



SPC
Secretariat
of the Pacific
Community

**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**

AMENDMENT 1

2nd October 2014

Contents:

Background

Signature page

Annex 1: Revised Project Log Frame (October 2014)

Annex 2: Revised Project Budget (October 2014)

Annex 3: Updated Project Summary and Implementation Arrangements

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 to 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 KRA 3 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 Palau with an emphasis on the outlying island states. This will involve extensive fieldwork, possibly including drilling.

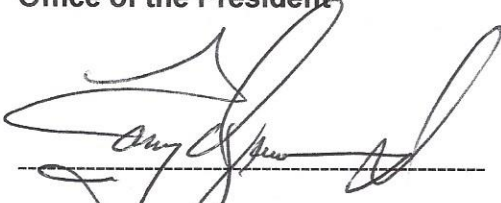
As a result of this decision the project's logical framework and budget have been revised and are shown in Annexes 1 and 2 respectively. A revised project summary and outline of institutional arrangements are presented as Annex 3.

SIGNATURE PAGE

Country: Republic of Palau

Project Design Document agreed by:

Office of the President

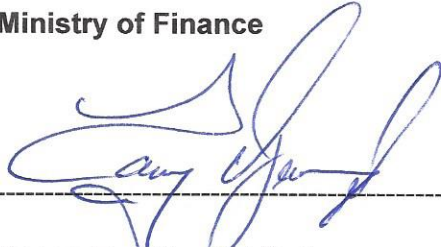


His Excellency Tommy E. Remengesau, Jr.
President of the Republic of Palau

10/8/14

Date:

Ministry of Finance

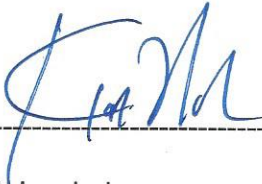


Honorable Elbuchel Sadang
Minister, Ministry of Finance

10/9/14

Date:

Palau Public Utilities Corporation



Kione J. Isechal
Chief Executive Officer

9/oct/14

Date:

Secretariat of the Pacific Community



Dr. Gillian Cambers, Project Manager
Global Climate Change Alliance:
Pacific Small Islands States Project

2nd October 2014

Date:

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 Enhanced capacity of key stakeholders in Palau to monitor and maintain water systems in the outlying states</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 Quarterly Project Progress reports 	<ul style="list-style-type: none"> Existing water operations staff available for training and in place throughout the project.
<p>Key Result Area 2 Appropriate improvements made in water sector infrastructure in the outlying states</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 	<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

Description	Verifiable Indicators	Verification Sources	Assumptions
<p>Key Result Area 3 Outline scoping for an assessment of the availability and quality of water resources in Palau with the emphasis on the outlying island states prepared</p>	<p>09/2015</p> <ul style="list-style-type: none"> Scope and terms of reference for a hydrogeological assessment of water availability in Palau with the emphasis on the outlying island states prepared by 09/2015. 	<ul style="list-style-type: none"> Annual reports PPUC Annual budget submissions Annual PPUC work plans Community plans Consultancy report Project progress reports 	<ul style="list-style-type: none"> Hydrological study can be undertaken without the need for new drilling.
<p>Key Result Area 4 Level of awareness about water conservation raised and appropriate measures implemented by Palauan residents</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
<p>Activities</p> <p>1.1 Design and implement a water operation certification program and develop recommendations for sustainable maintenance</p> <p>1.2 Recruit a project officer to coordinate project activities within PPUC and form an inter-agency steering committee to oversee the implementation of this project.</p> <p>2.1 Contribute to the water sector infrastructure needs in Angaur:</p> <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 	<p><u>Means</u></p> <p>Technical assistance Information sharing systems Missions to countries Meetings and consultations Training activities Procurement of equipment and transportation Media involvement Reporting and evaluation</p>	<p>Indicative cost €0.5 million</p>	

Description	Verifiable Indicators	Verification Sources	Assumptions
<p>pressure pump and storage tank, two rainwater harvesting tanks, and training in maintenance of the existing water purifying unit.</p> <ul style="list-style-type: none"> • 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 Sonoroi: • Refurbish one community cistern • Purchase, install and transport 7 stand-alone water catchment systems 2.3 Contribute to reliable and safe rainwater catchment systems in Hatohobei: • 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: • 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: • Leak detection, repairs and fencing • Training in leak detection 2.6 Improve water conservation and water efficiency in all states: • Purchase leak detectors and provide training 			

Description	Verifiable Indicators	Verification Sources	Assumptions
<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 Palau with an emphasis on the outlying island states of Angaur, Kayangel and Peleliu.</p> <p>4.1 Prepare and implement an action plan for water conservation and climate change education & awareness activities in Palau</p>			

Annex 2 Project Budget (Revised October 2014)

Activity	Budget (USD)	Tranche 1		Tranche 2			
		Total (USD)	USD	SPC/ Partner	USD	PPUC	SPC/ Partners
KRA 1: Enhanced capacity of key stakeholders in Palau to monitor and maintain water systems in the outlying states		145,000					
1.1 Design and implement a water operations certification program and develop recommendations for sustainable maintenance	85,000		40,000			45,000	
1.2 Recruit a project officer to coordinate project activities within PPUC and form an inter-agency steering committee to oversee the implementation of this project.	60,000		30,000			30,000	
KRA 2: Appropriate water sector infrastructure improvements made in the outlying states		407,250					
2.1 Contribute to the water sector infrastructure needs in Angaur:	143,360		60,000			83,360	
<ul style="list-style-type: none"> • Detailed engineering design and rehabilitation of the Coastguard (Koska) well as an emergency water supply USD 80,000; • Further secure the availability of drinking water at the Community Centre with the addition of one pressure pump and storage tank USD 4,200, two rainwater harvesting tanks USD 15,000, and training in maintenance of the existing water purifying unit USD 12,000 • Improve water conservation and water efficiency for the existing distribution system by installing two new pumps at the existing wells USD 15,000 and leak detection and repair USD 17,160 							
2.2. Contribute to reliable and safe rainwater catchment systems in Sonsorol :	95,651		66,000			29,651	
<ul style="list-style-type: none"> • Refurbish one community cistern USD 30,451 							

Activity	Budget (USD)	Total (USD)		Tranche 1 USD		Tranche 2 USD	
<ul style="list-style-type: none"> • Purchase and installation of 7 stand-alone water catchment systems USD 33,200 • Transportation to Sonsorol USD 32,000 	93,285			56,000		37,285	
<p>2.3 Contribute to reliable and safe rainwater catchment systems in Hatohobei:</p> <ul style="list-style-type: none"> • Provide plastic roofing for one tank USD 1,485 • Purchase and install 13 stand-alone rainwater catchment systems USD 59,800 • Transportation to Hatohobei USD 32,000 	42,954			29,000		13,954	
<p>2.4 Contribute to improving water supply and quality in Kayangel:</p> <ul style="list-style-type: none"> • Purchase and install 2 pumps USD 7,100 • Purchase and install a solar distillation unit USD 29,854 • Detect and repair leaks USD 1,000 • Transportation USD 5,000 	12,000			12,000			
<p>2.5 Contribute to water conservation and efficiency in Peleliu:</p> <ul style="list-style-type: none"> • Leak detection, repairs and fencing USD 11,000 • Training in leak detection USD 1,000 	20,000			20,000			
<p>2.6 Improve water conservation and water efficiency in all states:</p> <ul style="list-style-type: none"> • Purchase leak detectors and provide training USD 20,000 <p>KRA 3: Outline scoping for an assessment of the availability and quality of water resources in Palau with the emphasis on the outlying island states prepared</p>	12,750						
<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 Palau with the emphasis on the outlying island states of Angaur, Kayangel and Peleliu.</p> <p>KRA 4: Level of awareness about water conservation raised and appropriate measures implemented by Palauan residents</p>	12,750					12,750	
		45,000					

Activity	Budget	Total	Tranche 1		Tranche 2	
	(USD)	(USD)	USD	USD	USD	USD
4.1 Prepare and implement an action plan for water conservation and climate change education & awareness activities in Palau	45,000		20,000		25,000	
Sub-Total	610,000	610,000	333,000		264,250	12,750
Contingency 6.2%	40,000	40,000			40,000	
Overall Total	650,000	650,000	333,000		304,250	12,750

- 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 333,000) 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.
- Should there be a need to adjust the second tranche to reflect direct procurement of goods and services by SPC, then such changes can be confirmed in writing between the CEO of PPUC and the Project Manager of SPC-GCCA: PSIS project without the need for a formal amendment of the Project Design Document.
- 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 reporting to SPC is required and a reporting template has been supplied.

Annex 3 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 Palau with the emphasis on 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 Palau with an emphasis on 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 were 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 Natural Resources, Environment and Tourism, 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 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 "European Union", Global Climate Change Alliance logo, SPC logo, Government of the Republic of Palau, Palau Public Utilities Corporation and other partners where applicable



SPC
Secretariat
of the Pacific
Community

