



Quality Record Sheet

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

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Revision: 1

Description: Quarterly Report, 3rd Quarter 2008 (October – December 2008)

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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:** 7 October – 31 December 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 with funding support from the Governments of Italy and Austria focuses on renewable energy and energy efficiency projects in six Pacific Island Countries (PICs). All but one (Republic of the Marshall Islands) have had their energy projects approved.

The inception workshop was held in Apia, Samoa from 10 – 14 November 2008. The workshop was held back to back with the Tripartite Review of the Pacific Islands Greenhouse Gas Abatement through Renewable Energy (PIGGAREP) project. All five countries whose projects have started were represented.

Three countries have signed the Contract Agreement with IUCN and they are Palau, Tonga and Tuvalu. The Contract Agreement is a binding document specifying the commitments of both parties – IUCN and the country in order that the project is implemented successfully. In addition, the Agreement highlights timelines and governance measures that promote accountability and transparency.

Country implementation 'work plans' are in place. Three countries, Tonga, Tuvalu and Palau have started implementing their work plan. Samoa and Vanuatu have both indicated that they are ready

to work on their work plan but have requested more time to sort out a few minor issues with respect to project revision and the national coordinator respectively.

The consultancy work on the Tuvalu project is progressing well. The Consultant has submitted the final report and a draft Request for Quotation (RFQ) for the design, supply and installation of the PV project in Tuvalu. The draft RFQ is being circulated to the Tuvalu Technical Team for comment.

The Tonga Technical Team is currently evaluating the tender for the supply of solar home systems for Moungaone and Mango. At the close of the tender only one bid was received, prompting the Technical Team to issue a request to selected companies to provide quotes. Three companies managed to submit quotes within the timeframe given and these are being currently evaluated.

The Energy Programme Coordinator attended a meeting organised by the World Bank in Sydney Australia on 25 November. The meeting was a follow up to an earlier meeting held in August 2008. The purpose of meeting is to bring about more coordination amongst donors in the implementation of programmes to minimise duplication of efforts and more so to reduce burdening the capacity of PICs through the various separate donor missions/programmes. The meeting has agreed on some principles for collaboration while working in PICs. It will be useful to plan joint missions to countries e.g. WB and ADB to carryout joint missions to the Solomon Islands and WB and EC to Tonga. Where technology interventions are planned in the countries these must be technically sustainable, commercially available and environmentally sustainable.

One of the main challenges identified during the meeting is the development of a reliable database on energy in PICs. While representatives recognise the importance of an up-to-date energy database, no donor organisation is picking up on the initiative in their current portfolio of energy projects. This is an area that needs to be looked as the importance of energy data cannot be overemphasised.

During the Inception Workshop, the Energy Programme Coordinator met with the REEEP. The Energy Programme Coordinator also met with REEEP Australia and discussed potential collaboration in the delivery of our respective energy programmes. One potential area of collaboration is on capacity building and REEEP has indicated its support to fund training programmes to address skills gap identified under the IUCN energy programme.

As reported in the Second Quarter report, the Energy Programme Coordinator was part of the delegation from the Oceania Regional Office that attended the IUCN World Congress on Conservation held in Barcelona, Spain from 5 – 14 October 2008. The IUCN World Conservation Congress saw 8,000 leaders from the public sector, government, business and non-governmental organizations for what is the premier summit on sustainable development in 2008. Some of the key issues related to sustainable development that were discussed during the congress include:

- Climate change, rapid loss of biodiversity, food security, health hazards, poverty alleviation;

- Innovations and solutions based on traditional and indigenous knowledge, working alongside the latest technologies and emerging multi-sector partnerships; and
- Ground-breaking environmental conventions, scientific discoveries and global impact international initiatives.

The Energy Programme Coordinator had the privilege to coordinate a session during the Energy Journey Programme. The Energy Journey was a combination of workshops, knowledge cafes and events focused on three main themes:

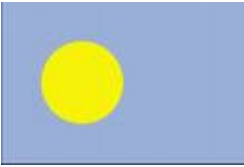

- managing impacts of energy options;
- the risks and opportunities of bio-fuels; and
- low-emission energy solutions.



There was special session looking at Energy and Small Islands Ecosystems and was coordinated by the Oceania Regional Office. The session was well attended by interested parties including those from other small island groups such as the Caribbean, European, Indian Oceans and African islands.



6. Specific Outputs/Results Achieved

Project activities during the reporting period are on track with the Palau, Tuvalu Tonga projects progressing steadily.

Details of the progress in the implementation of the country projects are provided below.

Countries	Activities	Comment
Palau 	Palau has signed the Contract Agreement signalling the commencement of the implementation of their project. The first disbursement of funds (catering for 1- 3 rd quarters have been disbursed.	
Tonga 	<ul style="list-style-type: none"> • The tender for the supply of solar home systems for Mounga'one and Mango islands is being evaluated. When the call for the tender closed in November one company bided for the supply of the 	

	<p>equipment. The Technical Expert for the Tonga project then advised that it would be good to call on some selected companies and asked them to provide a quote. An extra two weeks were given to allow these companies to submit quotes. Three companies finally submitted quotes and these are currently being evaluated.</p> <ul style="list-style-type: none"> • The Team of Consultants that carried out the socio-economic and environmental impact assessment on Moungaone and Mango islands has yet to submit their report. 	
<p>Tuvalu</p> 	<ul style="list-style-type: none"> • The consultant for the Tuvalu project has submitted his final report. • A draft Terms of Reference (TOR) and Request for Quotation (RFQ) has been produced by the Consultant. This is being circulated amongst the Technical Team for comment. It is envisaged that the call for this tender will be out in early January. 	
<p>Samoa</p> 	<p>As reported in previous quarter reports the Samoa project proposal has been revised with a new component on bio-gasification added on. The revised proposal has been submitted to the Italians for their consideration.</p>	
<p>Vanuatu</p>	<ul style="list-style-type: none"> • The issue surrounding the National Coordinator for the Vanuatu project has still not been resolved. As reported in the last quarter, the Technical Team and 	

	<p>the National Steering Committee would like to recruit the National Coordinator at Director General level a point that appears to have little justification given that the responsibilities of the position are equivalent to or less than that performed by an Energy Officer.</p> <ul style="list-style-type: none"> • The tender for the review of the data for the Talise hydro is now out and will be closed on 30 January 2009. 	
<p>Marshall Islands</p> 	<p>The Marshall Islands have now finalised its proposal and submitted to the Government of Italy and Austria for consideration. It is envisaged that a decision on the proposal will be made during the 4th JWC meeting planned for 16 of January 2009 in New York.</p>	
<p>Regional Cooperation</p>		
<p>IUCN is keen to work closely with other agencies including donors and development partners and is pursuing collaboration through dialogue and consultations. IUCN has been included in the donor consultation process initiated by the World Bank. The Energy Programme Coordinator attended the November meeting held in Sydney and has identified potential activities for collaboration with other partners. For example, the World Bank is proposing the development of a hydro project in the Solomon Islands. This project will be built and operated by a private company, hence opening up the need for a public-private partnership. This project links closely with an IUCN's proposal to develop a public-private partnerships framework in the provision of rural electrification in the Solomon Islands.</p> <p>IUCN has consolidated its cooperation with SPREP through its PIGGAREP programme. A joint meeting was convened in November in Apia, Samoa for the two energy programmes coordinated by the two organisations. For IUCN the meeting was the Inception meeting covering the first six months of its operation, while for SPREP the meeting was the first Tripartite Review meeting after one year of operation. Ten Pacific Island Countries were represented during the meeting. There is a general consensus amongst the countries that sharing of experiences on project implementation and on institutional aspects between the two programmes will be useful and should be encouraged. IUCN has joined the CROP-Energy Working Group and have been actively participating in meetings and consultations on issues related to regional energy programmes since it joined the working group in 2007.</p>		

7. Challenges/Issues Encountered

The challenges facing the programme during the reporting period are highlighted below.

- Lack of staff: The need to recruit a Project Assistant to assist the Energy Programme Coordinator is still regarded as a high priority. The position will need to be filled by early 2009 as more countries begin to implement their projects.
- Funding: There is a lot of expectation from countries for additional funding to cater for new project initiatives. There are countries that have submitted new initiatives and if funding is not available there is likely to be disappointment in the countries.
- Appreciation of the Dollars against the EURO: The current global financial downturn has had a negative impact on the EURO and this in turn will have consequences on the level of funding available to countries especially when the EURO is weakening against the USD.
- Ensuring realistic demands from the countries: A particular country has still not reached a consensus on how much the National Coordinator should be paid. The Technical Team and National Steering Committee are demanding a salary package higher than the Director General of the ministry.

8. Solutions Applied to Address Challenges

Two candidates for the Project Assistant position have been shortlisted and interviewed. Recruitment will take place in January 2009.

On funding for new project proposals from countries this will have to be discussed with the Italian Government. The JC meeting scheduled for January 2009 is a good opportunity to raise this issue. Similarly, the appreciation of the US dollar against the EURO and its impacts on the funding available for country additional projects will need to be discussed with IUCN Head Quarters and the Government of Italy.

IUCN will have to avoid any situation that may comprise the realisation of the country project. Dialogue with country officials will continue to be part of the process of ensuring that resources are used efficiently and for the purpose they were intended to. As part of this process it is proposed:

- Independent review of tender packages

- Independent review of proposals reviewed and provision of recommendations to the review panel in each country

9. Recommendation for Future Action

As can be seen from the above, three countries, Palau, Tonga and Tuvalu have progressed with the implementation of their work plan and the other three, Marshall Islands, Samoa and Vanuatu have still yet to finalise their work plan. The focus for the coming quarter will be to help the latter countries in finalising their work plans and speed up the implementation process. Where assistance is needed, IUCN will try to devote more time with these countries to ensure that they are on par with the others. On the other hand all assistance will be provided to the first group of countries to ensure that the implementation of their projects is not in any way delayed.

The budgetary allocation proposed for the next quarter is US\$692,000.00.

Countries	Activities	Comments/Budget
Palau	1. Energy efficiency home loans	US\$15,000.00. The projected budget for the next quarter will supplement what was allocated during the last quarter. A report on the first allocation (last quarter) has yet to be received from the Implementing agency in Palau.
Tonga	1. Supply of solar equipment 2. Installation	US\$175,000.00. The amount is expected to cover the supply of the solar equipment as this did not eventuate in the last quarter of 2008 as anticipated.
Tuvalu	1. Hiring of consultant 2. Design, supply and install	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"> 1. Recruitment of National Coordinator 2. Office equipment 3. Inception Workshop 4. Solar equipment for Malekula and Santo 	US\$49,000.00. This amount was budgeted for in the last quarter of 2008 but the activities were not carried as anticipated out because the work plan was not finalised.
Samoa	Work Plan has yet to be developed and finalised.	
Marshall Is	Project has yet to be approved hence no budgetary allocation provided.	
Regional Activities		
Organisation	Activities	Comment/Budget
IUCN-Oceania	Joint Committee Meeting	US\$6,500.00
IUCN-Oceania	Country visits and meetings	US\$10,000.00