



## COVER SHEET

3.2 Waiapu River Restoration Project PGF Application	For: Approve
<p><b>Background &amp; context:</b></p> <p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Te Wiwi Nati Trust and Te Riu o Waiapu Trust Partnership.</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>East Coast Tairawhiti</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>Whakaoratia te mana o Te Waiapu. A package of four applications have been submitted to the PGF by Te Wiwi Nati Trust and Te Riu o Waiapu Trust Partnership. The applications seek to pro-actively address the significant erosion and sediment issues currently facing the Waiapu River and, potentially highly productive alluvial flats each side of the river.</li> </ul> <p>A successful programme of work will provide multiple benefits to hapu, whanau and the wider region. These are explained below (Background).</p> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$<sup>Commercial Information</sup></li> <li>PGF Funding: \$5,030,000</li> </ul> <p><b>Background:</b></p> <p>More than seventy years of afforestation and <sup>Free and frank opinion</sup> has led to significant erosion and sediment issues for the catchment and alluvial flats of the river.</p> <p>Each year 35 million tonnes of suspended sediment, the equivalent of seven 10-tonne trucks per minute, flow down the river, a result, in large part, of the misuse of the upper catchment.</p>	<p><b>Recommendation:</b></p> <p><b>We recommend that the IAP:</b></p> <ol style="list-style-type: none"> <li><b>Discuss</b> The Waiapu River Restoration PGF application seeking <sup>Commercial Information</sup> % funding for a \$<sup>Commercial Information</sup> programme</li> <li><b>Note</b> The application has been assessed by the PDU and MPI and that MPI is supportive of this application</li> <li><b>Note</b> The project is located in a <b>surge region</b>, Tairawhiti, and strongly aligns with the PGF key criteria of <b>enabling Maori to realise aspirations in all aspects of the economy</b></li> <li><b>Note</b> The application states that <sup>Commercial Information</sup> jobs will be created <sup>Commercial Information</sup>. The PDU notes that significant employment opportunities could be established if the projects can deliver measures that reduce erosion and stabilise the land, allowing investment into higher value ag/hort</li> <li><b>Commercial Information</b></li> <li><b>Note</b> MPI has noted that while governance has been established, assistance should be provided to help develop sustainable long-term skills for the governance structure</li> <li><b>Support the recommendation to Approve</b> \$5,030,000 from the PGF fund towards Te Wiwi Nati Trust and Te Riu o Waiapu Trust Partnership's restoration of the Waiapu river subject to:</li> </ol>

This issue has been acknowledged in the 2010 Ngati Porou Treaty settlement, where a 100 year MoU was signed by Gisborne District Council, MPI and Ngati Porou to address the existing issues. The Crown acknowledged that Maori had been largely excluded from any decision-making processes in relation to the management of the catchment. Importantly, the MoU did not put in place a budget, or allocate funding for this work. As such, the two Trusts are becoming increasingly frustrated at the lack of meaningful action.

The applicants have been clear in their insistence that the restoration of the Waiapu must have a Maori framework and include Matauranga Maori. The programme must be holistic, catchment wide and long-term, and at the heart of it must be the community working together.

The package of four projects submitted to the PGF provide a programme of work that has been developed by the local hapu and whanau of the Trusts in collaboration with business, community, <sup>Commercial Information</sup> (consultant) and MPI. The projects are:

- The river corridor design (\$<sup>Commercial</sup>)
- People and capability building (\$<sup>Commercial Inform</sup>)
- Sediment and debris dam construction (\$<sup>Commercial Information</sup>)
- Poplar and Willow nursery establishment (\$<sup>Commercial Inform</sup>)

The goals of this programme include, the key PGF criteria of **creating jobs**, <sup>Comm</sup> directly associated with the four projects, and, **enabling Maori to realise aspirations in all aspects of the economy.**

In assessing these applications, the PDU has noted the current issues facing the alluvial flats of the Waiapu river resulting from the continued problems associated with the catchment. These include:

- Continued significant erosion of the catchment and alluvial flats
- Flooding restricting forward investment opportunities
- Damage to regional Infrastructure (SH35)
- Seabed and fisheries destruction due to sediment deposit

The four projects seek to address the problems and are designed to develop systems to significantly reduce the continued degradation by: addressing and limiting

- The applicant working with MPI through the programme to ensure KPIs and milestones are met – noting the scale of this significant programme
- MPI sitting with the applicants at the governance table to offer support as required
- The PDU working with the applicant to better understand who might be appointed to the <sup>Commercial Information</sup> and **Commercial Information** roles
- Ensure no double dipping with the ECF, noting this funding is for riparian planting, as is part of this application

debris entering the river; designing a better path for the river where possible; limiting the ongoing damage via riparian planting; and building capability to ensure knowledge is developed and retained.

Importantly, the acknowledged problems are limiting the landowners' economic opportunity potential by restricting the activity that can be undertaken on the land. Sustainable forward investment into higher-value agriculture/ horticulture, such as kiwifruit, avocado, and as a first step, crops including corn, cannot be committed to while the security of the land is problematic.

The applicant has supplied a strong level of detail in relation to the programme and individual project KPIs and milestones, including financial breakdowns.

A possible issue the IAP should weigh is the fact an open tender process will not be conducted for a number of programme jobs, as part of this programme seeks to build local capacity. That noted, professional services are to be contracted to the project as required, with the goal of imparting knowledge and upskilling hapu and whanau.

**PGF criteria that this proposal supports:**

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<ul style="list-style-type: none"> <li>The programme of projects will provide employment opportunities for the Trusts' members, building capability in the district and providing the opportunity to reduce the number of people leaving the area. The applicant states <sup>Comm</sup> jobs will be created to undertake the work programme. Greater opportunities for long-term sustainable employment will be realised if the programme can achieve the results outlined in the applications. This will be achieved through establishing stable and secured land areas that can be developed with a level of certainty not currently afforded to the Waiapu alluvial flats</li> </ul>	✓✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> <li>One of the strongest aspects of these applications is</li> </ul>	✓✓✓✓✓

	the opportunity to offer development pathways for hapu and whanau. The stabilisation of the land will afford the ability to build stronger participation, which it can be argued, will generate better social, community and economic outcomes	
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>This project is focused on gaining results for Maori and Maori land. This will in turn, aid in the development of the Maori economy in Tairawhiti</li> </ul>	✓✓✓✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>The programme has a significant element of sustainability. The current situation sees increased erosion and loss of Maori asset base. Aspects of this plan seek to pro-actively address the causes of this problem by putting in place measures in the catchment to aid in reducing degradation on the alluvial flats and seabed</li> </ul>	✓✓✓✓
Mitigation of climate change effects	<ul style="list-style-type: none"> <li>The project will develop mechanisms to offset the effects of climate change (more frequent severe weather events)</li> </ul>	✓✓✓
<b>Additionality</b>		
Adding value by building on what is already there	<ul style="list-style-type: none"> <li>The opportunity to climb the value-chain is evidenced in this application. Equally important is the loss of opportunity associated with not establishing a solution to the acknowledged problems</li> </ul>	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> <li>The applicant has provided strong evidence of the increased value that can be realised if the erosion control measures can be successfully implemented. Modelling can be found in the application</li> </ul>	✓✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>The programme seeks to develop the opportunity to establish secure lands on which high value crops and commercial activities can be undertaken. These goals closely align with the TEAP</li> </ul>	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li><b>Commercial Information</b>, and the two hapu Trusts support this PGF application</li> </ul>	✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>Where required in the applications, specific project manager roles are noted as being required. Additionally, <b>Commercial Information</b> is noted as being costed. However, no names are placed next to the roles. This would be a condition of funding,</li> </ul>	✓✓✓

	should this application be successful. MPI has noted governance support should be provided to the project to help its establishment								
Risk management approach	<ul style="list-style-type: none"> <li>The applicant has provided a detailed risk/ mitigation register for a number of projects that require it. The PDU and MPI have assessed these and believe they are strong and project specific.</li> </ul>	✓✓✓✓							
Future ownership / operational management	<ul style="list-style-type: none"> <li>The major goal of this programme is stated as the security of the land for future generations</li> </ul>	✓✓✓✓✓							
<b>The purpose of this briefing is to consider recommending PGF funds to the Waiaapu Restoration Programme:</b>									
<p><b>Risks Issues:</b> The applications have significant risk/ mitigation registers for each project. These have been assessed by the PDU and MPI and acknowledged as strong.</p> <p>MPI has noted that risk is present in the governance structure. MPI believes this could be mitigated via MPI working with the applicant in the establishment and initial programme development</p> <p><b>Eligibility points of note:</b></p> <ul style="list-style-type: none"> <li><i>Due diligence</i>:- Full due diligence is to be completed (waiting on Insolvency office for due dil). It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.</li> <li><i>Conflict(s) of interest</i>:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.</li> <li><i>Illegal Activity</i>:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.</li> <li><i>Alignment with Regional development plans</i>:- Although this project is not directly noted in the TEAP, the development of ag/ hort and the Maori economy are heavily referenced as priorities.</li> <li><i>Commercial funding availability</i>:- Given the nature of the project which is to restore the alluvial plains of the Waiaapu river and mitigate against erosion, access to commercial funding is not considered a feasible option.</li> </ul>									
<b>Consultation undertaken or implications:</b>									
<b>Legal</b>	N/A	<b>HR</b>	N/A	<b>Finance</b>	N/A	<b>MBIE policy</b>	N/A	<b>Other</b>	MPI
<b>Supporting proposal:</b>		Yes							
<b>Appendices:</b>		Yes - Applications							
<b>Sponsor(s):</b>		N/A							
<b>Manager/Author of paper:</b>		ELH Investment Team AC MPI							