background

Project Amendment Background

Since the Project Design Document was signed on 31st July 2013, changes agreed by the Palau Water Adaptation Project Steering Committee have been made to the budget allocations and the scope of the project. This amendment addresses these changes.

Changes in budget

During the first half of 2014, detailed project planning continued together with assessments, surveys and site visits. Engineering designs and costs of the planned water infrastructure activities in five outlying island states were completed in July 2014. These costs showed a significant increase over those estimated in the original Project Design Document. This budget shortfall was largely due to under-estimation of the cost of local transport as well as changes in the priorities identified by the island states in 2013. While budget lines have changed the overall project budget remains the same.

Changes in scope

Following extensive discussions over the period March – July 2014, it was decided to reduce the scope of Key Result Area (KRA) 3, the hydrogeological study, and to use most of the funding previously allocated to this KRA to cover the budget over-runs for the water sector infrastructure improvements in the outlying island states (KRA 2).

The hydrogeological study is seen as being very important for the sustainability of groundwater supplies especially in the outlying states of Palau, and should be a stand-alone project. Thus the revised scope of KRA 3 is to prepare a concept and terms of reference for a stand-alone project to assess the availability and quality of water resources in the outlying island states. This will involve extensive fieldwork, possibly including drilling.

As a result of this decision the project's logical framework and budget have been revised and are shown in Annex 1. A revised project summary and outline of institutional arrangements are presented as Annex 2.

Annex 1 Log frame addressing water sector climate change vulnerabilities in the outlying states of Palau (Revised October 2014)

Description	Verifiable Indicators	Verification Sources	Assumptions
<p>Overall Objective To increase the resilience of the water sector to climate change impacts in Palau</p>	<ul style="list-style-type: none"> Climate variability and change incorporated into PPUC long term planning and operations by 06/2015*. 	<ul style="list-style-type: none"> Annual reports PPUC Annual budget submissions Annual PPUC work plans Climate Change Policy Water Policy JNAP 	
<p>Purpose To help ensure water quality and supply meets the needs of the people in the outlying island states of Palau</p>	<ul style="list-style-type: none"> More than 20% of the population of two of the outlying states of Palau have improved water storage capacity by 06/2015. Community water catchments area increased by 10% in one outlying island state by 06/2015 10% of population adopt a long term water conservation measure by 09/2015 	<ul style="list-style-type: none"> Project progress reports Annual reports PPUC Annual budget submissions Annual PPUC work plans Questionnaires 	<ul style="list-style-type: none"> Plans, policies and strategies have a stakeholder or community buy-in and willingness to implement. Communities receptive to information and willing to take proactive action.
<p>Key Result Area 1 = 145,000 Enhanced capacity of key stakeholders in Palau to monitor and maintain water systems in the outlying states <u>Activities</u> 1.1 Design and implement a water operations certification program and recommendations for sustainable maintenance 85,000 1.2 Recruit a project officer/coordinator within the PPUC and form steering committee to oversee the implementation of this project with regular meetings and reporting 60,000</p>	<ul style="list-style-type: none"> Four water technicians successfully complete water operations certification course by 09/2015. Water operations maintenance schedule prepared for the outlying island states for Jan-Dec 2016 by 09/2015 	<ul style="list-style-type: none"> Certification course Course results Annual reports PPUC Annual budget submissions Annual PPUC work plans 	<ul style="list-style-type: none"> Existing water operations staff available for training and in place throughout the project.

	<ul style="list-style-type: none"> • Project Oversight Reports prepared quarterly until 12/2015 		
<p>Key Result Area 2 = 407,250 Appropriate improvements made in water sector infrastructure in the outlying states <u>Activities</u> 2.1 Contribute to the water sector infrastructure needs in Angaur: <ul style="list-style-type: none"> • Detailed engineering design and rehabilitation of the Coastguard (Koska) well as an emergency water supply • Further secure the availability of drinking water at the Community Centre with the addition of one pressure pump and storage tank, two rainwater harvesting tanks, and training in maintenance of the existing water purifying unit. • Improve water conservation and water efficiency for the existing distribution system by installing two new pumps at the existing wells and leak detection and repair 2.2. Contribute to reliable and safe rainwater catchment systems in Sonsorol: <ul style="list-style-type: none"> • Refurbish one community cistern • Purchase, install and transport 6 stand-alone water catchment systems 2.3 Contribute to reliable and safe rainwater catchment systems in Hatohobei: = <ul style="list-style-type: none"> • Provide plastic roofing for one tank • Purchase, install and transport 13 stand-alone rainwater catchment systems 2.4 Contribute to improving water supply and quality in Kayangel: <ul style="list-style-type: none"> • Purchase, install and transport 2 pumps • Purchase and install a solar distillation unit • Detect and repair leaks 2.5 Contribute to water conservation and efficiency in Peleliu: <ul style="list-style-type: none"> • Leak detection, repairs and fencing • Training in leak detection 2.6 Improve water conservation and water efficiency in all states: <ul style="list-style-type: none"> • Purchase leak detectors and provide training </p>	<ul style="list-style-type: none"> • 1 new community water distillation demonstration site operational in Kayangel by 09/2015 • Rainwater catchment capacity increased by at least 20% in Sonsorol and Hatohobei by 09/2015 	<ul style="list-style-type: none"> • Annual reports PPUC • Annual budget submissions • Annual PPUC work plans • Project progress reports 	<ul style="list-style-type: none"> • Suitable staff available for timely recruitment. • Basic logistics: materials, transport available within project timeframe
<p>Key Result Area 3 = 12,750</p>	<ul style="list-style-type: none"> • Scope and terms of 	<ul style="list-style-type: none"> • Annual reports PPUC 	<ul style="list-style-type: none"> • Hydrological study can be

<p>Outline scoping for an assessment of the availability and quality of water resources in the outlying island states prepared</p> <p><u>Activity</u></p> <p>3.1 Scope and prepare terms of reference for a hydrogeological study into the sustainability of the water lens and the quality of ground water in the outlying island states of Angaur, Kayangel and Peleliu.</p>	<p>reference for a hydrogeological assessment of water availability in the outlying island states prepared by 09.2015.</p>	<ul style="list-style-type: none"> • Annual budget submissions • Annual PPUC work plans • Community plans • Consultancy report • Project progress reports 	<p>undertaken without the need for new drilling.</p>
<p>Key Result Area 4 = 45,000</p> <p>Level of awareness about water conservation raised and appropriate measures implemented by Palauan residents</p> <p><u>Activity</u></p> <p>4.1 Prepare and implement an action plan for water conservation and climate change education & awareness activities in Palau</p>	<ul style="list-style-type: none"> • Awareness raising plan by 03/2015 • At least 2 water conservation awareness activities implemented and evaluated by 06/2015 	<ul style="list-style-type: none"> • Annual reports PPUC • Annual budget submissions • Annual PPUC work plans • Awareness raising reports and awareness materials • Project progress reports 	<ul style="list-style-type: none"> • Residents willing to adopt water conservation measures • Water efficiency and conservation equipment available via the private sector

- The sum allocated to Palau for this project is the USD equivalent of €500,000. The detailed budget has been displayed above in USD, however there may be some slight adjustments required due to currency fluctuations.
- The first tranche paid to PPUC on 21.08.2013 was USD 333,000. This followed signature of the Project Design Document on 31.07.13 by all parties. Payments shall be made into the Government's account.
- All payments will be made in the currency of the Government of Palau. The second payment can be requested once 80% of the first payment (USD 330,000) has been fully acquitted. Acquittals must be supported by copies of all receipts. Annual government audits will be sufficient unless any accounting or financial problems emerge. Any interest accruing from the advances paid by SPC shall be considered as income for the purpose of operating this project. It may be used to cover eligible costs of the operation.
- The Government shall oversee accurate and regular records and accounts of the implementation of the operation.
- Financial transactions and financial statements shall be subject to the internal and external-auditing procedures laid down in the financial regulations, rules and directives of SPC.
- Copies of substantiating documents relating to each financial transaction shall form part of the quarterly acquittal.
- Reimbursements of funds shall only be made on receipt of the proper acquittal of the funds already advanced.
- Fixed Assets (equipment): All fixed assets (equipment) will remain the property of SPC until the closure of the project. On closure of the project the assets will be officially handed over by SPC to the respective stakeholders in the country. An asset register of all assets purchased should be kept in the office of the Government.
- Quarterly financial and narrative reporting to SPC based on the logical framework above is required
- .

Annex 2 Revised Project Summary and Institutional Arrangements

Secretariat of the Pacific Community

Government of the Republic of Palau

GLOBAL CLIMATE CHANGE ALLIANCE: PACIFIC SMALL ISLAND STATES

PROJECT DESIGN DOCUMENT

Addressing Water Sector Climate Change Vulnerabilities in the Outlying States of Palau

Project Summary

The overall objective of the project is to increase the resilience of the water sector to climate change impacts in Palau. The purpose is to help ensure water quality and supply meets the needs of the people in the outlying island states of Palau and contributes to these communities' adaptation plans for the impacts of climate change on fresh water resources. The implementation period for this project will begin immediately after the required parties have signed the agreement and ends on 31st December 2015.

The key result areas (KRAs) are as follows: (i) Capacity of key stakeholders in Palau is enhanced for monitoring and maintaining water systems in the outlying island states (ii) Appropriate water sector infrastructure improvements are made in the outlying island states (iii) Outline scoping for an assessment of the availability and quality of water resources in the outlying island states prepared; and (iv) Level of awareness on water conservation raised and appropriate water security measures implemented by Palauan residents.

The project will provide the Palau Public Utilities Corporation (PPUC) with the necessary staff support, equipment, and training opportunities to enhance strengthen and improve the water systems operations in the outlying island states. It will also ensure that maintenance and monitoring programs are in place. Specifically, the project will provide technical assistance, capacity building and training, including maintenance and operations, to the key water sector stakeholders in the outlying island states of Palau, in collaboration with SPC Applied Geoscience Technical Division and other partners. The project will also enable the PPUC and outlying island states to enhance water quality, access, availability, and safety, with upgrading of both ground water and rainwater catchment and storage systems. A scoping will be undertaken for a hydrogeological assessment in the outlying island states to provide additional information for better water management and conservation to support long term water supply. Involvement of community members is important for this project. Public education and outreach, relating to water conservation, efficiency and management throughout Palau will also be conducted. This will especially target vulnerable groups such as women, children and the disabled. The project will also link with a feasibility study into a water efficiency loan incentive programme together with the National Development Bank of Palau that may be funded under the GCCA: PSIS mainstreaming component.

This project is consistent with the climate change adaptation needs and priorities for Palau as identified in the 2012 Water Policy and recent national consultation processes as well as Palau's Medium Term Development Strategy: Action for Palau's Future 2009–2014, linked to the National Master Development Plan – Palau 2020. Intensive participatory consultations have informed the development of the project.

Institutional Arrangements

The project will be managed and implemented by PPUC and coordinated at the national level by the Office of Environmental Response and Coordination, Office of the President. The GCCA: PSIS project is being implemented under the ambit of the Letter of Agreement signed on 2nd May 2013 by SPC and the Government of the Republic of Palau. The Palauan signatories to the Letter of Agreement are the President of Palau and the Minister of Finance.

Project Oversight Committee

Project oversight will be provided by a Water Adaptation Project Steering Committee whose membership comprises representatives from the Office of the President OERC, Ministry of Public Infrastructure, Industries and Commerce, PPUC, Palau Energy Office, Ministry of Finance, Island State Governors and the SPC GCCA: PSIS Designated Climate Change Adviser. The Project Oversight Committee is responsible for providing technical and policy advice on the implementation of the project. The Oversight Committee will meet (face-to-face meetings and skype/teleconference) once every quarter and/or on needs basis. The Oversight Committee will be chaired by the representative from PPUC. The SPC GCCA: PSIS Palau Coordinator, situated in OERC, and/or the Project Officer/Coordinator recruited for this project will provide secretarial support to the Oversight Committees.

Reporting

The SPC GCCA: PSIS Palau CC Coordinator and the PPUC based Project Officer are responsible for overseeing the implementation of project activities and providing quarterly progress reports to the Oversight Committee.

Day to Day Implementation of the Project

A project officer/coordinator and a Financial Assistant are based in PPUC to implement and manage the project activities. They work closely with the SPC GCCA: PSIS Palau Climate Change Coordinator with OERC.

Visibility Requirements

The funding provided by the European Union through the Global Climate Change Alliance will be reflected as appropriate in the project activities, including the use of the following logos: EU flag accompanied by the text "Funded by the European Union", Global Climate Change Alliance logo, SPC logo, Government of the Republic of Palau, Palau Public Utilities Corporation and other partners where applicable