

CONCEPT IDEA NOTE FOR CLIMATE RELATED ACTIVITIES THAT MAY BE FUNDABLE BY THE GREEN CLIMATE FUND AND OTHER FINANCIAL SOURCES

This Concept Idea Note is based upon the GCF Concept Note. It is designed to prepare any Concepts or Project Ideas with GCF financing in mind, however, can also be applicable to other financial institutions. Once the Concept Idea Note is completed please send to the CCCI office (as the GCF National Focal Point), where an assessment will be undertaken as to whether the Concept could be eligible for funding under the GCF or other financial source, or both. CCCI will then communicate the result of the assessment back to the proponent, and outline what will next happen to the Concept Idea Note, such as require more information to make a clearer assessment, the submitted Concept is GCF eligible for funding and the next steps, or a determination that outlines the Concept is not eligible for GCF funding but may get funding from another source.

Title of Concept OR Project Idea: Investigating the policy of low density, high quality tourist accommodation development as a solution to reducing eutrophication of coastal marine environments and increasing the resilience of coral lagoon ecosystems.

Date of Submission: 31 October 2018

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<p style="color: green; font-weight: bold;">Indicate the areas for the Concept, which is based upon the CKI Country Program thematic areas</p>	<p><u>Mitigation:</u> Reduced emissions from:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Energy access and power generation <input type="checkbox"/> Low emission transport <input type="checkbox"/> Buildings, cities and industries and appliances <input type="checkbox"/> Forestry and land use <p><u>Adaptation:</u> Increased resilience of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Most vulnerable people and communities <input checked="" type="checkbox"/> Health and well-being, and food and water security <input checked="" type="checkbox"/> Infrastructure and built environment <input checked="" type="checkbox"/> Ecosystem and ecosystem services
<p style="color: green; font-weight: bold;">Indicative total project cost</p>	<p>Amount: NZD __\$1.2million_____</p>

Project/Programme rationale, objectives and approach of programme/project (max 100 words)

Brief summary of the problem statement and climate rationale, objective and selected implementation approach, including the executing entity(ies) and other implementing partners.

The lagoon environment on Rarotonga and Aitutaki is impacted by eutrophication, which combined with changes in environmental parameters brought about by climate change, is leading to harmful algal blooms and environmental degradation. Some of these harmful algal blooms are toxic, presenting health problems ranging from ciguatera fish poisoning to eye, skin and respiratory diseases. Attempts are being made to address this issue by reducing nutrient input to the lagoons. This will be done through, for example, the construction of a centralized sewerage system in Muri village where accommodation development has become too dense for on-site wastewater systems alone to achieve the desired outcomes. A similar approach to resolving the issue is proposed in a Sanitation Master Plan drafted for the rest of Rarotonga.

Centralized sewerage systems can present significant problems when they fail. Also, the high level of use of the coastal environment for food security, recreation and livelihoods mean an ocean outfall is not an ideal solution, although a necessary one when development continues uncontrolled. Finally, even after a sewerage system is installed in Muri, there will still be many on-site sewage treatment systems that require installation, inspection, maintenance and management. Effort is needed to develop the human resources capacity to do this effectively.

This concept aims to:

Research alternative, more resilient tourism development

1. produce an economic development model centered around the policy of low density, high quality tourist accommodation, that encourages indigenous entry and ownership of the accommodation industry
2. do a socio-economic-environmental impact assessment of this tourism development policy
3. use the model to identify the optimum economic parameters needed for the success of the policy

Build wastewater management capacity

1. develop a competency needs assessment for wastewater management
2. train and mentor wastewater designers, installers and inspectors
3. review policy and legislation to support the implementation of the model if successful
4. review institutional arrangements for the short term until a water and wastewater authority is in place
5. research the effectiveness of on-site wastewater management technology in tropical conditions in terms of their ability to reduce nutrient input to the ground water
6. undertake a public education and awareness programme

This project will be implemented in partnership with the Ministry of Finance and Economic Management, the Ministry of Health, Tourism Cook Islands, Infrastructure Cook Islands and the National Environment Service.

Context and baseline (max. 2 pages)

Describe the climate vulnerabilities and impacts, GHG emissions profile, and mitigation and adaptation needs that the prospective intervention is envisaged to address.

The Cook Islands marine environment is suffering from impacts of climate change through ocean acidification, coral bleaching, harmful algal blooms and more frequent and intense cyclones, amongst other impacts. In addition to these, are impacts from plastic pollution, increasing fishing pressures, crown of thorns starfish infestations, soil runoff and pollution from liquid waste and contaminated storm water. To address these issues, the Cook Islands established Marae Moana, a multiple-use marine protected area over the entire Cook Islands marine space which provides an integrated management framework for the protection, conservation and use of the Cook Islands marine environment.

Please indicate how the project fits in with the country's national priorities and its full ownership of the concept. Is the project/programme directly contributing to the country's INDC/NDC or national climate strategies or other plans such as NAMAs, NAPs or equivalent? If so, please describe which priorities identified in these documents the proposed project is aiming to address and/or improve.

This project supports several NSDP goals including **NSDP Goals 4, 5, 7 and 11** but particularly **NSDP Goal 2** "Expand economic opportunities, improve economic resilience and productive employment to ensure decent work for all" and **NSDP Goal 12** "Sustainable management of oceans, lagoons and marine resources". The project falls within **Cook Islands Country Program Programmatic Area 5** "Waste Management" and **Programmatic Area 2** "Water Security".

The project will also support several activities in JNAP II particularly **JNAP Strategy 3** 10 "Improve the conservation and management of marine and terrestrial biodiversity to increase resilience to the impacts of climate change" and 13 "Strengthen sanitation infrastructure to address health, environmental and climate related risks on all islands".

The project also supports **Marae Moana Policy Objective 1** "Conservation and Ecological Sustainability", **Marae Moana Policy Objective 2** "Integrated Planning and Adaptive Management", **Marae Moana Policy Objective 12** "Research and Monitoring" and **Marae Moana Policy Objective 4** "Marine Tourism Development" particularly **Marae Moana Policy 4.2** "Visitor accommodation should strive to align with this policy in promoting high quality, low density development that will minimise impacts on the coastal marine environment" and **Marae Moana Policy 4.5** "Explore ways to continue to increase revenue from tourism without undue stress on water and waste infrastructure".

Describe the main root causes and barriers (social, gender, fiscal, regulatory, technological, financial, ecological, institutional, etc.) that need to be addressed.

Regulatory Barriers

1. **Poor law enforcement** - The enforcement of the sewage regulations needs to be strengthened through improved knowledge, understanding, processes, record-keeping, reporting and the management of conflicts of interest.
2. **Regulations are expensive to comply with** - Household compliance with the regulations needs to be more affordable and the feasibility of providing businesses with economic incentives to do the right thing needs investigating.

Institutional Barriers

1. **Low priority for funding** - On-site wastewater management is a serious business and deserves budget and competent human resources to be effective. It also needs the most appropriate institutional arrangements for long term effectiveness. The location of the sewage regulations within the Ministry of Health means it is competing with the hospital and other community health services for funds, yet it is currently the most serious threat, together with crime, to the sustainability of the tourism industry.

Where relevant, and particularly for private sector project/programme, please describe the key characteristics and dynamics of the sector or market in which the project/programme will operate.

The annual number of visitors to the Cook Islands has steadily increased with the year 2017 having 121% more visitors arriving since the year 2000. Tourism contributes over 60% of GDP. The traditional approach to tourism accommodation development has been the construction of large hotels with units sharing the same wall, sometimes on multiple floors. The advent now of AirBnB and other websites is enabling members of the public with minimal capital to enter into the accommodation industry. There is also a growing demand for this type of

accommodation which has also been proven to have a much lower impact on the coastal environment if done correctly.

Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)

Please describe how engagement among the NDA, AE and/or other relevant stakeholders in the country has taken place and what further engagement will be undertaken as the concept is developed into a funding proposal.

Preliminary discussions have been held with the Public Health division of the Ministry of Health and Infrastructure Cook Islands. During development of the project proposal, there will be the need for a literature review of sanitation work done to date, as well as meetings with MFEM and the National Environment Service. Consultation will also be done in a stakeholder workshop

Sustainability and replicability of the project (exit strategy) (max. 1 page)

Please explain how the project/programme sustainability will be ensured in the long run and how this will be monitored, after the project/programme is implemented with support from the GCF and other sources.

The research on alternative tourism development is a discrete activity and will not need to continue after the life of the project.

The remainder of the project, is about building wastewater management capacity and which by its nature is designed to provide benefits in the long term.

The research, education and awareness aspects of the project will be eligible for long-term funding under the Marae Moana Sustainable Financing Mechanism, once established.

For non-grant instruments, explain how the capital invested will be repaid and over what duration of time.

Assessed By and Date:

Recommendation: