



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)



To: Mr. Avani Vaish
Ms. Song Li, GEF Secretariat

Date: 16 August 2000

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Pages: (27 including this sheet)

From: Richard Hosier
UNDP-GEF

Dit/B

Subject: Submission of Revised Climate Change Enabling Activity Proposal for the Republic of Palau

We are pleased to submit for your consideration the revised Climate Change Enabling Activity proposal for Palau.

As discussed below, we have considered your comments and revised the document accordingly. We anticipate that these revisions will meet your expectations and we look forward to receiving CEO approval as soon as possible.

1. *The suggested budget, \$350,000 seems too high given the size of the country, number of its population and balance with other PICCAP countries (\$240,000 for them).*

Palau does not consider that its budget is too large as they are not part of PICCAP and did not have received regional assistance on their project. Since PICCAP countries received funding from other sources for their Enabling Activity, the actual amount of funds per PICCAP country works out to approximately \$310,000. Further, Palau has not been included in any of the PICCAP activities to date, and PICCAP's top-up has already been approved. It would be very difficult for Palau to begin to participate in PICCAP's activities given the time lag, however Palau recognizes that they will be able to borrow from training materials and some other PICCAP experiences and has revised their budget to \$309,000 accordingly.

Specific comments include:

a) It is not usual to use GEF EA resources to establish a CC library and for the coordinator to get information by tour study. It may not need to have a short summary of the information from EACH document for the suggested bibliography (see page 6).

It is usual for GEF EA resources to go towards establishing a CC information center and the proposal has been adjusted as such. The gathering of information by the regional coordinator has been modified, however, it will be important for the coordinator to continue to be involved in information gathering. It is noted that a short summary of only complex documents may be necessary.

b) Renewable Energy Program. Renewable energy should be undertaken under the Operational Program 6, not be part of the enabling activities (see page 8).

This observation is noted, and the document has been adjusted accordingly.

c) It is not sure that compilation of information for national circumstances will cost \$13,450(see page 21);

The budget has been revised to reflect this comment.

d) project management \$76930 exceeds standard \$70,000 (see page 21).

The exceedance has been corrected, and project management will now be for \$70,000. Palau would like to note that good project management is essential for this to be an ongoing process. The additional \$7,000 was intended to ensure flexibility for management to include activities that are deemed necessary to produce a quality product.

2. Three regional experts will be hired to GHG inventory, Mitigation plan, Renewable energy program and V&A., we would like to know whether it is more efficient to use similar activities to other PICCAP countries, or make Palau part of the PICCAP.

Palau would like to note that they are not part of PICCAP and Palau is out of phase with PICCAP's current activities. Palau wants this project to be managed as much as possible in the country so that there is real commitment and ownership and understanding of the product. Palau will extend invitations to SPREP or other interested countries to participate, and will attempt to make use of PICCAP's existing information and training material, etc. to the greatest extent possible. The above has been reflected in the revised budget accordingly.

3. Other specific comments:

a) Mitigation Plan in page 8 should be changed into Adaptation Plan and incorporated with Vulnerability and Adaptation Assessment on page 9; and

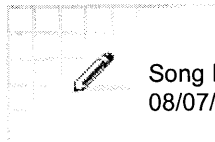
The suggested revisions have been made.

b) there are several mistakes at the budgetary table on page 21.

The budget has been revised and checked for accuracy.

We look forward to receiving your approval as soon as possible.

Thank you.



Song Li
08/07/2000 01:25 PM

Extn: 33488 GEF
Subject: Comments on Palau First NC proposal, UNDP.

Please find attached a summary of comments on the Palau proposal, received by the GEF Secretariat.

Palau, UNDP, First NC.

1. The suggested budget, \$350,000 seems too high given the size of the country, number of its population and balance with other PICCAP countries (\$240,000 for them). Specific comments include:

a) It is not usual to use GEF EA resources to establish a CC library and for the coordinator to get information by tour study. It may not need to have a short summary of the information from EACH document for the suggested bibliography (see page 6).

b) Renewable Energy Program. Renewable energy should be undertaken under the Operational Program 6, not be part of the enabling activities (see page 8).

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d) project management \$76930 exceeds standard \$70,000 (see page 21).

2. Three regional experts will be hired to GHG inventory, Mitigation plan, Renewable energy program and V&A., we would like to know whether it is more efficient to use similar activities to other PICCAP countries, or make Palau part of the PICCAP.

3. Other specific comments:

a) Mitigation Plan in page 8 should be changed into Adaptation Plan and incorporated with Vulnerability and Adaptation Assessment on page 9; and

b) there are several mistakes at the budgetary table on page 21.

Please revise the project proposal at your earliest convenience.

With regards.

Song Li

To: Richard.Hosier@Undp.Org
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Pat.Martung@Undp.Org
cc: Avani Vaish
Ramon Prudencio C. De Mesa

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Project Number: ROP/00/

Project Title: Republic of Palau Enabling Activity to Prepare its First National Communication and National Implementation Strategy in response to its Obligations under the United Nations Framework Convention on Climate Change (UNFCCC)

Duration: 2 Years

Project Site: Republic of Palau

Executing Agency: The Office of Climate Change/Office of the Vice President

Estimated Start Date: August 2000

GEF Focal Area: Climate Change

Country Eligibility: Ratified UNFCCC on December 10, 1999

Implementing Agency: UNDP

Government Inputs: In-kind

GEF Operational Focal Point: Ann Kitalong, Office of Climate Change

UNDP and Co-financing	
UNDP/GEF	\$309,000
Co-financing (in-kind)	
Government:	\$ 50,000
Total:	\$359,000

Brief Description: The project enables the Republic of Palau to prepare its first National Communication and National Implementation Strategy for the Conference of Parties (CoP) of the UN Framework Convention on Climate Change (UNFCCC). The components of the project consist of (a) an inventory of greenhouse gases following the guidelines adopted by CoP; (b) an assessment of potential impacts of climate change in the Republic of Palau; (c) an analysis of potential measures to abate an increase of greenhouse gas emissions in the Republic of Palau and to adapt to climate change; (d) preparation of a National Implementation Strategy address climate change and its adverse impacts; and (e) preparation of the first National Communication of the Republic of

Palau to the CoP. The project will enhance general awareness and knowledge on climate change issues in the Republic of Palau and strengthen dialogue, information exchange and cooperation among all the stakeholders including government, non-government, academic and private sectors. The Republic of Palau has one of the most unique and diverse environments in the world. This project will assist in the protection and conservation of this international treasure.

On behalf of	Signature	Date	Name/Title
The Government:	_____	_____	_____
UNDP:	_____	_____	_____

A. BACKGROUND AND PROJECT CONTEXT

Geography and Population. The Republic of Palau comprises the westernmost archipelago in the Caroline Islands of Micronesia. This archipelago is located 3 to 7 degrees North and 130 to 172 degrees East. The Ngaruangel Atoll is to the far north and Helen's Reef is to the far southwest. The Republic is made up of over 400 islands, including the famous Rock Islands and covers a total area of 494 km². The largest island is Babeldaob. The most populated island is Koror with nearly 70% of the 17,225 residents of Palau. About 75% of the land is primary forest. Less than 14% of Palau's land is arable by virtue of soil type of mainly latosols and steep slopes. An estimated 2.5% of the total cultivated area is under agroforestry cultivation. Nine major watershed basins are found in Palau. Portions of the country's two largest watersheds (Ngerdoch and Ngermeskang) are designated as national conservation areas. Mangrove forest comprises 11% of Palau's land area. The Republic has territorial jurisdiction from 0 to 12 nautical miles offshore and an Economic Exclusive Zone (EEZ) of 12 to 200 nautical miles offshore. The EEZ is a total of 237, 835 square miles.

Flora and Fauna. The Republic's famous Rock Islands and unique and diverse flora and fauna have established the country as one of the top natural wonders of the world. The Republic of Palau has the most diverse flora and fauna of Micronesia. The terrestrial flora has over 1,258 taxa with over 104 endemic and 839 indigenous plants. The Republic has 5,000 species of insects, 141 species of birds (8 are endemic), and 93 species of freshwater fish. The marine flora includes 1,500 species of fish, over 500 species of hard and soft corals, over 100 marine seaweeds and hundreds of marine invertebrates. The unique and diverse assemblage of flora and fauna has brought world renown to the Republic.

Development. The Climate Change crisis is occurring during a period of significant growth for the Republic. It is anticipated that the population will double by 2005. Most of this growth is attributed to an influx of foreign labor. In terms of economic growth, it is anticipated that the Gross National Product (GNP) will increase by 9% this year with a 2000 Gross Domestic Product of \$144.4 million compared to \$132.5 million in 1999. This growth, which has been briefly retarded by the Asian economic crisis, should be speeded by the one-time unique mix of private and public projects made possible largely the Compact of Free Association (COFA). The COFA is an international agreement of free association between between the Republic of Palau and the United States that became effective on October 1, 1994. Part of the COFA agreement included the construction of a new circumferential road on the island of Babeldaob that has begun this year. Other major projects underway include the national capital to Babeldaob, the construction of a new airport terminal and a new bridge between Babeldaob and Koror. When finished, these projects will add significantly to Palau's infrastructure. This net gain of total national income has set the stage for rapid growth starting in 2000 and continuing for the next 3 to 5 years with a GDP growth rate of 9-27 percent annually. (Bank of Hawaii, 2000 Republic of Palau Economic Report). These major infrastructure

projects are supporting elements to a burgeoning tourism industry, which is anticipated to increase from 60,000 tourists to 100,000 tourists by 2005. (PICRC Action Conference, 2000).

Energy. In 2000, about 99% of the total energy consumed in the Republic of Palau will be provided by imported petroleum and about 1% by Liquefied Petroleum Gas (Butane), kerosene, biomass and solar. Electricity generation depends primarily on imported petroleum products with a small fraction by solar in remote areas. The two major consumers of petroleum products are Power Generation and Transportation Sectors. During March 1999-2000, roughly 14.5 million gallons of fuel was reported as imports to the Republic. This reported imported fuel includes 24% motor spirit or gasoline (3.5 million gallons), 64% distillate fuels including mainly diesel oil (9.3 million gallons) and 12% aviation fuel (1.7 million gallons). Roughly 6 million gallons of diesel are used for the Power Plants and 3 million gallons of gasoline for the Transportation Sector. During the last two decades the total number of vehicles registered in the Republic increased from a couple dozen to over 9,000. In 1998, 5,000 vehicles were in active circulation. The remaining 4,000 vehicles are inactive vehicles that are considered solid waste.

Adoption of the Convention on Climate Change. The United Nations adopted the United Nations Framework Convention on Climate Change in 1992 as a response to the rapid changes in the world's climate. The Republic of Palau became a Signatory of the Convention on September 16, 1999. On December 10, 1999, the Republic deposited its instruments of accession and ratification of the Convention and Protocol. Pursuant of Article 23 of the Convention and Article 25 of the Protocol, those agreements entered into forces with respect to Palau on March 10, 2000.

Palau International Coral Reef Center. The United States and Japan launched the Common Agenda for Cooperation in Global Perspective (Common Agenda) in 1993. In 1994, The United States and Japan, in collaboration with the United Nations, incorporated the conservation of coral reefs into Chapter 17 Ocean Agenda 21 that was adopted by the United Nations Conference on Environment and Development. This resulted in The International Coral Reef Initiative. Under this initiative, the Republic of Palau was selected as the site for an international coral reef research center called the Palau International Coral Reef Center.

The mission of the Center is to provide a forum for coral reef education and research. The Center will assist in improving the management, use and conservation of Palau's and the world's marine environment. Our Center will open in January 2001. We welcome the international community to work with us to better understand and educate the world about the fragile reefs in light of global climate changes. The Center's first priority for coral research is to establish a node for the region for Global Reef Monitoring. It is anticipated that the Center's facilities will act as the physical locus for many of the activities related to climate change research and implementation activities.

El Nino/Climate Change. Global climate changes have resulted in dramatic environmental impacts throughout the world and in the Republic of Palau. The 1997/1998 El Nino event was very severe in the Republic. During El Nino, Palau had unusually high seawater temperatures (31°C or a rise of 3°C above normal) due to its location at the edge of a “hot spot” of high water temperatures. As a result, at least one third of the hard corals were killed; soft corals suffered higher mortality and the genus *Acropora* was impacted up to 95% on some reefs. The El Nino event also precipitated an extreme drought in the Republic, detrimentally impacting the trees, crops and livelihood of our community. The main water reservoir in Babeldaob completely dried up. The famous Rock Island forest turned brown. During the drought, daily outbreaks of fire occurred over a three-month period. An estimated twenty-percent of savanna, forest and wetland habitats burned. The drought and unusually high tides also damaged 1,400 taro gardens effecting 3,000 people, or one fifth of the local population.

The Pacific ENSO Update (1st Quarter, 2000, Vol. 6. No. 1) indicates that sub-surface ocean temperatures have warmed considerably in the Western Pacific and have pushed into the Central Pacific. These sub-surface temperatures are setting up for another El Nino event but it is much too early to determine when this will occur. The Republic is particularly vulnerable due to small land size, isolation and a high ratio of coast/land mass.

B. PROJECT OBJECTIVES

Objectives. The objectives of this project include the following:

- a. Collect baseline information about the existing marine and terrestrial resources and greenhouse gas emissions for the development of the national Greenhouse Gas Inventory;
- b. Assess the major vulnerabilities of the Republic and thereby institute abatement measures and policies regarding these vulnerabilities;
- c. Educate community, state, national and international entities about climate change through workshops and training programs;
- d. Develop a National Communication and National Implementation Strategy to address climate change issues which are based upon existing human, natural and economic resources; and,
- e. Through and as part of the foregoing activities, develop and build on capacity in Palau to understand, respond to, and mitigate the effects of climate change.

Target Beneficiaries. It is intended that this project be broad based and target diverse beneficiaries. Anticipated beneficiaries include:

- a. The village communities dependent upon the coastal resources that will be impacted by Climate Change;
- b. The Executive and Legislative Branches of the National Government who will be responsible for developing policies and legislation to mitigate the impact of Climate Change;

- c. The State Governments and Traditional Leadership from each State who will guide the planning process within each community;
- d. The private sector, especially the tourism industry; and,
- e. The Republic of Palau as a whole through capacity building and a resultant increase in self-sufficiency.

C. PROJECT DESCRIPTION

The overall initial project objective will be the development of national awareness among all identified stakeholders. The initial project outputs include two project documents: a National Communication and a National Implementation Strategy for the Convention on Climate Change. Upon completion of the two documents, the OCC will seek approval of the National Communication and National Implementation Strategy from the Republic of Palau and the UNFCCC Secretariat.

Objective 1: Development of Planning and Management Structure

The Office of Climate Change will appoint a Climate Change Coordinator and establish a Working Committee comprised of members selected from both government and non-government entities. This Working Committee, meeting at least once per month, will work with the Coordinator and the Office of the Vice President to develop and compile information and expertise regarding climate change issues in the Republic of Palau. The Working Committee will establish sub-committees where appropriate and with appropriate membership to research specific climate change issues. The Coordinator, with the assistance of the Working Committee, will integrate gathered information with existing national plans and strategies to develop a National Communication and a National Implementation Strategy.

Climate change information center - The Coordinator and Working Committee will compile all existing published information relating to Climate Change within the Republic of Palau at the Office of Climate Change. The Coordinator and the Working Committee additionally will compile and archive all existing legislation, pending legislation and government and non-government planning documents on the same subject. The Coordinator and the Working Committee will also assess all necessary and available information about Climate Change for the Republic. The Coordinator will identify, gain, and create links to information either electronically or by obtaining information on the issues relevant to the project. A bibliography on Climate Change will subsequently be produced.

Analysis of existing resources, use practices and abatement measures - Consultations with resource users at the national and state levels will focus on coastal resources. The target groups will include individuals and companies involved in agriculture, agro forestry and fishing within the mangrove and inshore areas. The focus will be on-site visits and interviews in each State will be conducted in cooperation of the National Emergency Management Office and Palau Community Action Agency (PCAA). National and state workshops will focus on a consensus framework that addresses the concerns of the stakeholders most vulnerable to climate change impacts.

Active participation of major stakeholders - It will be a primary objective of the OCC to identify areas of research where information is lacking, develop top priorities and formulate effective strategy plans for avoiding and mitigating the impact of climate change. Community and technical workshops and training programs will be implemented in this effort. The goal of these workshops and training programs will be to develop a grass roots national awareness about climate change and to develop long range abatement strategies and policies that address climate change. Stakeholders from all States will be invited to the workshops. The potential participants and the public-at-large will be notified both directly (letters and electronic mail) and through mass media (newspaper and radio) The minutes or summary of each workshop will be prepared and made available at the Office of Climate Change. Each workshop and training program will be evaluated by the participants on the following criteria: ability of participants to understand the materials, the usefulness of information provided, the ability to implement abatement and recommended follow-up, including the addressing of unresolved issues.

Objective 2: Development of National Communication and National Implementation Strategy

The National Communication and National Implementation Strategy (NCCS) will contain the following:

- A Greenhouse Gas Inventory;
- A Vulnerability and Adaptation Assessment; and,
- An Adaptation Plan.

The OCC will seek official approval of the National Communication and NIS from the President of the Republic, the Olbiil Era Kelulau and the Conference of Parties. The OCC will also seek approval from all identified public and private stakeholders, including traditional leaders, NGO's, state governments and the private sector. Each of these documents will be prepared by the National Climate Change Coordinator based upon information compiled at the National Climate Change Library and the results of assessments and consultations during workshops, site visits and training sessions. The draft National Communication and National Implementation Strategy will be distributed and reviewed by all stakeholders at the national, state and community levels. A preliminary national report summarizing these activities will serve as a basis for discussion at a national workshop. Upon approval of the National Communication and the National Implementation Strategy (NIS), a second draft national report will be submitted to the Committee for review and approval. The final draft of the National Communication and National Implementation Strategy will be submitted to the President and OEK. The Communication and NIS will be submitted to the UNFCCC Secretariat for submission to the CoP.

Greenhouse Gas Inventory - The Greenhouse Gas Inventory will be conducted with assistance from a regional expert. The terms of reference for this expert will be developed and approved by the Office of Climate Change, and will include an inventory of greenhouse gases and an estimated total production of GHG in Palau. The inventory will be based upon field assessment and data collection from the Ministry of Resources

and Development and Office of Planning and Statistics at the Office of the President. The expert will consult directly with the Energy Office, the Public Utility Corporation, Mobil Oil Micronesia and Shell Palau in order to obtain accurate information on the types and amounts of fossil fuel imported and distributed within Palau. The expert will work with the Division of Agriculture to determine GHG emissions from land use and land use change and forestry activities in Palau. The terms of reference for the expert will include training of selected staff from these various government and non-government agencies to enable local monitoring and analysis of GHG in Palau.

Vulnerability and Adaptation Assessment - A Vulnerability and Adaptation Assessment will be conducted with the assistance of a regional expert. The terms of reference will be developed and approved by the Office of Climate Change. This expert will work directly with the Ministry of Resources and Development, National Emergency Management Office and appropriate government and non-government agencies. This expert will conduct field assessments of our known vulnerable areas that include the low lying coastline areas. The expert will assess taro patches and reef areas that were damaged during the 1997/1998 El Nino. The expert will consult with our water distribution plant manager and review all information regarding water distribution options in Palau. The expert will also assess vulnerable areas along the new national highway and other capitol improvement projects. Scenarios, including socio-economic scenarios, will be developed. The expert will conduct a workshop presenting several software programs that present scenarios of potential impacts under varying conditions. This expert will work with local government and non-government engineers, planners, architects regarding cost-effective ways to address or most vulnerable areas.

Based on the Vulnerability and Adaptation Assessment, an Adaptation Plan for the potential adverse impacts of Climate Change will be developed with the assistance of a regional expert. The terms of reference for this expert will be developed and approved by the Office of Climate Change. This expert will work directly with the National Emergency Management Office, Ministry of Resources and Development, Public Safety, The Weather Service Station and Capitol Improvement Project Office, the Environmental Quality Protection Board and various government and non-government agencies at all levels. The expert will conduct a workshop for all stakeholders with direct assistance for our National Emergency Management Office. During the workshop the expert will train stakeholders on cost effective ways to mitigate the impacts of climate change at all levels. The results of these consultations and workshops will be an adaptation plan that is integrated with the National Disaster Plan, National Economic Plan and regulations for Environmental Impact Statements and Environmental Assessments. The expert will demonstrate software packages that develop accurate scenarios for Palau regarding adaptation in vulnerable areas.

Proposed measures of adapting to the future impacts of Climate Change will be developed. In particular, this will involve preparing and finalizing a national program or action plan to respond to climate change, including measures to facilitate adaptation to climate change, as well as measures to abate the increase in greenhouse gas emissions and to enhance removals by sinks. Workshops on abatement will be developed with the

assistance of a regional expert. This expert will work directly with the Energy Office and the Public Utilities Corporation, and the workshops will focus on specific proven abatement measures useful in Palau. The goal of the workshops is to make the community aware of methods of reducing GHG emissions, and will include the production of information related to climate change abatement.

All three experts addressing GHG inventories, abatement and vulnerability will integrate their findings with existing national plans, programs and initiatives in Palau including GIS mapping, coral monitoring, and sea level monitoring and technology training.

Objective 3. Project Review, Reporting and Evaluation

The National Climate Change Coordinator and Working Committee will submit a Project Performance Evaluation Report (PPER) within 12 months of implementation to the Vice President, President and OEK for evaluation. The PPER will focus on the outcome of the project by using the indicators in the project document as a guide. The project may be subject to a second review, dependent upon needed modifications of the project implementation.

D. RATIONALE FOR GEF SUPPORT

In Article 4.8 of the Convention, “the Parties shall give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and transfer of technology to meet the specific needs and concerns of developing country Parties arising from adverse effects of climate change and/or the impact of the implementation of response measures especially on: (a) the small island countries.”

The Global Environment Facility supports international efforts to protect and preserve the global environment from adverse effects of climate change. The GEF understands that the need for immediate capacity building as a priority for Non-Annex countries, identified in COP decision 2/CP.4 can be met by funding under expedited procedures for enabling activities. In addition, COP decision 2/CP.4 asks the GEF to enable Parties to “identify and submit to the Conference of Parties their prioritized technological needs, specially as concerns key technologies needed in particular sectors of the national economies conducive to addressing climate change and minimizing its adverse effects.” The GEF is designing global/regional projects that meet the need for capacity building for participation in systematic observation networks. GEF is currently assisting countries develop, strengthen and improve national activities for public awareness and education, and access to information.

The Republic of Palau is a small vulnerable island country with a unique and diverse terrestrial and marine environment. The drought and high tides of the 1997/1998 ENSO event damaged most of our taro patches and impacted at least one third of the population. The reef ecosystem was also severely impacted during the 1997/1998 ENSO event leading to a loss of one third of its corals. Palau’s economy and culture is directly linked to its rich marine community. The proposed workshops on Climate Change will increase

the public awareness to the future impacts of Climate Change. This awareness campaign will enable the stakeholders to incorporate climate variability and change in planning the building of their homes and public facilities. This awareness campaign and technical workshops on GHG gas emissions will help facilitate the marketing of clean energy technology in Palau. The proposed workshops on emissions inventories and vulnerability assessment will strengthen our institutions and build local capacity for long term monitoring of terrestrial and marine resources. Technological needs include accurate map and GIS to develop sound and cost effective management of our resources to mitigate the adverse effects of climate change. The proposed technical workshops will develop know-how to understand and evaluate climate data, emissions data, clean technology options and resource inventories and enable Palau to better management and minimize the adverse effects of climate change. In order to strengthen our existing institutions' ability to provide undergraduate and graduate scientific training.

E. SUSTAINABILITY AND PARTICIPATION

The Republic of Palau is committed to ensure sustainability and full participation in the implementation of the Convention of Climate Change. The newly established Committee for the Office of Climate Change represents all national sectors mandated by law to conserve, protect and manage Palau's natural resources. In addition to National Ministries, the committee is represented by semi-government and non-government institutions that conduct research on our coastal resources. These government and non-government entities have strong ongoing programs involving participation of National, State and Community groups. The intent of the newly established Office of Climate Change is to support and facilitate existing programs and if necessary develop new programs that will enable Palau to reduce GHG emissions and reduce the adverse affects and impacts of Climate Change. The intent of the newly established Office of Climate Change is to use the same institutional structure and personnel involved in coordinating preparation of the first national communication to implement the specific projects and action plans to address climate change and minimize its adverse effects. The Office of Climate Change will implement a public awareness program through workshops and the media. The Office of Climate Change will facilitate capacity building and technology transfer in all sectors in order to reduce and mitigate the impacts of the adverse effects of Climate Change.

F. PROJECT BUDGET PROPOSAL

As an enabling activity related to the communication obligations of Palau under the UNFCCC, the "agreed full costs" of the project will be funded by GEF. The Government of Palau is requesting US\$ 309,000 of funding from GEF in order to complete its initial national communications to the UNFCCC. A detailed project budget for expedited processing of the proposal is presented as Annex II.

As in-kind contribution to the project, the Government of the Republic of Palau under the UNFCCC, has agreed to contribute \$50,000. These funds will be used to establish a National Working Committee consisting of senior officials from the relevant ministries,

institutes and colleges qualified to provide assistance to the Coordinator and national experts and counterparts.

G. ISSUES, ACTION AND RISKS

The key issue for the Republic of Palau is to secure funding to enable the Committee of Climate Change to implement the mandate of the Convention of Climate Change. In order to reduce our GHG emissions, we need information and training about clean development technology and abatement. The National Government conducted an energy audit for most government building. We need action to implement the recommendations from that audit.

Action is needed immediately to assess our reefs as we lost 30% of our hard corals during the 1997/1998 ENSO event. Climate change leading to coral bleaching and death seriously impacts our economy as tourism and fisheries are our major industries. We need to monitor reef recovery and determine how this coral kill impacts our total inshore and offshore fishery production and tourism industry. Our loss of taro during the 1997/1998 ENSO impacted at least one third of our population. The national government made a resolution to assess, monitor and better understand how to mitigate the impact of drought and salt intrusion into our taro patches.

We are in the process of building a 50-mile road around our main island of Babeldaob. Some of the alignment of this road is in highly vulnerable areas including low-lying wetlands and mangroves. Development is planned along the alignment of this road. We need action now to assess these vulnerable areas and integrate this information into our national and state planning. The technology of GIS mapping is critical to quantify our resources and development activities and quantify the impacts of climate change and variability.

The risks are that action will not happen fast enough because people are not interested or ambivalent towards climate change and variability. People may misunderstand what Climate Change and variability, and sea level rise are about and not cooperate with the efforts of the Committee for the Office of Climate Change. The Committee may also be unable to implement its workshops and training and produce its National Communication due to lack of resources or funds. Below is a project risk management table to help reduce these risks.

PROJECT RISK MANAGEMENT TABLE

RISKS	RISK MANAGEMENT
1. Inadequate participation by stakeholders due to lack of interest or ambivalence towards climate change	<ul style="list-style-type: none"> • Increase public awareness of the project through media • Assess Working Committee to ensure stakeholders are well represented • Ensure the project personnel can implement participatory planning and techniques within the community • Obtain National and State support for project groups

RISKS	RISK MANAGEMENT
2. Misconceptions or misunderstanding of project objectives	<ul style="list-style-type: none"> • At start of project, take minutes and provide summaries to all participants to maintain current awareness and track progress • Disseminate all information including summaries of the goal and scope of work for the project • Brief committee members regularly on progress of project • Working Committee ensure that all stakeholders stay on track of the project's key objectives
3. The Republic of Palau has inadequate resources available for the project.	<ul style="list-style-type: none"> • Prepare Memorandum of Understanding between Office of Climate Change and government agencies regarding the necessary commitment of government resources • Ensure that the budget is adequate to cover all resources needed to implement this project and not available through the government
4. Project Coordinator is unable to carry out required tasks	<ul style="list-style-type: none"> • Set up time line for all outputs initially to ensure that the Coordinator completes each task on time • Determine if Coordinator has committed the needed time and effort to complete each task • Coordinator prepare a biweekly progress report in order to detect any areas that require additional Committee support to implement • Maintain file of resumes and recruit from candidate pool for either assistance on specific tasks or replacement of position • Coordinator must adequately train assistant in all duties in case of unanticipated changes in responsibilities • Ensure that the Coordinator has adequate training in financial management and reporting procedures
5. Working Committee does not provide overall guidance and support.	<ul style="list-style-type: none"> • Identify alternates for each member of the Working Committee that can represent those same stakeholders if that member is unable to fulfill his/her obligations • Ensure that the Working Committee is well briefed on the scope of work, amount of time involved and can identify an alternate if they are unable to fulfill his/her obligations or off-island during meetings • Provide incentives for the Working Committee and proper training so they take ownership of their roles and are satisfied with the outcome of their work • Streamline committee meetings to promote efficiency and productivity

H. INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

The Office of Climate Change (OCC) was recently created pursuant to Presidential Directive No. 01-99, in the Office of the Vice President. The function of the OCC is to implement this project and to deal with climate change issues into the future. The placement of the OCC in the Office of the Vice President is consistent with the current duties of the Vice President in his capacity as Chairman of the National Emergency Committee (NEC) and the duties prescribed for the NEC in the National Disaster

Management Plan as adopted by Executive Order No. 166-99. In this capacity, the Vice-President is targeted to oversee the work of the National Emergency Management Office (NEMO), the Secretariat to the NEC. The Vice-President also is responsible for overseeing the work of the National Weather Station.

The Office will be staffed by the Climate Change Coordinator, as selected by the Vice President. Additional staff will be assigned as required to efficiently manage Palau's national climate change abatement effort. The first priority of the OCC will be to develop the Palau National Communication and the National Implementation Strategy. The Office will closely interface with international organizations on the climate change issues. The Office will also integrate into the planning process, representatives of all appropriate government agencies and the private sector. This planning process will be enhanced through the development of working committees made up of such representatives, which shall include, but shall not be limited to the following:

- The Office of the President;
- The National Emergency Management Office (NEMO);
- The National Weather Station;
- The Palau International Coral Reef Center;
- The Bureau of Natural Resources and Development;
- The Environmental Protection Board;
- The Palau Conservation Society;
- The Bureau of Foreign Affairs;
- The Olbiil Era Kelulau;
- The Palau Tourism Association; and
- The Palau Visitors Authority

The project will also utilize results and lessons learned from other ongoing or finalized international projects in the region to avoid duplication of effort (see Section J). Links to other countries in the region with ongoing enabling activities, and regional programmes will be identified to ensure complementarity of national and regional activities.

The project team will make a particular effort to draw upon the resources available to Palau through the UNDP National Communications Support Programme (NCSP). The team will attend NCSP thematic workshops where possible and will draw upon the Help Desk as necessary. Finally, the project team will request technical assistance provided through the NCSP as needed for its work in inventories, vulnerability and adaptation assessments, and for feedback on technical components of the First National Communication.

I. MONITORING AND EVALUATION

This project will be monitored and evaluated by the coordinator and working committee. A Plan of Action for implementation will be developed by the coordinator and reviewed and approved by the working committee. The Coordinator will conduct monthly meetings with the working committee and report on the previous month's activities. The coordinator will provide written monthly progress reports for the committee that includes

minutes from previous monthly meeting. The format of this progress report will be reviewed and approved by the working Committee. The written report will address specific activities to be accomplished within the approved time lines for this project. This report will report on all expenditures and provide a breakdown of expenditures according to the final budget allocations. Any changes and modifications of funding expenditures will be reviewed and approved by the Working Committee. Any modifications in the timing and implementation of activities to be reviewed and approved by the Working Committee.

The Coordinator will keep a daily log of activities that will be available to the committee and the stakeholders. This log will include funding expenditures, communications, meetings, contact people and information for each day. The Coordinator will develop evaluation forms for all National, State and Community workshops. The content of these forms will be reviewed and approved by the committee. The completed forms will be summarized within one month of the workshop and utilized to improve the effectiveness of the next workshop. Random periodic surveys of the stakeholders at all levels will be conducted regarding Climate Change to determine the awareness level of the community regarding Climate.

Evaluation of technical workshops on clean energy technology, emissions inventories, vulnerability assessment will be conducted during the workshop. Consultants subcontracted for technical work will report to the Working Committee. Consultants will provide a written report of their work to the committee. The working committee will evaluate progress of the Coordinator every 6-months to ensure that implementation of the project is cost-effective and progress is satisfactory.

The Working Committee will report on activities in their specific areas during each meeting regarding specific information gathering, inventories and data collection in their sectors. The Coordinator will report on any problems or obstacles that need to be addressed in order to complete the National Communication and Action Plan for Climate Change. Drafts of each section of the National Communication and Action Plan will be reviewed and approved by the Committee.

All monitoring and evaluation reports will be available to the Global Environmental Facility and UNDP. The project will rely on common UNDP monitoring and evaluation practices, including a midterm evaluation and a tripartite review to be held within the first 12 months of the start of the full implementation of the project.

J. COLLABORATIVE EFFORTS TO AVOID DUPLICATIVE ACTION

Presently no duplicative efforts are being undertaken regarding climate change planning and management in the Republic of Palau. The government and non-government entities that either initiated or are responsible for implementation of the programs, policies, and legislation related to climate change are represented in the Working Committee for climate change. Refer to Section C.

A number of measures which are already in place address matters related to climate change, although they do not necessarily do so in a specific context of responding to climate change. Instead, they independently address such matters as renewable energy and energy efficiency, soil and groundcover conditions, and marine resources and conditions. Additionally, they do so against the backdrop of the mandate contained in Article VI of the Constitution of the Republic of Palau that the national government “take positive action to attain” the “conservation of a beautiful, healthful, and resourceful natural environment” and the Republic’s Environmental Quality Protection Act, which requires that Palau’s environment be protected against degradation.

Palau has adopted policies and legislation which have the effect of addressing green house gas issues through emphasizing renewable energy and energy efficiency. As early as 1993, the Republic determined that it would, as a matter of policy, subsidize efforts to improve efficient power generation and to implement renewable energy programs. That policy subsequently was codified and became law. With assistance from the United States, the Republic also developed an energy code. Legislation has been passed which provides for audits of all government buildings for energy efficiency and requires the Ministry of Resources and Development to procure and install energy-efficient fixtures in government-controlled properties. As noted, however, these efforts are not expressly directed at the control of greenhouse gas emissions and it is unknown what effect the measures have had on such emissions-as yet there has been no inventory of greenhouse gas emissions to serve as a baseline for study of the issue.

Similarly, greenhouse gas emissions, carbon sinks, and environmental vulnerability have been implicated in the context of attempts to inventory and protect soils and plants in Palau. During the drought of 1997-1998, a preliminary analysis of the health of the taro patches was conducted. Under its Compact of Free Association with the United States, Palau has obtained the U.S Department of Agriculture’s services to extensively investigate the soil conditions of Peleliu and Angaur. The effort with the U.S. includes attempts to identify ways to conserve and enhance arable lands and expand plant growth. Discussions with the U.S. about how to implement some of the ideas resulting from the study are continuing. Negotiations and Measures are also in place protecting key watershed and forests in certain conservation areas. Furthermore, the national legislature is currently considering two pieces of legislation offering comprehensive regulation of forest and mangrove areas.

The protection of the keystone of Palau’s environmental health, its reefs, has been a priority for Palau for several years, although not ostensibly in connection with climate change. The ongoing efforts in connection with the Palau International Coral Reef Center and various international organizations are a reflection of that commitment, as are the Marine Protection Act and various regulations regarding the use of marine resources in Palau’s waters. However, the impetus for the concern seems to be the health and protection of the reef per se, rather than as a symptom, function and aspect of climate change.

As the foregoing reflects, Palau is moving on the climate change issue, albeit not necessarily on climate change as such. Currently, the efforts are neither duplicative (fortunately) nor coordinated (unfortunately). The Office of Climate Change, in conjunction with the Environmental Quality Protection Board, will be able to coordinate, avoid duplication of, efforts at avoiding and abating the harms of climate change. It will do so by (i) facilitating communications among the already active parties, (ii) increasing awareness of synergies to be realized by the already active parties, (iii) integrating those pre-existing efforts, and (iv) bring other stakeholders on board and plugging them into the climate change response process as early as possible in Palau's efforts to specifically address climate change directly.

K. TIME PLAN AND SEQUENCING

Project Activities will begin as soon as funding is secured and will proceed for 24 months.

ACTIVITY	MONTHS					
	Year 1			Year 2		
	1-4	4-8	8-12	1-4	4-8	8-12
Appoint Coordinator	x					
Set up organizational meetings	x					
Establish of Working Committee	x					
Draft and finalize planning document	x					
Project Initiation Workshop	x					
Conduct Literature research and Develop of CCC library	x	x	x	x	x	x
Conduct resource user site visits & interviews	x	x				
Conduct Community and State Workshops		x	x		x	
Conduct National Workshops				x		x
Conduct Technical Workshops		x	x	x		
Conduct Greenhouse Gas Inventory		x	x	x	x	x
Develop the abatement plan		x	x	x	x	x
Conduct a Vulnerability Assessment		x	x	x	x	x
Draft National Communication & National Implementation Strategy			x	x	x	
Review National Communication & National Implementation Strategy NCCSP					x	x
Finalize National Communication & National Implementation Strategy NCCSP					x	x

L. METHODOLOGY

The methodology used will follow those procedures and guidelines as prescribed by the Convention on Climate Change. The guidelines and methodologies prescribed by the South Pacific Regional Environment Programme (SPREP) may also be used, as appropriate. The methodologies will be modified for Palau's needs and specific programs that integrate the mandates of the Convention on Climate Change, Convention on Biological Diversity and Convention to Combat Desertification.

The National Communication Support Programme (NCSP) is also available to provide technical expertise during the project implementation phase, including the review of draft studies and methodologies.

M. MODIFICATIONS

This project is consistent with the GEF Enabling Activity criteria and norms.

N. LEGAL CONTEXT

This project document will serve as an instrument referred to as the Standard Basic Agreement between the Republic of Palau and the United Nations Development Programme. To promote flexibility in the execution and management of this project the following types of revisions may be made to the Project Document with the agreement of all the Signatories:

1. Revision in, or addition to, any of the annexes of the Project Documents.
2. Revisions that do not involve significant changes in the objectives, outputs or activities of the project; and,
3. Mandatory semi-annual revisions that account for agency expenditure, re-phase the delivery of agreed project inputs, or reflect increased costs.

ANNEX I. ACTIVITIES MATRIX

COVERAGE OF THE ACTIVITIES IN THE REPUBLIC OF PALAU TO PREPARE THE INITIAL NATIONAL COMMUNICATIONS

Information to be included into the National Communication	Enabling activity to produce the information needed	Type of Activity			
		Planning and Execution	Capacity Building		
			Data Gathering	Institutional	Education Training
1. National circumstances	Compilation of the information from existing sources				
2. Greenhouse gas inventory	Data gathering and an inventory on GHG emissions from: <ul style="list-style-type: none"> - all energy sources - industrial processes - agricultural processes - land use change & forestry other sources 	X	X	X	X
3. General description of steps <ul style="list-style-type: none"> (a) programs related to sustainable development, research, public awareness, etc.; (b) policy options for monitoring systems and response strategies for impacts; (c) policy frameworks for implementing adaptation measures and response strategies; (d) building capacity to integrate climate change concerns into planning; (e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sink 	An assessment of potential impacts of climate change in the country	X	X	X	X
	An analysis of potential options to adapt to the impacts of climate change	X	X	X	X
	An analysis of potential options to abate the increase of GHG emissions and enhance sinks.	X	X	X	X
	Formulation of programs and policy frameworks for implementing the identified response measure	X	X	X	X
4. Other information: <ul style="list-style-type: none"> a) Financial and technological needs and constraints associated with the implementation of the Convention under Art. 4 and 12 b) Projects for financing c) Material relevant for calculation of global emission trends 	Based on the results of the studies, compilation and preparation of the additional information that the country wants to present in its national communication	X	X	X	X
5. Compilation and production of the national communication and an executive summary.	Preparation, translation (as appropriate), and publication of the national communication	X	X	X	X

ANNEX II. PROJECT BUDGET PROPOSAL

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity			Total Cost in US\$
		Planning & Execution/ Data Collection & Research	Capacity Building		
			Instit Strengthening	Human Training & Education	
1. National circumstances	Compilation of the information from existing sources				
2. Greenhouse gas inventory	Data gathering and an inventory on GHG emissions	\$44,375	\$26,575	\$16,500	\$87,450
3. General description of steps (a) programs related to sustainable development, research, public awareness, etc.; (b) policy options for monitoring systems and response strategies for impacts; (c) policy frameworks for implementing adaptation measures and response strategies; (d) building capacity to integrate climate change concerns into planning; (e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sink	An assessment of potential impacts of climate change in the country	\$27,000	\$10,000	\$9,950	\$46,950
	An analysis of potential options to adapt to the impacts of climate change	\$20,750	\$4,700	\$5,625	\$31,075
	An analysis of potential options to abate the increase of GHG emissions and enhance sinks.	\$12,560	\$8,000	\$8,775	\$29,335
	Formulation of programs and policy frameworks for implementing the identified response measure	\$2,000	\$1,700	\$1,500	\$5,200
4. Other information: a) Financial and technological needs and constraints associated with the implementation of the Convention under Art. 4 and 12 b) Projects for financing c) Material relevant for calculation of global emission trends	Based on the results of the studies, compilation and preparation of the additional information that the country wants to present in its national communication	\$3,000	\$2,250	\$2,700	\$7,950
5. Compilation and production of the national communication and an executive summary.		\$12,000	\$3,000	\$2,220	\$17,220
Project Management		\$ 37,000	\$ 11,000	\$ 23,000	\$ 70,000
Monitoring/Evaluation		\$ 5,755	\$ 3,700	\$ 4,365	\$ 13,820
Total		\$164,440	\$ 70,925	\$ 73,635	\$ 309,000

APPENDIX 1. REFERENCES

- Aimeliik State Legislature. 1999. Bill No. 6-19. Relating to the conservation and protection of the Ngaremeduu Conservation Area in the State of Aimeliik, Republic of Palau.
- Bishop, Bob. 1998. A preliminary Damage Assessment to Taro Patches. National IESL Coordinator.
- Environmental Quality Protection Board. 1999. Proposed amendments to the Republic of Palau of Marine and Fresh water quality regulations. Chapter 2401-11-04.
- Golbuu, Y. 2000. Status of the Coral Reefs of Palau. Palau Community College Cooperative Research and Education.
- RPPL No. 5-8-1. 1997. An act to reduce energy consumption by the public and private sectors, to require the Ministry of Resources and Development to procure energy-efficient fixture, and for other purposes.
- House Bill No. 5-123-7S HD4, SDA RPPL NO.5-17. An act to establish a non-profit public corporation, to be named the Palau International Coral Reef Center, to conduct coral reef and related marine research and education.
- House Bill No. 6-132-5. A bill for an act to protect and manage Palau Forest, and for together related purposes.
- Morris-Ridep, A. 1999. Management Plan for Ngaremeduu Conservation Area.
- Ngatpang State Public Law No. 103-99. 1999. Relating to the conservation and protection of the Ngaremeduu Conservation Area in the State of Ngatpang, Republic of Palau.
- Ngatpang State Public Law No. 106-99. 1999. To amend the Ngarmeduu Conservation Area Act of 1999, Ngatpang State Public Law No 103-99, as amended by NSPL No. 105-99, for the conservation and protection of the Ngaremeduu Conservation Area in the State of Ngatpang, Republic of Palau.
- Ngaremlengui State Public Law No. 4-18. 1999. To amend the Ngarmeduu Conservation Area Act of 1999, Ngaremlengui Public Law No. 4-17, for the conservation and protection of Ngarmeduu Conservation Area in the State of Ngaremlengui, Republic of Palau.
- Otobed, D. O. and Maiava, I. A. 1994. Republic of Palau: State of the Environment Report.
- Otto, J. B. 1997. Sustainable Human Development in Palau. Palau National Committee on Population and Children (CoPopChi). UNDP.

Pacific ENSO Update. 2000. 1st quarter, 2000. Vol. 6. No. 1.

Presidential Directive No. 01-99. Establishing the “Climate Change Office” in the Office of the Vice President.

Remengesau, T.E. 1999. Address of the UN General Assembly. Topic: Climate Change.

Senate Bill No 4-85, HD RSPL No. 4-8. 1993. An Act establishing a policy of the Republic to subsidize local electrical power generation and renewable energy programs, and for other purpose.

Senate Joint Resolution No. 5-97. 1999. To urge the president to establish a committee of experts to assess the damage to the taro patches in the Republic.

Telei, H. 1998. 1999 Drought Assessment. National Emergency Management Office.

Telei, H. 1998. Preliminary Damage Assessment Report (Taro Patches). National Emergency Management Office.

Bank of Hawaii. 2000. Republic of Palau Economic Report.

APPENDIX 2. TERMS OF REFERENCE

1. Working Committee

Tasks

The Working Committee members are representative of all stakeholders on the management of the project. The Working Committee is responsible for the following tasks:

- Understand and implement the objectives and of this project
- Support and advise the Coordinator on project implementation
- Advise Coordinator on stakeholder identification and participation
- Ensure that the participation of stakeholders is pursued and transportation is not a limitation for any State, especially the vulnerable States of Tobi and Sonsorol
- Evaluate project performance on a bimonthly basis
- Review and comment on all reports prepared by the Coordinator and any Climate Change Experts contracted for technical, National or State workshops
- Evaluate and approve the National Communication and National Implementation Strategy (NIS)
- Interact with stakeholders to ensure they are committed to the project and that their input into the Communication and NCSP is welcome

The Working Committee will include representatives from:

- The Office of the President
- National Emergency Management Office (NEMO)
- The National Weather Station
- The Palau International Coral Reef Center
- The Bureau of Natural Resources and Development
- The Environmental Protection Board
- The Palau Conservation Society
- The Bureau of Foreign Affairs
- The Olbiil Era Kelulau
- The Palau Tourism Association
- The Palau Visitors Authority

2. Project Coordinator for Convention on Climate Change

Duties and Responsibilities

1. Undertake general and specific research on climate change, compile and analyze necessary data.
2. Draft/prepare correspondence, memorandums and other important communications or documents for the Committee on Climate Change
3. Handle all media assignments related to the Convention on Climate Change to include
 - Prepare press releases
 - Arrange and coordinate media events
 - Establish and maintain working relations with public and private sector regarding the implementation of the Convention on Climate Change
4. Prepare for and coordinate necessary meetings and workshops, including logistics for such meetings and workshops, and conduct post-meeting and post workshop follow-up, including evaluation of such meetings and workshops and assessment of needs for further meetings and workshops relating to climate change
5. Prepare required proposals, budgets and all required reports for granting agencies regarding climate change.
6. Prepare National Communication and National Implementation Strategy on Climate Change.
7. Ensure that the National Communication and National Implementation Strategy are well integrated with the National and State Master Plans and programs and other National Implementation Action Plans for Tourism, Agriculture and Economic Development.
8. Ensure that all necessary meetings regarding the Convention on Climate Change are attended by the Coordinator and/or other members of the Committee. Ensure that each meeting is followed up with a report to the Committee on Climate Change.
9. Maintain a reference library on the Convention on Climate Change and provide copies of these documents to the Palau Community College Library as reference material.
10. Coordinate and review all proposals for subcontracts for all necessary technical studies required for the implementation of the CCC.

11. Coordinate and manage all consultancies subcontracted to conduct technical workshops, national workshops and State workshops.

Required Skills: Experience with organizing and planning committee meetings, workshops. Ability to communicate at the national, state and community level. Good writing skills. Flexible schedule for travel. A four-year college degree with an environmental and communication focus, or equivalent experience.

FIGURE 1. MANAGEMENT STRUCTURE FOR THE CCC PROJECT

Government of the Republic of Palau

Coordinator and Assistant Coordinator:



Working Committee

The Office of the President, National Emergency Management Office Coordinator and assistant Coordinator, The National Weather Station, The Palau International Coral Reef Center, The Bureau of Natural Resources and Development, The Environmental Protection Board, The Palau Conservation Society, The Bureau of Foreign Affairs, The Olbiil Era Kelulau, The Palau Tourism Association, The Palau Visitors Authority



Sabino Anastacio
Minister of State

REPUBLIC OF PALAU
Office of the Minister
Ministry of State

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Pal/301/499
CC: E1

11 May 2000
MS-499-2000

Ms. Jenny Bryant
UNDP
Private Mail Bag
Suva, Fiji

Fax# (679) 301 718

Subject: Palau's Draft Enabling GEF/UNDP Climate Change Project
Document and Request for a UNDP Consultant

Dear Ms. Bryant,

I have the honor to submit the attached copy of Palau's Draft Enabling GEF/UNDP
Climate Change Project Document.

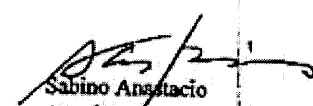
The Draft Document, which was compiled on the initiative of Palau's Climate Change
Office/Vice President's Office, contains a comprehensive list, in a standard format, of
the Republic of Palau Enabling Activity to prepare its First National Communication
and National Implementation Strategy in response to its Obligations under the United
Nations Framework Convention on Climate Change (UNFCC).

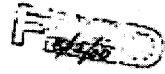
It is intended that the Draft Document will support interaction amongst national focal
points, and the exchange of information with others, with a view to furthering
implementation of the UNFCC.

Thus, the Government of Palau would like to make sure that its Draft Document
contains all detailed information on the issue of UNFCC having an affect on its
country. Therefore, I would like to take this opportunity and kindly request UNDP to
provide assistance by designating a consultant to work closely with Palau's Climate
Change Office in formalizing and finalizing the Republic of Palau's latter document.

Your assistance regarding this matter will be greatly appreciated.

Sincerely,


Sabino Anastacio
Attachment



UNITED NATIONS
NATIONS UNIES



FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES - Secrétariat

Date: 27/07/00
Ref: GS
Log no: 3342
Direct line: 815-1310

Dear Dick Hosier,

Please find UNFCCC Secretariat's comments on the project proposal, "Climate Change Enabling Activity Proposal for the Republic of Palau."

The UNFCCC commends UNDP for taking the initiative to develop a Enabling Activities (EA) proposal to assist the Republic of Palau to prepare its initial national communication in accordance with Articles 4.1 (a) and 12.1 (a) of the Convention. Palau is one of the most recent signatories to the UNFCCC, having signed and ratified the Convention on December 10 1999, and this project will assist Palau in meeting its obligations in a timely manner. The proposal seems to follow correctly the guidelines for the preparation of initial national communications annexed to decision 10/CP.2.

GENERAL COMMENTS

The project proposal addresses some of the concerns that Palau has in fulfilling its obligations and implementing the UNFCCC over the long term. It is important and encouraging to note that the target beneficiaries have been identified in the project and obviously this will enable all stakeholders to participate in responding to climate change and related issues over the long term. The proposal also provides detailed descriptions of institutional arrangements (such as the creation of a "Climate Change Working Committee") for implementing the project and ensuring the continuity of the climate change activities beyond the project life.

In developing this proposal it seems clear that planning and management of a climate change project is as good as developing a national communication and a national implementation strategy, as is reflected in the section **C: PROJECT DESCRIPTION**. This is quite commendable as timely execution and completion of enabling activities is determined to a large extent by good planning and management. Stakeholder participation is also of particular importance in education, training and awareness-raising about climate change and its effects.

The structure of the proposal requires some reordering so that the activities and objectives are clearly outlined. For instance, Objective 1: (page 6) should include active participation by major stakeholders since much of this activity is aimed at education, training and awareness-raising, which would lay a solid foundation for implementing the project.

Song Ji

FYT

AU
08/04/00



There seems to be some confusion about the use of the terms adaptation and mitigation. With reference to climate change and the UNFCCC, mitigation refers to the reduction of the emissions of greenhouse gases which contribute to global warming, whereas adaptation refers to activities or actions that would minimise or cope with the impacts of climate change. Therefore the use of the term *Mitigation Plan* on page 8 should be changed to *Adaptation Plan* and incorporated with *Vulnerability and Adaptation Assessment* on page 9.

Development of a "*Renewable Energy Program*" should be undertaken under the Global Environment Facility's Operational Program Six (GEF/OP6) and therefore should not form part of EA here. We suggest that EA should focus on undertaking activities that will enable Palau to complete and submit its initial national communication expeditiously and in a timely manner.

SPECIFIC COMMENTS

Under item C. **PROJECT DESCRIPTION**, paragraph 1, national communication and national implementation strategy should be separated; national communication to be submitted to the COP and the national implementation strategy is an evolving document which would outline the processes and activities that the Republic of Palau plans to undertake over the long term in implementing the UNFCCC. The UNFCCC Secretariat does not give approvals to national communications and the national implementation strategy, only national governments do. In this context the second sentence in paragraph 1 should be amended.

Under **Objective 1**, page 6, and under item H. **Institutional framework and project implementation**, page 13-14, the proposal could have provided more details on the membership of the "working" committee and how the concerns from main stakeholders (different ministries, private sector, academia, NGOs, local communities, etc.) will be taken into account and co-ordinated.

Under **Objective 2**, page 7, the second bullet point refers to a *Mitigation Plan* to reduce greenhouse gas emissions. This is correct but is inconsistent with the *Mitigation Plan* as described on page 8 paragraph 2. We suggest that this be included under *Vulnerability and Adaptation Assessment* on page 9 (see comments above) and an additional section on Mitigation be drafted. As indicated above the "*Renewable Energy Program*" is in the domain of GEF/OP6 and therefore would not be necessary in EA, although it could be included in the discussion of Palau's effort to mitigate climate change in the national communication.

The guidelines, as established by decision 10/CP.2, requires the reporting of GHG inventory data for the year 1994 or alternatively year 1990. When describing activities regarding the development of a **GHG inventory**, on page 8, the proposal should clearly reflect what GHG inventory base year Palau intends to use. Also important is to mention the use of 1996 IPCC revised guidelines on National GHG Inventories.

Although the proposal mentioned under different items collaboration with other existing regional and global programmes working in the area of climate change (in particular the National Communication Support Programme and the South Pacific Regional Environment



Programme), it would have been useful to place such information under item J. **Collaborative efforts to avoid duplicative action, page 15.** Also under this item it would be useful to make a reference to the possibility of making use of other existing initiatives such as CC:TRAIN, the US Country Studies Programme and the CC:INFO Web initiative of the UNFCCC Secretariat.

Under item I. **Methodology, page 18,** the project intends to follow the guidelines and procedures prescribed under the Convention. Reference to IPCC methodologies and UNEP Handbook for vulnerability and adaptation assessment should also be included here.

The budget breakdown shows that over one-fourth (26%) of the funds have been proposed for greenhouse gas inventory as compared to 14% to vulnerability assessment and 9% to identifying potential adaptation options. We suggest that funds be reallocated so that vulnerability and adaptation assessment is given more emphasis as inferred by Palau's vulnerability to climate change and sea-level rise over the long term. Also note that **ANNEX II. Project Budget Proposal,** the total sums in rows 2, 3 and 3(j) are incorrect.

The project is necessary and timely for Palau to be able to complete its initial national communication under the UNFCCC and we would be interested in its final approval.

We look forward to receiving further information regarding this project.

Yours sincerely

Graham Sem (PhD)

Officer In-Charge

Non-Annex I Implementation

Cc: Mr. Avani Vaish, GEF Secretariat ✓
Mr. Ravi Shamma, UNEP