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ANNEX II

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

**Action Document for Addressing Climate Vulnerabilities in the Water Sector
in the Marshall Islands**

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	Addressing Climate Vulnerabilities in the Water Sector (ACWA) OPSYS number: ACT-61576 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 Republic of the Marshall Islands.
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 41010 - Environmental policy and administrative management) Environmental Protection and Sustainable Management of Natural Resources (DAC 410 - Environmental policy and administrative management)
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 6 – Clean Water and Sanitation Other significant SDGs: SDG 2 “Zero Hunger” 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’

8 a) DAC code(s)	DAC code 41010 Environmental policy and administrative management – 100%			
8 b) Main Delivery Channel	United Nations Development Programme – 41114			
9. Targets	<input checked="" 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input 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	Not targeted	Significant objective	Principal objective
	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 type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input 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 13 700 000 The total cost is an estimate since the co-financing contribution is in USD and the EUR USD exchange rate fluctuates. Total amount of EU budget contribution: EUR 6 000 000 This action is jointly co-financed by: The Green Climate Fund (GCF) for an amount of USD 8 316 106			
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 4.3.1			

1.2 Summary of the Action

The action supports the Government of the Republic of the Marshall Islands (GoRMI) in adapting to increasing climate risks, particularly more frequent and extreme droughts, which impact the country's drinking water supply. Communities and the households in the Republic of the Marshall Islands (RMI) primarily rely on a single water resource and supply system, which makes them highly vulnerable to water shortages and drought. Despite previous water related investments, the people of RMI still do not have year-round access to safe freshwater supply for drinking, cooking, hygiene and sanitation, particularly under droughts lengthened through climate change.

The proposed action aims to increase resilience of water resources for drinking and hygiene purposes in RMI. This will be done by: Improving household and community rainwater harvesting and storage structures to increase resilience of water supply in all outer islands and atolls accounting for approximately 28% of RMI's population, including 7,630 (49%) women, currently at risk; Securing groundwater resources from contamination due to inundation caused by wave overtopping of seawater; and Strengthening the technical capacities of national and subnational institutions and key stakeholders to integrate climate change risks into water governance processes so that management of climate change and disaster risks is coordinated, effective, participatory, equitable, and sustained over the long-term when risks are expected to worsen.

The action aligns with GoRMI's key climate change policies and strategies and has been developed through extensive consultation with government, Non-Government Organisations (NGOs), Community-Based Organisations (CBOs) and beneficiary communities. The proposed project is aligned with RMI's Nationally Determined Contribution (NDC).

The action intends to contribute mainly to Sector 1 "Climate Action and Environmental Sustainability" of the Pacific multi-country Multi-annual Indicative Programme (MIP) 2021 – 2027.

The action is aligned with the Paris Agreement, the 2030 Agenda for Sustainable Development, the Sendai Framework and the European Consensus for Development priority 3.2 – climate change, environment. It contributes directly to Sustainable Development Goal (SDG) 6 – Clean Water and sanitation.

The action is also aligned with the 2050 Strategy for the Blue Pacific Continent, the Framework for Resilient Development in the Pacific (FRDP) and the European Green Deal.

The action is aligned with the enhanced commitments made in the five years Lima work programme on gender and its gender action plan adopted at the COP20. The action contributes to the Gender Action Plan III, specifically to the thematic area of engagement “Addressing the challenges and harnessing the opportunities offered by the green transition”.

The implementation modality is indirect management with an international organization, based on a contribution agreement. The main government counterpart is RMI’s Environmental Protection Agency (EPA) which is the national authority to coordinate and oversee RMI’s water governance.

2 RATIONALE

2.1 Context

RMI is a small island developing state (SIDS) consisting of 29 coral atolls and five single islands. The nation is a large-ocean state, with a total land area of only 182 km², spread across over 2 million km² of ocean. There are 24 inhabited atolls and islands, which are mostly remote and lie merely 2 m above sea level on average. There are no rivers, streams or lakes in RMI, and the number of small surface ponds is very limited.

The 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. The action is also relevant to the 2030 Agenda for Sustainable Development and contributes mainly to SDG 6 ‘Clean Water’ 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 EU-Pacific Green-Blue alliance, the 2050 Strategy for the Blue Pacific Continent, the FRDP and the EU strategy for cooperation in the Indo-Pacific, in particular supporting sustainable and inclusive prosperity. 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’.

Climate action is one of the focuses of the Pacific multi-country MIP and this action will be a key example of a strong partnership with RMI contributing to the implementation of the Team Europe Initiative (TEI) “EU-Pacific Green Blue Alliance”. As the action aims to assist RMI in building its resilience against the adverse effects of climate change, it will also contribute towards increased visibility of the EU as a key player supporting climate change adaptation and sustainable development in the Pacific region. It is part of one of three Global Gateway flagship initiatives on climate envisaged until 2024. The EU is not a new player in this sector in the region. This action will build on the positive achievements of the EU’s previous support to RMI under the 10th European Development Fund. In choosing this sector, the Government of RMI and the EU build synergies with other donor programmes in the country, particularly New Zealand, Japan and the Asian Development Bank which also invest in Water, Sanitation and Hygiene. Lastly, this frames in the EU political engagement as Chair of the Platform on Disaster Displacement.

Climate change resilience and water security are key priorities for RMI, and critical to achieving various government policies and strategies for sustainable and equitable development. The Government of RMI has put in place national and sector policies in this respect. The RMI Water and Sanitation Policy and Proposed Action Plan, which was formalized as a legal instrument through the National Environmental Protection (Amendment) Act in 2016, serves as the foundational framework for climate-resilient water sector development at the national and subnational levels. Other key climate change policies and strategies include Strategic Development Plan “Vision 2018”; National Strategic Plan (2015-2017); National Climate Change Policy Framework (2011); The Joint National Action Plan for Climate Change Adaptation and Disaster Management; and the National Gender Mainstreaming Policy and Strategic Plan of Action for 2015-2019.

The action has also a high level of buy-in from the Government of RMI, reflected by a long-term commitment to institutional change towards more sustainable water governance, including the formation of Community Water Committees, supported by local councils, which will provide long-term operation and maintenance structures.

2.2 Problem Analysis

The RMI is particularly vulnerable to climate change. With its climate influenced by large ocean-atmosphere interactions such as trade winds, El Niño, monsoons and tropical cyclones, and with populations and infrastructure concentrated in small low-lying islands and atolls, the largest of which is only 16 km², any rise in sea-level, changes in weather patterns or extreme events have significant and profound effects on settlements, living conditions and the economy. The hydro-geophysical features of the country significantly contribute to its high vulnerabilities to natural hazards and climate change. Although RMI is not located within the core cyclone belt, its geographic location is such that it is heavily exposed to storms, king tides, sea level rise, reduced annual rainfall quantities and temperature rise contributing to reduction of water security for the residents of RMI.

Despite the minimal contributions to global greenhouse gas emissions, the government and residents of RMI are disproportionately burdened with significant impacts from climate change. The root cause of this adverse condition is RMI's high exposure and vulnerability to climate hazards, combined with limited adaptive capacity. A number of environmental, economic, and socio-political factors contribute to these vulnerabilities, leading to increased likelihood of adverse climate change impacts in RMI and include the following:

- Small and low-lying atolls and islands,
- Geographic and economic isolation to other countries and from atoll to atoll within the country,
- Limited economic development, particularly in outer atolls and islands.

Considering the geographic and population dispersion, traditional public water supply systems are unviable in the outer islands and atolls. This makes the reliance on a revenue generating water supply system, which perhaps could have entailed the use of non-grant financing, also not possible. In the context of RMI, the traditional public-sector responsibility is transferred to private households. Both capital expenditures (capex) and operational expenditures (opex) for water supply fall on the households and communities of the outer islands and atolls.

In addition to the increased likelihood of adverse climate change impacts, several key existing barriers to increased water resilience in RMI include:

- Limited national financial resources and dependency on fragmented external financing has resulted in a fragmented, poorly integrated approach to water resource management;
- Insufficient and non-resilient water infrastructure leading to chronic shortages of safe drinking water;
- Open groundwater wells susceptible to wave overtopping and saltwater contamination during king tides;
- Limited community water management framework resulting in a lack of local institutional capacity to plan, operate and maintain sustainable, safe and secure water systems;
- Limited participation and empowerment of women in water management practices resulting in a non-alignment of the impacts of decision makers and primary water users.

RMI also faces significant institutional gaps in implementing its water-related policies and legislation including:

- Limited coordination, reporting and accountability mechanisms, including limited institutions and stakeholders with formalized roles and responsibilities at the subnational and community level are some of the institutional needs of the GoRMI;
- A disconnect between community-based and national level water coordinating mechanisms;
- Limited information generated and shared for all types of water resources at all levels, limiting transparency and evidence-based participatory decision-making at all levels;
- Limited accountability frameworks and participation at all levels of governance;
- Limited effectiveness of water governance especially in terms of functioning institutions at the subnational level and coordination mechanisms with other sectors.

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

In RMI, the jurisdiction of water security is shared between the Office of the Chief Secretary and the EPA. EPA is the national authority to coordinate and oversee RMI's water governance and operates as a government funded statutory authority with ties to the Ministry of Health and Environment. This overarching national institution for water governance was only recently formalized through the National Water and Sanitation Policy and the National Environmental Protection Act (Amendment) 2016.

Stakeholders and institutions working on political (i.e. participatory decision-making process related to water resources and distribution), social (i.e. equitable access and distribution, including women, children and vulnerable groups) and economic (i.e. application of cost effective and efficient solutions) dimensions of water are still limited at all levels. The Office of Environmental Planning and Policy Coordination (OEPPC) in addition to the Office of the Chief Secretary and EPA lack the technical capacity to implement a project of this size and coordinate the work of these departments to improve water supply security in the outer atolls and islands.

The main beneficiaries of the Action are the inhabitants of the outer atolls and islands communities (approx. 15,572 direct beneficiaries, including 7,630 women). The entire population of RMI (55,226) will also benefit indirectly through capacity building and integration of water management into national governance framework.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to strengthen the adaptive capacity of RMI while reducing its exposure to impact of climate events, particularly more frequent and extreme droughts.

The Specific Objective of this action is to increase resilience of water resources for drinking and hygiene for vulnerable people and communities in the outer atolls and islands of RMI.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective are:

1.1 Optimal mix of interventions implemented to ensure climate resilient water security in outer atolls and islands of RMI;

1.2 Use of alternative water sources optimized to reduce reliance on harvested rainwater in the context of reduced rainfall;

1.3 Improved climate change induced drought preparedness and response measures in outer atolls and islands.

3.2 Indicative Activities

Activities relating to Output 1.1

- Improve existing rainwater harvesting systems for community buildings and households in outer islands and atolls for usage during increasingly frequent and severe periods of drought;
- Provide additional rainwater harvesting systems and increase the storage capacity for communities in outer islands and atolls for usage during increasingly frequent and severe periods of drought.

Activities relating to Output 1.2

- Protect groundwater wells from more frequent storm surges and contamination from anthropogenic pollution;
- Enhanced women and youth's leadership through best practices and community awareness on efficient use (demand management) of rainwater.

Activities relating to Output 1.3

- Develop national-level contingency plans and Standard Operating Procedures for climate change-induced drought response;
- Develop and implement community-level drought contingency planning in outer islands and atolls.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the Strategic Environmental Assessment (SEA) screening

The SEA screening concluded that no further action was required.

Outcomes of the Environmental Impact Assessment (EIA) screening

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

The project has been screened against UNDP's Social and Environmental Screening Procedure (SESP). Screening has determined that the project has the potential for social and environmental impacts that have a moderate (Category B) level of risk associated with them. As a project with moderate level risks, an Environmental and Social Management Plan (ESMP) has been prepared for this project.

This ESMP provides the overarching controls and mitigation measures that will be applied during the project.

The UNDP Social and Environmental Standards (SES) ensure social and environmental sustainability is mainstreamed across all programming. The SES require that all programming maximizes social and environmental opportunities and benefits as well as ensures that adverse social and environmental risks and impacts are avoided, or if not possible minimized, mitigated, and managed. The SES assist staff, stakeholders and responsible parties to manage social and environmental risks and impacts of programs and projects.

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project)

The CRA screening concluded that this action is no or low risk (no need for further assessment) as the overall objective of this Action will increase RMI's resilience to climate change.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 (Significant). This implies that gender equality is an important and deliberate objective of the project and that gender equality is being mainstreamed in the project/programme and is fundamental to the project design and theory of change.

The project design team used a participatory approach to ensure that proposed investments would directly respond to the identified needs and priorities of communities, households and vulnerable groups of people through developing a Gender Assessment and Action Plan. The plan identified gender issues relevant to the project and examined potential gender mainstreaming opportunities.

Marshallese women are often responsible for water collection and are strongly dependent on availability of water for household chores such as cooking and laundry. Women also share a disproportionate burden from water shortages, given their critical roles they play in household responsible for securing and utilizing safe and sufficient water for the family.

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

The project will provide for women's direct engagement in a community decision-making process through their inclusion on Community-based Water Committees to ensure they have a formal, public role in water management. Through the activity under Output 1.2 above, women and youth specifically, will particularly be targeted for training. Female trainers will be trained and empowered to ensure that women's specific vulnerabilities to climate change and water management are addressed. A Gender and Youth Specialist has been engaged for project implementation.

Human Rights

The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. The Project will mainstream a human rights-based approach and improve gender equality and women empowerment. Fundamentally, access to safe water is a basic human right and a universal development priority with great potential to improve health, life-expectancy, education, food security and livelihoods.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that this action is not considered relevant for inclusion of persons with disabilities. However, the action is expected to bring a range of disability-inclusive development impacts. Improving water quality and supply at both community and household level through this action, will create more equitable access to water resources for vulnerable groups including the elderly and people living with disabilities. Households with people living with disabilities are specifically identified in the Technical Design Survey and subsequently prioritized for household water access as part of options analysis and preparation of the water investment plan.

Reduction of inequalities

Communities living in small outer islands have a poorer access to clean water than the population living in the main islands of Majuro and Ebeye. By facilitating a better access to clean water, which is essential for health, education and economic activities, this action will reduce inequalities for outer islands communities.

Democracy

Thanks to its right-based approach, the Action will promote participation and bottom-up democracy.

Conflict sensitivity, peace and resilience

The action is expected to bring a range of positive development impacts to the resilience of water infrastructure and institutional capacity in RMI. Improving water quality and supply at both community and household level through this action will create more equitable access to water resources and reduce household and community level conflict caused by water shortages.

The action has been designed with the assistance of a wide range of stakeholders and aims to provide benefits to the broader community. Notwithstanding, as with any project that involves construction, some dissatisfaction can occur, and conflicts may arise. It is important that potential areas of tension are recognized early, and appropriate actions taken to avoid or minimize conflict. Plans and processes to engage stakeholders with clear strategies to avoid or reduce conflict are detailed in the project Stakeholder Engagement Plan. Plans and processes to ensure a transparent and accessible complaints procedure are outlined in the project Grievance Redress Mechanism.

Disaster Risk Reduction

Disaster risk reduction is an important and deliberate objective of the action and fundamental to the action design and theory of change. As raised before, the action is aligned with and directly delivers on the priorities outlined by RMI's national disaster risk management policy in addition to major policy frameworks and sustainable development goals. Project activities relating to output 1.1 of improving existing and installing new community and household rainwater harvesting directly contribute to reducing disaster risk by increasing water storage capacity before droughts, as well as improving infrastructure resilience. Similarly, protecting groundwater wells from storm surges and contamination by formalising existing wells and raising their height, increases infrastructure resilience. Additionally, conducting drought contingency and water security (demand management training) with households and water committees (particularly women and girls as the main water users) improves the adaptive capacity of households and communities to prepare respond to disasters. Finally, through developing national-level contingency plans and Standard Operating Procedures for drought response, national and regional institutions are better able to prepare and respond to disasters relating to water security.

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	Exclusive reliance on government scheduled boat and chartered boat to outer islands limit the delivery of outputs in a timely manner.	Medium	Medium	The logistical issues will be addressed through two risk mitigation measures: First, for the transport of construction materials, one of the selection criteria for the vendor/construction company will be the transportation capability so that the project will not only rely on the existing boats in the country. Second, for transporting project personnel for carrying out activities in outer islands, the partnership with the other development partners allows the possibility to share transportation cost (eg charters). This will help the project to reliably adhere to the original island visit schedule.
External Environment	Extreme climate events such as typhoons will affect the progress of the action and moreover, the water security interventions may not withstand climate change impacts including intensity of typhoons.	Low	Medium	Notwithstanding that the annual probability of severe typhoons affecting the country is relatively low, water security interventions will be designed to ensure longevity based on methodologies that considers worst case scenarios.
Planning, processes and systems	Building ownership /ownership of wells in project locations can cause delays and limit the successful implementations of water security interventions.	Medium	High	It is expected that owners will allow the Water security interventions. The action aims to work through island governance systems to ensure that communities are part of the decision making process thus increasing ownership. The process of obtaining a community endorsement will start during the environmental and social impact assessment. Awareness campaigns on water security interventions will improve the understanding of the proposed

				interventions making sure they are supported and endorsed by the community.
People and the organisation	High staff turnover and limited local human resource base could compromise the project management unit and delay implementation	Medium	Medium	Project Management Unit will have some necessary “redundancies” in the functions of project personnel so that staff turnover would have minimum impact in terms of continuity of the project implementation. This is based on lessons from earlier projects. The other possibility is to create several positions that straddle multiple projects. This will facilitate better coordination across these projects and a more flexible arrangement whereby a shortage of staff in one project can be supplemented, at least in the interim.

Lessons Learnt:

As the ACWA project is currently in year 3 of implementation, several challenges have been reported and resolved resulting in lessons learnt. These lessons learnt relate predominantly to project staffing as well as challenges involved in undertaking technical design surveys and community consultations.

The isolation of RMI, limited pool of candidates for the positions for the Project Management Unit and lack of international recognition of local qualifications has created staffing challenges for the project. To resolve this, two International Field Engineer positions have been created in addition to four Field Engineering Associates. An easing of the required qualifications for position where this is appropriate has increased the potential pool of candidates. Additionally, as an interim measure while resolving the above challenges, several support positions straddled multiple projects facilitating better coordination across these projects and a more flexible arrangement whereby a shortage of staff in one project can be supported by another.

The remoteness and geographical expanse of RMI has created several challenges with the implementation of project activities such as technical design surveys and community consultations. The availability of sea, and air transport is limited and infrequent with some islands served on a monthly or quarterly basis. In order to not impact project schedule, careful planning and consultation with all parties to ensure availability has occurred. Occasionally, other community commitments such as graduations and funerals can create difficulty. As a result, project activities have required to be both well planned and reactive, with sufficient backup options and flexibility in the case of unavailability of transport or community leaders or households.

3.5 The Intervention Logic

The underlying intervention logic for this action is that:

- *IF* the existing rainwater harvesting systems in outer islands are improved, their storage capacity is increased, groundwater wells are protected from contamination, women and youth leaders are trained on efficient use of rainwater, national-level contingency plans, Standard Operating Procedures and community-level contingency plans are developed *AND* relevant stakeholders at the national and community levels take part in the trainings offered and the Implementing Partner can continue implementing its activities despite uncontrollable factors such as extreme weather events, *THEN* an optimal mix of interventions will be implemented, the use of alternative water sources will be optimized and climate change induced drought preparedness and response measures will be implemented.
- *IF* an optimal mix of interventions is implemented, the use of alternative water sources is optimized and climate change induced drought preparedness and response measures are implemented *AND* the recommendations from the feasibility studies undertaken on the different selected sites are correct *THEN* the resilience of water resources for drinking and hygiene for vulnerable people and communities in the outer atolls and islands of RMI due to the impacts of climate change, specifically prolonged droughts will be increased *BECAUSE* the implementation of similar activities in countries of the Micronesian region have contributed to the expected outcome.
- *IF* the resilience of water resources for drinking and hygiene for vulnerable people and communities in the outer atolls and islands of RMI due to the impacts of climate change, specifically prolonged droughts is increased *AND* the interest from the benefitting communities and the government in the action remains *THEN* the adaptive capacity of RMI will be strengthened and its exposure to climate risks will be reduced. This is *BECAUSE* by supporting RMI, and in particular its outer islands, in becoming more resilient, the country will be less vulnerable to the adverse effects of climate change, especially prolonged droughts.

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)

ResultsResults	Results chain	Indicators	Baselines	Targets	Sources of data	Assumptions
Impact	To strengthen the adaptive capacity of RMI while reducing its exposure to climate-related hazards, particularly more frequent and extreme droughts.	1 Number of households using water infrastructure for drinking and hygiene purposes resilient to rapid-onset events (e.g. floods, storm surges, heatwaves) and slow-onset processes (e.g. sea level rise)	1 0 in 2020	1 1,265 households by 2025 and 2,529 households by 2027	1 Progress reports for the EU-co-funded intervention; Baseline and endline surveys conducted and budgeted by the EU-co-funded intervention and infrastructure/equipment handover and inspection documents	<i>Not applicable</i>
Outcome 1	Increased resilience of water resources for drinking and hygiene for vulnerable people and communities in the outer atolls and islands of RMI.	1.1 % of vulnerable households in targeted communities with improved access to water, and strategies to respond to climate variability in the outer atolls and islands of RMI	1.1 0 % in 2020	1.1 50% of households in targeted communities have upgraded or new RWH and storage by 2025 and 100% of households in targeted communities (the project will target 49% female headed households) by 2027	1.1 Progress reports for the EU-co-funded intervention; Baseline and endline surveys conducted and budgeted by the EU-co-funded intervention and infrastructure/equipment handover and inspection documents	Infrastructure and adapted community responses to climate change are completed and implemented successfully in the 23 local government jurisdictions
Output 1 related to Outcome 1	1.1 Optimal mix of interventions implemented to ensure climate resilient water security in outer atolls and islands of RMI	1.1.1 Number of improved existing rainwater harvesting systems for existing households and community buildings in outer islands and atolls with the support of the EU-co-funded intervention. 1.1.2 Number of additional (new) rainwater harvesting and storage systems for communities in outer islands and atolls constructed with the	1.1.1 Water supply gap in 2,529 households and 158 community buildings in 2020 1.1.2 0 in 2020	1.1.1 Upgrading of RWH for 1,265 households and 79 community buildings in 2025 and upgrading of RWH for 2,529 households and 158 community buildings in 2027. 1.1.2 79 new tanks at existing community buildings. 60 new community roof/storage systems by 2025 and 158 new tanks at existing community buildings. 121 new community roof/storage systems installed by 2027	1.1.1 Progress reports for the EU-co-funded intervention; Baseline and endline surveys conducted and budgeted by the EU-co-funded intervention and infrastructure/equipment handover and inspection documents 1.1.2 Progress reports for	No major disaster occurs in the project locations that may delay the implementation of water infrastructure at household and community level. Government and local authorities are willing to adjust existing planning instruments

		support of the EU-co-funded intervention		1.1.2 109 detached roofing catchments with suitable RWHS and water tanks are constructed and installed at Hh level by 2025 and 218 by 2027	the EU-co-funded intervention; Baseline and endline surveys y conducted and budgeted by the EU-co-funded intervention and infrastructure/equipment handover and inspection documents	
Output 2 related to Outcome 1	1.2 Use of alternative water sources optimized to reduce reliance on harvested rainwater in the context of reduced rainfall	1.2.1 Percentage of groundwater wells protected from more frequent climate change induced storm surges and contamination (through covering the wells and extending and increasing the height of the surface concrete slab around well), with support of the EU-co-funded intervention. Total Number of Wells Targeted: 2,586 1.2.2 % of trained participants who adopted best practices on reduced demand for rainwater, disaggregated by gender.	1.2.1 <5% of target household and community groundwater wells (estimated total of 2,586 wells) protected from storm surges and contamination in 2020 1.2.2 0% in 2020	1.2.1 50% of target household and community groundwater wells protected from storm surges and contamination in 77 target rural communities by 2025 and 100% of target household and community groundwater wells protected from storm surges and contamination in 77 target rural communities by 2027 1.2.2 >50% of training participants who have adopted the best practices (disaggregated by gender) by 2025 and 70% of training participants who have adopted the best practices (disaggregated by gender) by 2027.	1.2.1 Progress reports for the EU-co-funded intervention; Baseline and endline surveys conducted and budgeted by the EU-co-funded intervention and infrastructure/equipment handover and inspection documents, commissioning reports. 1.2.2 Post-Training reports, Database of Participants, Progress reports for the EU-co-funded intervention; ,	No major disaster occurs in the project locations that may delay the implementation of groundwater well protection at household and community level. Sufficient interest and participation from community partners on training opportunities and workshops
Output 3 related to Outcome 1	1.3 Climate change exacerbated drought preparedness and response measures implemented in outer atolls and islands	1.3.1 Number of national-level contingency plans and Standard Operating Procedures for climate change induced drought response developed with support of the EU-co-funded intervention. 1.3.2	1.3.1 0 in 2020 1.3.2 0 in 2020 1.3.3 0 in 2020	1.3.1 1 National Drought Contingency Plan 1 Standard Operating Procedures 1 Water Safety plan by 2025. Same by 2027 1.3.2 2025: 0 2027: 77	1.3.1 Site Coordinator Monitoring Reports, 1.3.2 Training reports, Back to Office Report, Site Coordinator Monitoring Reports	Sufficient local capacities exist with the relevant authorities to uptake additional mechanisms. Willingness of communities and local partners to absorb knowledge specific to operation and maintenance

		<p>Number of developed and implemented community-level drought contingency plans in outer islands and atolls with support of the EU-co-funded intervention.</p> <p>1.3.3 Number of Community Water Committees established with support of the EU-co-funded intervention.</p>		<p>1.3.3 2025: 0 2027: 24</p>	<p>1.3.3 Site Coordinator Monitoring Reports</p>	<p>of rainwater harvesting tanks.</p>
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of the Marshall Islands.

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 measures¹.

4.3.1 Indirect Management with an entrusted entity

This action will be implemented in indirect management with the United Nations Development Programme (UNDP). This implementation entails supporting RMI 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 action 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.

4.4. 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).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution (amount in USD)
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¹ 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.

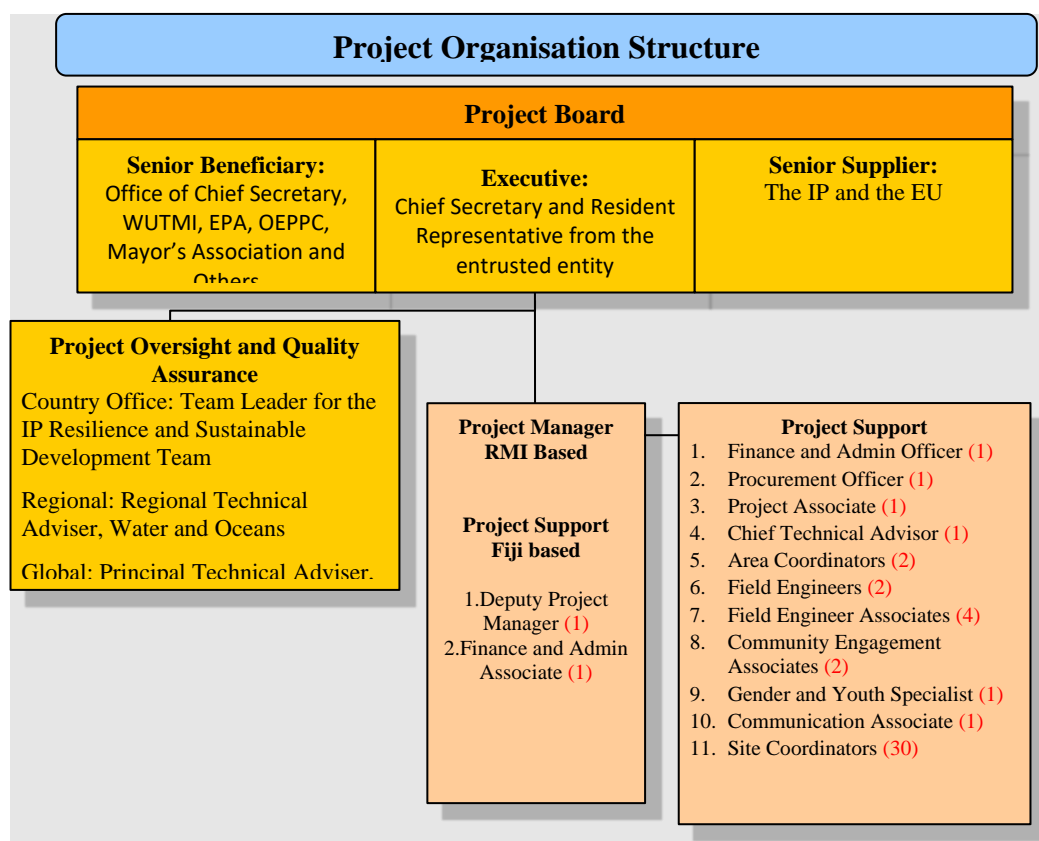
Output 1, 2 and 3		
Indirect management with international organisation – cf. section 4.3.1	6 000 000	8 316 106
Total	6 000 000	8 316 106

4.6 Organisational Set-up and Responsibilities

Project Implementation

A Project Management Unit (PMU) was created by the entrusted entity and is responsible and accountable for managing this action, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of the entrusted entity's resources.

In view of the national ownership and building the national capacity, these responsibilities will be fulfilled by the entrusted entity in close collaboration with the Government of RMI. The project organisation structure can be seen below:



Project Management Unit: Given that the funds provided under this Action Document will co-finance the ACWA project, the PMU will be merged with the existing PMU structure and will comprise of a group of project-financed staff. The PMU will be located in Majuro, with several project support staff located in the Implementing Partner Pacific Office in Fiji due to logistical requirements. The PMU will be responsible for the execution of the proposed activities, in collaboration with other responsible parties such as the RMI EPA, the Office of the Chief Secretary and other government agencies, international agencies (e.g. the International Organization for Migration) and non-government partners. The PMU will be responsible for supporting the project manager in carrying out day-to-day activities of the project, the overall operational and financial management, and liaison with relevant stakeholders for the project. The PMU in RMI will be located within EPA.

Project Management: The Project Manager (PM) has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The PM is responsible for day-to-day

management and decision-making for the project. The PM's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The PM should be different from the Implementing Partner's representative in the Project Board. Responsibilities of the PM include liaising with the Project Board; supervising, directing and guiding the project team; plan, monitor and report project activities and progress; managing and monitoring the provision of financial and other organizational resources.

Project Governance: The Project Board (PB, also called Project Steering Committee) is responsible for making, by consensus, management decisions when guidance is required by the Project Manager, including recommendations for the Implementing Partner approval of project plans and revisions, and addressing any project level grievances. The Project Board will be co-chaired by the Implementing Partner's Resident Representative or his/her deputy and Chief Secretary from Chief Secretary Office or his/her designate. The PB is comprised of the Office of the Chief Secretary, the EPA, Climate Change Directorate, Mayors Association, National Disaster Management Office, Weather Service Office, Ministry of Work, Infrastructure and Utility, and a representative from the NGO association, the International Organization for Migration (IOM) and the NGO Women United Together Marshall Islands (WUTMI). The EU delegation will also be part of the PB. If this is not possible then the Implementing Partner will deliver a quarterly presentation updating the EU on the status of implementation and the different challenges faced.

In order to ensure the Implementing Partner's ultimate accountability, decisions from the Project Board should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case consensus cannot be reached within the Board, the Implementing Partner Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed. The responsibilities of the Project Board include providing overall project guidance; addressing project issues, risks, countermeasures and management actions; and review and appraise project progress.

Project Assurance: The Implementing Partner provides a three – tier supervision, oversight and quality assurance role – funded by the Green Climate Fund (GCF) – involving the Implementing Partner staff in Country Offices and at regional and headquarters levels. Project Assurance must be totally independent of the Project Management function. The quality assurance role supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. This project oversight and quality assurance role is covered by the GCF.

As part of its prerogative of budget implementation and to safeguard the financial interests of the EU, 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.

4.7 Pre-conditions

The precondition is that the ACWA project is still under implementation with the support of the government of RMI at the moment of signature of the contribution agreement with the entrusted entity.

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) and final report. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the

logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The ACWA PMU team has overall responsibility for regular data collection which is performed by the Site Coordinators who are located in the targeted 24 Atolls and Islands. On top of that, an independent international consultant will be recruited to conduct the final evaluation within 3 months of the submission of Project Completion Report.

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:

The project results as outlined in the logical framework matrix will be monitored and reported annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.

The Project Manager is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks and ensuring that all project staff maintain a high level of transparency, responsibility and accountability in M&E and reporting of project results. The PM will inform the Project Board of any delays or difficulties that arise during implementation so that appropriate support and corrective measures can be adopted.

Through developing annual work plans, the PM supports the efficient implementation of the project and ensures that the standard Implementing Partner, EU and GCF M&E requirements are fulfilled to the highest quality.

The Project Board will take corrective action as needed to ensure the project achieves the desired results. The Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year.

In case the EU Delegation is not part of the Project Board, then the Implementing Partner will deliver quarterly presentations to the EU on the action's progress and challenges.

The PMU is based in Majuro, RMI and is responsible for providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary and appropriate. The Implementing Partner PMU will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems, so that the data used by and generated by the action supports national systems.

The Implementing Partner will support EU staff (or their designate) during any missions undertaken in the country and support any ex post evaluations that may be required by the EU. The Implementing Partner will retain all project records for this project for up to seven years after project financial closure in order to support any ex-post reviews and evaluations undertaken.

5.2 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action via independent consultants. It will follow UNDP's evaluation reporting procedures. The evaluation will be a common evaluation for both EU and GCF funded activities. The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination². The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

² See best [practice of evaluation dissemination](#)

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 audit or 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.