PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: Full-sized Project
THE GEF TRUST FUND

Submission Date: 21 January 2008
Re-submission Date: 28 February 2008

PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID: 2586
GEF AGENCY PROJECT ID: 3311
COUNTRY(IES): Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu,Vanuatu
PROJECT TITLE: Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries
GEF AGENCY(IES): UNDP and UNEP
OTHER EXECUTING PARTNERS: Pacific Islands Applied Geoscience Commission (SOPAC)
GEF FOCAL AREA (S): International Waters
GEF-4 STRATEGIC PROGRAM(S): IW SP3: Balancing Overuse and Conflicting Uses of Water Resources in Transboundary Surface and Groundwater Basins.
NAME OF PARENT PROGRAM/UMBRELLA PROJECT: PACIFIC ALLIANCE FOR SUSTAINABILITY (PAS)

INDICATIVE CALENDAR	
Milestones	**Expected Dates**
Work Program (for FSP)	April 2008
CEO Endorsement/Approval	June 2008
GEF Agency Approval	July 2008
Implementation Start	Sept 2008
Mid-term Review (if planned)	June 2010
Implementation Completion	June 2013

A. PROJECT FRAMEWORK

Project Objective: 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

Project Components	TA or STA	Expected Outcomes	Expected Outputs	Indicative GEF Financing*		Indicative Co-financing*		Total ($)
				($)	%	($)	%	
C1: Demonstration, Capture and Transfer of Best Practices in IWRM and WUE	TA	(i) Capture of Lessons from Demonstration Projects & other Water Initiatives (CTI/PACC/PAS) shared regionally & with global SIDS (ii) Replication of Demonstration Projects within & between PICS (where support and finances available) (iii) Successful demonstrations of IWRM approaches mainstreamed into existing local, national, & regional approaches (iv) PIC understanding & adoption of technical, allocative, and equitable water use efficiency measures (v) Support for social and economic welfare of island communities through improved water management (vi) Environmental quality and productivity sustained (vii) Improved public-health across SIDS with improved monitoring (viii) Increase in groundwater monitoring and regular sampling routines established for SIDS (leading to improvements in	(i) Watershed Management *(i)* 40% increase in population with access to safe drinking water at 1 demo site *(ii)* 30% reduction in animal manure and sewage entering marine waters at 1 demo site *(iii)* 30% reduction in catchment deforestation at 2 demo sites *(iv)* Water Safety Plans in place and enacted in 3 peri-urban areas *(v)* Legislation in place to protect surface water quality in 4 SIDS *(vi)* 1 basin flood management plan in place *(vii)* Sustainable forest & land mgmt practices established and trialed with landowners in 2 demo sites (ii) Wastewater Management & Sanitation *(i)* 40% reduction in GW and marine pollution discharge at 2 demo sites from sewage and manure *(ii)* 30% reduction in drinking water resources pollution discharge for 1 SIDS *(iii)* 30% reduction in use of freshwater for sanitation purposes due to eco-sanitation expansion in 1 demo site *(iv)* 50% increase in community engagement with National Government in 3 SIDS (iii) Water Resources Assessment & Protection *(i)* National effluent standards reached for wastewater treatment at	6,796,391	14	42,878,224	86	49,674,615

		groundwater quality) (ix) Functioning water & environment cost recovery schemes adopted using PIC driven mechanisms to sustain environmental productivity balanced with equitable use of water resources	3 sites *(ii)* 20% increase in water storage facilities at 1 demo site *(iii)* Water leakage reduced by 40% from existing baseline levels in 1 water supply system *(iv)* 10% reduction in damage to infrastructure due to flooding in 1 significant catchment *(v)* 1 basin flood management plan in place and a Catchment Council established in 2 SIDS (iv) Water Use Efficiency & Water Safety *(i)* WUE improved by 30% over baseline in 2 urban water supply systems *(ii)* Water Safety Plans in place and enacted in 2 urban areas *(iii)* 20% reduction in sewage and manure pollution into fresh and marine waters for 2 urban/peri-urban areas *(iv)* 30% reduction in groundwater pollution discharge for 2 water supply systems					
C2: IWRM and WUE Indicators Framework	STA	(i) Regional adoption & use of IWRM/WUE indicators (ii) Functioning national data collection and indicator monitoring (iii) Indicator feedbacks for national IWRM decision making and policy development (iv) Regional IWRM indicators & monitoring approaches shared with global SIDS	(i) Process, Stress Reduction, Environmental and Socio-Economic Status, WUE, Catalytic, Governance and X-Cutting Indicator Framework established & in use (ii) Community storyline process developed as part of participatory M&E within demonstration projects (iii) Aggregation of Indicators for monitoring MDGs and Pacific RAP progress & for investment planning (iv) Strengthened national & regional capacity for IWRM monitoring	402,955	16	2,103,560	84	2,506,515
C3: Policy, Legislative and Institutional Reform for IWRM and WUE	TA	(i) Political and legal commitments made to utilize IWRM policies towards sustainable water use (acceleration of Pacific RAP actions) (ii) Strengthened National APEX Water Bodies to catalyse implementation & monitoring of IWRM plans and WUE policies (iii) Institutional change to enact National IWRM Plans due to multi-disciplinary nature and skills requirements (iv) Functioning regional, national & local stakeholder involvement in national, catchment, & community scale water governance (v) Streamlined knowledge exchange within & between national & regional institutions (vi) Regionally agreed IWRM approaches for SIDS	(i) Operational IWRM Resource Centre for Pacific SIDS (ii) Functioning IWRM Partnerships between & within SIDS (iii) Awareness Raised to IWRM across Governments, Civil Society, Education Systems & Private Sector (iv) IWRM Roadmaps established (institutional & legislation planning) (v) National IWRM plans developed & endorsed (vi) Better professional standards on IWRM policy development, reform & implementation (vii) Synthesis of policy gaps & reforms identified through Demonstration Projects (viii) Sustainability strategies developed focusing in institutional & technical interventions for Demonstration scaling-up as part of wider National IWRM Plan Development and appropriate financial mechanisms identified (user-pays, PES schemes), with Component C4	-	-	3,064,401	100	3,064,401
C4: Regional and National Capacity Building and Sustainability	TA	(i) Improved institutional and community capacity in IWRM at regional and national levels	(i) Regional Champions trained in IWRM approaches (ii) Regional Skills in project management & monitoring	1,005,440	23	3,399,843	77	4,405,283

Programme for IWRM and WUE, including Knowledge Exchange & Learning & Replication		(ii) Improved national project management and monitoring (iii) Understanding & integration of IWRM principles and plans across government institutions (iv) More effective networking for information sharing, enhanced inter- and intra-regional knowledge sharing and learning	increased through training courses (iii) WWW, media and communication platforms established for best practice communications at community, national and regional levels including through IW:LEARN (incl. the GEF IW:LEARN project on Portfolio Learning) (iv) Active twinning programmes between projects facing similar water & environmental degradation problems & within project focus groups					
Project Management (14 countries)				820,400	12	5,813,336	88	6,633,736
Total project costs				9,025,186	100%	57,259,364	100%	66,284,550

B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT ($)

	Project Preparation*	Project	Agency Fee	Total
PDF A PDF B	25,000** 697,950**	9,025,186	974,814	10,722,950
Co-financing	1,108,200	57,259,364		58,367,564
Total	1,831,150	66,284,550		69,090,514

*Please include the previously approved PDFs and planned request for new PPG, if any. Indicate the amount already approved as footnote here and if the GEF funding is from GEF-3. ** GEF PDF funding was approved in GEF-3.

C. INDICATIVE CO-FINANCING FOR THE PROJECT (including project preparation amount**) BY SOURCE and BY NAME (**in parenthesis) if available, **($)**

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution	Grant	14,399,601
Project Government Contribution	In-kind	1,158,100
GEF Agency(ies)	In-kind	81,500
Bilateral Aid Agency(ies)	Grant	12,869,871
Multilateral Agency(ies)	Grant	25,453,953
Private Sector	In-kind	200,000
NGO	In-kind	2,205,000
Others	Grant	1,022,739
Others	In-kind	976,800
Total co-financing		58,367,564

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY(IES)*

GEF Agency	Focal Area	Country Name/ Global	(in $)			
			Project Preparation	Project	Agency Fee	Total
UNDP	International Waters	Pacific SIDS	477,147	6,796,391	727,354	8,000,892
UNEP	International Waters	Pacific SIDS	245,803	2,228,795	247,460	2,722,058
Total GEF Resources			722,950 (from GEF-3)	9,025,186	974,814	10,722,950

PART II: PROJECT JUSTIFICATION

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED: The overall objective of this regional project is to improve water resource management and water use efficiency in Pacific Island Countries (PICs) to balance over 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 based on best practices and demonstrations of IWRM

approaches. The economic and social well being of PICs is dependent upon the quality and quantity of their water resources. However, the ability of island countries to manage their water resources is constrained by their small size, fragility, natural vulnerability, and limited human and financial resource base. Pacific SIDS (Small Island Developing States) currently face serious water resource and environmental stress issues - challenges that continental countries are likely to face in coming decades. Combined with limited human and financial resources SIDS are faced with finding innovative and locally appropriate and adaptive solutions to address these challenges. The project will be co-funded by GEF and the European Union Water Facility (EU WF) in a partnership of mutual aid and assistance. The GEF funded components will focus on the demonstration of on-the-ground locally sustainable interventions based on the hotspot analyses and diagnostic reports, and national policy reform to ensure the sustainability of IWRM approaches.

The Strategic Action Programme (SAP) for the International Waters (IW) of the Pacific Islands (1997) developed a strategy for the integrated sustainable development and management of IW to address the priority concerns for PICs. The SAP proposed the need to address the root causes of degradation of IW through regionally consistent, country-driven targeted actions that integrate development and environment needs and promote good governance and improved knowledge approaches. The Pacific Regional Action Plan on Sustainable Water Management (Pacific RAP) was endorsed by Pacific Heads of State in 2003. The Pacific RAP provides a coordinated and agreed strategic framework for sustainable water management, placing water firmly on Pacific national and regional agendas, recently reiterated by PIC Leaders at the Asia-Pacific Water Summit in Japan (December, 2007). Building on the SAP, this Pacific IWRM Project evolved through a combination of discussions between the PICs, GEF Implementing Agencies, and SOPAC regarding the needs and priorities for water resources management following the development of the Pacific RAP.

This project 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. UNDP will manage the Demonstration Project **Component 1 (C1)** of the project (Table 1) totalling $6.8 million. Demonstration approaches will provide local benefits leading to long-term livelihood changes to ensure greater sustainability and water security, regional policy reform, and an improved natural resource base wider than water alone. National and Regional replication and scaling-up will help deliver global environmental benefits. Demonstration interventions will aim to reduce environmental stress, improve community access to clean water, support innovative approaches to determine the best use of water resources (both technical and allocative efficiency), reduce water related health risks through protection of water supplies, and/or reduce sewage releases into the fresh and marine water environments. Projects will focus on how water is used and managed as a tool for adaptation to climate variability. Improving the way water is managed and used now will make it easier for SIDS to cope with demographic, economic and climatic changes in the future. UNEP will manage some and support other remaining components ($2.22m and management costs) which includes: **C2: IWRM and WUE Efficiency Indicators Framework** that will produce, analyse and implement IWRM indicators and monitoring to ensure project impact and provide SIDS with a regional monitoring tool, utilising EU co-financing and working with the GEF funded Caribbean IWCAM project; **C3: Policy, Legislative and Institutional Reform** for IWRM and WUE through strengthening National IWRM governance structures, institutional reform for IWRM implementation and acceleration of existing best practice approaches and technologies (C3 will be entirely co-financed); and **C4: Regional Capacity Building and Sustainability Programme** to improve project management, monitoring, integration, financing, networking and knowledge. Regional knowledge sharing and learning to develop regional and global SIDS capacity and replication of demonstration project best practices will be supported using GEF funds and co-financing support. By adopting inter-disciplinary approaches SIDS have the opportunity to use IWRM as the best approach to manage their water resources and fragile habitats, providing health benefits, improved food security, socio-economic improvements, and strengthened social capital and resilience to climate variability.

Hot Spot Analyses have already determined the key water and related environmental problems requiring urgent attention and where GEF intervention will have the greatest impact. Diagnostic Reports already developed by each country determine the current status and management of their water resources. These Reports provide a valuable baseline for understanding the demand and implementation required for IWRM in PICs. Water and environmental problems have been identified including: (i) limited water resources susceptible to over-exploitation and pollution; (ii) vulnerability to climate variability; (iii) insufficient political and public awareness of the role water plays in economic development, public health and environmental protection; (iv) high urban water losses, poor water conservation & inadequate drinking

water treatment; (v) poor wastewater management resulting in widespread pollution; (vi) fragmented institutional responsibilities, weak policies, communication & coordination; (vii) conflicts between national versus traditional rights; (viii) inadequate financing due to poor cost-recovery and limited 'economies of scale'; (ix) weak stakeholder linkages both within and outside the water sector.

Table 1. Demonstration Activities by Country

IWRM Main Intervention	Country	Title of Demonstration Project	Funds from GEF ($)
1. Watershed Management	Federated States of Micronesia	Ridge to Reef: Protecting Water Quality from Source to Sea in the FSM	500,000
	Palau	Ngerikiil Watershed Restoration for the Improvement of Water Quality	587,400
	Papua New Guinea	Rehabilitation, Management and Monitoring of Laloki River system for economical, social and environmental benefits	568,500
	Samoa	Rehabilitation and Sustainable Management of Apia Catchment	525,000
	Vanuatu	Sustainable Management of Sarakata Watershed	516,328
2. Wastewater Management & Sanitation	Republic of the Marshall Islands	Integrated Water Management and Development Plan for Laura Groundwater Lens, Majuro Atoll	500,000
	Nauru	Enhancing water security for Nauru through better water management and reduced contamination of ground water.	500,000
	Tuvalu	Integrated Sustainable Wastewater Management (Ecosan) for Tuvalu	564,000
3. Water Resources Assessment & Protection	Cooks Islands	Integrated freshwater and coastal management on Rarotonga	501,163
	Fiji Islands	Environmental and Socio-Economic Protection in Fiji: Integrated Flood Management in the Nadi River Basin	500,000
	Niue	Using Integrated Land Use, Water Supply and Wastewater Management as a Protection Model for Alofi Town Groundwater Supply and Nearshore Reef	500,000
4. Water Use Efficiency & Water Safety	Solomon Islands	Managing Honiara City Water Supply and Reducing Pollution through IWRM Approaches	515,000
	Tonga	Improvement and Sustainable Management of Niefu Aquifer Groundwater Resources in Vava'u Islands	519,000

B. Describe the consistency of the project with national priorities/plans: The Freshwater Chapter *of the Mauritius Strategy for the Further Implementation of the Barbados Programme of Action (*BPoA+10) gives due recognition to the prioritising of water and sanitation on the SIDS global agenda and SIDS national agendas during the "Water for Life" Decade. The Mauritius declaration re-emphasised the outcomes of the 3WWF "*Water in Small Island Countries*" session which specifically calls for the implementation of the Joint SIDS Programme for Action on Water and Climate (JPfA), the Pacific RAP, and the fostering of South-South partnerships between SIDS. The product of an eight month consultation in preparation for the 3rd World Water Forum (3WWF), the Pacific RAP provides a strategic framework for achieving sustainable water management in the Pacific. This Pacific IWRM project will focus on the implementation of actions identified in the Pacific RAP, notably: (i) improving assessment & monitoring of water resources to reduce water pollution, (ii) coping with island vulnerability, (iii) improving communication, awareness and participatory action, (iv) improving access to technologies, (v) strengthening institutional arrangements, and (vi) leveraging additional financial resources. This is evident in the initiatives taken by countries on water resource management and the increased political support given by governments to prioritise water and sanitation in national sustainable development strategies. Pacific leaders attending the first Asia-Pacific Water Summit in Japan (December, 2007) agreed that real solutions to PIC water problems are urgent, particularly with deteriorating conditions of freshwater resources due to the impacts of global warming on fragile island eco-systems. The Strategic Action Programme (SAP) identified a variety of priority concerns for PICs from: (1) pollution of marine and freshwater (including groundwater) from land-based activities; (2) physical, ecological and hydrological modification of critical habitats; and (3) unsustainable exploitation of living and non-living resources.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS: The project is consistent with the GEF IV strategic objective for International Waters: (a) '*to play a catalytic role in addressing transboundary water concerns by assisting countries to utilize the full range of technical assistance, economic, financial, regulatory and institutional reforms that are needed*', through supporting and building on existing political commitments (such as the Pacific RAP) and through promoting sustainable water use and improved water management now, making it

easier to address the challenges of the future as climatic variability affects water resources further. More specifically the project will deliver outcomes under GEF IV Strategic Programme III (SP-3): Balancing overuse and conflicting uses of water resources in transboundary surface and groundwater basins (*with a specific focus on SIDS to protect community surface and groundwater supplies)* through working with communities to address their needs for safe drinking water and other socio-economic benefits of sustainable and safe water resources, including balancing environmental requirements with livelihood needs. The project will deliver across a range of MDG targets using IWRM approaches (MDG 7) as the wider development entry point.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES: Working as one programme, the GEF components will focus on the demonstration of on-the-ground stress reduction interventions (UNDP element), and UNEP and co-financed components will focus on national policy reform, improved institutional capacity and change, and IWRM indicator development through multicounty collaboration to address regionally coordinated solutions. This will occur in conjunction with the EU Water Facility project which will provide policy improvement and institutional support to help PICs in the development and delivery of national IWRM plans in line with the 2005 MDG targets. Pacific RAP consultations established the Pacific Partnership Initiative on Sustainable Water Management. The objectives of the Partnership are to coordinate the implementation of the Pacific RAP and the Frameworks for Action on Wastewater and Drinking Water Quality & Health. The Partnership played a pivotal role in the development and implementation of this GEF IWRM project. The use of the Partnership is a unique model for regional project implementation and many members have been identified as co-financers and capacity building support for this project.

A number of activities for Sustainable Land Management (SLM) have been identified in the UNCCD National Action Programme (NAP) for PICs. The SLM MSPs will focus on capacity development and mainstreaming of land management. The IWRM Project will help implement the NAP priorities of improving water delivery systems and increasing water use efficiency, rehabilitation of degraded lands through watershed and catchment protection, and empowering local communities and local institutions. Links have been made with the SLM-MSPs in the Pacific to ensure that where demonstration project sites overlap lessons learned are shared between projects. This will be vitally important in the scaling up of approaches and the need to dovetail IWRM and SLM approaches within existing national and regional policies and institutions. Strong links exist between the GEF Pacific Adaptation to Climate Change (PACC) and IWRM projects. The PACC ensures that ground, surface, and rainwater management aspects are being addressed in the region (in Fiji, Nauru, Niue, Tonga, and Tuvalu) as responses to climate variability and change. The combined PACC and IWRM demonstration project outcomes will strengthen the IWRM programme, and provide the opportunity for PACC demonstration projects to be incorporated into national strategic planning, implementation and replication. Adopting a Ridge to Reef approach ensures that links to marine waters are included in the IWRM concept for SIDS. Links will be established with the UNDP/GEF PEMSEA and the ADB/GEF Coastal and Marine Resources Management in the Coral Triangle of the Pacific Projects to ensure that coastal management lessons are learned and shared between projects. The Worldfish Center office in New Caledonia has already expressed interest in engaging with the IWRM project. IWRM and the GEF Pacific Islands Oceanic Fisheries Management (OFM) Project will cooperate and share lessons associated with land based pollution and the impact on migratory fishstocks through the Project Executing Agency (Forum Fisheries Agency - FFA). Existing inter-regional collaboration between SIDS from the Pacific, Caribbean, Indian and Atlantic Oceans (at the 3WWF and SIDS meeting in Mauritius) has established a close working partnership between SIDS. South-South collaboration is guided by a Joint Programme for Action (JPfA) endorsed by SIDS regions at the 3WWF. SOPAC and CEHI (Executing Agency for the GEF IWCAM project) have signed an MoU and are already sharing information regarding demonstration project design and implementation. The SIDS network will be instrumental in the development of SIDS IWRM guidelines and exchange of best practices and appropriate technologies. The Gender and Water Alliance (GWA) has already expressed support during IWRM project implementation for gender and gender mainstreaming work. The Project will capitalize on UNEPs commitment '*to accelerate implementation of the 2005 IWRM target ensuring environmental aspects are adequately incorporated into IWRM strategies and roadmaps*'. The Project is aligned with the UNSGAB Hashimoto Action Plan that promotes accelerated action for achieving the water, sanitation, and environmental sustainability MDGs.

E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING: The current baseline scenario for the region is not only due to poor working practices, but is also a result of the fragility, size, vulnerability and limited human and financial resources available to SIDS. Pacific SIDS suffer from: (i) deterioration in freshwater resources; (ii) reduction in coastal and watershed ecosystem functions; (iii) increased land

based source pollution; (iv) deterioration of human condition; and therefore (v) the possible deterioration in economic stability. PICs have already identified the priority needs for the region through the Pacific RAP, allowing national governments and donors to focus investments on priority concerns and to highlight capacity development needs. Through the use of national inter-sectoral committees and the Hot-Spot Analyses countries have identified the need to make a step change from the current business-as-usual approach and the urgent need for them to integrate water resource planning and management across sectors. National water policy reform is already occurring in many countries as they face increasing pressure on their water resources and receiving coastal waters. The EU Water Facility project will help to strengthen existing policy and planning and assist countries to develop national IWRM plans, supported by the GEF project focusing on demonstrable sustainable water management to reduce environmental stress and improve water use efficiency.

IWRM is a valuable entry point for capacity development, helping to foster inter-disciplinary skills through utilizing local knowledge and integrating this into monitoring to ensure that cause and effect are understood by all stakeholders. GEF support has already alerted projects and programmes (through the ICA process) to everyday and more strategic links which can be made with other national and regional initiatives. There is an urgent need to move the Pacific forward in this respect – the difficult communications and large distances between nations reduces the impact of strategic approaches and the Pacific RAP and Pacific Partnership will be significantly strengthened and enhanced through the support offered by GEF under the PAS. The GEF project will assist countries to utilize a wide range of donor support mechanisms (including ADB, AusAID, NZAID, E.U., JICA, UN Agencies, NGO's and National Governments) to demonstrate workable and sustainable solutions for improved water resources management and environmental stress reduction. The similarity of the water and environmental problems faced amongst Pacific Countries, and their solidarity on these issues is a vital component to ensure existing political will, the Pacific RAP, and existing national policies are built upon in national institutions and wider civil society. EU Water Facility co-funding provides a unique opportunity to develop national IWRM plans, building on demonstration activities and lesson learning and sharing between countries. By 2013 the PICs will have raised the baseline in managing and coping with water resources management, pollution and environmental stress and climate vulnerability. This will lead to a more sustainable use of water resources, a reduction in water related health problems, supporting watershed protection, improving biodiversity, and reducing land degradation.

F: INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN:

Risk	Risk Type	Rating	Risk management strategy
1. Strong and high-level government commitment is not sustained	Political	Medium	1.1. IWRM political advocacy tools and materials to reflect economic benefit to current short term regional political priorities produced; 1.2 Utilizing ongoing and planned GEF support programs 1.3. Adequate legislative and institutional arrangements supporting water management programs 1.4. Advocate mainstreaming of IWRM and WUE into national planning and budgetary process 1.5 Monitoring of PIC economic, social and political conditions to rapidly determine possible project implementation risks (due to political upheaval/changes/financial crises etc)
2. Vulnerability to changing environmental conditions	Environment	Low	2.1 Develop and select priority country driven action programs for climate change adaptation and IWRM 2.2 Adopt 'no-regrets' approaches in all IWRM Demonstration projects and instigate a culture of risk reduction and risk analysis
3. Non-inclusive stakeholder involvement in the IWRM consultation process	Operational	Low	3.1. Clear guidelines where stakeholders are engaged 3.2. Participatory monitoring of stakeholder involvement 3.3 Use of SIDS examples and expertise to demonstrate benefit of best practice guidance and awareness raising materials. 3.4 Linking to on-going IWRM activities where possible.
4. Limited influence of national and catchment stakeholders to promote and sustain IWRM	Operational	Low	4.1 Use of media and targeted political messages to encourage influential stakeholder engagement. 4.2 Capacity building in engagement of influential stakeholders. 4.3 Active engagement with national and regional NGO's to promote IWRM and support project in promoting community empowerment and stewardship
5. Restricted capacity of stakeholders to	Strategic	Low	5.1 Provision of SIDS IWRM guidance for self-development coupled with general and specific IWRM training needs to augment existing capacity

Risk	Risk Type	Rating	Risk management strategy
implement IWRM best practice			5.2 Linking to other on-going or proposed IWRM projects 5.3 Regional support to secure national project coordinators.

Communication, participation and country driven processes have already been strong elements during the project design phase and will be continued throughout full implementation to reduce risk through safeguarding interventions. Demonstration Projects will be monitored to ensure that potential project implementation measures for both adaptation and mitigation of climate change effects are taken into account, and that no-regrets approaches are implemented.

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT: Lessons from Demonstration projects will be shared regionally and globally through all Components of the project and lessons from other SIDS regions will be shared within the Pacific. Similar Demonstration projects will be '*twinned*' (based on project focus and hydrogeological settings), backstopped by the Regional Project Coordination Unit. IWRM is a cost effective mechanism because of the cross cutting and multi-sectoral issues, reducing transaction costs and improving communication and influence. The Project will make full use of communication technologies and platforms for information exchange to ensure that access to knowledge and information do not hamper IWRM progress (i.e.: GIS and RS resources). Feasibility assessments and alternative water and environmental management measures will be considered during the demonstration projects. Socio-economic approaches and tools will be vital for developing capacity, data, and information for countries to make future IWRM decisions, and will provide a robust platform for government, private sector and donor investment in the future. Ensuring National Finance and Economic Planning Units are involved in IWRM development will reduce national transaction costs and focus attention on priorities, avoiding unnecessary duplication, and will promote long term shifts in investments to reduce environmental degradation. National and Regional Donor engagement throughout the project is a priority (through co-financing) to leverage constant additional resources to maintain a new IWRM baseline at project end. The links to other projects and programmes throughout the Pacific, and the resources already developed puts this project firmly on the Agenda of PIC Governments. The EU Water Facility provides a variety of resources and experience to the GEF project and vice-versa, adding value to both projects and provides a cost effective IWRM programme to PICs. Ensuring the early capture of country driven priority concerns and developing momentum throughout the PDF phase puts the implementation of IWRM Demonstrations and National Planning in a unique cost effective position; reducing lead times for full implementation.

H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY: The project will be jointly implemented by UNDP and UNEP. Both agencies have comparative advantages which will benefit the project objectives. UNDP has a strong country and regional presence and linkages between the project activities and the UNDP country assistance strategies including the United Nations Development Assistance Framework (2008-2012). The project will specifically contribute to achievement of the MDG targets for water supply and sanitation as spelled out in the national sustainable development strategies and specifically the MDG target of setting processes in motion towards National IWRM Plans. UNEP offers a strong relationship with its Regional Seas Programme and International Environmental Conventions, including its commitment to address the linkages between the upstream (freshwater) and downstream (coasts and oceans) links. UNEP will be instrumental in providing technical support to the respective demonstration projects building on existing guidelines related to IWRM which were jointly developed with SOPAC on rainwater harvesting, appropriate wastewater technologies and freshwater augmentation. The three components of assessment, management and cooperation within UNEPs freshwater work focus on mainstreaming environmental considerations into IWRM approaches to support policy reform at the national and regional scales. The framework developed by the Pacific region under UNEP's GPA will be used to guide the implementation of wastewater interventions implemented through the demonstration project. UNDP will serve as the lead Implementing Agency for the component related to the National Demonstrations whereas UNEP will serve as the lead Implementing Agency for the Regional Components of the programme.

PART III: approval/endorsement by gef operational focal point(s) and GEF agency(ies)

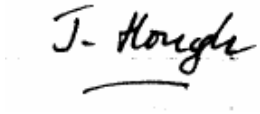
A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):
(Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

See countries endorsement of the GPAS Programme and its priority projects

(Enter Name, Position, Ministry)	Date*: (Month, day, year)*

(Enter Name, Position, Ministry)	Date*: (Month, day, year)*

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 John Hough UNDP-GEF Deputy Executive Coordinator, a.i.	Anna Tengberg Project Contact Person
Date: *28 February 2008*	Tel/Email: +66 2 2288 2718 Anna.Tengberg@undp.org
Maryam Niamir- Fuller Director, UNEP Division of GEF Coordinator 	Takehiro Nakamura Project Contact Person
Date: *28 February 2008*	Tel. Email:+254 20 7623886 takehiro.nakamura@unep.org