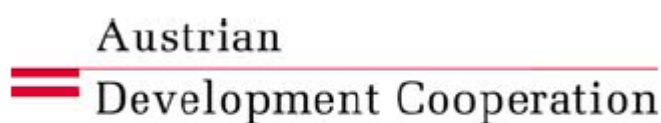




**Managing the Ecosystem and Livelihood
Implications of Energy Policies in the Pacific
Island States**

Project Report



Quality Record Sheet

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

Description: Quarterly Report 2nd Quarter 2011 (April - June 2011)

Originator: Anare Matakiviti, Energy Programme Coordinator

Reviewer: Larissa Brisbane, Senior Energy Programme Officer

Funding: Governments of Italy (€3 million) and Austria (€1 million)

Implementing Agency: International Union for Conservation of Nature (IUCN) through its Oceania Regional Office, Suva, Fiji Islands

Participating Countries: Republic of the Marshall Islands, Palau, Samoa, Tonga, Tuvalu and Vanuatu.

Addendum:

The visit of Ms Nadine McCormick, the Energy Network Coordinator at IUCN Headquarters to IUCN ORO was inadvertently omitted from the first quarter report. The visit was for a week and while at ORO she provided expert advice in the areas of networking with partners, financing opportunities, EISA principles and potential areas that ORO energy programme could focus on.

1.0 EXECUTIVE SUMMARY

The core energy programme implementation is progressing as expected with four countries likely to complete their Phase I project by the end of the year. Samoa and Palau will require additional time to complete their project in 2012 and 2013 respectively. The special initiative programme is also progressing well with the life cycling appearing to gain in popularity amongst countries. There has been an interest to start life cycle initiative in the Solomon Islands in addition to the Fiji and Tonga life cycle initiatives.

The UNEP-GPAS project is taking more time than expected. It has gone through three revision stages and we are hoping that a decision would be forthcoming soon from the GEF Secretariat.

As part of the capacity building exercise, the energy programme convened a number of training workshops targeting both energy and environment officers in Pacific Island Countries. These trainings were supplemented by the production of informational materials related to energy and the environment.

The process for the recruitment of a new Energy Officer is now complete and it is highly likely that the position will be filled in the third quarter.

2.0 NATIONAL EESLI COMPONENTS (Country Projects)

The following activities were carried out during the second quarter of 2011.

2.1 Vanuatu

2.1.1 Talise Hydro Project

Out of three companies that were selected to submit tenders for the supply and construction of the hydro project, the bid submitted by Pelena Pty Ltd was the most attractive. Negotiations were carried with the representatives of Pelena Pty Ltd resulting in a contract being signed between the company and the Vanuatu Energy Unit on behalf of the Government of Vanuatu.

An Advisory Committee (AC) has been set up and Terms of Reference have been developed detailing the role of the committee. The Committee is made up of representatives from key government agencies, non-governmental organisations and the community representatives. The AC will primarily assist the Management Committee (MC) on how best to manage the hydro project in order that all community aspirations relating to improving their livelihoods from the use of the hydro project are fully realised.

2.1.2 Wind Resources Assessment:

There was a long delay in the signing of the contract between the Government of Vanuatu and Clay Engineering, the company recommended by the Tender Evaluation committee to supply and install the wind resource monitoring equipment. The delay had been attributed mainly to the delay in reaching a consensus amongst stakeholders on the technical jargon for some of the clauses in the contract. As a result the placement of the order for the equipment is delayed, and the new timeline for arrival of the equipment in Vanuatu is August.

2.1.3 Solar Rehabilitation

The rehabilitation of the solar systems in schools and health centers in Malekula is still on hold, pending the availability of the Energy Unit technicians. According to the Project Coordinator, Mr Kennedy Kaltavara, the work is mostly like to take place in the third quarter.

2.2 Marshall Islands

After a discussion with the Marshall Islands Project Coordinator and the Secretary for the Ministry of Resources and Development, it was agreed that Marshall Islands proceed with the solar street lights component. IUCN facilitated the transfer of the USD 150K earmarked for this component in May.

2.3 Palau

The Energy Efficiency Subsidy Programme (EESP) in Palau gained popularity amongst the local populations and also from other countries in the region. The success of the project can be attributed to the vigorous awareness campaign carried out by the National Development Bank of Palau (NDBP) and the Energy Division via TV, the print media and community consultations. The following provides a summary of the work until the end of the last quarter:

- Three energy model homes completed
- One energy model home under construction
- Eighteen regular homes completed under NDBP
- 8 homes completed under the Palau Housing Authority (PHA)
- 11 regular homes under construction under NDBP
- 10 regular homes under construction under the PHA

Due to the large interest from potential home owners in the EESP, the NDBP has asked for an additional transfer. IUCN facilitated the transfer of a total USD 218,600 in June.

2.4 Tonga

As highlighted in the last quarter report CBS Fiji Ltd and KONA Winds have been awarded the supply of the solar system for Lofanga. CBS Fiji Ltd will supply all PV modules, controllers and cables, switches and batteries. KONA Winds will supply all the pine poles and the battery boxes. It is now expected that all equipment will be in Lofanga around the end of July with the construction following straight after.

2.5 Samoa

Two components remain of the original Samoa project, project management and energy efficiency in the transport. The component to research biodiesel is complete. Also complete is the study on potential invasiveness of *Jatropha curcas* (i.e. becoming a weed), the result shows little adverse impacts.

Following the study, the Samoan Government has expressed their decision to proceed with wide scale *Jatropha* planting as a feedstock for biodiesel production. Because this is a new component altogether, IUCN proposes to submit it to the Joint Committee (JC) for approval.

2.6 Tuvalu

The solar street lights materials arrived in Funafuti towards mid June and were transported to Vaitupu in the local inter island boat. Two technicians from the Tuvalu Electric Corporation were assigned to carry out the installation. With assistance from the Motu Foua Secondary School the technicians completed the installation of the ten solar street lights in the school, on the last week of June. The completion of the solar street lights component brings the Tuvalu Photovoltaic Electricity Network Integration project to a close.

3.0 SPECIAL INITIATIVES

3.1 Life Cycle Fiji Initiative

The Life Cycle Fiji Initiative (LCFI) met only once during the quarter. While attendance was good, there was limited progress and this was again highlighted. Overall, without significant political will and human resource support, this project is struggling. A focus is on identifying decision-makers and obtaining formal support through a cabinet-endorsed position paper.

Department of Environment identified an opportunity to participate in the Environment Week campaign in Suva, which required immediate action. A banner was developed, which would be generic and suitable for other occasions. The process saw good cooperation in getting the committee to respond to emails.

The second item for urgent attention Land Transport Authority's proposal to regulate cycle sales and ownership. After the meeting LTA circulated a preliminary version of the regulation for comment. Responses were made by Cycling Fiji and by IUCN, highlighting the need to create a supportive regulatory environment, not a strict and discouraging one. Further consultation was requested.

3.2 Life Cycle Tonga Initiative

Life Cycle Tonga Task Force together with Pasikala Nukualofa continued to organise monthly bicycle rides with different themes in different communities. Combining the awareness programme broadcast in the local language on the local TV with the monthly cycle ride Life Cycle Tonga has managed to reach out to a wide audience. The Life Cycle Tonga initiative was boosted with a TOP\$10,000 donation from the Secretariat of the Pacific Community's (SPC) Community Health Programme. The donation has enabled the procurement of some additional bicycles.

3.3 Training course on gender

Larissa Brisbane, Senior Programme Officer, participated in training on gender in climate change adaptation and low-carbon development. The training was run by SPC and focused on NGO's. Interestingly, previous work by IUCN in collaboration with SPC was central to the experiences and lessons learnt that were shared at the workshop. It was very positive to see that earlier projects now shaped the approach in the Pacific, and continued to provide benefits, as well as good to see due acknowledgement made of this contribution.

3.4 Environment and Social Impact Assessment

Building on training in 2009, IUCN held a second training course on environmental and social impact assessment (ESIA) for energy projects. Targeting energy officials, the course focused on early identification of potential environmental impacts and risks, and how to build the ESIA process into projects. A basic approach to ESIA was outlined, with participants working through the process, and considering the application of a critical assessment of impacts through a field trip to a piggery with biogas potential, and a wind farm.

The workshop was co-funded through a grant from the US Department of State, administered through the US Embassy in Suva. This also tied in to the development of fact sheets, targeted at such an audience, to help identify the kinds of issues likely to arise, and where to look for further information or seek expert assistance. Draft fact sheets were presented to the participants for comment, and are to be finalised in the third quarter.

One interesting outcome was a request for an email group, to continue these discussions. Seeking advice and sharing lessons amongst a peer group was seen as a useful approach. IUCN initiated an Energy and Environment (E&E) email forum, however uptake has not been high. This will require further thought as to the benefits and resources to support such a network.

3.5 Tavua Solar Streetlights

The Tavua solar street lights project, in the north of Fiji's main island of Viti Levu, is a positive demonstration of the potential for stand-alone, solar powered lighting. It made great progress in the second quarter, culminating in a formal commissioning ceremony in Tavua, in late May. Hosted by the National Fire Authority, the Minister for Local Government, Urban Development, Housing, and Environment was the chief guest. The Permanent Secretary, Director of Environment, Director of Local Government, Special Administrator for Rakiraki town, and Director of CBS Power Solutions attended, together with representatives from the Department of Energy, other local council staff, community members, and various members of the Department of Environment.

The lights were very positively received, with community members commenting favourably on their placement and the brightness of the lights. Next will be to monitor the lights and report on the project.

3.6 Tonga Energy Roadmap (TERM)

Having met the challenge of developing and agreeing the TERM, Tonga continues to work on an implementation plan that favours a three phase approach.

- **Phase 0** - defines the most urgent steps that should be undertaken without delay, including policy, institutional, legal, data gathering actions as well as some investments.
- **Phase 1** - includes works designed to gather sufficient information and experience about each possible option to allow subsequent firm decision making.
- **Phase 2** - includes all activities that depend on the information and data gathered under Phase 0 and Phase 1.

IUCN's contribution to the TERM is a commitment of Thirty Thousand EURO to be used principally for environmental screening of selected activities. IUCN has been participating in the development of the TERM right from the initial stage and had been advocating the importance of carrying out environmental impact assessments on all energy interventions identified in the TERM's implementation plan.

3.7 CDM Capacity Building Workshop

Building on the work undertaken in the first quarter, the UNEP Risoe Centre (URC) again requested IUCN's involvement in building Clean Development Mechanism (CDM) capacity in the Pacific, under the EU-ACP MEA's project. IUCN provided logistics support and attended the workshop, as a way of understanding the needs of countries and potential for CDM to contribute to low-carbon development. Participating countries were Fiji, Vanuatu, PNG, Tonga, Samoa, and the Solomon Islands.

This second workshop focused on more detailed issues of implementation. It aims to complement work being undertaken by the URC on a bilateral basis, so that the project results in on-the-ground CDM implementation. A sectoral focus (water, waste, renewable energy, energy efficiency) was used towards the end of the workshop, illustrating the development of project idea notes (PINs) and compliant project design documents (PDDs) suitable for the situations in the participating countries.

4.0 EESLI MANAGEMENT – IUCN ORO

4.1 Personnel

The Energy Officer position was advertised in late April. Despite the clear intent in the Terms of Reference that the position is most appropriate for a local national, the advertisement attracted a significant number of international applicants. Two applicants were shortlisted through a process coordinated by a selection panel comprising of the IUCN Regional Programme Coordinator, Energy Programme Coordinator and the Human Resource Officer. After the interview, the panel endorsed Mr Denis Chand's application and offered him the position.

IUCN noted the resignation of Mr Uaine Silailai as Samoa's Project Coordinator and he has been replaced by Ms Lilian Penaia. Mr Silailai has been instrumental in the design and implementation of the Samoa project: *Greenhouse Gas Abatement through Energy Efficiency in the Transport and Electricity Sectors*. Apart from managing the Samoa project, Mr Silailai's contribution to the regional discussions on the implementation of the Italian/Austrian funded energy programme is commended. IUCN would like to wish him well in his future endeavour. The role of the National Task Force in providing clear advice and guidance to the Project Coordinators is also commended. The National Project Managers for all six countries are:

- (i) Mr Kennedy Kaltavara - Vanuatu
- (ii) Mr Walter Myazoe - Republic of the Marshall Islands
- (iii) Ms Clarinda Ziegler - Palau
- (iv) Mr Ofa Sefana - Tonga
- (v) Ms Lilian Penaia - Samoa
- (vi) Mr Mafalu Lotolua - Tuvalu

4.2 Visit to Australia

The Energy Programme Coordinator accompanied the IUCN Regional Director to Canberra as guest of the Ambassadors of Italy and Austria. IUCN's Chief Technical Adviser who operates out of Canberra also joined the IUCN team. The purpose of the invitation was to brief the Ambassadors and their respective staff on the progress of the Italian/Austrian funded energy programme that is being overseen by IUCN. The briefing which was held at the Italian Ambassador's residence was also attended by the Ambassadors of Samoa, Tonga and the Solomon Islands and representatives of AUSAid and the New Zealand High Commission in Canberra.

4.3 Budget

The detailed budget for the second quarter of 2011 is appended to this report as [Annex 1](#).

5.0 CHALLENGES AND ISSUES ENCOUNTERED

The recruitment of the Energy Officer has taken more than four months to process. This is considered too long given that the position is earmarked for a local candidate. The delay has put more pressure on the energy programme staff in implementing the energy programme.

6.0 CONCLUSION

Two countries, Palau and Samoa, will need an extension of the implementation period for their Phase I project. With regards the former, the time taken to process a loan up to completion of the construction of the

home took longer than anticipated. With home owners being selective with the companies to build their home, this has stressed the ability of some popular companies to complete the construction in time. The Palau project is expected to continue up to 2013. With regards, the latter, the delay in the start of the implementation of the project has necessitated more time for completion. The Samoa project is expected to continue through to 2012. The rest of the countries, i.e. Marshall Islands, Tuvalu, Tonga and Vanuatu are on target with the completion of the project by the end of 2011.

Annex I

ENERGY PHASE I DGCS AND AUSTRIA FUNDED PROJECT									
PARTICULARS	BUDGETED		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET
	Euro	USD	Y-T-D	2011	APRIL	MAY	JUNE	Y-T-D	Vs
			USD	USD	2011	2011	2012	2011	ACTUAL
Personnel Costs - IUCN Staff									
- Coordinator - Anare Matakaviti/Project Ass	181,500	239,507	207,632	111,711	5,602	8,284	10,815	49,072	62,639
- Institutional/Energy Policy Specialist	103,500	136,579	63,078	80,275	5,415	3,341	3,804	25,081	55,194
- Admini/Accounting Services	44,000	58,062	38,815	20,602	709	1,148	1,249	5,431	15,172
-Project related Costs(contracts/consultancy) - PL, TK,BoC	96,279	127,050	105,051	44,439	2,344		5,880	11,115	33,325
- Other Non- IUCN Consultant	38,721	51,096	11,796	35,000		3,394	1,726	11,761	23,239
- Consultant - HQ	45,000	59,382	45,749	13,000				-	13,000
Travel Costs - IUCN Staff	54,000	71,258	57,871	40,140	3,996	4,655	8,203	20,732	19,408
Travel Costs - Other Personnel								-	-
-Joint Committee, regional and International	35,000	46,186	48,004	25,557				-	25,557
Office Equipment	5,000	6,598	18,622	5,825	577	542		1,393	4,432
Telecommunications, reporting and Micellaneous	15,000	19,794	19,578	6,814	1,332	451	228	3,065	3,749
W.Shop TVL & Perdiems - Others	45,000	59,382	36,961	20,215	97	507	57	964	19,251
Advance to Implementing agency								-	-
- 10 person - months of misc consulting services	100,000	131,960	15,409	30,000				2,066	27,934
- Midterm and final evaluation advance to implementing partners'	26,000	34,310	38,310	7,436				-	7,436
- National Projects (approved by the JC)	2,675,847	3,531,048	2,343,860	1,187,188	14,817	255,208	220,222	490,247	696,941
- Special projects, events and studies	250,000	329,900	53,296	160,000		2,097	3,933	19,379	140,621
Contingency (5% of total)	173,153	228,493	-	-				-	-
Project Overhead Fees	112,000	147,795	108,797	60,418	976	7,798	6,972	17,726	42,692
	4,000,000	5,278,400	3,212,829	1,848,620	35,865	287,425	263,089	658,031	1,190,589

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