



Quality Record Sheet

Project: Pacific Small Islands Developing States Energy, Ecosystems and Sustainable Livelihood Initiative

Revision: 1

Description: Quarterly Report – 3 Quarter 2009 (July – September 2009)

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Quarterly Progress Report

1. **Countries:** Marshall Islands, Palau, Samoa, Tonga, Tuvalu and Vanuatu
2. **Project Title:** Pacific SIDS Energy, Ecosystems and Sustainable Livelihoods Initiative (EESLI) – *Managing the Ecosystem and Livelihood Implications of Energy Policies in Pacific Island States*
3. **Executing Agency:** IUCN Oceania
4. **Period Covered:** 1 July to 30 September 2009
5. **Summary of Overall Project Progress**

The Pacific SIDS energy programme - *Managing the Ecosystem & Livelihood Implications of Energy Policies in the Pacific Island States* is now in its second year running. Overall the programme implementation both at management (IUCN Oceania) and at the country level is progressing well. Communications between IUCN Oceania and the National Project Coordinators have been consistent and these are generally done through e-mails. The use of telephones is very much restricted to “very” urgent issues. There has been no serious issue relating to project implementation raised by the countries that require management intervention.

All the country projects are well into the implementation phase with one country Tonga having completed its project. Credit must be given to the Tonga Project Coordinator and his team and the private company supplying the project materials for their cooperation and commitment ensuring the completion of the project on time.

The Palau project has attracted a lot of interest from the general public and other state institutions. For example the Palau Housing Authority is keen to incorporate energy efficiency measures to its new clients’ home using the lending model of the National Development Bank of Palau. The NDBP is spear heading a public awareness campaign on the benefits of the programme to home owners and the economy in general.

The Marshall Islands project faced some delays with implementation as they were waiting for the final approval to be given by the Joint Committee (JC). The approval was given in February (2009) and the National Task Force with guidance and support from the Secretary for the Ministry of Resources and Development, Mr. Tommy Kijner wasted no time and put in place

measures to help facilitate the implementation of the project. Preparation is well underway with a private company selected to supply all project materials.

The Samoa project was also delayed as they were also waiting for the approval of the JC for their revised proposal. Like the Marshall Islands, approval was finally given during the JC4 meeting in February this year. The Renewable Energy Division in the Ministry of Natural Resources and Environment is the focal point for the project. Three agencies, the Land Transport Authority, the Scientific Research Organisation of Samoa and the Electric Power Corporation are partner organisations that carry out the implementation of the three different components of the project. The Project Steering Committee has been meeting regularly to monitor the progress in the project implementation.

Tuvalu's project is on track with the arrival of the project materials in October. Deployment of project materials to Vaitupu Island (project site) was wrought with challenges due to lack of port facilities and container handling equipment both the in the capital Funafuti and Vaitutpu Island. Materials had to be re-packaged to cater for small outboards that were used to transport materials from the big boat to the shore in the absence of a jetty.





The project in Vanuatu had a slow start as the Department of Energy (executing agency) was looking for a Project Coordinator. As an interim measure, the Energy Officer is now handling all matters related to the project. Sites for installing wind measuring equipment sites had been identified. The updates and validation of data for the Talise hydro project is now complete and the technical design is being prepared.

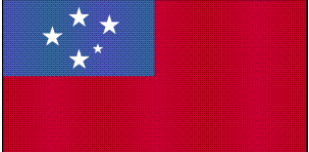
At the management level an advertisement for an additional position was advertised and a new staff recruited.



All the country projects are well into the implementation phase and the details in the progress are provided below.

6. Specific Output/Results Achieved


Countries	Activities	Comments
Marshall Islands	A Project Manager has been appointed and he is based at the Project Management Unit of the Ministry of Public Works.	The PMU is a Government Unit that is responsible for all Government funded infrastructure development.

 <p>Project: Retrofitting of street lights in Majuro and Ebeye and Installation of new solar street lights.</p> <p>Rationale: A saving of about USD 300K per annum in utility bill is estimated to accrue.</p> <p>Project Budget Approved: USD 1.09 million</p> <p>Executing Agencies: Ministry of Resource and Development (lead) and Ministry of Public Works (partner).</p> <p>Other partners: Marshall Islands Energy Company</p>	<p>A detailed Work Plan has been developed and endorsed by the National Task Force. The technical specifications for the light and light fixtures had been prepared and tendered out in August. Tender was closed and bids evaluated and awarded in September.</p>	 <p>Figure 1 - One of the street lights to be retrofitted in Majuro</p> <p>Specifications for the lights and light fixtures were prepared by a Technical Team comprising of the PMU, technicians from the PMU and the Marshall Islands Energy Company.</p>
<p>Palau</p>  <p>Project: Energy Efficiency Subsidy Programme (EESP).</p> <p>Rationale: The EESP is a voluntary program aimed at providing home loans that specifically targets the inclusion of energy efficiency measures in new homes to lower household electricity consumption. It is estimated that through this program,</p>	<p>During the reporting period, NDBP (EA) has carried out regular meetings with stakeholders including, community leaders, contractors, vendors and government agencies about the project highlight particularly its benefits.</p> <p>Awareness campaign through newsletters, brochures and flyers continued to be part of the awareness campaign.</p> <p>A total of 32 applications</p>	<p>As a result of these meetings vendors have started bringing in new energy efficient products and new companies have expressed interest to invest in Palau.</p>  <p>Figure 2 - Energy efficiency measures such as ceiling fan, glazed windows, window awning in a model energy home</p>

<p>electricity usage in new homes will drop by 15%.</p> <p>Project Budget Approved: USD 500K</p> <p>Executing Agency: National Development Bank of Palau</p> <p>Other Partner: Department of Energy</p>	<p>have been received. Two model energy homes and six standard energy homes have been completed.</p>	
<p>Samoa</p>  <p>Project: Greenhouse Gas Abatement Through Energy Efficiency in the Transport and Electricity Sectors.</p> <p>Rationale: Between 1994 and 2005 there has been an increase of about 85% in Greenhouse gas emission, i.e. from 200K tones to 370K tones. Out of this 23 % is emitted by the transport sector and 12% by the electricity sector.</p> <p>Project Budget Approved: USD 1.3 million</p> <p>Executing Agency: Renewable Energy Division, Ministry of</p>	<p>The Land Transport Authority (LTA) conducted a number of awareness programmes on transport policies, regulations, vehicles maintenance, energy efficiency and linkages to greenhouse gas emissions, targeting bus operators, mechanical garage owners, and government officials during the reporting period. These consultations revealed a number of issues that need to be addressed to improve the land transport system and these include: a minimum quality standard for imported oil; standard for storage facilities; need to test smoke emission in vehicles; regulate</p>	

<p>Natural Resources and Environment</p> <p>Other Partners: Land Transport Authority, Electric Power Corporation and the Scientific Research Organisation of Samoa.</p>	<p>maintenance and servicing of vehicles; and regulate the importation of second hand vehicles imported into the country.</p>	
<p>Tonga</p>  <p>Project: Solar Rehabilitation in Mou'ngaone and Mango Islands</p> <p>Rationale: The rehabilitation of about 50 solar home systems in Moungone and Mango will result in less dependence on imported fuels for lighting. Improved living condition for the population is also expected as they gain access to better lighting.</p> <p>Project Budget Approved: USD 206K</p> <p>Executing Agency: Energy Planning Unit, Ministry of Lands, Survey and Environment</p> <p>Other Partner: Private company, Ha'apaii Solar Electricity Incorporated Society and Local Government.</p>	<p>The rehabilitation of the solar home systems in Mo'unga'one and Mango is now completed and commissioned. The islands recently received a total of 64 solar home systems for a total of 60 households on both islands providing them with the essential access to light at night. The installation on both islands was successfully completed in June of this year with the systems running as expected for the past 2 months.</p> <p>Training of local technicians and management were carried out as part of the project.</p> <p>The Project Coordinator, Ofa Sefana attended the PIGGAREP Renewable Energy Projects field trip and Workshop in Vanuatu in August. This was part of the capacity building programme organized by PIGGAREP on technical and</p>	<p>SPREP through its PIGGAREP programme is organizing a field visit for energy officers and utility technicians from other Pacific Island Countries to Mo'unga'one and Mango as part of the learning and capacity building programme in the region.</p>  <p>Figure 3 - Technicians installing a new solar home system in Mo'unga'one Island</p>

	<p>project management. Ofa had the opportunity to talk about the Tonga project emphasizing on the benefits to consumers and the economy as a whole.</p>	 <p>Figure 4 - A woman weaving in her home at night on Mo'unga'one Island</p>  <p>Figure 5 - A teacher conducting night class in Mango Island</p>
<p>Tuvalu</p>  <p>Project: Grid Connected PV System in Vaitupu.</p> <p>Rationale: Using renewable technology for electricity generation will help reduce dependence on imported fuels thus contributing to a reduction in greenhouse gas</p>	<p>The company contracted to design and install the project (Eco Kinetics) together with the TEC and the IUCN met and corresponded on several occasions with regards to the technical details and schedule for the delivery of project materials. In August Eco Kinetics confirmed that the materials would be arriving in Tuvalu in mid October. Negotiations with Eco</p>	 <p>Figure 6 - Mike Curtis (left) of Eco-Kinetics discussing the technical specifications for the Vaitupu PV project with Project Coordinator (middle) and IUCN Energy Programme Coordinator</p>

<p>emission.</p> <p>Executing Agency: Tuvalu Electricity Corporation (TEC)</p> <p>Other Partners: Energy Unit, Eco Kinetics and the Local Government</p>	<p>Kinetics resulted in new components being added which the company willingly agreed to supply at its own costs. These items included:</p> <ul style="list-style-type: none"> (i) Sealing of the gaps between the PV panels to prevent leaking during rainy weather (ii) Install export/import kWh (iii) Install roof vents for cooling <p>The Project Coordinator, Mafalu Lotolua attended the PIGGAREP Renewable Energy Projects field trip and Workshop in Vanuatu in August. This was part of the capacity building programme organized by PIGGAREP on technical and project management. Mafalu had the opportunity to talk about the Vaitupu grid connected project emphasizing on the benefits to consumers and the economy as a whole.</p>	 <p>Figure 7 - The school in Vaitupu where the PV systems will be installed</p>
<p>Vanuatu</p>	<p>Scoping missions to determine the extent of work to be carried out on the solar rehabilitation had been completed. One of these sites, i.e. Port Orly</p>	



Project: Renewable Energy Project comprising of the following components:

- (a) Solar rehabilitation
- (b) Wind resource assessment
- (c) Community based hydro scheme

Rationale: The promotion of renewable energy is in line with the National Energy Policy of Vanuatu. This will not only reduce their dependence on imported fuels but also contribute to CO2 emission reduction.

Project Budget Approved: USD 1 million

Executing Agency: Energy Unit, Ministry of Lands, Mines, Energy, Environment and Rural Water Supply.

Other Partners: Private Companies, Provincial Governments and Local Authorities

Catholic Mission School now has its electricity sourced from coconut bio-fuel. A decision has to be made as to whether the solar systems will still be needed at the school. One alternative is to use the systems for street lights making walking at night in the village more convenient.

Sites for wind resource assessment have also been identified. The next step will be to tender the supply and installation for the six wind monitoring systems. It is expected that all wind monitoring equipment to be installed by end of the last quarter.

The Talise hydro project data update had been completed and it confirmed that the hydro at the site is viable. The technical design is expected to be completed by mid November.



Figure 8 - Wind monitoring site in North Pentecost



Figure 9 - Community consultations relating to the hydro project



Figure 10 - Taking water flow measurements on the Talise River

The progress in the implementation of the Vanuatu project is not up to speed. A contributing factor to this is the delay in the appointment of a National Project Coordinator. The Director of Energy has assured that a Coordinator will be appointed soon.

7. Special Initiatives

Projects under this category are funded under the “Special Initiative Fund” of €250 million. The following are some of the projects identified and progress in the implementation are at different stages:

Cycle for the Environment: Focuses on the promotion of cycling. Several Pacific Islands Countries are ideal for cycling because they are relatively flat.

Discussions on how cycling can be promoted in the Pacific is underway with Velocity Cycling Club, a Fiji based cycling club that promotes cycling for recreation. Building on the experience of the Velocity Club, the intention is to incorporate the environmental and health benefits of cycling.

Discussions have been undertaken with the Secretariat of the Pacific Community (SPC), an inter-governmental regional organisation that runs a community health programme for equity contribution to promote the programme. Preliminary discussions have been very positive with SPC agreeing in principle to be a partner on this initiative. It is proposed to first focus the project in Fiji and Tonga.

Discussions have also begun with Tonga Trust (a member of IUCN) and they have shown a keen interest to promote the initiative in Tonga and they have produced a draft outline of how the initiative is to be promoted in Tonga.

Energy Road Maps: IUCN-Oceania is supporting the development of the energy road maps for two Pacific Island Countries - Tonga and Palau. The Tonga Energy Roadmap is put in place to help Tonga achieve its policy of: obtain 50% of its grid supplied electricity from renewable energy sources by 2012. IUCN Oceania is working in collaboration with other development partners such as the WB, ADB, UNDP, AusAID, NZAid, JICA and the EU and specifically will be focusing its assistance on the ecosystem impact assessment of selected renewable energy projects identified under the Tonga energy roadmap. The small commitment from the *Special Initiative Fund* will help generate over several million dollars in investment in energy project from other development partners. In collaboration with the EU REP5 Programme, IUCN Oceania has provided inputs to the development of the Palau National Energy Policy (PNEP). The PNEP has been endorsed by the President’s Office and will soon be tabled during the next Palau National Congress meeting.

Ecosystem Impact Assessment: As reported in the 1st and 2nd quarter reports, the third initiative being proposed is to develop a Terms of Reference and a clear guideline for environmental impact assessments (EIA) and strategic environment assessment (SEA) for some selected renewable energy projects in the Pacific. IUCN-Oceania with the help from IUCN head quarters is organizing a regional EIA and SEA Training workshop from 23 – 24 November focusing on renewable energy technologies and resources.

8. Staffing – Advertisement for a Senior Energy project Officer

An advertisement for a Senior Energy Project Officer was put out in August and this attracted 14 applications with diverse nationalities and skills. A screening process for the purpose of creating a short list to be interviewed was carried out by a team which comprised of the Director, Programme Coordinator, Chief Technical Adviser, Energy Programme Coordinator, Administrative Officer and the Energy Project Assistant. In the end there were four potential candidates short listed and called to be interviewed. The interview panel comprised of the Programme Coordinator, Administrative Officer and the Energy Programme Coordinator. As a result, the interview panel unanimously agreed that Ms Arieta Gonelevu be offered the Senior Energy Project Officer position.

9. Meeting and Conferences – Vanuatu Field visits

The Energy Programme Coordinator participated in a regional workshop in Vanuatu from 4 – 7 August. The workshop focused on ways to promote renewable energy programme in the region through various international mechanisms e.g. Carbon Trading through the Clean Development Mechanism. On this examples and lessons learned from existing project around the region were highlighted. The workshop was combined with field visits to renewable energy projects in Vanuatu. Project sites visited included two bio-fuel electrification projects, a coconut oil producing plant, a hydro project, a wind farm operated by a Power Utility (UNELCO) and a community based biogas project. Vanuatu is a country that has abundance natural resources which can easily be exploited as energy sources. However, it is important that linkages between the natural ecosystems and energy systems are well understood.

10. Regional Cooperation

The Pacific SIDS EESLI programme is working closely with other regional energy programmes implemented by other regional and international organizations. As reported earlier, IUCN Oceania has joint activities with the Secretariat of the Pacific Regional Environment Programme (SPREP) through its regional energy programme, called the Pacific Islands Greenhouse Gas Abatement through Renewable Energy Programme (PIGGAREP). The PIGGAREP has undertaken the socio-economic and environmental assessment for the Tonga project. The same was done for the Vanuatu hydro project where PIGGAREP provided funding assistance for the review of the feasibility study carried out six years ago.

Similarly, IUCN Oceania has secured an agreement with the Secretariat of the Pacific Applied Geoscience Commission (SOPAC) to operationalise gender approaches to the countries project. SOPAC under the agreement will be conducting training and awareness programmes using universally recognized gender mainstreaming tools in participating countries.

11. International Cooperation

The Pacific SIDS EELSI is fortunate to have established relationship with international organizations such as WB, ADB, EU, UNDP, AusAID, NZAid, JICA, etc. IUCN Oceania is privileged to sit in and participate in the Development Partners Energy Working Group meetings. There have been a number of meetings that have taken place and IUCN Oceania is particularly pleased to be involved together with these development partners in developing an energy roadmap for the Kingdom of Tonga.

12. Additional Funding

The Government of Italy has provided an additional €500K to bolster the initial funding already provided under the agreement with the Pacific SIDS. The funding will partially address the shortfall in the funding for the Marshall Islands and Samoa projects. IUCN Oceania would like to register its gratitude to the Government of Italy for providing this additional funding.

13. Budget

The total fund expended for the 3rd quarter amounted to USD\$452,352.00. This amount included the actual funds spent on country projects, special initiatives and management. This brings the total amount spent so far to USD\$ 2,174,545. This is about 41.2% of the total budget. The 3rd quarter financial report is provided as Annex 1 to this report.

14. Challenges

The project has a time frame of three years as stipulated in the Project Document. Maintaining the progress in implementation of the individual project will be a challenge that IUCN and the countries will have to manage to avoid delays. The layer of administration and time consuming decision making processes some national project coordinators needed to go through at times added delays to the progress implementation. Countries that are facing delays especially Vanuatu will have to reassess its work plan and request for additional time to complete its project.

The timely availability of funds for the Samoa and Marshall Islands projects will help these countries keep within the timeframe allocated. However, the projects face time constraints should there be delays in the allocation of additional funding for their projects.

15. Conclusion

The implementation of the Pacific SIDS EESLI generally is progressing as planned. With the completion of the Tonga project and the planned commissioning of the Tuvalu project by early December 2009 are significant milestones achieved within less than two years of the programme. There are still however, challenges that will have to be managed to ensure that the project timelines are met.

ENERGY FINANCIAL REPORT FROM JAN TO SEPT 09									
	BUDGETED		BUDGETED	ACTUAL	SEPT	ACTUAL	TOTAL	VARIANCE	
	Euro	USD	USD	2008	2009	2009	D + F	% cell C/J	
			2009	USD	USD	USD	FY 08/09	Actual/Bud	
Personnel Costs - IUCN Staff									
-Coordinator - Anare Matakaviti/Salote	181,500	239,507	79,836	49,500	7,233	74,154	123,654	51.63%	
-Institutional/Energy Policy Specialist	103,500	136,579	45,526			-			
-Admini/Accounting Services	44,000	58,062	19,354	18,409	6,451	13,856	32,265	55.57%	
-Project related Costs(contracts/consultancy) - PL, TK,BoC	96,279	127,050	42,350	7,050	-	28,187	35,237	27.73%	
Other Non- IUCN Consultant	38,721	51,096	17,032	-	-	3,042	3,042	5.95%	
-Consultant - HQ	45,000	59,382	19,794	11,116	-	12,000	23,116	38.93%	
Travel Costs - IUCN Staff	54,000	71,258	23,753	14,443	-	8,038	22,481	31.55%	
Travel Costs - Other Personnel									
-Joint Committee, regional and International	35,000	46,186	15,395	25,195	583	20,155	45,350	98.19%	
Office Equipment	5,000	6,598	2,199	2,427	321	2,828	5,255	79.65%	
Telecommunications, reporting and Micellaneous	15,000	19,794	6,598	4,290	342	6,953	11,243	56.80%	
W.Shop TVL & Perdiems - Others	45,000	59,382	19,794	9,419	-	8,043	17,462	29.41%	
Advance to Implementing agency									
- 10 person - months of misc consultanting services	100,000	131,960	43,987			-	-		
- Midterm and final evaluation	26,000	34,310	11,437	-		-	-	0.00%	
advance to implementing partners' - National Projects (approved by the JC)	2,675,847	3,531,048	1,177,016	111,132	411,375	1,689,759	1,800,891	51.00%	
- Special projects, events and studies	250,000	329,900		-		-	-	0.00%	
Contingency (5% of total)	173,153	228,493	76,164	-		-	-	0.00%	
Project Overhead Fees	112,000	147,795	49,265	-	26,048	54,549	54,549	36.91%	
	4,000,000	5,278,400	1,649,500	252,981	452,353	1,921,564	2,174,545	41.20%	