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ANNEX III

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Pacific for 2023

**Action Document for Strengthening Water and Sanitation Governance
in the Federated States of Micronesia (FSM WASH)**

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Strengthening Water and Sanitation Governance in the Federated States of Micronesia (FSM WASH) OPSYS number: ACT-61582 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes This action will contribute to the TEI “Green-Blue Alliance for the Pacific”.
3. Zone benefiting from the action	The action shall be carried out in the Federated States of Micronesia (the FSM).
4. Programming document	Pacific Multi-Country Multi-Annual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority Area 1 – Climate Action and Environmental Sustainability
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Adaptation, Resilience and Recovery (Rio Marker on Adaptation and Disaster Risk Reduction; DAC 410 - General Environment Protection) Environmental Protection and Sustainable Management of Natural Resources (DAC 410 - General Environment Protection)
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 6 – Clean Water and Sanitation Other significant SDGs: SDG 3 “Good Health and Well-being” SDG 5 “Gender Equality” SDG 11 ‘Sustainable Cities and Communities’ SDG 13 ‘Climate Action’ SDG 15 ‘Life on Land’

	SDG 17 'Partnerships for the goals'				
8 a) DAC code(s)	DAC code 41010 – Environmental policy and administrative management – 100%				
8 b) Main Delivery Channel	SPC – Secretariat of the Pacific Community - 47096				
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance				
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective	
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	RIO Convention markers	Not targeted	Significant objective	Principal objective	
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	11. Internal markers and Tags:	Policy objectives			
		Digitalisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>		
Connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
digital connectivity		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>		

	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2023-14.020132-C1-INTPA Total estimated cost: EUR 3 000 000 Total amount of EU budget contribution: EUR 3 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4			

1.2 Summary of the Action

This Action has been developed at the request of the Government of the Federated States of Micronesia (FSM) in order to improve access to safe, sustainable and resilient water, sanitation and hygiene (WASH) for the people of FSM. The Action comprises a package of targeted technical assistance to support Government in its development and implementation of a cohesive package of policy, institutional, regulatory and financial reform, with the aim of establishing the governance settings necessary to drive measurable progress towards the SDG6 targets of universal access to safe and resilient drinking water, sanitation and hygiene. Specifically, the Action will aim to: strengthen national governance framework for WASH; establish a cohesive, coordinated and supportive framework for institutions responsible for WASH; and facilitate improved effectiveness of investments in WASH.

Outputs contributing to these outcomes include: the review of WASH governance arrangements, the development of National water and sanitation policy; the development of recommended institutional reforms, including establishment of national roles; strengthened capacity of key WASH actors and stakeholders to participate in and support reforms; development of water and sanitation master plans at State and National levels; and the establishment of appropriate financing and regulatory tools.

The action will support the establishment of a small project office located within the FSM's Department of Resources and Development (DoRD) for the life of the project. It will as an immediate task assist in the completion of a comprehensive review of governance arrangements for the water and sanitation sector, undertaking nationwide consultations with WASH actors and stakeholders, and producing a WASH sector governance report with recommendations to Government for strengthened national-level governance arrangements, and the settings for the FSM's first National Water and Sanitation Policy.

The National Water and Sanitation Policy will draw upon the results of extensive consultations at the national, state and local levels, and bring together and link currently uncoordinated existing policies, strategies and plans. In particular, the Action will build upon and coalesce the current efforts underway through projects such as the Adaptation Fund (AF) initiative led by the FSM's Department of Environment, Climate and Emergency Management (DECEN), and tying together all state level activities including those of the State Utility Corporations.

Support to Government in implementing the recommended reforms is envisaged to include the drafting of necessary legislation, regulations and/or procedures to enable the establishment of new institutional roles and functions, and support in the establishment of other recommended roles and functions as necessary to support national coordination, monitoring and reporting of water and sanitation investments. Subject to recommendations,

these are envisaged to including the establishment of a centralised water and sanitation function with dedicated budget support located within the DoRD.

The action will include a focus on strengthening the capacity, awareness, and engagement of key WASH actors and stakeholders at the local, State and National levels. Targeted Technical Assistance will also be provided to strengthen the capacity of Government and stakeholders to effectively participate in water and sanitation policy and planning processes, and to implement recommended reforms over the longer term. Dialogue amongst political and traditional leaders and stakeholders will be supported in order to cultivate the political will necessary to drive recommended water and sanitation governance reforms and investments. Stakeholders' engagement will be strengthened through the identification of key entry points and the promotion of champions to advocate for accelerated water and sanitation action, including with respect to the needs and concerns of vulnerable groups.

A critical component of the Action will be the support to the development of water and sanitation investment plans (or “Master Plans”) at both the State and National Levels, identifying current levels of service across urban and rural communities, the nature and extent of gaps in service, and costs associated with developing, operating, maintaining and renewing required assets and services. State level investment plans, prepared in close collaboration with State Utility Corporations (key stakeholders at the State level) and with the support of specialised Technical Assistance, will be aggregated to support the development of a National Water and Sanitation Master Plan that effectively links State-level priorities, efforts and investments to national goals, guidance and financing.

Rather than relying on existing financial mechanisms that may not be fit for future challenges, the action will support Government in the development of new and innovative approaches to mobilise and manage the financial resources necessary to support the achievement of WASH objectives at all levels, including options for sustainable financing, economic regulation, and incentivising of local action and investments.

Finally, but importantly, the action will support Government in the development and implementation of a practical monitoring, evaluation and reporting framework to gauge progress towards access to safe and resilient water, sanitation and hygiene for all.

2 RATIONALE

2.1 Context

Despite significant efforts over recent years at the local, State and National levels, access to safe and resilient drinking water and sanitation remains a critical development issue across the nation, with profound implications for public health, livelihoods, socio-economic development, food security, the environment, and human rights. A recent study by a team of researchers from FSM, Guam and the USA, indicate that out of 105 major islands on FSM atolls, only six would likely retain sufficient groundwater to sustain the local community during an intense drought.

While the FSM has committed to the 2030 Sustainable Development Goal 6 targets of universal and equitable access to safe and affordable drinking water and adequate and equitable sanitation and hygiene, data reported to the UN Joint Monitoring Programme suggest that only 88% of the population have access to even basic services. However, accurate data on water and sanitation coverage is limited, meaning that progress towards other SDG6 indicators, such as the provision of safely managed services, is currently difficult to gauge.

To support the Government of FSM in achieving its development targets, the suggested action is aligned with the ambitions set by the European Consensus on Development and the EU Green Deal, striving for sustainable water and food systems. On a national level, it is aligned with FSM’s 2004-2023 Strategic Development Plan (SDP) which provides a road map for social and economic development, FSM’s 2016-2025 Infrastructure Development Plan which identifies priority investment and recognises the need for mitigation and adaptation measures to limit the impacts of climate change, and will ensure coherence and complementarity with the 2009 Nationwide Climate Change Policy and 2013 Disaster Risk Management and Climate Change Adaptation policy as well as state-level policies and plans.

The action contributes mainly to SDG 6 ‘Clean Water and Sanitation’ while also supporting SDG 3 ‘Good Health and Well-being’, SDG 5 (gender equality), SDG 11 ‘Sustainable Cities and Communities’ and SDG 13 ‘climate

action'. It is also aligned with the 2050 Strategy for the Blue Pacific Continent, the new post-Cotonou Pacific Regional Protocol, goals 1 and 3 of the Framework for Resilient Development in the Pacific (FRDP), and the EU strategy for cooperation in the Indo-Pacific, in particular supporting sustainable and inclusive prosperity.

Experience from the Pacific shows that mainstreaming of gender considerations is required at the outset of climate change adaptation planning, moreover the action also supports the implementation of the Gender Action Plan III, notably its key thematic priority 'Addressing challenges and harnessing the opportunities offered by the green transition and the digital transformation'.

The action is aligned with the Team Europe Initiative (TEI) "EU-Pacific Green Blue Alliance" and demonstrates the EU's long-term commitment to support FSM's efforts to address climate change impacts and reduce its vulnerability to natural disasters, to enhance its resilience but also to transition into a resource efficient country. This action is further complemented by EU-funded interventions enhancing adaptation to climate change (e.g., SUPA or the Kiwa initiative) as well as interventions supporting climate mitigation by promoting renewable energy and energy efficiency (EU FSM Sustainable Energy and Accompanying Measures (SEAM) Programme).

2.2 Problem Analysis

The FSM to date has no overarching National Water and Sanitation Policy and Master Plans (NWSP-MP). Currently water and sanitation programs and projects are scattered across various National and State Departments, State Utility Corporations, Development Partners, CROP agencies, non-government organisations and civil society in the FSM, and there is a need to strengthen the overall governance of water and sanitation and related initiatives through the development of a structured approach.

The FSM is home to some of the Pacific's most diverse water resource conditions and water security challenges. Management of limited and fragile freshwater sources throughout times of drought and climate extremes is central to the lives and culture of all island communities of the FSM, and there exists a wealth of traditional knowledge and beliefs regarding the use of freshwater throughout the nation.

The situation is particularly challenging for the significant rural and outer island populations that live outside the reach of reticulated water services and face serious water security challenges compared to their urban counterparts. For many of these communities, the availability of freshwater resources is confined to small and fragile groundwater lenses, intermittent streams and springs, and/or rainwater collected from roofs. These scarce resources are vulnerable to overexploitation and contamination, particularly in small island environments, where limited potable water sources can be threatened by over-pumping, land use activities, inappropriate sanitation facilities, and the accelerating impacts of climate change. However, urban services are also under pressure, from increasing population, underinvestment in infrastructure, and limited human, natural and financial resources.

The communities of the FSM are also disproportionately exposed to the water-related risks of climate change and disaster, with water resources and essential drinking water and wastewater infrastructure at risk of increasing extreme weather events, sea level rise and flooding. The water sector in the FSM is now facing increasingly complex and interconnected challenges, such as the intersection of climate change and disaster impacts with emerging health crises such as COVID-19. Conversely, rapidly changing technologies and innovation offer unprecedented opportunities to transform the sector, as well as challenges to secure and retain the required local capacity to drive needed reform and innovation. These pressures necessitate a significant change to governance settings to address emerging challenges and achieve safe and resilient WASH services for all.

The current settings for water governance in the FSM are particularly complex, with responsibilities spread across the National, State and community levels. Each separately governed State of the FSM has its own water utility or equivalent, as well as related water quality standards and regulations, however the country as a whole lacks any overarching policy to guide national progress towards goals for water, sanitation and hygiene.

The need for a national governance framework for water and sanitation has been long recognised within the FSM. As early as 2011, the Government of the FSM provided direction for the development of a strategic approach to the management of the freshwater resources, including highlighting the need for a comprehensive National Water and Sanitation Policy, Outlook and Investment Plan to be led by a National Water Task Force and drawing on the support and input of government agencies, non-government organisations, the private sector, communities and development partners.

While there has since been a focus by Government, States and development partners on addressing specific priority water security challenges, there has typically been less attention on the potentially transformational role of sector governance, including the policy, institutional and regulatory settings that can help mobilise financial and technical solutions and accelerate progress towards SDG6 targets. While positive steps have been taken in the FSM at all levels over recent years, the nation remains in urgent need of a national governance framework to guide action and investment towards nationally agreed water and sanitation goals.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

As beneficiaries of safe and resilient water and sanitation, all citizens of the FSM are stakeholders in this Action. For much of the FSM population, water and sanitation is primarily, or at least in part, managed at a household level or community level. Here, women and girls play an important role in the management of water and sanitation, and are particularly impacted by unsafe and inadequate services, making them key stakeholders in the action. Other vulnerable groups with a key stake in water and sanitation management include marginalised communities, peoples with disabilities, the elderly, children and youth, and people living in economic hardship. These groups are often the most impacted by poor access to safe WASH services, especially specially during times of hardship, and have a particular stake in safe and accessible water and sanitation services. At the local level, Civil Society and Non-Governmental Organisations are instrumental in the establishment and maintenance of water and sanitation services, often in partnership with Government agencies and development partners, and are therefore also key stakeholders in the Action.

Notwithstanding this critical community role in the management and maintenance of water resources and services, water and sanitation governance in the FSM occurs across several tiers, including:

- the FSM national government which provides guidance and assistance, including funding support and coordination of infrastructure projects to the state and municipal governments;
- State governments, which provide funding for capital improvements and operation and maintenance funds in each state, and are the key players in water resource development in the FSM; and
- Municipal governments, which contribute to funding for capital improvements to and maintenance of community water supply systems.

Relevant utility corporations and government offices in each State will be key stakeholders in the Action, and include: the Pohnpei Utility Corporation (PUC), the Chuuk Utility Corporation (CPUC), the Kosrae Department of Transportation and Utilities (DOTU), and the Yap State Public Service Corporation (YSPSC). These utilities take the lead role in the management, operations and maintenance of water supply and water resources management at the State level. State utilities are represented at the national level by the Association of Micronesian Utilities, who will be an important source of expertise, technical knowledge, data, and advice on priority areas of needs. Other important stakeholders at the State level include the Environmental Protection Agencies responsible in maintaining safe drinking water standards and public education activities in each State.

At the National level, Departments with a key role in the management of water and sanitation include:

- The Department of Resources and Development (DoRD), which currently supports the overall coordination of national investments with respect to energy, and has been identified by Government as the agency to house a similar role with respect to water and sanitation;
- The Department of Environment, Climate and Emergency Management-(DECCEM), which is responsible for the water and sanitation activities of a significant Adaptation Fund project, and for supporting water and sanitation as key component of climate change adaptation and disaster resilience;
- The Department of Education (DoE), responsible for WASH activities in Schools (with the support of UNICEF); and
- The Department of Health and Social Affairs (DoHSA), which has an overarching responsibility for the hygiene and health elements of WASH, relevant standards, and the provision of WASH services to health care facilities.

This summary provides just an overview of the many water and sanitation stakeholders in the FSM, and a detailed stakeholders mapping will be an early activity of the action's proposed review of water and sanitation governance,

ensuring that all relevant stakeholders are identified and fully engaged in relevant policy development, investment planning and institutional reforms.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to improve access to safe, sustainable and resilient water, sanitation and hygiene for the people of FSM.

The Outcomes (Specific Objectives) of this action are:

- 1 Strengthened national governance framework for water, sanitation and hygiene (WASH); in a gender responsive manner;
- 2 Enable all institutions responsible for gender sensitive WASH to work within a cohesive, coordinated and supportive framework for institutions responsible for WASH; and
- 3 Improved effectiveness of investments in WASH.

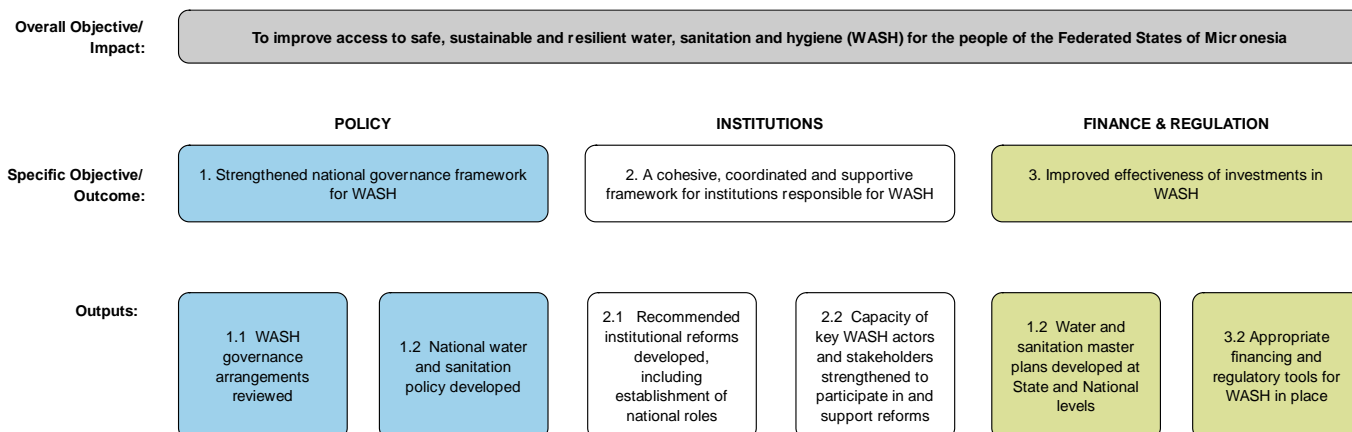


Figure 1. Contributions of Outputs to Specific and Overall Objectives of the Action

The Outputs to be delivered by this intervention contributing to the corresponding Outcomes (Specific Objectives) are:

Contributing to Outcome 1:

- 1.1 WASH governance arrangements reviewed.
- 1.2 National water and sanitation policy developed agreed and established, and gender is mainstreamed.

Contributing to Outcome 2:

- 2.1 Recommended institutional reforms developed, including establishment of national roles;
- 2.2 Capacity of key WASH actors and stakeholders strengthened to participate in and support reforms., including on gender issues and disaster risk reduction..

Contributing to Outcome 3:

- 3.1 Water and sanitation master plans developed at State and National levels;
- 3.2 Appropriate financing and regulatory tools for WASH in place

3.2 Indicative Activities

Indicative activities relating to Output 1.1 (WASH governance arrangements reviewed) include:

1. Support the DoRD to undertake a comprehensive review of governance arrangements for the water and sanitation sector in the FSM, undertake detailed feasibility assessments of governance options, and establish national governance baselines. (In line with the EU Strategic Environmental Assessment (SEA)).
2. Complete a WASH sector governance report, including recommendations to Government on National-level arrangements that will enable an effective, coordinated, resilient and cohesive approach to water and sanitation for the country as a whole.

Indicative activities relating to Output 1.2 (National water and sanitation policy developed) include:

1. Undertake necessary consultations, including through the convening of national and state level inception workshops, detailed dialogue with relevant Departments, State Utility Corporations, civil society and traditional leaders, public hearings guided by GESI principles, and taskforce groups to provide guidance on specific issues.
2. Develop a draft National Water and Sanitation Policy that brings together and links relevant National and State-level policies, strategies and plans.
3. Finalise the Policy based on the output of stakeholder consultations and the directions of Government.
4. Convene a National Water Forum to launch and socialize the Policy.

Indicative activities relating to Output 2.1 (Recommended institutional reforms developed, including establishment of national roles) include:

1. Support Government to implement the recommended reforms, including through drafting necessary legislation, regulations and/or procedures to enable the establishment of new institutional roles and functions.
2. Support Government in the establishment of other recommended roles and functions to support national coordination, monitoring and reporting of water and sanitation investments (subject to recommendations of the governance review, but envisaged to including the establishment of a centralised water and sanitation function with dedicated budget support located within the DoRD).

Indicative activities relating to Output 2.2 (Capacity of key WASH actors and stakeholders strengthened to participate in and support reforms) include:

1. Provide targeted Technical Assistance to strengthen the capacity of Government and stakeholders to effectively participate in water and sanitation policy and planning processes, and implement recommended reforms over the longer term.
2. Facilitate effective dialogue amongst leaders (political and traditional) and stakeholders at national and state levels in order to cultivate the political will necessary to drive recommended water and sanitation governance reforms.
3. Support communication through key community entry points (including within vulnerable and marginalised groups, women and girls) and the promotion of champions to advocate for accelerated water and sanitation action.
4. Conduct targeted awareness, education and behavioural change activities to support the contribution to water and sanitation outcomes at all levels.

Indicative activities relating to Output 3.1 (Water and sanitation master plans developed at State and National levels) include:

1. Provide targeted technical support to the collaborative development of State-level Water and Sanitation Master Plans, identifying current levels of service across urban and rural communities, the nature and extent of gaps in service, and costs associated with developing, operating, maintaining and renewing required assets and services, also in relation to disaster preparedness.
2. Support Government in the development of a National Water and Sanitation Master Plan that links State-level priorities, efforts and investments to National goals, guidance and financing, including on gender-specific issues.

Indicative activities relating to Output 3.2 (Appropriate financing and regulatory tools for WASH in place) include:

1. Support Government in the development of new approaches to mobilise and manage the financial resources necessary to support the achievement of WASH objectives at all levels, including options for sustainable financing, economic regulation, and incentivising of local action and investments, risk mitigation measures also in terms of guarantees and insurance.
2. Support Government in the development and implementation of a practical monitoring, evaluation and reporting framework to gauge progress towards national and state goals for water, sanitation and hygiene.

3.3 Mainstreaming

Environmental Protection & Climate Change

Predicted climate change impacts are likely to have severe implications for the Pacific, and particularly for low-lying atoll islands communities. The latest IPCC report¹ indicates that even for low greenhouse gas emission pathways, vulnerability of communities in small islands may exceed adaptation limits before 2100. The impacts of climate extremes such as drought, flash flooding and storm surge inundation, on vulnerable low-lying islands and coastal areas represent a serious threat to water resources and WASH services, and is likely to contribute to internal migration and associated water and sanitation needs. By linking closely to national climate change adaptation actions and policies (including through the engagement of the Department of Environment, Climate and Emergency Management, and State-level Environmental Protection Agencies), the action will ensure that environment protection and climate change adaptation considerations are mainstreamed into water and sanitation policy and investment plans at the national and state levels.

Outcomes of the WASH sector screening, in line with SEA

The action will support the FSM Government through its DoRD to undertake a comprehensive review of governance arrangements for the water and sanitation sector in the FSM in line with the Strategic Environmental Assessment (SEA). In accordance with the SEA screening process, the environmental implications of a proposed policy will be fully evaluated. The objectives of this SEA are to identify, describe and assess:

- The likely significant effects on the environment of the National Water and Sanitation Policy and Master Plans;
- The most important environmental, natural resource-related and climate change-related constraints bearing on the performance of the sector;
- The opportunities for the National Water and Sanitation Policy and Master Plans to contribute to enhancing the state of the environment, building climate resilience of the sector and the population, and promoting low carbon development and the transition to the green economy.

This assessment will then be taken into account in the preparation of the National Water and Sanitation Policy and Master Plans.

Gender equality and empowerment of women and girls

Gender equality is a significant objective of this action, and the engagement of women, girls and LGBTQ+ communities will be critical to ensure that all citizens of the FSM have a voice in water and sanitation governance decisions, and that water and sanitation investments respond to the needs of the whole community including those most vulnerable due to gender considerations.

Experience from the Pacific shows that mainstreaming of gender considerations is required at the outset of climate change adaptation planning. As a basic principle of SPC the action will use a people-centred approach throughout design and implementation, incorporating human rights, gender equality and social inclusion, and the relationship of people to their environment. The action is expected to bring a range of gender-responsive development impacts. Improving water quality and supply at both community and household level through this project will create more equitable access to water resources for vulnerable groups including women, children, the elderly and those with

¹ IPCC- 6th report on Impacts, Adaptation and Vulnerability, 2022

disabilities, and will improve health and education outcomes, enhance livelihoods, and reduce household and community level conflict caused by water shortages.

The action will ensure that activities are aligned with and contribute to the National Gender Policy and the National Strategic Plan on Gender Development. It has been shown that inadequate access to safe sanitation and hygiene facilities, including during times of disaster, is an exacerbating factor in violence against women and girls in Pacific Island Countries, and the action will seek to support Government in its efforts to eliminate gender-based violence.

Human Rights

The action directly addresses directives on human rights issued by Micronesian leaders. In July 2010, the United Nations General Assembly adopted a resolution declaring “the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights.”² In recognition of this legal responsibility, traditional leaders of the North Pacific called upon the Micronesia region to “ensure access and right to safe and clean drinking water” during the Fifth Micronesian Traditional Leaders Conference in November 2010. Their resolution, “Endorsing Access and Right to Safe Drinking Water and Sanitation in the Micronesia Region” called upon landowners, local traditional leaders, and local, state and national governments to work together in developing National Water and Sanitation Policies based on the principles of Integrated Water Resource Management. The Presidents and Governors of Micronesia built upon this during the 14th Micronesian Chief Executives Summit by calling on all jurisdictions of Micronesia to develop national water policies.

Disability

SDG goals adopted by the FSM aim to universal and equitable access to safe and affordable drinking water for all, and to achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations. The action will therefore need to ensure the full engagement of groups representing people with disabilities to ensure their participation in development of policy and investment plans and the identification and addressing of these needs.

Democracy

By observing a right-based approach and strengthening participation in water governance at the national and state levels, the Action will directly support democratic processes of the FSM.

Conflict sensitivity, peace and resilience

Access to fresh water is a common and increasing source of global conflict, and the provision of safe drinking water and sanitation, resilient to the impacts of disaster and climate change, is an important foundation to the cohesion of communities adjusting to changing conditions. The action is expected to bring a range of positive development impacts to the resilience of water infrastructure and institutional capacity in FSM. Through its work supporting local investment planning, the action will identify key existing and future bottlenecks in the provision of safe and resilient services to communities, including displaced and vulnerable communities, and formulate actions to address these.

Disaster Risk Reduction

In the Pacific, the links between resilient water and sanitation services and disaster risk reduction are profound. As a clearly identified objective of the action, disaster risk reduction remains fundamental to the objectives and theory of change. By engaging and supporting the Department of Environment, Climate and Emergency management, the Action will ensure that water and sanitation are complementary to the DRR efforts of the FSM, and directly contributing to national DRR goals and policy. The action will also link closely with efforts by the Pacific Resilience Partnership (PRP) and the Pacific Community (SPC) in aligning water security as a critical resilience

² UN General Assembly Resolution 64/29

consideration for Pacific Island Countries, with opportunities through the PRP Taskforce to showcase the work as an example of mainstreaming DRR considerations into the core business of the water sector.

Other considerations if relevant

NA

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External Environment	Global health issues such as COVID-19 lead to work restrictions and border closures, preventing the mobilisation of project teams and the facilitation of effective stakeholders consultations.	High	High	Establish remote support networks, such as on-line platforms and forums, as well as mechanisms to utilise remote TA. Include contingency measures to support the leadership and coordination of activities at the local level where necessary.
External Environment	Government and community capacity to engage in project is affected by urgent priorities such as natural disaster and response efforts.	High	Medium	Ensure the project work plan is risk-informed and a level of flexibility is built into activities during times of heightened risk.
Planning, processes and systems	Remote locations and supply chain constraints limit capacity of project to procure necessary resources and services within timeframe.	High	Medium	Ensure project has a fit-for-purpose procurement plan in place early in the project, and ensure access to specialist support in procurement processes throughout life of project.
Planning, processes and systems	Inadequate data, information and knowledge to inform policy and investment responses (including lack of WASH access data, and inadequate understanding of the impacts of climate change and disaster on water sector).	Medium	High	Ensure project includes measures to strengthen WASH data collection and management, including in the establishment of baselines, and work closely with regional knowledge hubs such as those supported by SPC, SPREP and PWWA.
People and the organisation	Inadequate political will constrains the implementation of essential reforms across the various levels of Government	Medium	High	Ensure the action is well aligned to national strategic priorities to maximise relevance and government ownership. Support the cultivation of profile, influence and connections, including through the development of champions within government and the community, and the identification of innovative ways

				to support increased profile and buy-in by Government.
People and the organisation	High competition for skilled specialists limits availability of suitably qualified candidates for project roles.	High	Medium	Ensure recruitment occurs early in the action. Consider secondments from other agencies and organisations where appropriate, and recruitment. Ensure terms and conditions are attractive to candidates, including provisions for mobilisation to duty station(s).
People and the organisation	Inadequate levels of awareness, participation, engagement and acceptance by participation by key stakeholders, particularly communities.	Medium	High	Incentivise participation by making clear linkages to investment in improved services, and provide opportunities for stakeholders to publicly advocate for local water and sanitation improvements.
People and the organisation	Changes in administrations lead to discontinuity of Government efforts.	Medium	Medium	Identify, engage and support champions outside of Government. Work closely with development partners to ensure policy efforts are incentivised with potential additional investments in the water sector.
People and the organisation	Lack of coordination of funding and effort across multiple Development Partners, and duplication of WASH-related programs and projects.	High	Medium	Position Action closely within national coordination mechanisms to maximise relevance and government ownership, and that effective working connections are established with other relevant national, NGO and donor-funded programmes, and with coordinating bodies such as the PRIF and Pacific Resilience Partnership.

Lessons Learnt:

Relevant lessons have been learnt from similar projects implemented in the FSM, and by regional organisations in other Pacific Island Countries, and these will be important considerations in managing project risks. While these lessons are expansive, some particularly relevant areas of learning are outlined below:

Prepare for the logistical constraints of remote island settings: There are significant logistical constraints and uncertainties working in the FSM and other remote island settings, and experience has shown that these should be identified early in the project and addressed through adequate funding for items such as transportation and through a level of flexibility in the timing of activities in remote communities, noting that changes in shipping schedules and community availability can have a significant impact on project timelines.

Ensure capacity needs are fully identified and addressed: A key lesson shared by CROP agencies in responding to the water security needs of Pacific Island Countries is that, while more can be done to improve the water storage capacity of island communities, inadequate infrastructure is not always the major barrier to achieving water security. Equally relevant can be the capacity to effectively and efficiently utilise and maintain current systems in a way that ensures safe and adequate water supplies throughout all expected conditions. This will need to be an

important consideration in the development of policy and investment plans, ensuring that human systems and capacity needs are adequately captured and supported.

Ensure alignment to national processes: At a country-level, projects are most successful when the activities are well aligned to national strategic priorities, anchored closely to national coordinating mechanisms, and supported by champions within the community and at the executive level of government. It will therefore be important that the project be positioned closely within national coordination mechanisms to maximise relevance and government ownership, and that effective working connections are established with other relevant national, NGO and donor-funded programmes.

Support the engagement and profile of the project: Feedback from Pacific Island Countries confirms that water security activities, including policy development, benefit from the cultivation of profile, influence and connections, including through the development of champions within government and the community, and the identification of innovative ways to support increased profile and buy-in by Government, as well as continuing to use regional fora such as the Pacific Resilience Partnership and SPC's Pacific Partnership for Atoll Water Security to help break down the silos that continue to exist between various partner programmes.

Utilise IWRM approaches wherever possible: The FSM has a strong history in the advocacy and demonstration of Integrated Water Resources Management (IWRM) approaches, and lessons from past projects point to the importance of a "ridge to reef" management approach that promotes integration between government sectors, between various levels of government and the community, between technical disciplines, and spatially between land, water sources and coastal systems.

Consider lessons from regional Pacific processes: Significant lessons and guidance have been generated by Pacific Island Countries through regionally-coordinated processes such as the Pacific Resilience Partnership and forums such as the Pacific High Level Dialogue on Water and Sanitation convened by SPC in 2019. This Dialogue resulted in a Call to Action that calls on Pacific island governments and partners to engage in a broader dialogue on water and sanitation, to make commitments to prioritise water and sanitation investments, and to take urgent and immediate action across leadership, local capacity, evidence-based decision-making, advocacy, coordination and frameworks for action.

3.5 The Intervention Logic

The underlying intervention logic for this action is that :

- *IF* timely and targeted technical assistance is provided to the appropriate Ministry to support the Government's stated desire for performance-based reform in the water and sanitation sector *THEN* the key WASH actors of the FSM will be enabled to participate in a comprehensive review of sector governance arrangements through a consultative and diagnostic approach to identify how water governance settings of the FSM can be improved *AND* findings of the review will support the development of a national framework to guide, direct and support and incentivise efforts at all levels *BECAUSE* this approach enables evidence-based decision making and has proved effective in the past in the FSM in the formulation of policy reform across other sectors.
- *IF* a cumulated WASH sector governance report with recommendations for strengthened national-level arrangements is established *THEN* Government will be in a position to consider, approve and direct an integrated and comprehensive package of reform to guide the WASH sector *AND* with the agreement and formal establishment of a National Water and Sanitation Policy by Government, the FSM's national governance framework for WASH will be significantly strengthened to support progress towards agreed goals *BECAUSE* in establishing agreed goals and methodologies this approach will remove a significant existing barrier to Government's capacity to drive necessary action on WASH.
- *IF* new National Water and Sanitation Policy and Master Plan is in place, *THEN* the Government can be supported in the implementation of recommended institutional reforms and establishment of required national roles, drafting necessary legislation, regulations and/or procedures to enable these new functions *BECAUSE* the legal frames for undertaking a suite of activities to strengthen the capacity, awareness and engagement of key WASH actors and stakeholders is provided.

- *IF* the Action manages to mobilise appropriate technical support along with appropriate leadership, coordination and guidance at the National level *THEN* States will be able to work with local WASH actors and stakeholders to develop practical Water and Sanitation Investment Plans (or Master Plans) at the State level *AND* in parallel and in coordination with this work, State-level efforts will be supported at the National level through the development of a National Water and Sanitation Master Plan that responds to national policy settings and connects the State-level investment plans to an overarching and cohesive Master Plan for WASH in the FSM *BECAUSE* the role of this support in driving and informing action has been clearly identified by relevant agencies at the National and State levels.
- *IF* the recommended institutional reforms and establishment of required national roles is completed *THEN* WASH actors, stakeholders and specialists can identify fit-for-purpose regulatory and financing mechanisms, to support Government to establish tools to enable the effective implementation of the national policy on the ground *BECAUSE* they will have the capacity, awareness and understanding of roles required to participate in the reform process and drive necessary actions.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain: Main expected results (maximum 10)	Indicators: (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Improved access to safe, sustainable and resilient water, sanitation and hygiene (WASH) for the people of FSM.	1. Number of people with access to improved drinking water source and/or sanitation facility with EU support **for GERF	TBD	TBD	Census and community surveys, UN Joint Monitoring Programme	<i>Not applicable</i>
Outcome 1	1. Strengthened national governance framework for WASH.	1.1. Number of changes in legislation or new laws or amendments adopted to support WASH goals, disaggregated by National/State departments.	1.1 0	1.1 5 (TBC)	1.1 FSM departmental policy	Government will continue to prioritise WASH sector priorities
Outcome 2	2. A cohesive, coordinated and supportive framework for institutions responsible for WASH.	2.1 Number of agencies participating in coordination mechanisms for progressing WASH goals. 2.2 Number of new centralised water and sanitation institutional roles and functions set up within the Department of Resources and Development	2.1 0 2.2 0	2.1 TBD 2.2 TBD	2.1 Minutes of meetings 2.2 Department of Resources and Development database/official documents	All participating agencies continue to foster the reformed coordination practices.

Outcome 3	3. Improved effectiveness of investments in WASH.	3.1 Population supported through new funding initiatives aligned with state level Water and Sanitation master plans 3.2 Population supported through new funding initiatives aligned the national level Water and Sanitation master plan	3.1 0 3.2 0	3.1 TBD 3.2 TBD	3.1 Official documentation of mechanism.	Funding is available to implement the WASH sector investment plans at national, state and local level
Output 1 relating to Outcome 1	1.1 WASH governance arrangements reviewed.	1.1.1 Number of recommendations formulated to Government on National-level arrangements with the EU support. 1.1.2 Status of the national WASH sector governance report	1.1.1 0 1.1.2 Not drafted	1.1.1 TBD 1.1.2 Submitted	1.1.2 EU intervention monitoring and reporting systems 1.1.2 Official communication on submission.	Political will is available to support the review process.
Output 2 relating to Outcome 1	1.2 National water and sanitation policy developed.	1.2.1 Number of persons, attending the consultations, disaggregated by sex, disability status, type of organisation. 1.2.2 Status of consultation agenda in addressing specific Gender, Disability and Social Inclusion (GEDSI) issues related to WASH services accessibility and decision making with the EU support. 1.2.3 Status of the national Water and Sanitation Policy with the EU support.	1.2.1 0 1.2.2 GESI issues are not addressed in consultation agenda 1.2.3 Not existent	1.2.1 1.2.2 GESI issues are addressed in consultation agenda 1.2.3 Developed/drafted	1.2.1 minutes of meetings/ workshop reports 1.2.2 Consultation Agenda 1.2.3 National Water and Sanitation Policy document	Assuming consultations will progress as planned and be attended by identified stakeholders
Output 1 relating to Outcome 2	2.1 Recommended institutional reforms developed, including establishment of national roles	2.1.1 Status of coordination mechanisms established with EU support. 2.1.2 Number of agencies within the framework reporting complete implementation of recommended reforms 2.1.3 Number of recommendations on WASH reforms formulated with EU support 2.1.4 Status of regulations and/or procedures on the establishment of new institutional roles	2.1.1 Not in existence. 2.1.2 0 2.1.3 0 2.1.4 0	2.1.2 Established 2.1.2 TBD 2.1.3 TBD 2.1.4 TBD	2.1.1 Official communication 2.1.2 Monitoring Reports 2.1.3 Monitoring Reports	Assuming all recommendations are able to be initiated during life of project.

		and functions drafted with EU support.			2.1.4 Gazetted regulations and procedures	
Output 2 relating to Outcome 2	2.2 Capacity of key WASH actors and stakeholders strengthened to participate in and support reforms	2.2.1 Number of high level dialogues held with EU support 2.2.2 Number of persons reached through targeted awareness raising/capacity building/ education /behaviour change communication activities, reporting increased knowledge/skills on WASH reforms with EU support, disaggregated by sex, age.	2.2.1 0 2.2.2 0	2.2.1 TBD 2.2.2 At least 80% 2.2.3 TBD	2.2.1 Meeting minutes 2.2.2 Database of training participants; pre- and post-training tests	Training participants have the authority and freedom to apply the new knowledge/skills acquired
Output 1 relating to Outcome 3	3.1 Water and sanitation master plans developed at State and National levels	3.1.1 Number of state level Water and Sanitation master plans drafted with EU support. 3.1.2 Number of State level master plans with identified priorities at the state context- urban/rural, gaps in service delivery, infrastructure and investments. 3.1.3 Status of a national master plan linking all state level plans with EU support.	3.1.1 0 3.1.2 0 3.1.3 Not in existence	3.1.1 TBD 3.1.2 TBD 3.1.3 Drafted/Existing	2.1.1 state level Water and Sanitation master plans. 3.1.2 state level Water and Sanitation master plans. 3.1.3 National level Water and Sanitation master plans.	Formal endorsement of plans required during life of project.
Output 2 relating to Outcome 3	3.2 Appropriate financing and regulatory tools for WASH in place	3.2.1 Number of financing mechanisms/ approaches formulated in consultation with line agencies, implementing bodies and development partners. 3.2.2 Status of trial of proposed regulatory/ financing mechanisms with EU support.	3.2.1 0 3.2.2 Not in existence	3.2.1 Financing mechanisms are formulated/proposed 3.2.2 Under trial	3.2.1 Official documentation of the mechanism 3.2.2 Report of trial process	Implementation of mechanisms and approaches can commence during life of project.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with Federated States of Micronesia (the FSM).

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³.

4.4 Indirect Management with an entrusted entity

This action may be implemented in indirect management with the Secretariat of the Pacific Community (SPC). This implementation entails supporting FSM to strengthen its adaptive capacity and to reduce its exposure to climate risks. The envisaged entity has been selected using the following criteria: It has extensive experience in the Pacific region, with in-country staff to manage the project on the ground. It also has a long-term recognised experience in a wide variety of areas, including climate change mitigation and adaptation and disaster risk reduction.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (in EUR)
Indirect management with entrusted entity – cf. section 4.4.	3 000 000

³ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Total	3 000 000
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4.5 Organisational Set-up and Responsibilities

The action will be led by the Government of the FSM through its Department of Resources and Development (DoRD), which will serve as the focal point for implementation of water and sanitation actions and as the chair of the Project Steering Committee (PSC) to be convened to guide the work. DoRD will be supported in this role by the Department of Environment, Climate and Emergency Management (DECCEM), which will serve as co-Chair of the PSC. As Implementing Agency, the Pacific Community (selected based on the FSM Government preference and criteria described in this action document) will be responsible for the overall project delivery and will work closely with relevant Government agencies and in particular the DoRD.

Apart from DoRD as Chair, the PSC will comprise of key water actors at the national and state levels, including the following:

- Association of Micronesian Utilities (AMU), representing the state-level entities mandated for the provision of all water, sanitation and power services to the people of FSM. The AMU will ensure the input of necessary Utility expertise, technical knowledge and data of priority areas of need's and will also ensure alignment to national energy policy, master plan and state action plans.
- The Department of Finance (DoF), which will be responsible of establishing of accounts, receipts of funds, disbursement, and financial audits and will also ensure adherence to the FSM Financial Management Regulations.
- Department of Health and Social Affairs (DoHSA), which will provide data and information on respective applicable standards and on-going WASH related programs and projects for the islands of FSM, such as number and location of dispensaries and will also ensure alignment to the National Climate Change and Health Action Plan (2012).
- DECCEM, which is responsible for delivery of outputs from under the Adaptation Fund project, while ensuring that no overlap occurs and providing necessary inputs to the national Water and Sanitation Policy and Master Plan through a climate change lens, while ensuring alignment with the Nation's Climate Change Policy.
- The Department of Education (DOE), which will connect the Action to the Partnership work on WASH in schools supported by UNICEF.
- State Governments, which will ensure that the appropriate committees, working groups and taskforces are involved and able to provide input (these would include the state Energy Working Groups and Water Committees, etc.), and alignment with the Joint State Action Plans for Disaster Risk Management and Climate Change, as well as state-level Strategic Development Plans (JSAPs).
- NGOs and Civil Society representatives, including representatives of vulnerable groups, to be determined on the advice of the DoRD.

The participation of the above actors in the Project Steering Committee will ensure cross-cutting issues are integrated with existing national plans and policies as outlined above, and that coordination with the appropriate municipal, private and civil society organizations, development partners is undertaken.

The monitoring by the European Union will be through government-led sector coordination, through government/donor meetings, based on country reports and other relevant monitoring and evaluation systems, in line with the Aid Effectiveness agenda.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.6 Pre-conditions

The need for a national governance framework for water and sanitation has been long recognised within the FSM. As early as 2011, the Government of the FSM provided direction for the development of a strategic approach to

the management of the freshwater resources, including highlighting the need for a comprehensive National Water and Sanitation Policy, Outlook and Investment Plan. This high-level decision serves as the institutional and legal basis of the planned work and reforms.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual unless otherwise decided by the Project Steering Committee (PSC)) and final reports.

Every report shall provide an accurate account of implementation of the action, challenges and difficulties encountered, changes introduced, as well as gender sensitive monitoring of the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The template for the narrative report will be agreed at the start of implementation and strictly followed by all implementing parties. Details and timeline for drafting and finalising assessment reports and detailed sector analysis will be identified in the inception phase. Delivery modalities and decision on technical advisory engagement will be based on the expertise available at national government and implementing partner level.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final reports, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

It will be the responsibility of the implementing partner to collect, analyse and monitor the relevant data for the above reporting tasks. This will be done in accordance with the logical framework and in close collaboration with the listed stakeholders, first and foremost the relevant FSM authorities in charge of the water and sanitation policies.

5.2 Evaluation

Having regard to the importance of the action, a final evaluation may be carried out for this action or its components (depending on the progress made in institutionalising the National WASH Policy) via independent consultants contracted by the Commission. The evaluations will be carried out for accountability and to determine effectiveness sustainability, accountability, and learning purposes at various levels (including for policy revision), taking into account in particular the complexity of the action.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination⁴. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

⁴ See best [practice of evaluation dissemination](#)

Evaluation services may be contracted under a framework contract.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “Communicating and Raising EU Visibility: Guidance for External Actions”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.