



**SOPAC**



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SOPAC/GEF/IWRM/RSC.1/5

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First Meeting of the Regional Project Steering Committee  
and Inception Workshop for the SOPAC/UNDP/UNEP/GEF Project:  
*“Implementing Sustainable Water Resources and Wastewater  
Management in Pacific Island Countries”*

Nadi, Fiji, 14<sup>th</sup> – 18<sup>th</sup> September 2009

**REPORT OF THE REGIONAL PROJECT MANAGER ON THE STATUS OF THE  
GEF PROJECT ENTITLED:  
“IMPLEMENTING SUSTAINABLE WATER RESOURCES AND WASTEWATER  
MANAGEMENT IN PACIFIC ISLAND COUNTRIES”**

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## **1. INTRODUCTION**

The Global Environment Facility (GEF) funded regional project entitled “*Implementing Sustainable Integrated Water Resources and Wastewater Management Project*” (GEF Pacific IWRM) formally commenced upon endorsement by the GEF Chief Executive Officer on 3 December 2008. The GEF Pacific IWRM Project will run for five years to 2013 with a total contribution from the GEF of US\$9,025,688. It compliments the EU IWRM Planning Project by providing on-ground demonstrations of IWRM in practice. The Project has both regional and national components and will help fourteen Pacific Island Countries (PICs) address problems of pollution entering ground and surface water, as well as support improved management of clean water for drinking and sanitation. By building implementation capacity PICs can then replicate IWRM approaches to address other water and sanitation issues.

## **2. PROJECT ENDORSEMENT AND LEGAL ARRANGEMENTS**

### **2.1 Project Chronology**

**GEF** – Chief Executive Officer Endorsement on 3 December 2008

**UNDP** – National Demonstration Project Component 1

- Project Document signed on 16<sup>th</sup> February 2009
- First Tranche of Funds Received 30<sup>th</sup> March 2009

**UNEP** – Regional Components 2 - 4

Project Cooperation Agreement signed on 16<sup>th</sup> May 2009

First Tranche of Funds Received 6<sup>th</sup> July 2009

## **3. KEY PROJECT ACTIVITIES**

### **3.1 Component 1 - National Demonstration Projects (Demos)**

The first eight months of the project has focussed on project inception at both the regional and national level. A priority activity has been the completion of Memoranda of Agreement (MOA) with the PIC’s Demonstration Lead Agencies and the recruitment of National Project Staff. An inception checklist was prepared to assist National Demonstration Projects in their inception activities. Establishing acceptable financial disbursement methods was also a primary PCU inception task.

Inception period funding of the demos was contingent upon the submission and acceptance of:

1. Signed Memorandum of Agreement
2. Agreed Payment Processing Form
3. Inception Period Work Plan
4. Operational Budget for Inception Period
5. Cash Advance Request

**Inception funds have been sent to all countries except Solomon Islands, Tuvalu, and Vanuatu.**

Recruitment of Demo Project staff was also accorded a high priority by the PCU, which worked with focal points and lead agency staff to prepare job descriptions. A ProDoc requirement was that the Project Staff position be job sized by National Government’s Public Service Commissions or equivalent. This process was often a tedious and lengthy process and resulted in delays in commencing the recruitment process in several PICs.

An important Inception period activity has been the review of Demo project scope and contemporary relevance, and the Project Coordinating Unit (PCU) staff have been proactively facilitating this. All PICs have been visited by a PCU staff member to provide assistance in the establishment of the Demos. A summary of Demos progress as at 10<sup>th</sup> September 2009 is included in Annex 1.

## 3.2 Regional Components

### 3.2.1 Establishment of the PCU

At a regional level initial focus has been on establishing the Project Coordinating Unit office, including procurement of equipment and furniture, establishment of procedures, and the recruitment of staff to the PCU. Staff recruitment is detailed below:

Position	Name	Start Date
Regional Project Manager	Marc Wilson	6 <sup>th</sup> January 2009
Community Assessment and Participation Advisor	Ruth Urben	12 <sup>th</sup> January 2009
Senior Administration and Travel Officer	Verenaisi Bakani	18 <sup>th</sup> May 2009
Environmental Engineer	David Duncan	13 <sup>th</sup> July 2009

Due to the lengthy recruitment times a PIC IWRM National Demonstration Project Start-Up Support Consultant Chris Paterson was engaged in April to help resource PICs during the inception period and to provide the PCU with start up assistance. Despite two separate recruitment attempts the Financial Adviser position could not be filled. Subsequently it was decided that this position would be forgone and half the salary used to cost share with the EU Planning Project to fund the recruitment of a Mainstreaming and Indicators Adviser. The remaining salary saving will be reallocated to fund PCU service provision.

#### Component 2 – IWRM and WUE Indicators Framework

An indicators framework has been developed and will be presented to the Inception Meeting for consideration and endorsement if considered appropriate (see SOPAC/GEF/IWRM/RSC.1/9). A new jointly GEF and EU funded position entitled “*Mainstreaming and Indicators Adviser*” (MAIN Adviser) has been advertised and a candidate selected. The creation of the position resurrects a position that was included in the originally approved draft Project Document and recognises the resource needs of successfully achieving the outcomes sought from this component and the importance of Monitoring and Evaluation at a National Level.

#### Component 3 – Policy, Legislative and Institutional Reform for IWRM and WUE

Establishing enabling National Policy and Legislative Frameworks is important to the sustainability of the IWRM based Demos and likewise the success of the Demos will support the use of the National Policy and Framework to address other water issues. This component is directly linked and entirely funded by the EU IWRM Planning Project. Increased focus is being provided within Demos through the inclusion of governance and policy components within the Demo logframes. This increased focus and its resourcing through the MAIN Adviser is aimed at improving National IWRM adoption and therefore improved sustainability and replication

#### Component 4 – Regional and National Capacity Building and Sustainability Programme for IWRM and WUE

A primary function of the PCU and one that has commenced through the country visits already undertaken. Capacity development needs will start to be assessed during the inception meeting (see SOPAC/GEF/IWRM/RSC.1/14).

## 4. PROJECT FUNDING

### 4.1 Final Financing Plan for the Project

**Table 1** Comparison of Initial Financing Plan and Final Approved Plan

	<b>GEF Final</b>		<b>GEF Approved Draft</b>
PDF A	\$ 25,000		PDF A \$ 25,000
PDF B	\$ 697,950		PDF B \$ 697,950
Pacific IWRM	\$ 9,025,688		Pacific IWRM \$ 10,700,000
UNDP Agency Fee	\$ 727,354		UNDP Agency Fee \$ 747,715
UNEP Agency Fee	\$ 247,460		UNEP Agency Fee \$ 394,580
<b>Total</b>	<b>\$ 10,723,452</b>		<b>Total \$ 12,565,245</b>
Component 1	\$ 6,055,891		Component 1 \$ 6,300,000
Component 2	\$ 800,463		Component 2 \$ 876,560
Component 3			Component 3 \$ 347,000
Component 4	\$ 1,327,292		Component 4 \$ 1,005,440
			Component 5 \$ 1,101,000
<b>Component Totals</b>	<b>\$ 8,183,646</b>		<b>\$ 9,630,000</b>

### 4.2 Funds Received and Disbursements by SOPAC to date

#### UNDP

Funding of US\$250,000 was received by SOPAC from UNDP on 30<sup>th</sup> March 2009.

**Table 2** Summary of UNDP funds advanced and expended on behalf of countries

<b>UNDP</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
	Start to June	July to August	Start to August
Advance to Demo Countries	15,000.00	122,592.12	137,592.12
Payment on behalf of Demo-Countries	1,370.08	3,315.32	4,685.40
Others	114.95	114.54	229.49
<b>Total</b>	<b>16,485.03</b>	<b>126,021.98</b>	<b>142,507.01</b>

#### UNEP

Funding of US\$250,000 was received by SOPAC from UNEP ON 6<sup>th</sup> July 2009.

**Table 3** Summary of expenditure of funds received from UNEP, including co-finance

<b>UNEP</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
	Start to June	July to August	Start to August
Salary	92,649.03	71,791.24	164,440.27
Others	40,594.53	14,859.99	55,454.52
<b>Total</b>	<b>133,243.55</b>	<b>86,651.24</b>	<b>219,894.79</b>
EU Co-finance	28,654.87	9,242.33	37,897.20
Total with Co-finance	161,898.42	95,893.56	257,791.99

## 5. PARTNERSHIPS AND COLLABORATIONS

The Regional Project Manager (RPM) attended the Inception Meeting for the GEF funded Pacific Adaptation to Climate Change Project (PACC) and in the spirit of collaboration assisted with the National Demonstration project designs that focus on water. The RPM is also the nominated CROP representative on the PACC Project Executive Group. This will further ensure collaboration and synergies occur where possible between the two GEF Projects. Where the two projects have

collocated water projects attempts are being made to collocate the National Project staff to further promote cooperation and collaboration.

The PCU has been exploring a partnership with the International Union for Conservation and Nature for WANI II funded projects in the Nadi Basin and has also entered into an agreement with UNESCO under its HELP program in relation to Coastal and River Health in the Nadi Basin. SOPAC has also been working with the World Bank on a Project aimed providing Regional Support on Integrated Flood Risk Management.

## 6. OPERATIONAL MATTERS

### 6.1 Major Obstacles Encountered during the Inception Period

The failure to successfully recruit the Financial Adviser and Environmental Engineer in late 2008 meant that only two out of the PCUs staff were in place at the start of the project. This provided significant capacity issues for the PCU. When combined with the very slow start up times in countries the lack of resources provided real inception challenges for the PCU. The Demo projects suffered even greater delays as they attempted to negotiate their way through their National bureaucracies.

A reliance on IWRM National focal points to proactively progress Demo inception requirements has proved problematic. All Focal Points have heavy workloads and the addition of the further burden of starting up their National Demonstration Projects has resulted in inevitable delays. This situation has been exacerbated by delays within PIC Public Service Commissions in job sizing and approving recruitment of Project funded staff. This was compounded by the impacts of the global economic crisis which in many PICs resulted in a freeze on all Public Service recruitment.

Successful and early project inception requires commitment and the early hiring of staff or local consultant support to provide the resources needed to do the start-up and establish the projects. The IWRM approach requires meaningful consultation with stakeholders to gain their engagement in project implementation. Effective stakeholder participation often requires a significant change in the "normal" project approach and capacity constraints have been a significant constraint to this process. The PCU has the technical expertise to assist PICs but is constrained from providing this service in-country through an inexplicably inadequate travel budget (Table 2).

**Table 2** PCU Travel Budget

UNEP BUDGET LINE/OBJECT OF EXPENDITURE		EXPENDITURE BY YEAR (GEF GRANT)					
		2009	2010	2011	2012	2013	Total
		US\$	US\$	US\$	US\$	US\$	US\$
<b>1600</b>	<b>Travel on official business (above staff)</b>						
1601							
1602	International Travel	23,500	20,500	20,500	20,500	20,500	105,500
<b>1699</b>	<b>Total</b>	<b>23,500</b>	<b>20,500</b>	<b>20,500</b>	<b>20,500</b>	<b>20,500</b>	<b>105,500</b>
<b>3300</b>	<b>Meetings/conferences (give title)</b>						
3301	Steering Committee Meetings	12,000	25,000	12,000	25,000	25,000	99,000
3302	Support to Regional TAG Meetings		15,000		15,000		30,000
3303	Management Missions	4,000	4,000	5,000	5,000	5,000	23,000
3304	Attendance at Global Meetings	8,500			5,000		13,500
<b>3399</b>	<b>Total</b>	<b>24,500</b>	<b>44,000</b>	<b>17,000</b>	<b>50,000</b>	<b>30,000</b>	<b>165,500</b>
<b>Estimated Minimum Annual Travel Costs</b>							
Based on 2x 1 week trips by PCU staff /annum/country		100,000	100,000	100,000	50,000	50,000	400,000
Annual Shortfall		76,500	79,500	79,500	29,500	29,500	294,500
<b>Annual RSC Meeting Costs</b>							
RSC - Focal Points and PCU Staff		55,000	90,000	65,000	90,000	65,000	365,000
Annual Shortfall		43,000	50,000	53,000	50,000	40,000	236,000
<b>Total Annual Travel Budget Shortfall</b>		<b>119,500</b>	<b>129,500</b>	<b>132,500</b>	<b>79,500</b>	<b>69,500</b>	<b>530,500</b>

The total international travel budget for the PCU comprised of the Regional Project Manager and 3 technical specialists over the 5 years of the project is US\$105,000. In comparison the GEF PACC that

has only one regional staff the Regional Project Manager has an International Travel budget of US\$ 260,000 over 5 years. Clearly the travel budget approved in the Project Document is manifestly inadequate. This oversight was brought about by the forced removal of about US\$2million from the regional budget and the requirement to very rapidly recast the budget. This has resulted in a number of errors and inadequate budgeting.

## **6.2 Actions to be Undertaken to Address Obstacles**

PCU capacity issues were addressed through allocating a high priority to staff recruitment and through the engagement of a short term consultant to bridge the PCU's critical resource shortage.

The PCU has sought where possible to facilitate in-country progress in the Demonstration inception through in-country visits and provision of resource material to help with inception requirements. During in-country visits PCU staff have also sought to engage core agencies in the inception process to increase their focus on Demonstration project needs.

The travel budget shortfall was addressed during inception through the provision of significant co-financing by the EU IWRM Planning Project. However, this can only be a short term solution and a longer term funding solution is required to enable the PCU to provide the in-country support that was intended in the original project design. These and other budget issues will be further addressed in the presentation of the Projects Proposed Budget and Work Plan during Agenda Item 12.