



## Quality Record Sheet

**Project:** Pacific Islands Small Developing States – Energy, Ecosystem and Sustainable Livelihood Initiatives (EESLI)

**Date:** 12 August 2008

**Revision:** 1

**Description:** Quarterly Report, 1<sup>st</sup> Quarter 2008 (May – August)

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## QUARTERLY PROGRESS REPORT

1. **Countries:** Marshall Islands, Palau, Samoa, Tonga, Tuvalu and Vanuatu
2. **Project Title:** Pacific SIDS Energy, Ecosystem and Sustainable Livelihood Initiatives (EESLI)
3. **Executing Agency:** IUCN-Oceania
4. **Period Covered:** 5 May – 5 August 2008
5. **Summary of Overall Project Progress**

The Pacific SIDS energy programme, Managing the Ecosystem and Livelihood Implications of Energy Policies in Pacific Island States, started in May with the recruitment of a Programme Coordinator. The Coordinator officially started with IUCN-Oceania on 5 May.

The programme started initially with three countries, Samoa, Tonga and Tuvalu. A pre-inception workshop was organised and two participants from each participating countries were invited to the workshop. It turned out that only Vanuatu was able to send two representatives. Samoa and Tonga sent only one representative each. Regional organisations such as SOPAC, SPREP and PPA were also represented at the workshop. Representatives from the Fiji Department of Energy and the EU REP5 project also participated. The workshop was held from 6 – 8 May. A report on the workshop is provided as Annex I. This report was also tabled in Joint Working Committee (JWC) meeting in New York in May.

The Coordinator together with the IUCN Senior Technical Adviser attended the 3<sup>rd</sup> JWC meeting in New York from 12 to 14 May. At the JC three additional countries were added to the IUCN list and the countries are Marshall Islands, Palau and Tuvalu.

The Coordinator has visited all participating countries except the Marshall Islands<sup>1</sup>. During these visits, the Coordinator held discussions with the National Technical Expert and key stakeholders.

A Technical Team and a National Steering Committee have been established to provide guidance for the implementation of country project in each participating country. In most cases both teams have been actively involved in the development of country's Work Plan. Four countries, Palau, Tonga, Tuvalu and Vanuatu have completed their work plan. The programme 'Work Plan' and budget is provided as Annex II.

During the reporting period IUCN had initiated consultations with some regional institutions e.g. SOPAC, SPREP and PPA for possible collaboration. As a result a joint position to serve both PIGGAREP and the IUCN Energy Programme was mooted and discussed between the two programmes. The discussion is still being held at the project level but to effect this, it has to be taken to management level. IUCN will pursue this matter in the next quarter.

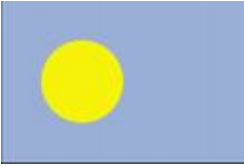



## **6. Specific Outputs/Results Achieved**




Project activities for the first quarter were focused on building the understanding of stakeholders of the project components and its implementation mechanism. In the absence of an agreed Project Document, it was necessary for the Energy Programme Coordinator and the IUCN-Oceania management team to put in place an implementation mechanism that would permit the programme to progress without further delay. As a start a workshop was organised for the three initial participating countries, Samoa, Tonga and Tuvalu and this was held at the IUCN-Oceania Headquarter in Suva from 6 to 8 July. The meeting saw the National Project Technical Experts and one other key personnel from the above countries coming together to discuss their projects in detail and familiarise themselves with how the projects are going to be implemented. A report highlighting the outcome of the workshop is attached as Annex I. The report was tabled in the last JC meeting.

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<sup>1</sup> Marshall Islands' project has yet to be endorsed by the JC.

The Coordinator has completed a round of consultation with all stakeholders in each country. Details of the progress in the implementation of the country projects are provided below.

Countries	Activities	Comment
<p data-bbox="188 421 276 450">Palau</p>   <p data-bbox="188 927 504 1070"><b>Figure 1. Solar Water Systems on top of Hotel in Palau - Chinese model.</b></p>	<p data-bbox="523 421 1086 819">The Palau project was endorsed during the last JC meeting. The project targets energy efficiency in the homes and is being implemented by the National Development Bank of Palau (NDBP). The funding available under the Italian assistance will enable the setting up of a pool of fund at the NDBP to subsidise the cost of installing energy efficient measures in homes.</p> <p data-bbox="523 927 1086 1245">A National Technical Team has been established and members are drawn from both the public and private sectors. The Technical met with the IUCN-Oceania Energy Programme Coordinator during the week 23 – 25 July and developed the first year ‘work plan.’</p>	<p data-bbox="1106 421 1410 860">The Palau Technical Team will also act as the National Steering Committee. The Technical Team is chaired by the President of National Development Bank of Palau.</p>
<p data-bbox="188 1355 284 1384">Tonga</p>   <p data-bbox="188 1883 504 1951"><b>Figure 2. Inundation - part of Nukualofa</b></p>	<p data-bbox="523 1355 1086 2000">The Tonga project is the rehabilitation of the solar home systems on two outer islands – Mo’unga’one and Mango. The IUCN-Oceania Energy Programme Coordinator visited Tonga during the week 1 – 4 July and met with the Technical Team and the National Steering Committee. The Technical Team first met and developed a draft ‘work plan’ and then submitted this to the National Steering Committee for further discussion. The National Steering Committee has endorsed the ‘work plan.’ The Technical Team has decided to call only for the supply of</p>	<p data-bbox="1106 1355 1410 1585">The Tonga Energy Unit will be carrying out the installation of the solar systems in Moungaone and Mango.</p>

	<p>the solar equipment, with the construction/installation to be carried out by the Energy Planning Unit's technicians. As part of its capacity building programme in the concerned communities, the EPU will be employing two technicians each from each island to be part of the construction team.</p> <p>The tender dossier for the supply of the equipment has been developed and it is in circulation amongst the Technical Team members.</p>	
<p>Tuvalu</p>   <p><b>Figure 3. National Steering Committee - discussing work plan.</b></p>	<p>Tuvalu has proposed a grid connected PV project in one of the outer islands (Vaitupu). The Energy Programme Coordinator was in Tuvalu during the week 9- 12 June and met the Technical Team and the National Steering Committee. The 'work plan' was developed during the meeting with the Technical Team and later endorsed by the National Steering Committee.</p> <p>A call for tender for a Technical Assistance to supervise the Tuvalu project has been advertised widely in various websites including the IUCN, SOPAC, SPREP and PPA websites. The tender closes on 5 September.</p>	<p>The TA for Tuvalu will include an assessment of the current power system to determine the PV system to be used.</p>
<p>Samoa</p> 	<p>The approved Samoa project 'Greenhouse gas abatement through energy efficiency and bio-fuel applications in the land transport sector' focuses on reducing GHG emissions in the land transport sector</p>	<p>The development of 'work plan' had to be put on hold as the Samoa Technical Team has revised its budget</p>



**Figure 4. Samoa National Steering Committee -discussing project activities**

by strengthening energy efficiency in motorised transport operations; the promotion of non-motorised transport; and the development of bio-fuels to replace or reduce imports of refined petroleum fuel.

The Energy Programme Coordinator visited Samoa and met with both the Technical Team and the National Steering Committee during the week 17 - 19 June to discuss the implementation work plan.

In July the Samoan Ambassador to the UN sought advice IUCN-Oceania Regional Office on the progress of the Samoa project. IUCN-Oceania advised the Ambassador that the IUCN-Oceania Energy Programme Coordinator had visited Samoa in June with the intention of assisting in the development of the work plan, but could not proceed because the Samoa Technical Team had insisted that they revised their project proposal to reflect the budgetary allocation they had anticipated receiving from the Government of Italy for their project.

Follow up with the Technical Expert in late July and early August revealed that the project has yet to be submitted to the Italians for their consideration.

proposal upwards exceeding what was allocated by the Italians and JC. The Samoan Technical Team had suggested that they wish to resubmit their proposal to the Italians highlighting the new budget.

Vanuatu

The Vanuatu 'Renewable Energy Project' primarily focuses on expanding the use of locally available renewable energy resources. As a result of the project, it is anticipated that the annual growth rate in diesel

The National Advisory Committee of Climate Change (NACCC) is also the National Steering Committee for the



**Figure 5. Technical Team developing the 'work plan'**

consumption for electricity generation will decrease, resulting in a reduction of CO<sub>2</sub> emissions compared to the business as usual scenario.


There are three components of the project: wind monitoring and related technical assistance in all six provinces of the country; rehabilitation of Vanuatu solar PV systems on the islands of Santo and Malekula; and the development of the Talise mini-hydro scheme to serve three communities on the island of Maewo in the Penama Province.

A Technical Team comprising of mostly staff of the Energy Unit has been established. The Technical Team is expected to work closely with the National Project Coordinator to ensure the smooth implementation of the project. Similarly a National Steering Committee has also been established.

The IUCN-Oceania Energy Programme Coordinator visited Vanuatu during the week 15 -17 July and assisted the Vanuatu Technical Team in developing their 'work plan.' The work plan is being circulated to members of the National Steering Committee for review and comment.

The Terms of Reference (TOR) for a consultancy to carry out an economic, financial and environmental impact assessment for the Talise hydro has been developed. The consultancy is jointly funded by PIGGAREP as part of the collaboration arrangement between IUCN-Oceania

Vanuatu project.

	and PIGGAREP.	
Marshall Islands 	There has been no progress with the Marshall Island project because it has yet to be submitted to the Government of Italy and Austria for consideration. Like other country projects this will also be tabled in the JWC meeting for endorsement.	The project will most likely to be tabled during the next JWC meeting.

## 7. Challenges/Issues Encountered

One of the major challenges faced during the reporting period is the absence of an agreed Project Document (ProDoc). Without the ProDoc it was difficult to make decisions and the situation created some confusion not only to participating countries but also to IUCN-Oceania as the executing agency for the project. Initially three Pacific Island countries, Samoa, Tonga and Vanuatu were allocated to IUCN. The general understanding of these three countries (both at Ambassadorial level in New York and at the Technical Experts level in the countries) and IUCN-Oceania is that the funding of €3 million from the Italian Ministry of Foreign Affairs and €1 million from the Austrian Government will be entirely for these three countries. This understanding led some countries to openly express their plan to submit additional funding proposals and or revise their current proposals to include new components. One country in particular (Samoa) has gone ahead and revised its proposal bringing its total project cost from USD700K to USD1.3 million to reflect what it believes should be its share of the funding. During the Joint Working Group meeting in New York in May, three additional countries were added to the IUCN list. These were: Marshall Islands, Palau and Tuvalu. It was not clear during the May JWC meeting whether additional funds would be made available to these three new countries or they would also share the €4 million (3+1) with the initial three countries. For the purpose of moving the project forward IUCN has assumed that the latter applies and has prepared a budget accordingly. It is important to note that it will be extremely difficult for IUCN to take on board any new additional country without the injection of additional funds for project implementation and project management.

It must also be noted that some countries during the initial stage of the project were sceptical of the capacity of IUCN to manage their projects on their behalf. This concern was highlighted during the JWC meeting in May in New York by some Pacific Island Ambassadors. They would prefer to deal directly with the donor countries (Italy and Austria) rather than going through an intermediary agency.

On staffing it must be noted that only the Energy Coordinator is in post. There will be a need to recruit a Project Assistant to assist in the delivery of the project. Progress in the implementation of the project could be enhanced if additional staff is recruited.

## **8. Solutions Applied to Address Challenges**

IUCN has developed a ProDoc which provides the framework for the implementation and management of the IUCN energy programme. The ProDoc has been developed to capture the aspirations of the donor countries and the Pacific Island countries as provided under the agreement signed between these parties. In addition the theme *'enhancing livelihoods and the preservation of the ecosystems'* is given prominence in the ProDoc to reflect IUCN's global focus.

The ProDoc provides a clear timeline and budgetary provision for implementing and managing the country projects.

The IUCN-Oceania Energy Programme Coordinator has been visiting all participating countries and providing assistance and advice to countries in matters pertaining to the implementation of their projects. During these country visits the Coordinator endeavours to discuss pressing issues such as the 'work plan', budgets and processes governing the development and approval of new proposals.

In consultation with the Director IUCN-Oceania and the Senior Technical Adviser, it has been agreed that a Project Assistant be recruited to help with administrative matters.

## **9. Recommendation for Future Action**

The focus of the next quarter will be the finalisation and implementation of the country 'work plans.' There will be a need to re-look at some of the 'work plans' to take into account time lapses before finalisation. The total expenditure (excluding staff salary) for the next quarter is estimated to be US\$764,000.00.

Countries	Activities	Comments/Budget
Palau	<ol style="list-style-type: none"> <li>1. Energy efficiency home loans</li> <li>2. Inception workshop</li> </ol>	US\$58,000.00. The projected budget is high due to the late start in the implementation of the work plan.
Tonga	<ol style="list-style-type: none"> <li>1. Supply of solar equipment</li> <li>2. Inception Workshop</li> </ol>	US\$175,000.00. The supply of the solar equipment is envisaged for the last quarter (2008).
Tuvalu	<ol style="list-style-type: none"> <li>1. Hiring of consultant</li> <li>2. Design, supply and install</li> <li>3. Inception workshop</li> </ol>	US\$431,500.00. The budget is for hiring of the Consultant to oversee the design and supply of equipment and the Contractor that will be responsible for the design, supply and construction of solar system.
Vanuatu	<ol style="list-style-type: none"> <li>1. Recruitment of National Coordinator</li> <li>2. Office equipment</li> <li>3. Inception Workshop</li> <li>4. Solar equipment for Malekula and Santo</li> </ol>	US\$49,000.00. We do not envisage the Vanuatu project to progress beyond the rehabilitation of the solar systems in Malekula and Santo this year.
Samoa	Work Plan has yet to be developed and finalised.	

Marshall Is	Project has yet to be approved hence no budgetary allocation provided.	
<b>Regional Activities</b>		
<b>Organisation</b>	<b>Activities</b>	<b>Comment/Budget</b>
IUCN-Oceania	World Conservation Congress	US\$5,000.00
IUCN-Oceania	Joint Committee Meeting	US\$6,500.00
IUCN-Oceania	Inception Workshop	US\$40,000.00

## **Annex I**

### **Managing the Ecosystem and Livelihood Implications of Energy Policies in the Pacific Island States**

#### **Project Pre-Inception Report**

##### **Background**

The Project *Managing the Ecosystem and Livelihood Implications of Energy Policies in the Pacific Island States* forms part of a larger initiative, the Sustainable Energy Programme for the Pacific Small Island States (SEPPSIS) funded by the Italian and Austrian governments.

The Project is subject to several agreements reached over the past year between: (i) Pacific Small Island Developing States (Pacific SIDS) represented by those with Missions at the United Nations in New York; (ii) Italy represented by its Mission at the United Nations, the Ministry of Foreign Affairs and the Ministry for the Environment, Land and Sea; (iii) Austria by its Mission at the United Nations; and (iv) IUCN by its Headquarters and its Regional Office for Oceania.

The Project will be supported by a grant of 3 million Euros from Italy and an additional 1 million Euros from Austria, and the IUCN Oceania Regional Office based in Suva, Fiji, is the Executing Agency of the 3-year Project.

The Joint Committee for SEPPSIS at its second meeting 08 March 2008 agreed that the following three countries would implement their country projects through and in conjunction with IUCN: Samoa, Tonga and Vanuatu. Annex 2 of the report of the second meeting of the Joint Committee Report notes IUCN will assist in reshaping the national implementation plans in collaboration with the representatives of the countries, and ready them for implementation. Furthermore, countries will be expected to negotiate and enter into a project

agreement with the IUCN Oceania which will spell out the obligations of both parties during implementation. IUCN Oceania will be mainly responsible for providing (i) financial assistance, (ii) project supervision and engineering as required, (iii) training, and (iv) technical assistance for environmental assessments, policy development and institutional capacity building.

The respective country project concepts were:

#### **SAMOA**

Project: Greenhouse gas abatement through energy efficiency and biofuel applications in the land transport sector

Proponent: Ministry of Natural Resources and Environment

(Note the Samoa project has been substantively added to, refer Samoa Country Project section below)

#### **TONGA**

Project: Mango, Mo'unga'one, and Lofanga Islands – Photovoltaic Appraisal for future rehabilitation

Proponent: Energy Planning Unit

(Note the Tonga project has been substantively revised and added to, refer Tonga Country Project section below)

#### **VANUATU**

Project: Vanuatu Renewable Energy projects

Proponent: Vanuatu Energy Unit to replace National Advisory Committee on Climate Change

### **Initial Project Activities (February –May 2008)**

IUCN Headquarters and the Ministry of Foreign Affairs, Italy signed an MOU in February 2008, and this was followed by a supporting IUCN internal MOU with the IUCN Regional Office for Oceania.

An Energy Project Coordinator was recruited into the IUCN Oceania Office and commenced work on 5<sup>th</sup> May 2008. The incumbent Mr Anare Matakiviti will be responsible to the Regional Director for overall management of the Project, supervision of all personnel involved in the project, and ensuring that project outputs are met within budget and on time. He will also:

- work within the participating countries to assist governments in the identification and appointment of national steering committees, and establish effective working relations and reliable communications links with all country steering committee members;
- through the national steering committees, take a lead role in carrying out the environmental assessments in the participating countries for the projects selected for implementation.

A Project Inception Workshop was held at the IUCN Oceania Office 6-8 May (see Annex 1 for Workshop Agenda), and attended by representatives from Samoa, Tonga and Vanuatu, IUCN Oceania, SOPAC, SPREP, PPA, and the EU-REP5 Energy Project.

### **Outcomes and Recommendations of the Inception Workshop 6-8<sup>th</sup> May 2008**

The representatives from Samoa, Tonga and Vanuatu expressed their appreciation to the Government of Italy for their support through the SEPPSIS Programme to address climate change impacts through interventions in their energy sector. They further acknowledged the agreement with Government of Austria to become a partner to the SEPPSIS Programme and looked forward to further information on their partnership arrangements.

The country participants in conjunction with the IUCN Energy Project Coordinator agreed to this Project Initial Inception Report and commended it for consideration and approval (including the contained recommendations) to the Third Meeting of the Joint Committee for the SEPPSIS Programme to be held in New York, 13th May 2008.

The country participants in conjunction with the IUCN Energy Project Coordinator agreed that a final Project Inception Report be produced after 6 months, by the end of November 2008, so that progress can be assessed and any problems identified can be addressed. Further agreement was reached on the need to establish National Steering Committees and an IUCN Project Steering Committee. Each country agreed to invite the IUCN Energy Project Coordinator to be a member of their National Steering Committee, and that the IUCN Project Steering Committee would comprise the country representatives, the IUCN Regional Director, and the IUCN Energy Project Coordinator, and others as invited or coopted by the committee. It is recommended these committees will meet 6-monthly or as necessary.

The country participants in conjunction with the IUCN Energy Project Coordinator agreed that the 3-year Project duration may be too short to complete the activities, and recommended consideration being given to an extension to 5 years.

The country participants in conjunction with the IUCN Energy Project Coordinator reviewed the Project and as an outcome recommended several revisions which are reflected in the "Project at a Glance" section below. It is recommended that subject to approval by the Joint Committee the IUCN Energy Project Coordinator will produce a revised Project document.

The country participants each agreed to revise and develop in full their country project proposal and implementation plans in accord with the template in Annex 2 and work with the IUCN Energy Project Coordinator to ensure these are completed in a timely manner.

Country participants acknowledged with gratitude the funding support allocated to them to assist in the development of their country implementation plans. Samoa and Vanuatu advised they had received their funding support, and Tonga requested urgent action to facilitate the receipt of their allocation.

The country participants in conjunction with the IUCN Energy Project Coordinator recommended that flexibility was needed in the finalisation of country implementation plans particularly at the activities level as circumstances may change in-country over the project duration.

The country participants in conjunction with the IUCN Energy Project Coordinator recommended that consideration needed to be given at an early stage to sustainability beyond the life of the Project.

## **The Project at a Glance**

### **Goal:**

Reducing the impacts of climate change through sustainable energy initiatives in Pacific SIDS.

### **Overall Objective**

To accelerate the transition to national energy sectors that are ecologically efficient, and socially equitable, through (i) feasibility studies, design and implementation of renewable energy and energy efficiency projects; (ii) support for the projects including through the provision of management tools and institutional strengthening; (iii) networking with Pacific SIDS, and small island states globally to share lessons learned, skills, and technology.

### **Key Result Areas**

KRA 1 Strengthened national policies and action plans, including through the implementation of actions to reduce GHG emissions and improve energy efficiency.

Pacific SIDS are well aware of the global impacts of GHG emissions on climate change. While they are amongst the least in terms of net emitters, Pacific SIDS are at the forefront of the impacts of climate change, they are currently experiencing extreme weather patterns and rising sea level threatening their very survival especially on the low lying atoll islands. The three participating countries through their projects will take appropriate measures to ensure that national policies adequately address the issues of GHG emissions and those that are related to climate change and energy.

## KRA 2 Rural Electrification

The provision of electricity into the rural areas is of high priority in the National Sustainable Development Strategies (NSDS) of most Pacific SIDS, and is seen as a tool to support and improve the standard of living for rural people. Further, the availability of electricity in rural areas provides the opportunities for the rural constituents to start micro-enterprises such as handicrafts and furniture making, cooling storage including ice-making facilities to support and improve rural livelihoods.

## KRA 3 Development of Bio-fuels

In the Pacific, in the wake of current high international petroleum fuel prices, bio-fuels are now seen to represent a new opportunity for traditional agricultural sectors which have suffered severe decline in recent years. Due care must be taken to ensure that increased bio-fuel use is technically appropriate and does not result in environmental degradation.

## KRA 4 Development of Renewable Energy

Renewable energy development in Pacific SIDS is becoming increasingly more important in the wake of current high international petroleum fuel prices. The increased use of renewable energy technologies available for Pacific SIDS will require strong policy frameworks with long-term commitments. The renewable energy projects will provide a clear vision for the role of renewable energy systems on the basis of local and national resources and circumstances.

## KRA 5 IUCN Project Management

In accordance with all MOUs and Agreements between the Governments of Italy and Austria, the Governments of Samoa, Tonga, and Vanuatu, and IUCN, the IUCN Oceania Regional Office will operate an effective and efficient Project Management Unit which coordinates and facilitates Project implementation in a transparent and accountable manner in conjunction with a Project Steering Committee comprising technical experts as representatives of Samoa, Tonga and Vanuatu in addition to IUCN.

## Project Logframe

<b>Design Summary</b>	<b>Performance Targets</b>	<b>Monitoring Mechanisms</b>	<b>Risks/Assumptions</b>
<b>Goal</b>  Reducing the impacts of climate change through sustainable energy initiatives in Pacific island countries	Capacities built and relevant national policies developed, strengthened and implemented	Project performance reports Feedback from partner organisations Feedback from national and regional workshops	Political will
<b>Objective</b>  To accelerate the transition to national energy sectors that	Projects implemented that provide sustainable	Project reports on implementation and	Successful partnership and close working cooperation with

Design Summary	Performance Targets	Monitoring Mechanisms	Risks/Assumptions
<p>are ecologically efficient, and socially equitable, through:</p> <p>(i) feasibility studies, design and implementation of renewable energy and energy efficiency projects;</p> <p>(ii) support for the projects including through the provision of management tools and institutional strengthening;</p> <p>(iii) networking with small island states in the Pacific and globally to share lessons learned, skills, and technology.</p>	<p>energy services to targeted communities and are supported by appropriate management tools and institutional arrangements</p> <p>Networks with other SIDS established, and lessons learnt, skills and appropriate technologies shared</p>	<p>monitoring of impacts</p> <p>National Steering Committee meeting minutes</p> <p>Government departmental reports</p> <p>IUCN Project reporting</p> <p>Project Steering Committee reports</p>	<p>potential targeted communities and allied organisations at including SOPAC, SPREP, the Forum Secretariat and others</p>
<p><b>Key Result Areas</b></p> <p>KRA 1 Strengthened national policies and action plans, including through the implementation of actions to reduce GHG emissions and improve energy efficiency.</p> <p>KRA 2 Rural Electrification</p> <p>KRA 3 Development of biofuels</p> <p>KRA 4 Development of renewable energy sources</p> <p>KRA 5 IUCN Project Management</p>	<p>Refer country implementation plans</p>	<p>National and IUCN Project steering committees reporting</p>	<p>Adequate resources and time for implementation and completion of all project activities</p>
<p><b>Activities</b></p> <p>Refer Samoa, Tonga and Vanuatu country implementation plans</p> <p>Refer IUCN Project Management work plan (to be developed)</p>			

## Samoa Country Project

The objective of the Samoa Country Project is to reduce the GHG emissions in the land transport and electricity sector by strengthening energy efficiency in motorised transport operations; the promotion of non-motorised transport; development of biofuel as a substitution for fossil fuel and the development of biomass gasification.

In order to achieve this objective the Project will be implemented over 5 years through the National Combating Climate Change Policy and the National GHG Abatement Strategy. At the end of this Project, Samoa will benefit by a strengthened national economy through a reduction in imported fuel, as a result of more efficient operation of the transport and electricity sectors, and increased its contribution for global action to reduce GHG emissions.

## Tonga Country Project

The Tonga Renewable Energy and Energy Efficiency Project (TREEEP) is divided into two categories, namely the Renewable Energy Part (REP) and the Energy Efficiency Part (EEP).

In the REP, the Energy Planning Unit has designed a project proposal with specific strategies, activities and outputs to meet the overall goal and objectives. Three Remote Islands in the Ha'apai Group (namely Mo'unga'one, Mango and Lofanga ) will be electrified with stand alone photovoltaic lighting. Having adopted the successful and existing "Incorporated Society Community-Based Model" of rural electrification in Tonga, there are three main components

- Designing and Implementation
- Hardware Requirements Supply and Installation
- Institutional Strengthening and Capacity Building

In the EEP, the target area is the transport sector. In this part of the project, there is a targetted reduction in the consumption of fossil fuel by 5% in the land transport sector through provision of software and hardware strategies and outputs. In order to achieve this, the following actgions are required:

- The PEOPLE to utilise fossil fuel effectively and efficiently through the introduction of extensive public awareness program and promotion of non-motorised means of transport in the main town.
- The marking of ROAD LANES and installing of traffic lights in specific locations in the main town to reduce traffic jam, thus reduce the consumption of fossil fuel.
- The close study and mechanical evaluation of different types of existing diesel and petrol ENGINES and determine the feasibility of available bio-fuel resources and changing from fossil fuel source into bio-fuel source.
- Setting up and the establishment of appropriate national energy efficiency policy, bio-fuel standard, POLICIES, regulations and technical specifications.
- Technical assessment of the existing diesel-source electricity generation system, thus IDENTIFY suitable and feasible options that are mostly cost-effective and more energy efficient. .

## Vanuatu Country Project

The Vanuatu Renewable Energy Project falls in line with the Vanuatu National Energy Policy (VNEP), Rural Electrification Master Plan and other relevant government policies with the national objective to raise the welfare of the people of Vanuatu through the provision of reliable and affordable energy services in particular to 80% of the rural population by year 2017. This Project will primarily focus on enhancing the use of locally available renewable energy resources. Through the energy programme interventions it is anticipated that the annual estimated growth rate in diesel consumption by electricity generation will decrease, resulting in a collective annual average reduction of CO<sub>2</sub> compared to the business as usual scenario.

The three components identified during the feasibility studies recommended and endorsed by NACCC (National Advisory Committee on Climate Change) are:

- Wind Monitoring and Technical Assistance in all six provinces in the country.
- Rehabilitation of Vanuatu Solar PV-Systems on the islands of Santo and Malekula.
- Talise Mini-hydropower plant constructed to serve three communities on the island of Maewo in PENAMA Province.

The Project proposal has also developed a work package plan to be implemented over 5 years. The scheduled work programme and activities were also developed to justify the allocated proposed budget. Three years was the proposed project duration according to the MOU signed with the Italian Government and the Pacific SIDS, and an additional 2 years is requested as an exit strategy period in facilitating management and financial transition in-country. During the inception phase of the project the NACCC (National Advisory Committee on Climate Change) as the focal point for national climate change issues will play an advisory role in the implementation of these proposed projects although the Energy Unit will be the executing agency to implement, manage and coordinate the VREP-IP project.

## Annex II

### Programme Work Plan and Budget

#### Indicative Time Frame for Year 1:

Summary of Activity	Pre-mobilisation	Six-month design phase						Initial implementation phase						
	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	
<b>1. Mobilisation</b>														
Invitations issued to participating countries	◆													
Italy finalises choice of countries & projects			◆											
Starting date for IUCN Coordinator		◆												
Recruitment of consultants and core staff		█						◆						
Pre-inception workshop: orientation / work planning for Samoa, Tonga & Vanuatu		◆												
<b>2. Project Identification and Design</b>														
Initial visits to five countries				█										
Appointment of country working groups				◆										
Refinement of approved projects			█											
Institutional / policy / regulatory gap analyses			█						(continuing as needed)					
Finalisation of implementation project details							◆							
Identification of multi-country initiatives/studies						█			(continuing as needed)					
<b>3. Project Implementation (initial phase)</b>														
Inception workshop: further workplan development for five countries								◆						
Negotiations and project implementation agreements with countries							█		◆					
Further development of country projects							█		(if required) ◆					
Identification of institutional & policy development programme in countries							█		◆					
Implementation of Institutional & policy programme components									█					
Further development & implementation of multi-country social projects & studies								█					(continuing as needed)	
Environmental assessments														
Final design of projects									█					
Contract preparation										█			◆	
Tendering and appointment of contractors												█		◆

#### Indicative Time Frame for the Years 2 - 3:

Summary of Activity	2009			2010				2011
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Apr
<b>1. Project Implementation (final phase)</b>								
Procurement of Materials and Equipment	█							
Project Supervision Services (as required)	█							
Further development & implementation of multi-country social projects & studies	█							
Implementation of Institutional support, policy & assessment activities (continued)	█							
Last date for commissioning of all projects								◆
<b>2. Regional Workshops</b>								
Mid Term workshop & evaluation			◆					
Final workshop & external evaluation								◆
Dissemination of results, findings, lessons								◆

## Indicative Budget in Thousand Euros (€'000)

Item	Year 1	Year 2	Year 3	Total	Comments
IUCN-HQ (Glands)	56.0	37.333	18.667	112	See Note 1
IUCN-Oceania Overheads					See Note 2
Personnel					
Coordinator	50.0	55.0	55.0	160.0	
Institutional/Energy Policy Specialist	25.0	50.0	50.0	125.0	
Accounting & Administrative Support Services	14.0	15.0	15.0	44.0	See note 3
Office and Administration					
Telecommunications, reporting, miscellaneous	5.0	5.0	5.0	15.0	
Office equipment	3.0	2.0	0.0	5.0	See note 4
Airfares during travel to countries	10.0	10.0	10.0	30.0	
Per diem during travel to countries	8.0	8.0	8.0	24.0	See note 5
Workshops (pre-inception, inception, midterm & final)					See note 6
Venue & catering for four workshops	15.0	15.0	15.0	45.0	
Conferences					See note 7
Joint Committee, regional and International	15.0	10.0	10.0	35.0	
Consultancies					See note 8
10 person-months of misc consulting services	40.0	40.0	20.0	100.0	
Midterm and final evaluation		10.0	16.0	26.0	
Special projects, events and studies	100.0	150.0	150.0	400.0	See note 9
Project contracts, consultancy and construction	666.0	994.0	940.0	2,600.0	See note 10
<b>Total (excluding contingency)</b>	<b>1,007.0</b>	<b>1,401.3</b>	<b>1,312.7</b>	<b>3,721.0</b>	
Contingency (7.5% of total)	75.5	105.1	98.5	279.1	
<b>GRAND TOTAL</b>	<b>1,082.5</b>	<b>1,506.4</b>	<b>1,411.1</b>	<b>4,000</b>	
					Total from Italy: 3,000
					Total from Austria: 1,000

### Notes:

- 1) This is share taken by IUCN Headquarters in Glands
- 2) IUCN share to cover overheads e.g. Personnel, management fee, conferences, etc
- 3) Project share of support from IUCN Oceania support staff
- 4) For three project laptop computers, software & peripherals
- 5) Actual per diem costs will be at the prevailing IUCN rates, not to exceed UNDP rates.  
(75 trips at average of €1000 per trip; 1500 person-days of per diem at average of €100/day)
- 6) Year 1: Pre-inception workshop; Inception workshop. Country participants will be funded from country allocation  
Years 2 & 3: Midterm and final workshops
- 7) Joint Committees held every quarter, plus other conferences
- 8) Average of €10,000/consultant month including travel & reporting costs
- 9) Regional & specific in-country initiatives also including countries outside the specific countries administered by IUCN (Seed money)
- 10) Approved projects in the 5 countries require 2.1 €M at July 2008 exchange rates.  
The national allocations approved by Italy as of May 2008 are shown in the first Column and IUCN expectation of future allocation in the second column:

	Approved	Future Allocation
Palau	0.50	0.1
Samoa	0.70	0
Tonga	0.26	0.25
Tuvalu	0.80	0
Vanuatu	1.00	0
Total in US\$ millions:	3.26 US\$M	0.35 US\$M
Total in € M (assuming \$1.4 = €1.00):	2.33 € M	
Total in € M (assuming \$1.5 = €1.00):	2.17 € M	
Total in € M (late July 08 rate of \$1.57=€1.00):	2.08 € M	

(From August 2007 - late July 2008, the ExchangeRate.com rate has ranged from \$1.33 - 1.59/€)