



Asian Development Bank

Regional and Sustainable Development Department

12 July 2005

Ms. Cristelle Pratt
Director
South Pacific Applied Geoscience Commission (SOPAC)
Private Mail Bag, GPO
Suva, Fiji Islands
Tel. +679 3381377 / Fax. +679 3370040
e-mail: director@sopac.org

Dear Ms. Pratt,

Subject: TA 6219–REG: Promoting Effective Water Management Policies and Practices (Phase 4)
— **Water Partnerships: Pacific Partnership Initiative on Sustainable Water Management**

1. The Asian Development Bank (ADB) manages a Water Partnerships program which is part of the regional technical assistance for promoting effective water management policies and practices (referred to as “RETA-6219”) approved by ADB in December 2004 and financed by the Cooperation Fund for the Water Sector, a multi-donor umbrella fund administered by ADB.

2. The objective of the Water Partnerships program is to initiate and strengthen national and regional water partnerships in the region. Thus, the *Pacific Partnership Initiative on Sustainable Water Management* (“the Activity”) aims to forge stronger partnership and improve coordination of water activities in the Pacific region, with a particular focus on cooperation, follow-up to the 3WWF management, and water resources management in climatic extremes, which is described hereto as Appendix 1.

3. The South Pacific Applied Geoscience Commission (SOPAC) is the Implementing Agency (“IA”). The IA will provide the following services:

- (a) Establish the project, which consists of two components:
 - (i) Optimization of the Pacific Regional Action Plan (Pacific RAP) on Sustainable Water Management and increased country and donor support to the water sector.
 - (ii) Strengthen and support the Pacific Water and Climate Resource Center in achieving various activities that aims to improve the capacity of water resources management to cope with the impacts of increasing variability of the world’s climate;

- (b) Without limiting the generality of the foregoing, the IA will:
- (i) Furnish ADB all information and reports concerning the results of the Activity, in three hardcopies and electronically (in MS-Word or .pdf format), which will be subject to ADB's review and acceptance:
 - a. Project Inception Report: This includes, among others, detailed work and financing plan, project management and monitoring system, terms of references and other relevant information; to be submitted one month after signing of the Letter of Agreement;
 - b. Project Mid-term Report: Financial and Technical, to be submitted 6 months after the start of the Activity;
 - c. Project Completion Report: Financial and Technical, to be submitted within 30 days after completion of the Activity;
 - (ii) Submit a Statements of Expenditures (SOE, refer to Annex A) for payments made, together with proofs of payment and other supporting documents acceptable to ADB, to be submitted together with the Inception, Mid-Term and Completion Reports.
 - (iii) Provide counterpart resources in cash or kind, where appropriate, to complement the available resources for the Activity;
 - (iv) Facilitate the efficient organization and smooth conduct of the Activity;
 - (v) Contribute materials that can be used to disseminate the Activity's learning via the promotion and public awareness program, encouraging dialogue among water stakeholders, and disseminating ADB's water policy to stakeholders, experts and decision-makers. The contributions can be in the form of case studies, write-ups for e-newsletter or website, and the like; and
 - (vi) Refund to the ADB any portion of the ADB funds that remains unutilized in the original currency of payment within one month of the completion of the activities.

4. This activity will be implemented over a period of 12 months commencing July 2005.

5. In order to facilitate and assure efficient and effective implementation of the activities as agreed, ADB will:

- (a) Oversee the implementation of the activity through the Energy, Transport and Water Division (RSID) of the Regional and Sustainable Development Department, or any officer duly authorized by ADB. The RSID will monitor progress of the activity on a periodic basis to ensure that all the expected outputs are being achieved. The RSID may undertake field visits to the activity sites as necessary to monitor the activity implementation progress;
- (b) Review and approve all major outputs and activities. These include, among others, the following:
 - (i) Fully functional and effective Pacific Partnership Coordination Unit
 - (ii) Fully functional and effective Pacific Water & Climate Resource Center
 - (iii) Dissemination of information through a dedicated Web Site, CD Rom, and Quarterly Newsletters
 - (iv) Review Implementation of the Pacific RAP through the Action Matrix
 - (v) Semi-Annual and Annual Report of Coordination Unit
- (c) Provide funds not exceeding the amount of \$105,000.00 (the "ADB funds") to cover the expenses for the implementation of the activity based on the cost estimate shown in Annex B, in accordance to the following scheme:

- Upon signing of this Letter of Agreement \$25,000
- Upon submission and ADB's acceptance and confirmation of the Inception Report one month after start of activity and SOE \$ 30,000
- Upon submission and ADB's acceptance and confirmation of the Quarterly Progress Report and SOE \$ 35,000
- Upon submission and ADB's acceptance of the Project Completion Report, in support to the Project Management Unit \$ 15,000

The payments will be sent by telegraphic transfer to the bank account of the IA with the following details:

Account name:	SOPAC Secretariat
Account no.:	120188-USD-2650-01
Bank name:	Westpac Banking Corporation
Bank address:	1 Thompson Street, Victoria Parade, PO Box 238, Suva, Fiji Islands
Bank tel. no.:	(679) 3217-453
SWIFT Code:	WBACFJFX

All cash advances to the *Pacific Partnership Initiative on Sustainable Water Management* under the South Pacific Applied Geoscience Commission (SOPAC) will need to be liquidated in accordance with the procedures described in ADB's Disbursement Handbook.

GENERAL CONDITIONS

6. Results of the Activity will be jointly published in the public interest as mutually agreed upon.
7. Both parties shall jointly own all outcomes of the Activity, including intellectual property rights. As such, they shall remain publicly accessible and shall be available to the IA and ADB and to end-users.
8. ADB funds shall be used exclusively to finance expenditures for the Activity and only for goods, services and other items of expenditure produced or originating in and supplied from member countries of ADB. The goods and services financed out of the ADB funds shall be procured in accordance with the *Guidelines on Procurement under Asian Development Bank Loans* date November 2004, as amended from time to time. Ownership of equipment and materials that have been purchased to implement the activities as indicated in article 3 and Appendix 1 shall be transferred to SOPAC and/or its direct beneficiaries upon completion of the activities.

9. ADB funds shall not be used to finance expenditures related to capitalization, budget support, or staffing requirements of the IA and other collaborating agencies, except for incremental staffing from ADB member countries required for the Activity.
10. The ADB funds shall not be used to finance any local taxes or duties.
11. The IA will be responsible for the organization and conduct of the Activity.
12. The IA recognizes ADB's privileges and immunities under the Agreement establishing the Asian Development Bank, and the Agreement between the Asian Development Bank and the Government of the Republic of the Philippines regarding the Headquarters of the Asian Development Bank, including ADB's immunity from every form of legal process and judicial proceedings.
13. The IA shall indemnify ADB against, and hold ADB harmless from, all losses, claims, liabilities, damages, demands, actions, or proceedings whatsoever arising out of or in connection with the Activity.
14. ADB undertakes no responsibility in respect to life, accident, travel, or any insurance coverage of the personnel of, or consultants or experts engaged by, the IA or for the dependents of any such persons as may travel for the purpose of carrying out the Activity or for claims by third parties resulting from carrying out the Activity.
15. Nothing contained herein shall be construed as establishing or creating between ADB and the IA a relationship of master and servant or principle and agent, it being agreed that the position of the IA and of the personnel performing services or work in relation to the Activity is that of an independent partner.
16. The IA may at any time in writing request ADB to terminate this Letter of Agreement and ADB may at any time, whether or not any such request shall have been received, suspend disbursements under this Letter of Agreement or, after consultation with the IA, terminate this Letter of Agreement if any circumstances arise which interfere with or threaten to interfere with the successful carrying out of the Activity in the manner and upon the terms contemplated in this Letter of Agreement or with the accomplishment of the purposes thereof. In the event of any such termination or suspension, the parties shall consult with each other concerning the appropriate steps to be taken and any further action which may be necessary or desirable to take with respect to the Activity.
17. The present agreement shall be governed by general principles of law, to the exclusion of any single national system of law.
18. ADB and SOPAC shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with this Letter of Agreement.
19. Any dispute arising out of this Letter of Agreement or in connection therewith, which cannot be settled amicably between the parties within fifteen (15) days after the receipt by a party of a notice from the other party to settle the dispute by direct negotiation, will be referred to arbitration which will take place in Manila, Philippines, and shall be finally settled under the Arbitration Rules of the United Nations Commission of International Trade Law

("UNCITRAL") by a single arbitrator appointed by the International Chamber of Commerce. The resulting award shall be final and binding on the parties and shall be in lieu of any other remedy. The language of arbitration shall be the English language. Unless the parties agree otherwise, neither party shall be required to give general discovery of documents, but may be required only to produce specific identified documents which are relevant to the dispute.

20. The officials responsible for the implementation of this Activity shall be

- a) _____ for ADB, the Director, Energy, Transport and Water Division (RSID), Regional and Sustainable Development Department, or any officer or officers as are duly authorized by ADB in writing;
- b) _____ for the IA, The Director, Ms Cristelle Pratt, South Pacific Applied Geoscience Commission (SOPAC), or any officer or officers as duly authorized by such representative of the IA in writing.

21. Any action required or permitted to be taken under this Letter of Agreement on behalf of the IA may be taken by the officials designated in paragraph 20(b) or any person thereunto duly authorized by its representative in writing.

22. Please confirm that the above understandings are acceptable to the South Pacific Applied Geoscience Commission (SOPAC) by signing and dating two copies of this Letter of Agreement. One original signed copy should be returned to ADB; you may retain the second one for your records.

Sincerely yours,

Bindu N. Lohani
Director General
Regional and Sustainable
Development Department

Confirmed:
South Pacific Applied Geoscience Commission (SOPAC)

By: _____
Signature of Authorized Representative

Date: _____

Annex A

TA 6219—REG: PROMOTING EFFECTIVE WATER MANAGEMENT POLICIES AND PRACTICES (PHASE 4)— WATER PARTNERSHIP ACTIVITIES: PACIFIC WATER PARTNERSHIP FOR IMPROVED WATER RESOURCES MANAGEMENT

STATEMENT OF EXPENDITURES

Period Covered: _____

	Amount of Currency of Advance
<hr/>	
ADVANCE RECEIVED	
<u>Date</u>	
Total Advance Received (A)	_____
EXPENDITURES INCURRED¹	
<u>Items</u>	
Total Expenditures Incurred (B)	_____
Balance of Advance (A-B)	_____
<hr/>	

I hereby certify that the above expenditures have been incurred for the proper execution of the activities under T6219—REG: Promoting Effective Water Management Policies and Practices (Phase 4) — Pacific Partnership Initiative on Sustainable Water Management.

Authorized Representative
(signature over printed name)

(Date)

¹ Expenditures incurred should be itemized and supported with invoices, receipts or other supporting documents acceptable to ADB. For cost of airfare, please submit (i) photocopy of air ticket, (ii) receipt of purchase, and (iii) boarding pass.

DETAILED STATEMENT OF EXPENDITURE

TA No. / Title of Activity: _____

Period Covered: _____

Description	Budget (in US\$)	Actual Expenditure	
		Local Currency	US\$ Equivalent
Component A			
a.1	XX	XX	XX
a.2	XX	XX	XX
a.3	XX	XX	XX
sub-total	XX	XX	XX
Component B			
b.1	XX	XX	XX
b.2	XX	XX	XX
b.3	XX	XX	XX
sub-total	XXX	XX	XX
Component C			
c.1	XX	XX	XX
c.2	XX	XX	XX
c.3	XX	XX	XX
sub-total	XX	XX	XX
Component D			
d.1	XX	XX	XX
d.2	XX	XX	XX
d.3	XX	XX	XX
sub-total	XX	XX	XX
Contingency	XX	XX	XX
TOTAL	XX	XX	XX

Prepared by:

Approved by:

Name and Signature
Designation

Name and Signature
Designation

Please note:

Supporting papers of expenses incurred should be original or certified true copy as required by ADB Controllers Department and all receipts should be translated in English as appropriate.

Annex B

Water Partnership Activity: Pacific Partnership Initiative on Sustainable Water Management

Cost Estimates

Component 1: Pacific RAP & Pacific Partnership Coordination Unit		
A. COOPERATION FUND CONTRIBUTION		in US \$
Coordinator Type II Initiative and Pacific RAP	Technical Expertise	20,000.00
	Travel	10,000.00
Assistant administration, communication and equipment	Program Assistant	12,000.00
	Administrative Support	3,000.00
	Communication	5,000.00
	Equipment	2,500.00
	Miscellaneous	2,500.00
Sub-total		\$55,000.00
B: SOPAC Contribution (In-kind support)	Office space, facilities, library, Secretariat administration, Type II Steering Committee members expertise, staff time and travel	

Component 2: Pacific Water and Climate Resource Center		
A. COOPERATION FUND CONTRIBUTION		in US \$
Clearing House	Technical Expertise	30,000.00
	Travel	10,000.00
	Publications	2,500.00
Administration and Equipment	Administrative Support	2,000.00
	Communication	2,000.00
	Equipment	2,500.00
	Miscellaneous	1,000.00
Sub-total		\$50,000.00
B: SOPAC Contribution (In-kind support)	Office space, facilities, library, Secretariat administration, Type II Steering Committee members expertise, staff time and travel	

** SOPAC in-kind support estimate is based on costs associated with similar program/project support activities offices

Total support for the implementation of the Pacific RAP & Pacific Partnership Coordination Unit and Pacific Water and Climate Resource Center: **\$105,000**

**Cooperation Fund for the Water Sector
Water Partnerships Activity**

<u>Basic Information:</u>	
Activity Title:	Pacific Partnership Initiative on Sustainable Water Management
Country, Region:	Pacific Region
Proposed Starting Date:	July 2005
	Estimated Closing date: June 2006
Estimated Costs:	US\$ 105,000
Implementing Agency, contact person, address:	South Pacific Applied Geoscience Commission (SOPAC), Private Mail Bag Suva Ms Cristelle Pratt Director cristelle@sopac.org (679) 3381 377 or 9991 003
ADB's Activity Officer:	Nancy Convard, PARD, Tel. +632-635713

1. Scope of Work/Description of Activities

The project consists of two components:

1.1 Component 1: Pacific RAP & Pacific Partnership Coordination Unit

Advocacy, Coordination, Networking, Implementation Monitoring and Partnership of the Pacific RAP require a significant and dedicated effort, to ensure they are continued and maintained, given that these activities will result in the necessary exchange of information and facilitation of the coordination of projects, that will ultimately improve and accelerate progress towards achieving sustainable water resources management in the Pacific region.

The establishment of a small unit for this facility is, therefore, proposed as an attachment to the SOPAC, the regional agency mandated by 18 Pacific Island Countries to provide technical support in the water sector. This location enables the facility to integrate its coordination activities with those of SOPAC, whilst retaining its independence from the SOPAC work program, mandate and membership. Securing the existence of this facility is a priority, that once created, it will promote and facilitate the implementation of the Pacific RAP.

In order to have added value to existing regional and national programs, projects, organizations, networks and activities, the following objectives are proposed:

- i) Introduce Integrated Water Resources Management concepts in Pacific island countries;
- ii) Strengthen collaboration & coordination over and beyond that which is presently achieved through international and regional initiatives, via sharing information;

- iii) Strengthen exchange of information with and between Donor Agencies including consultation on Water Policies, Strategies and Development Programmes;
- iv) Strengthen involvement and exchange of information with Water Utilities/Associations and the private sector; and,
- v) Identify and establish resources and institutional measures for the long-term support and of the implementation and Coordination Unit.

1.2 Component 2: Pacific Water & Climate Resource Centre

The regional coordination and resource center for water and climate programs in the Pacific will organize activities to:

- i) promote the regional DWC consultation outcomes within the Pacific to national governments, stakeholders, civil society and development agencies, as priority areas to be addressed to improve country resilience and alleviate poverty;
- ii) promote the implementation of the Pacific RAP through influence and lobbying of the Pacific Rim donors and their water & climate resource centres, to focus their resources, programmes and outputs on the technical needs of the Pacific Islands, whilst tailoring their tools to the capacity of the Pacific water sector specialists to use these products;
- iii) use the Joint Caribbean-Pacific Programme for Action (JPfA) launched at the 3rd WWF to ensure south-south transfer of knowledge, expertise and information with the Caribbean SIDS and the Caribbean DWC. The Caribbean has an established climate centre, and operational programmes in climate adaptation, from which the Pacific could benefit, similarly the Pacific has arguably more advanced regional climate forecasting capability, particularly on ENSO events, which could benefit the Caribbean.
- iv) secure the institutional and financial commitments to implement the Pacific HYCOS project in the Pacific region, to add to the political commitments received in the Pacific Dialogue on Water & Climate.
- v) provide technical support (advice, training materials, wise practice and human resources) to the PICs on water resources management in climatic extremes: and,
- vi) identify and establish resources and institutional measures for the long-term support and of the implementation and Coordination Unit.

2. Implementation Arrangements

The project is expected to be initiated in June 2005 and continue for a 12 month period until May 2006 with the Pacific RAP and Water and Climate centers. The project will be managed by PAHQ, with Ms Nancy Convard as Project Officer. The project will be implemented by SOPAC, the CROP agency mandated to support the PICs on water and sanitation issues, working closely with counterpart technical staff in the participating countries. SOPAC will provide office space, facilities, library, secretariat administration, Pacific Partnership Steering Committee members expertise, and its staff time for all activities under the proposal.

3. Expected Results (outputs/outcomes/impacts)

The overall impact of the project is expected to be the Pacific region having an improvement in the sustainability of its water management through an improvement in the optimization of implementation of the Pacific Regional Action Plan on Sustainable Water Management and increased country and donor support to the water sector. Outcomes will be a strategic and coordinated approach to water resources management in the Pacific and accelerated improvements in water resources management (including improved political commitment, institutional reform, technical capacity, and community awareness of water issues) in individual PICs. The activity is also expected to result in enhanced donor coordination in the water sector.

Outcomes are expected to include improved water stakeholder coordination at the national and regional level, especially with respect to water resources management, and will include the recognition within two countries of the economic, social and environmental benefits of enhanced flood management.

Specific outputs will include the following:

For component 1:

- Fully functional and effective Pacific Partnership Coordination Unit
- Establishment of a dedicated Web Site
- Distribution of material through CD Rom
- Establishment of a Partnership Database
- Production of Quarterly Newsletters
- Review implementation of the Pacific RAP through the Action Matrix
- Semi-Annual and Annual Report of Coordination Unit

For component 2:

- Fully functional and effective Pacific Water & Climate Resource Center
- Establishment of a Water and Climate Focal Group
- Promotion of Pacific HYCOS
- Promotion of South-South transfer of knowledge
- Development and Dissemination of Case Studies
- Brochure on Water and Climate
- Annual Report

4. Measurable Performance Indicators

Performance indicators will be the completion of the listed outputs, an increase in regional water stakeholder implementation activity using the Pacific RAP - as demonstrated by the implementation matrix and reporting of the Pacific Partnership Coordination Unit and the Pacific Water & Climate Resource Center, and an increase in water and climate activities in the region.

An important performance indicator will be the identification of resources and institutional means to sustain the cooperative efforts for the long-term beyond the activity period.

Long-term sustainability is a key objective of the proposal. Through this initial support, the Pacific Partnership Coordination Unit and the Pacific Water & Climate Resource Center will develop the regional capacity to further its objectives and to source further support for its

activities. Sustainability is further ensured by the support from other international that will be leveraged through ADB's support of these case studies.

5. Stakeholder Participation

Stakeholder participation in the regional coordination mechanisms and partnerships is assured through the multi-stakeholder Steering Committee of the Pacific Partnership, and awareness and information dissemination of the partnerships activities to the regional water stakeholders. Stakeholder participation in the development of this proposal has been through individual consultations as well as through a steering committee meeting on the matter and related 3WWF follow-up activities in Suva, Fiji Islands from 29-30 January 2004.