



4 February 2009

Dear Mr. Dictus,

SUBJECT: Full-Size, Regional: Sustainable Integrated Water Resources and Wastewater Management in Pacific Island Countries – PIMS No. 3311 - ATLAS BU: FJ110 - Proposal No.: 00051446 - Project No.: 00064064

I am pleased to delegate to you the authority to sign the above-mentioned Full-Size project document, which amounts to US\$ 6,727,891 on behalf of UNDP. As Principal Project Representative, you are also kindly requested to obtain on the cover page the signature of the government of Fiji, Lead Country. The project has received its final approval from the GEF Executive Officer in accordance with the established GEF procedures (CEO approval/endorsement attached for ease of reference). It will be executed by Pacific Islands Applied Geoscience Commission (SOPAC), which has received a copy of the project document for signature.

Once the project document is signed, you may request issuance of an *Authorized Spending Limit (ASL)* by submitting an Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached project document, along with a copy of the signed cover page, to Ms. Anna Tengberg, Regional Technical Advisor in Bangkok. Please note that this project has already been assigned an Atlas ID: BU FJ110, Proposal No.: 00051446 - Project No.: 00064064. Comments on the AWP will be provided within 5 working days by the UNDP-BEG Regional Technical Advisor as relevant.

Any budget revisions should be forwarded to the UNDP-BEG Regional Service Center (RSC)/Regional Coordination Unit (RCU) with an explanation of the changes proposed. In this connection, please note that UNDP-BEG is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

As an Implementing Agency of the GEF, UNDP earns a fee from the GEF upon approval of each main project (Full-Size, Medium-Size or Enabling Activities). The fee, which is paid by UNDP/GEF to the XB account of the lead country, Fiji, 1 annual installment, is used to cover the costs incurred by UNDP, both at Headquarters and in the Country Offices, in supporting project development and implementation. Further to the negotiations with the participating country offices, it was agreed that the fee apportionment for this project would be paid to the Fiji in the amount of US\$223,525.00

Mr. Richard Dictus
UNDP Principal Project Representative
Suva, Fiji

✓ PIMS 3716 LD PDF - A: SLM/CB Van
Capacity building for SLM.

RMS 3716 SLM MSP: VAN

United Nations Development Programme
Environment & Energy Group

The first installment will be effected upon receipt of the signed main project document cover page in the GEF RCU. The second and all subsequent annual fee installments will depend on the satisfactory delivery of the services described in Annex 2 and thus will be directly linked to project expenditure and delivery. Note that the fee includes the cost of services generated by the preparatory assistance phase under the *GEF Project Development Facility (PDF)/Project Preparation Grant (PPG)* window. Annex 3 provides details regarding CO fee allocation and payment schedule.

As specified in the project document, a detailed project management plan will need to be prepared in collaboration with the executing agent in order to support a timely implementation of the activities. This management plan will specify the actions, timelines and responsibilities for review at the inception workshop. It will be completed and updated throughout the life of the project as relevant in accordance with the various annual reviews such as steering committees, tri-partite reviews etc... The plan will also include all the support activities to be undertaken by the Country Office as listed in Annex 2. It should also highlight the delivery milestones and identify responsible Country Office staff at the programmatic and operational level.

We take the opportunity to draw your attention to the following mandatory requirements for all GEF-funded projects:

- ❖ Any changes contemplated with respect to the project objectives and outcomes will have to be discussed with and approved by the UNDP-EEG RSC/RCU, as they will have to be reported to GEF.
- ❖ All GEF-funded projects are subject to a mid-term and a final evaluation conducted according to Terms of Reference circulated to the RSC/RCU and approved on a no-objection basis.
- ❖ All GEF-funded projects will be audited in accordance with UNDP Financial Regulations and Rules and Audit policies. UNDP-EEG reserves the right to withhold fee payments and to suspend the project if this requirement is not met in a timely fashion.

Should you need clarification on the GEF Project Cycle and requirements, please consult the UNDP-GEF Programming Manual at <http://intra.undp.org/gef>.

In concluding, I would like to assure you of the UNDP-EEG Team's and my personal commitment to successful implementation of the project. The EEG Regional Service Center/Regional Coordination Unit in Bangkok is available to you for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,


Yannick Glemarec
UNDP-GEF Executive Coordinator

cc: Mr. Ajay Chhibber, Assistant Administrator and Bureau Director, RBAP
Ms. Cristelle Pratt, Director, SOPAC
Ms. Naheed Haque, UNDP Resident Representative, Apia, Samoa
(also covering Cook Islands and Niue)
Ms. Jacqui Badcock, UNDP Resident Representative, Port Moresby, Papua New Guinea
Ms. Anna Tengberg, GEF Regional Technical Advisor, Bangkok, Thailand

Annexes

Annex 1 CEO endorsement/approval



Global Environment Facility

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Internet: www.theGEF.org

December 3, 2008

Mr. Yannick Glemarec
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
New York, NY 10017

Ms. Maryam Niamir-Fuller
GEF Executive Coordinator
United Nations Environment Programme
Nairobi
Kenya

Dear Mr. Glemarec and Ms. Niamir-Fuller:

I am pleased to inform you that I am endorsing the project proposal entitled *Regional: Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries*, under the *Pacific Alliance for Sustainability programme* for \$9,025,688 in financing from the GEF Trust Fund (GEFTF). I take note that the amount I am endorsing differs from the original amount of \$9,025,186 approved by Council at the time of work program inclusion. I understand that this project proposal will be submitted for Agency approval in accordance with the UNDP and UNEP's procedures. I note that a project preparation grant of \$722,950 was previously approved for preparation of this project and that a report on the use of those funds has been submitted to the Secretariat. Taking into account the project preparation funds, total GEF grant for the project is \$9,748,638.

I am also endorsing the fee of \$974,863 representing 10% of the total GEF grant for implementation services.

I am endorsing this project on the understanding that the project will meet the following milestones:

- (i) The grant agreement will be signed no later than December 2008;
- (ii) A report on the status of the project at mid-term will be submitted to the Secretariat no later than November 2010; and
- (iii) The closing date of the project grant will be no later than November 2013, and a terminal evaluation/project completion report will be submitted to the Secretariat within 6 months of such closing date.

Mr. Glemarec and Ms. Niamir-Fuller - 2 -

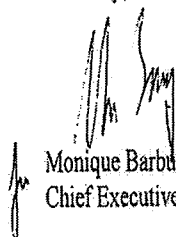
December 3, 2008

You are requested to ensure that the GEF Secretariat is informed when each of these milestones is met. If any milestone is not achieved, and after consultations with your Agency, I may agree to revised milestones or recommend cancellation, termination, or suspension of the project, and I will communicate to the beneficiary country and your Agency the basis for such a recommendation..

Please ensure that your grant agreements continue to fully reflect this understanding.

I am attaching a copy of the project tracking sheet for your records.

Sincerely,



Monique Barbut
Chief Executive Officer and Chairperson

Attachments: GEF Tracking Sheet, GEFSEC Review Sheet

cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

International Waters OP 9 GEFSEC Project Tracking System Project Clearance/Approval PMIS Project ID : 2586 UNDP/UNEP

Regional (Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Samoa, Solomon Islands, Palau, Papua New Guinea, Tonga, Tuvalu, Vanuatu) : PAS implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries - under the GEF Pacific Alliance for Sustainability

Program Manager	Recommendation	<i>Ivan Zavadsky</i> 03/03/08
Team leader	Clearance	<i>Gustavo Fonseca</i> 3-3-08
CEO	Approval	<i>Monique Barbut</i> 3 March 08

\$0.698 \$1.806
 76FA of \$0.025 Approved 10/07/04

Program Manager	Recommendation	Ivan Zavadsky
Team leader	Clearance	Gustavo Fonseca
CEO	Approval	Monique Barbut

\$9.748 \$67.008

Program Manager	Recommendation	Ivan Zavadsky
Team leader	Clearance	Gustavo Fonseca
CEO	Approval	Monique Barbut

Need to circulate to Council for >second review prior to CEO endorsement (4 weeks review period) Yes
 >CEO endorsement (second review waived) Yes

Program Manager	Recommendation	<i>Ivan Zavadsky</i> 30/09/08
Team leader	Clearance	<i>Gustavo Fonseca</i> 10/9/08

Program Manager	Recommendation	<i>Ivan Zavadsky</i> 12/03/08
Team leader	Clearance	<i>Gustavo Fonseca</i> 12/03/08
CEO	Approval	<i>Monique Barbut</i>

Implementing Agency Approval

Cummulative GEF Contribution _____

Annex 2 Project Support Services (management oversights)

Annex 2: UNDP Environment and Energy Group - Project Support Services

Stage	Country Office	EEG
Identification, Sourcing and Screening of Ideas	Identify project ideas as part of country programming	Provide information on substantive issues and specialized funding opportunities (SOFs)
		Verify soundness and potential eligibility of identified idea
Feasibility Assessment / Due Diligence Review	Assist proponent to formulate project idea / prepare project idea paper	Technical support: provide up-front guidance; sourcing of technical expertise; verification of technical reports and project conceptualization; guidance on SOF expectations and requirements
	Review and appraise project idea	Provide detailed screening against technical, financial, social and risk criteria and provide statement of likely eligibility against identified SOF
	Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc	Assist in identifying technical partners; Validate partner technical abilities.
	Obtain clearances – Government, UNDP, Executing Agency, LPAC, cofinanciers, etc.; monitor project milestones	Obtain clearances – SOF
Development & Preparation	Management and financial oversight of Initiation Plan	Technical support, backstopping and troubleshooting
	Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc	Technical support: sourcing of technical expertise; verification of technical reports and project conceptualization; guidance on SOF expectations and requirements
	Review, appraise, finalize Project Document	Verify technical soundness, quality of preparation, and match with SOF expectations
	Negotiate and obtain clearances – Government, UNDP, Executing Agency, LPAC, cofinanciers, etc	Negotiate and obtain clearances by SOF
	Respond to information requests, arrange revisions etc.	Respond to information requests, arrange revisions etc.
	Prepare operational and financial reports on development stage as needed	Verify technical soundness, quality of preparation, and match with SOF expectations

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Stage	Country Office	EEG
Implementation	Management Oversight and support	Technical and SOF Oversight and support

	Project Launch	Technical support in preparing TOR and verifying expertise for technical positions. Verification of technical validity / match with SOF expectations of inception report. Participate in Inception Workshop
	Policy negotiations	Technical information and support as needed
	Steering Committee meetings	Technical support, participation as necessary
	Issuance of AWP, monitor implementation of the work plan and timetable, budget revisions as necessary	Advisory services as required
	Financial management – Conducting budget revisions, verifying expenditures, advancing funds, issuing combined delivery reports, ensuring no over-expenditure of budget	Allocation of ASLs
	Technical, managerial and financial backstopping, problem identification & troubleshooting	Technical support and troubleshooting, Support missions as necessary.
	Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion	Project visits – at least one technical support visit per year.
	Reviewing, editing, responding to project reports; monitoring project milestones	Technical support, validation, quality assurance
	Ensuring necessary audits	
	Final budget revision and financial closure (within 12 months after operational completion).	Return of unspent funds
Evaluation and Reporting	Preparation and completion of Annual Reports, final reports, tracking substantive indicators	Technical support, progress monitoring, validation, quality assurance
	Organize project review arrangements, such as steering committee meetings, as outlined in project document and agreed with UNDP EEG RSC/RCU	Technical support, participation as necessary
	Arrange mid-term, final, and other evaluations – prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports.	Technical support in preparing TOR and verifying expertise for technical positions. Verification of technical validity / match with SOF expectations of inception report. Participate in briefing / debriefing
		Technical analysis, compilation of lessons, validation of results
		Dissemination of technical findings

Service standards:

1. initial response to communication within 2 working days
2. full response to communication (with the exception of a response requiring travel) within 10 working days

Annex 3 CO Fee allocation and Payment schedule

PIMS3311 Atlas project - 00064064

FJI10

		GEF fee (GMS) % based on total approved project budget including PDF	% based on final approved project budget excluding PDF
PDF	722,950		
FSP	6,727,891		
Total PDF & FSP Grant	7,450,841		
Total fee allocated to COs (Note 1)	223,525		
1st Release: Fee for formulation 40% (Note 2)	89,410	1.200%	1.329%
Following Releases: Fee for implementation 60% (Note 3)	134,115	1.800%	1.993%
Total fee	223,525	3.000%	3.322%

	Fee for Formulation (40%)	Fee for Implementation (60%)	Total Fee	Share % (fee for implementation)	% fee based on delivery (Impl. Fee / Final PRJ (FSP/MSP) budget)
CO	89,410	134,115	223,525	100%	1.993%
FJI					
Total	89,410	134,115	223,525	100%	1.993%

Example 1 for CO projection purpose - fee release to COs based on delivery

	Scenarios	Scenarios				
		2008 Delivery	2009 delivery	2010 Delivery	Total Delivery	Total fee for delivery
CO	% fee based on delivery (Impl. Fee / Final PRJ (FSP/MSP) budget)	40.235	3,853,945	67,058	26,823	134,115
FJI	1.993%					
Total	1.993%	2,019,367	3,853,945	67,058	6,727,891	134,115

- Note:
1. Total GEF Fee to COs includes the cost of services related to the preparatory assistance phase under the GEF Project Development Facility (PDF)/Project Preparation Grant (PPG) window.
 2. The 1st release of GEF fee to COs will be effected upon receipt of the signed main project (FSP/MSP/EA) document cover page in the GEF RCU.
 3. Subsequent annual fee releases to COs will depend on the satisfactory delivery of the services described in Annex 2 and will be directly linked to project delivery.
 4. Annual fee payments to COs related to delivery are normally done after year end closing. For example, annual fee for 2007 delivery is paid in April 2008.