



SOPAC



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

Republic of Palau, 19th – 23rd July 2010

**INTRODUCING FUNDING RULES FOR NATIONAL IWRM DEMONSTRATION
PROJECTS OF THE GEF PROJECT ENTITLED:
“IMPLEMENTING SUSTAINABLE WATER RESOURCE AND WASTEWATER
MANAGEMENT IN PACIFIC ISLAND COUNTRIES”**

1. BACKGROUND AND CONTEXT

The overall goal of the GEF project entitled “*Implementing Sustainable Water Resources and Wastewater Management in Pacific Island Countries*” (GEF Pacific IWRM Project) is:

“To contribute to sustainable development in the Pacific Island region through improvements in natural resource and environmental management”.

The project will focus on freshwater (surface and ground) and coastal receiving waters through the overall project Objective which is:

“To improve water resources management and water use efficiency in Pacific Island Countries in order to balance overuse and conflicting uses of scarce freshwater resources through policy and legislative reform and implementation of applicable and effective Integrated Water Resources Management (IWRM) and Water Use Efficiency (WUE) plans”.

The overall project objective will be achieved through four project components. Component 1 will use country-driven and designed demonstration activities focusing on sustainable water management to utilise Ridge to Reef IWRM approaches to bring significant environmental stress reduction benefits. Demonstration projects will act as catalysts for replication and scaling-up approaches to improve national water resources management, and regionally to support the Pacific in reducing land based pollutants from entering the ocean. The GEF Implementing Agency for Component 1 is the United Nations Development Programme (UNDP).

Components 2-4 are overseen by the United Nations Environment Programme (UNEP) with significant co-financing from other regional programmes and projects. Component 2 will develop an IWRM and WUE Regional Indicator Framework based on improved data collection and indicator feedback and action for improved national and regional sustainable development using water as an entry point. Component 3 will focus on Policy, Legislative, and Institutional Reform for IWRM and WUE through supporting institutional change and re-alignment to enact National IWRM Plans and WUE strategies, including appropriate financing mechanisms and supporting and building further political will to endorse IWRM policies and plans to accelerate and support pre-existing SAP and other Pacific Regional Action Plan work. Component 4 provides a Regional Capacity Building and Sustainability Programme for IWRM and WUE.

2. PROJECT FINANCING

The total GEF grant for the GEF Pacific IWRM Project is **US\$9,025,688**. Component 1 cost is **US\$6,727,891** with 13 countries each requesting US\$500,000-600,000 of GEF funds each for the execution of national demonstration projects. These funds are being administered by UNDP. The cost of components 2-4 is **US\$2,297,797**, with these funds being administered by UNEP. The Project Document indicates that significant co-financing (>US\$90,000,000) was identified for the project. The total GEF grant and co-finance estimates at the time of project endorsement are summarised in Table 1. Tables 2 and 3 provide breakdowns of the UNDP and UNEP budgets endorsed at the project Inception Workshop respectively.

Table 1 Summary of Funding for the GEF Pacific IWRM Project

GEF	US\$
Project Implementation*:	9,025,688
PDF-B:	697,950
Co-finance:	
Governments (in cash and kind):	23,523,897
Intergovernmental/Multilateral:	13,712,608
Bilateral:	52,678,304
NGOs:	664,990
UNEP (in-kind):	60,000
Sub-Total Co-financing:	90,579,799
Total Project Cost:	100,303,437

Table 2 Detailed 5 year budget for the UNDP component of the GEF Pacific IWRM Project

Activity Description from AWP	Code	2009	2010	2011	2012	2013	TOTAL
Personnel Procurement	71000	391,804	909,315	1,060,644	849,256	601,858	3,812,876
	%	55%	47%	58%	64%	64%	57%
International Consultants	71200	41,173	181,146	235,095	151,445	77,098	685,957
International Consultants - Short term - Technical	71205	28,873	138,546	198,195	122,695	58,648	546,957
International Consultants - Short term - Support	71210	12,300	42,600	36,900	28,750	18,450	139,000
Local Consultants	71300	152,180	389,533	485,137	382,293	178,230	1,587,373
Local Consultants - Short term - Technical	71305	142,340	311,168	438,587	330,893	139,330	1,362,318
Local Consultants - Short term - Support	71310	9,840	78,365	46,550	51,400	38,900	225,055
Contractual Services-Individuals	71400	172,227	266,529	292,010	278,790	287,110	1,296,666
Service Contracts - Individuals	71405	172,227	266,529	292,010	278,790	287,110	1,296,666
Travel	71600	26,224	72,107	48,402	36,728	59,420	242,879
Travel Tickets - International	71605	9,800	16,800	15,800	15,800	18,800	77,000
Travel Tickets - Local	71610	2,152	28,502	6,798	5,298	23,298	66,047
Daily Subsistence Allowance - International	71615	2,131	5,131	8,131	6,131	3,131	24,653
Daily Subsistence Allowance - Local	71620	4,518	3,287	1,555	2,805	3,768	15,933
Daily Subsistence Allowance - Meeting Participants	71625	1,200	0	1,450	200	200	3,050
Shipment	71630	0	0	0	0	0	0
Travel - Other	71635	6,423	18,388	14,668	6,494	10,223	56,196
General Operating Expenses	72000	255,145	803,401	576,025	347,450	237,200	2,219,221
	%	36%	42%	32%	26%	25%	33%
Contractual Services – Company	72100	85,200	315,743	262,554	187,254	140,587	991,338
Svc Co – Natural Resources & Environmental Services	72115	46,800	242,975	192,900	147,200	99,850	729,725
Svc Co – Trade and Business Services	72120	2,500	8,250	9,500	5,000	3,750	29,000
Svc Co – Studies and Research Services	72125	10,500	26,500	25,600	1,000	0	63,600
Svc Co – Transportation Services	72130	15,000	0	0	0	0	15,000
Svc Co – Communications Services	72135	200	6,137	8,054	8,054	6,987	29,431
Svc Co – Information Technology Svcs	72140	5,100	0	5,000	5,000	5,000	20,100
Svc Co – Training and Education Services	72145	5,100	31,881	21,500	21,000	25,000	104,481
Equipment and Furniture	72200	121,449	462,342	281,258	132,483	69,650	1,067,182
Office Equipment	72205	44,449	11,100	2,400	2,400	2,400	62,749
Machinery	72210	38,000	236,042	260,858	122,083	59,250	716,233
Transportation Equipment	72215	38,000	33,000	18,000	8,000	8,000	105,000
Furniture	72220	1,000	0	0	0	0	1,000
Sale of Equipment and Furniture	72225	0	182,200	0	0	0	182,200
Communications and Audio Visual Equipment	72400	10,244	9,994	10,994	10,994	8,944	51,169
Acquisition of Communication Equipment	72405	2,200	2,000	2,050	2,050	0	8,300
Acquisition of Audio Visual Equipment	72410	300	0	0	0	0	300
Courier charges	72415	0	0	0	0	0	0
Postage and Pouch	72430	0	0	0	0	0	0
E-mail – subscription	72435	300	0	0	0	0	300
Connectivity Charges	72440	3,744	3,744	3,744	3,744	3,744	18,719
Common services – Communications	72445	3,700	4,250	5,200	5,200	5,200	23,550

Table 2 (cont.) Detailed 5 year budget for the UNDP component of the GEF Pacific IWRM Project

Activity Description from AWP	Code	2009	2010	2011	2012	2013	TOTAL
Supplies	72500	6,853	8,789	8,053	8,053	9,353	41,099
Stationery and other Office Supplies	72505	4,853	4,289	3,553	3,553	3,553	19,799
Publications	72510	2,000	4,500	4,500	4,500	5,800	21,300
Information Tech. Equipment	72800	31,400	6,533	13,167	8,667	8,667	68,434
Acquisition of Computer Hardware	72805	31,400	5,000	5,000	5,000	5,000	51,400
Acquisition of Computer Software	72810	0	0	0	0	0	0
Information Technology Supplies	72815	0	1,533	8,167	3,667	3,667	17,034
Overhead Expenses	73000	1,100	14,250	2,500	2,750	2,750	23,350
	%	0%	1%	0%	0%	0%	0%
Rental and maintenance of other office equipment	73300	1,100	14,250	2,500	2,750	2,750	23,350
Rental and maintenance of other office equipment	73405	1,100	4,250	2,500	2,750	2,750	13,350
Maintenance, operation of transportation equipment	73410	0	10,000	0	0	0	10,000
Miscellaneous Operating Expenses	74000	67,077	197,124	174,130	137,500	96,612	672,444
	%	9%	10%	10%	10%	10%	10%
Professional Services	74100	3,400	47,743	40,200	32,200	22,120	145,663
Management and Reporting Services	74105	500	22,584	25,300	18,800	15,800	82,984
Audit Fees	74110	2,900	2,900	4,900	2,900	2,900	16,500
Legal Fees	74115	0	0	0	0	0	0
Capacity Assessment	74120	0	22,259	10,000	10,500	3,420	46,179
Audio Visual and Printing Production Costs	74200	49,849	116,639	120,848	92,218	63,789	443,344
Audio Visual Productions	74205	400	1,650	1,650	1,650	1,650	7,000
Printing and Publications	74210	30,428	72,221	75,834	51,204	39,043	268,730
Promotional Materials and distribution	74215	19,021	42,768	43,364	39,364	23,096	167,614
Translation Costs	74220	0	0	0	0	0	0
Other Media Costs	74225	0	0	0	0	0	0
Miscellaneous Expenses	74500	13,828	32,742	13,082	13,082	10,203	82,937
Insurance	74505	1,250	825	825	825	825	4,550
Bank charges	74510	100	100	100	100	600	1000
Storage	74520	0	0	0	0	0	0
Sundry	74525	12,478	31,817	12,157	12,157	9,278	77,887
Total		715,126	1,924,090	1,813,299	1,336,956	938,420	6,727,891

Table 3 Five-year budget including co-financing for the UNEP components of the GEF Pacific IWRM Project (2009-2013)

OBJECT OF EXPENDITURE		EXPENDITURE BY YEAR (PROJECT FUNDS)						CO-FINANCING BY COMPONENT				GRAND TOTAL		
		2009	2010	2011	2012	2013	Total	Project Component			Total	Funds	Co-fin.	Total
		US\$	US\$	US\$	US\$	US\$	US\$	2	3	4	US\$	US\$	US\$	US\$
PROJECT PERSONNEL COMPONENT														
1100	Project Personnel w/m													
1101	Project Coordinator (60 w/m)	115,049	130,000	130,000	130,000	130,000	635,049		0		0	635,049	0	635,049
1102	Environmental Engineer/Manager (36 w/m)*	54,600	109,200	109,200	54,600		327,600		0		0	327,600	0	327,600
1103	Community Assessment and Participation (36 w/m)**	83,550	54,600	54,600			192,750		134,850		134,850	192,750	134,850	327,600
1104	Mainstreaming and Indicator Adviser (36 w/m)*	13,650	54,600	54,600	40,950		163,800		163,800		163,800	163,800	163,800	327,600
1199	Total	266,849	348,400	348,400	225,550	130,000	1,319,199	0	298,650	0	298,650	1,319,199	298,650	1,617,849
1200	Providers													
1201	IWRM Planning Adviser								211,141		211,141		211,141	211,141
1202	IWRM Country Planning Specialist								180,000		180,000		180,000	180,000
1203	Training Specialist	21,000	15,000	12,900			48,900		120,000		120,000	48,900	120,000	168,900
1204	Communications Adviser								120,000		120,000		120,000	120,000
1205	Pollution Specialist													
1206	Policy Support Specialists							28,000	191,557		219,557		219,557	219,557
1207	Hydrologists							241,000	38,256	329,744	609,000		609,000	609,000
1208	Hydrogeologists							82,000		133,314	215,314		215,314	215,314
1209	Water Quality Specialists							101,309		240,463	341,772		341,772	341,772
1210	Water Demand Mgmt Specialists							132,709	100,000	99,063	331,772		331,772	331,772
1211	Water Safety planners/Health Specialists							439,280	239,280	200,000	878,560		878,560	878,560
1212	Legal Specialist							15,000	125,000		140,000		140,000	140,000
1213	Partnership Facilitators							35,000	38,000		73,000		73,000	73,000
1214	National Plan Advisers							24,000	67,000		91,000		91,000	91,000
1215	Resource Economists							62,000	14,114		76,114		76,114	76,114
1216	National IWRM Support coordinators (x14)								994,751		994,751		994,751	994,751
1299	Total	21,000	15,000	12,900	0	0	48,900	1,160,298	2,439,099	1,002,584	4,601,981	48,900	4,601,981	4,650,881
1300	Administrative support w/m													
1301	Senior Administration and Travel Officer (60 w/m)	13,889	22,222	22,222	22,222	22,222	102,777				102,777		0	102,777
1399	Total	13,889	22,222	22,222	22,222	22,222	102,777	0	0	0	102,777	0	0	102,777
1400	Volunteers w/m													
1401														
1499	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
1600	Travel on official business (above staff)													
1601														
1602	International Travel	43,784	84,000	83,500	83,500	83,500	378,284	41,000	477,500		518,500	378,284	518,500	896,784
1699	Total	43,784	84,000	83,500	83,500	83,500	378,284	41,000	477,500	0	518,500	378,284	518,500	896,784
1999	Component Total	345,522	469,622	467,022	331,272	235,722	1,849,160	1,201,298	3,215,249	1,002,584	5,419,131	1,849,160	5,419,131	7,268,291

Table 3 (cont.) Five-year budget including co-financing for the UNEP components of the GEF Pacific IWRM Project (2009-2013)

OBJECT OF EXPENDITURE		EXPENDITURE BY YEAR (PROJECT FUNDS)					CO-FINANCING BY COMPONENT				GRAND TOTAL			
		2009	2010	2011	2012	2013	Total	Project Component			Funds	Co-fin.	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	2	3	4	US\$	US\$	US\$	
SUB-CONTRACT COMPONENT														
2100	Sub-contracts (MoU's/LA's for UN agencies)													
2101														
2199	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
2200	Sub-contracts (MoU's/LA's for non-profit organisations)													
2201														
2299	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
2300	Sub-contracts (commercial purposes)													
2301	HELP Consultants Catchment Mgmt								250,000		250,000	0	250,000	250,000
2399	Total	0	0	0	0	0	0	0	250,000	0	250,000	0	250,000	250,000
2999	Component Total	0	0	0	0	0	0	0	250,000	0	250,000	0	250,000	250,000
TRAINING COMPONENT														
3100	Fellowships (total stipend/fees, travel costs)													
3101														
3199	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
3200	Group training (study tours, workshops etc)													
3201	Monitoring and Evaluation	10,000					10,000		20,008		20,008	10,000	20,008	30,008
3202	Awareness and Communications	5,000	10,000	15,000			30,000					30,000		30,000
3203	Twinning and Learning		10,000	17,500	15,000		42,500		21,701		21,701	42,500	21,701	64,201
3204	Indicator Training, Data Handling, Baseline Devt'	10,000	10,000				20,000	80,000			80,000	20,000	80,000	100,000
3205	Community Mgmt Workshops	2,500	9,500	12,000			24,000					24,000		24,000
3206	CPD Training Programme		12,000	12,000		12,000	36,000	18,000	24,957		42,957	36,000	42,957	78,957
3299	Total	27,500	51,500	56,500	15,000	12,000	162,500	98,000	66,666	0	164,666	162,500	164,666	327,166
3300	Meetings/conferences													
3301	Steering Committee Meetings	55,000	55,000	55,000	55,000	55,000	275,000		27,600		27,600	275,000	27,600	302,600
3302	Support to Regional TAG Meetings		15,000		15,000		30,000		21,000		21,000	30,000	21,000	51,000
3303	Management Missions	4,000	4,000	5,000	5,000	5,000	23,000					23,000		23,000
3304	Attendance at Global Meetings	8,500	4,000	4,000	5,000	4,000	25,500					25,500		25,500
3399	Total	67,500	78,000	64,000	80,000	64,000	353,500	0	48,600	0	48,600	353,500	48,600	402,100
3999	Component Total	95,000	129,500	120,500	95,000	76,000	516,000	98,000	115,266	0	213,266	516,000	213,266	729,266
EQUIPMENT AND PREMISES COMPONENT														
4100	Expendable equipment (items under \$1,500)													
4101	Office supplies	6,000	4,000	2,000	2,000	2,000	16,000		14,400		14,400	16,000	14,400	30,400
4102	Awareness/Education Materials	6,000	4,000	2,000	2,000	2,000	16,000					16,000		16,000
4199	Total	12,000	8,000	4,000	4,000	4,000	32,000	0	14,400	0	14,400	32,000	14,400	46,400
4200	Non-expendable equipment													
4201	Office equipment	27,500	4,000	2,000	1,000		34,500		26,000		26,000	34,500	26,000	60,500
4202	Office Equipment Maintenance	2,100	800	500	500	500	4,400					4,400		4,400
4203	Database Equipment	1,500	1,500				3,000			40,000	40,000	3,000	40,000	43,000
4204	Field work equipment							145,000	49,400	1,923,399	2,117,799		2,117,799	2,117,799
4299	Total	31,100	6,300	2,500	1,500	500	41,900	145,000	75,400	1,963,399	2,183,799	41,900	2,183,799	2,225,699

3. NATIONAL DEMONSTRATION PROJECT EXPENDITURES AND TARGETS

The First Regional Steering Committee Meeting and Inception Workshop for the GEF Pacific IWRM Project reviewed the status of the national demonstration projects being executed as part of this initiative. The status of inception period deliverables was ascertained using a methodology employing both self-assessment and consultative approaches in which Individual countries were asked to self-assess their progress on the six key project deliverables for the project inception period. A separate assessment was made by the regional Project Coordinating Unit (PCU) during one-on-one sessions between the participating countries and PCU staff.

Final grades were discussed, agreed upon, and signed off by both the country representatives and PCU members during these sessions. Generally, an 'A' grade corresponded to completion, and a 'C' grade corresponded to work not yet reasonably commenced. A 'B+' grade indicated significant progress towards achieving an A, typically only one component outstanding (such as formal sign-off). A 'B-' indicated that, whilst the countries confirmed that the tasks were complete, documents were yet to be provided to the PCU. Figure 1 shows the agreed results for each country. The lack of progress on project scope and logframe revision generally reflected recent recruitment of the in-country project management unit, with minimal opportunity to progress these elements.

	Cook Islands	Federated States of Micronesia	Fiji	Marshall Islands	Nauru	Niue	Palau	Papua New Guinea	Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu
Project Management Unit	A	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+
Revised Project Scope	C	B+	B+	B+	C	B+	B+	B+	B+	B+	B+	B+	B+
Revised Logframe	B+	B+	B+	C	B+	B+	C	B+	B+	B+	B+	B+	C
Stakeholder Engagement	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B-	B-	B+
Workplan	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	C	B+	B+
Budget	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+	B+

	A
	B+
	B
	B-
	C

Figure 1 Agreed grading of National Demonstration Project progress against Inception Period deliverables

Since the Inception Workshop in September 2009 to end June 2010, all countries have appointed Project Managers and established Project Management Units in the Lead Agencies. Similarly all project logical framework matrices and work plans have been revised and updated in consultation with national steering committees. During this period there has been significant variation in total expenditures across national demonstration projects as shown in Figure 2.

This variation is in part due to differing project designs and equipment and machinery purchases by the 13 country projects, but also reflects differing administrative systems in each country which each individual project manager has had to become proficient in working with. Similarly all countries have experienced considerable delays in the receipt of quarterly advances, which has in most instances hindered the ability of projects to deliver their work programmes and has often resulted in considerable carry over of funds between quarters. The latter has been complicated by the introduction of a rule by UNDP Multi-Country Office in Fiji that countries must have expended 80

percent of the cash advanced to them prior to qualifying for any further advance of funds. Regardless, several countries including Papua New Guinea, the Cook Islands, and Nauru have spent considerably less than the 15 percent of their endorsed GEF grant funds which was projected at project inception.

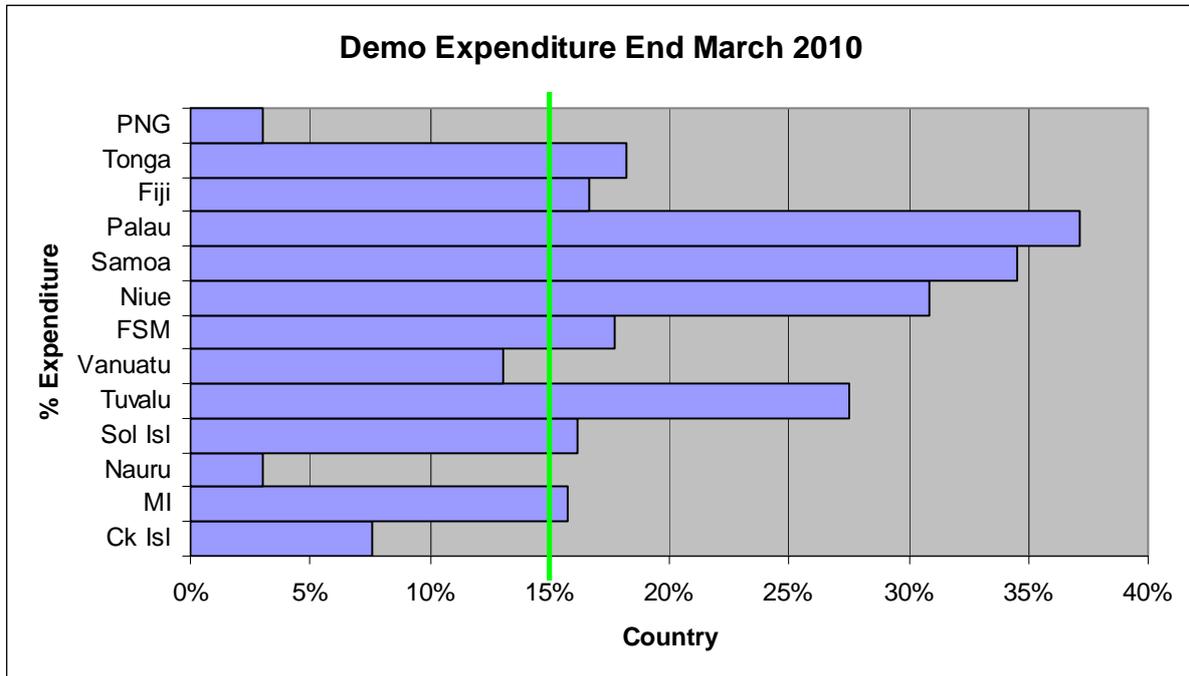


Figure 2 Percentage expenditure of national demonstration project funds

In considering project expenditures to date, several questions arise for the consideration of the Regional Steering Committee. These are as follows:

The challenges each national demonstration project has faced in project execution and expenditure of quarterly advances;

What expenditure targets could be established for the annual review of the Regional Project Steering Committee; and

What guiding principles could be used for the reallocation of project funds in the case demonstration projects do not meet agreed delivery expectations and associated expenditure targets.