



PIGGAREP QUARTERLY PROGRESS REPORT¹ Third Quarter 2007

1. **Country:** Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Island, Tonga, Tuvalu and Vanuatu
2. **UNDP Award ID:** 00044633
3. **Project Title:** Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project (PIGGAREP)
4. **Implementing Partner:** Secretariat of the Pacific Regional Environment Programme (SPREP)
5. **GEF Implementing Agency:** United Nations Development Programme (UNDP)
6. **Period Covered:** 9th July – 31st September 2007
7. **Summary of Overall Project Progress:**

PIGGAREP began implementation 9th July 2007 when the Project Manager commenced duty. The general progress during the quarter was highly satisfactory and no major difficulties were experienced in carrying out activities as part of the Inception Phase.

Preliminary draft work plans and budgets have been prepared for each participating PIC. There are some advance good understanding with the PICs of their preferred management structure for the project and the potential risks that may arise during the implementation.

There is a widespread appreciation and recognition of the PIGGAREP and its role in the PICs' climate change effort. Renewed and new partnerships and collaborations have been established with both old and new agencies and regional and international programmes.

¹ This report is based on a work plan and budget for the 3rd and 4th quarters of 2007, which was prepared based on the Project Inception – Terms of Reference, pp. 101-105 in the current Project Document and has been agreed to, by UNDP and SPREP. The work plan and budget has been formulated on the understanding that the 4 months Inception Phase will end on the fourth quarter (November). With the Regional Inception Workshop to be held on 12-16 November and as national and regional offices will actually slow down in December as people prepare for the Festive Season, the work plan and budget to be endorsed at the Regional Inception Workshop will be effective from the first quarter of 2008 and will be reported accordingly.

The preparations are well underway to conclude the Inception Phase with the Regional Inception Phase workshop on November 12-16 2007. The confirmed date for the workshop is just three days later than the date specified in the Project Document (ProDoc).

8. Specific Outputs/Results Achieved (As per quarter work-plan):

The major outputs/results achieved during the quarter were the following:

- i) Completed the introduction of the PIGGAREP through a SPREP circular to the SPREP member countries, members of the CROP Energy Working Group and to the co-financing partners.
- ii) Completed consultative meetings/workshops in 9 of the participating PICs in which project management issues and risks were discussed with the country teams.
- iii) Completed preliminary draft work plans and budgets for the 11 participating PICs.
- iv) Strengthened the network and collaboration established through the preparatory phase (i.e. PIREP) with the power utility CEOs, PIEPSAP, REEEP, CROP agencies and the EU and foster new ones with the IUCN, REP-5, UNEP, the Italian-PICs cooperation programme and the national coordinators of the World Bank GEF-funded Sustainable Energy Financing Project.
- v) Completed the invitation to the Regional Inception Workshop and started on finalizing the logistics and the paperwork for the workshop.
- vi) Updated the PIREP web page and started the initial discussions on creating a more visible and easy to access web host for the PIGGAREP.

These are covered in the report by activities below.

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| Outcome 1: | Established Country Teams and Project Advisory Committee |
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| Output 1.1: | Project Stakeholders advised of the commencement of the PIGGAREP |
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Activity 1.1.1: Prepare and disseminate introductory circular

Status

The introductory circular was dispatched on the first week of the commencement of the PIGGAREP.

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| Output 1.2: | National Country Teams Established |
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Activity 1.2.1: Prepare and disseminate introductory circular

Activity 1.2.2: Invite members to the Country Teams

Activity 1.2.3: Develop a template of rules and procedures for the Country Teams

Activity 1.2.4: Review, agree on, and finalize the role and responsibility of various

Output 1.2: National Country Teams Established

national participants for achieving the national project outcome

Status

The introductory circular requested PICs assistance in establishing their National Country Teams and for the inclusion of the following:

- A senior officer from the Energy Office, A representative of the power utility and/or private power generator, A senior environment / climate change officer and a representative of the business community / chamber of commerce

On average 3 out of the above 4 were represented in all the country consultative meetings conducted by the PIGGAREP Project Manager in 8² out of the 11 participating PICs. Samoa and Vanuatu prefer to use their existing consultative committees on climate change/energy. Others are yet to formalise their National Country Teams through endorsement by their respective Cabinets and/or a merge with existing closely related consultative teams. Encouraging close collaborations between the power utility and the PIGGAREP national coordination were noted in PNG, Samoa, Solomon Is, Tonga and Vanuatu. Local participants to the PIGGAREP national consultative meetings in Kiribati, Solomon Is and Tonga have strongly raised with their energy offices the need for a clearer direction to the energy sector (including policies, strategies and plans) and the formation of a Cabinet-endorsed national consultative committee (i.e. an Energy Committee). These are considered as possible technical assistance activities to be supported by PIGGAREP in these PICs.

PICs would prefer to keep the National Country Team meetings as informal as possible. They would like their meetings to function based on consensus and to abide by the general principles of fair and democratic meetings thereby ruling out the need to have detailed meetings rules and procedures.

Key and lead agencies were identified for each activity proposed to be supported by the PIGGAREP. These will be presented and confirmed at the Regional Inception Workshop in the coming quarter.

² PIEPSAP did Nauru's.

Outcome 2: Agreed revised Project Document (ProDoc)**Output 2.1: Revised ProDoc Activities**

- Activity 2.1.1:** Review the project management arrangements (organizational chart), including reporting lines.
- Activity 2.1.2:** Review, and where necessary identify additional Project Risks
- Activity 2.1.3:** Prepare a detailed risk management strategy for project implementation
- Activity 2.1.4:** Review existing ToRs in the ProDoc

Status

The key deliverable from the Inception Phase is an Inception Report covering among others management arrangements, project risks, etc. Suggested modifications to the existing Project Document included in the final draft Inception Report (that will be presented and discussed at the Regional Inception Workshop) will subsequent be reflected in a revised Project Document co-signed by SPREP, UNDP and the three co-signing countries. The issue of project management structure was discussed with UNDP Samoa as Principle Project Responsible (PPR) as well as at the national consultative meetings; in particular the PIGGAREP Project Advisory Committee (PAC) and alternatively the possibility of establishing a Project Steering Committee (PSC). Project risks, in particular the possible advancing of project funds to national Treasuries, their disbursements, acquittals and reconciliation and the project's financial reporting requirements and how they could delay overall progress with project implementation were discussed during the consultative meetings. There are already some good understandings of the options available to deal with these project management issues and risks. These have bearings on the project's risk management strategies, ToRs, etc in the ProDoc and suggested changes to these will be included in the final draft Inception Report that will be presented and discussed next quarter at the Regional Inception Workshop.

Output 2.2: Agreed national and regional project activities

- Activity 2.2.1:** Prepare and disseminate introductory circular
- Activity 2.2.2:** Develop a template for project proposals to be supported by PIGGAREP
- Activity 2.2.3:** Develop operational criteria for screening project activities, including allocation of funds to individual countries as part of the project.
- Activity 2.2.4:** Confirm and coordinate all co-financing sources with the project work plan.
- Activity 2.2.5:** Conduct national consultative workshops with Country Teams to identify and confirm national project activities review national capacity and project management plans.
- Activity 2.2.6:** Hold consultation meetings with Power Utility CEOs, members of the CROP EWG, REEEP Steering Committee, UNEP, World Bank SEFP, co-financing partners and donors
- Activity 2.2.7:** Prepare an overall work plan for the first year of implementation and revise the project budget if necessary
- Activity 2.2.8:** Conduct Regional Inception Phase Workshop
- Activity 2.2.9:** Sign MoUs with PICs, Co-financing Partners and Key Project Stakeholders

Status

The key activity in this Output is 2.2.5. As part of this component a Work Plan and Budget matrix/template together with criterias were prepared. These were then used in the national consultative workshops, which have been completed with assistance from the PIGGAREP Project Manager in Vanuatu, Tonga, Cook Is, Fiji, Kiribati, Solomon Is and PNG. SOPAC's PIEPSAP funded by Government of Denmark via UNDP completed Nauru and assisted with Samoa's as part of a collaboration between the two projects.

Discussions at the national consultative workshops covered the co-financing requirements. It was revealed that some co-financing activities have been completed such as the Kiribati EDF 8-funded outer islands solar electrification project. Some are likely not to materialize such as the wind power project in Tonga. However, new ones were mentioned such as the Cooperation Project of the Italian Government and the Governments of the Pacific Small Island States and a Renewable Energy Programme for 7 PICs to be funded from the 10th EDF National Indicative Programmes. With regards to the Italian project, the PICs energy offices are not at the same level of awareness and understanding of what it is about and the processes involved in accessing this funding opportunity. As the project originated from discussions between the PIC UN missions in New York and their Italian counterparts, the PICs with missions in New York seems to better appreciate the project. However, for PICs without a New York mission such as Cook Is³, Kiribati and Niue they

³ The project was originally for 12 PICs but at a meeting of the Joint Committee in New York on 2nd August 2007, it was agreed that the Cook Islands and Niue are to be added to the list of Pacific SIDS participating in the Project. Pending: i) Letter of acknowledgment to the Prime Minister of the Cook Islands and to the Government of Niue, informing them of this decision of the JC; ii) Amendment to the MOU for including the Cook Islands and Niue, and signature of same by the governments of the Cook Islands and Niue; and iii) Nomination by the Cook Islands and Niue of the National Experts who will participate in the JWG.

Output 2.2: Agreed national and regional project activities

are at a loss. The PIGGAREP national consultative workshops have helped to raise the awareness about this project in the energy offices of the PICs by sharing relevant documents and correspondence. The Solomon Is energy office seems to have the most up-to-date information through their regular exchanges of emails with their UN mission. The template for project proposals was received from the Solomon Is and through a request from the Energy Planner in Kiribati, the project manager completed a first draft of Kiribati's project proposal and this is currently reviewed by their country team.

Preliminary draft work plans and budgets have been completed for the 11 PICs and they have been given until second week of October 2007 to prepare a final draft version and send back. Subsequently the PIGGAREP Project Manager will prepare a revised work plan and budget for the first year of project implementation proper (i.e. covering 1 Jan to 31 Dec 2008) to be presented, discussed and agreed to at the Regional Inception Workshop.

The Project Manager held consultation meetings with the following:

UNDP Country Offices

Regular meetings were held with the UNDP Country Office in Samoa to discuss issues and seek guidance regarding the project implementation and management and to regularly provide an update on project progress. During the quarter meetings were held on August 11th, 13th, 20th, 25th and the 27th as well as on September 5th 2007. A debriefing meeting was held with the Fiji Country Office, in Suva on 17th September 2007.

Power Utility CEOs

PIGGAREP was presented at the annual conference of the Pacific Power Association, held in early August 2007 in Majuro, Marshall Islands. There are still a few senior power utility personnel in the region who appear to treat renewable energy as outside the jurisdiction of the power sub-sector and keep an arm's length from the Energy Office and rural electrification. PIGGAREP has continued earlier effort through the preparatory phase (i.e. PIREP) to foster closer energy office – power utility working relationships. Marked improvements had been noted through the active participation of the power utilities in the national consultative workshops.

The Tuvalu Electricity Corporation's (TEC) CEO was not at the conference but through accessing PIGGAREP's presentation at the PPA web site, has contacted the project manager for PIGGAREP assistance to TEC in its renewable energy activities.

Collaboration between PIGGAREP, TEC and the e8 has been incorporated into the draft PIGGAREP work plan & budget in Tuvalu.

PIEPSAP

A meeting was held in July 2007 in Apia with the Project Manager of the PIEPSAP as well as UNDP Samoa to look at opportunities for closer collaboration between the two

⁴ The e8 comprises nine leading electricity companies from the G8 countries.

Output 2.2: Agreed national and regional project activities

projects. PIEPSAP has been extended to mid-August 2008 and the two projects will look into integrating their activities so as to permit PIGGAREP to take over any outstanding PIEPSAP renewable energy activities after August 2008. PIEPSAP has identified possible activities for PIGGAREP to carry out in the participating PICs. These have been taken into consideration and discussed during the consultative workshops.

REEEP

The project manager was invited to present the PIGGAREP to the meeting of the Steering Committee of the South East Asia and Pacific regional secretariat of the REEEP, held in Wellington, New Zealand on the 28th August 2007. Relevant to the support to PIGGAREP activities in the PICs is the support from AusAID to the REEEP in the form of AUD1.5 million over three years for projects to be implemented in the Pacific region to help improve access to reliable, clean and affordable energy sources. One of the outcomes of this meeting is the submission to REEEP's Programme Board of the 2007-08 South East Asia and Pacific Regional Programme Priorities. These include:

- Assisting SPREP through the PIGGAREP to undertake a review of existing electricity acts and development of central energy acts to allow for private generators
- Assisting SPREP through the PIGGAREP with renewable energy investment promotion conferences, with an aim to bring investors to project sites

REEEP has confirmed their participation at the Regional Inception Workshop.

Delegation of the European Commission to the Pacific and REP-5 Project Management Unit (PMU)

A meeting was held with a representative from Nauru and the REP-5 PMU back-to-back to the PPA conference. The REP-5 PMU has been very instrumental in identifying possible PIGGAREP interventions to add value to the REP-5 activities in Nauru and Niue respectively.

Seven PICs (i.e. FSM, Kiribati, Nauru, Niue, Palau, RMI and Tonga) have identified renewable energy to be a focal sector in their EDF 10 National Indicative Programme. A meeting was held with the European Commission Attaché Infrastructure in Suva who stated that two Spanish consultants would be in the region around November 2007 to conduct a study on renewable energy projects to be supported in the EDF 10. Even though Samoa is not in this REP-7 and may be out of the consultants' travel routes, there is still a possibility that PIGGAREP will be consulted on the design of this REP-7 programme. The Attaché was informed of the availability for the PIREP reports and data on Excel on the PIREP web page for the use of the consultants.

UNEP

Discussion was held with the UNEP representative to the PICs and he has been very instrumental in linking PIGGAREP to UNEP's Solar and Wind Energy Resources

Output 2.2: Agreed national and regional project activities

Assessment (SWERA) project as well as the renewable energy experts at UNEP/RISOE.

World Bank GEF-funded Sustainable Energy Financing Project

It has been extremely difficult to establish direct communication link with the coordinator of this project at the World Bank. However, the national coordinators of this project in the Solomon Is (Reserve Bank) and PNG (Sustainable Energy Ltd) have actively participated in the PIGGAREP consultative workshop and are happy to see the complementarity of effort on the ground.

CROP Energy Working Group

The project manager has had the opportunity to discuss PIGGAREP with members of the CROP EWG. The discussions with PPA covered possible collaboration on a PPA/e8⁴ training workshop for the PIC power utilities in the South. It also included strategies to gain support for PPA's application to be a member of CROP. Discussions with a member of the staff of the SOPAC Energy Programme were held in Apia and covered mostly a joint SPREP and SOPAC capacity building proposal on CDM planned to be supported by the UNDP Asia-Pacific Regional Energy Programme for Poverty Reduction (REP-PoR). A similar opportunity presented itself in Honiara where possible areas of collaboration with SOPAC's non-PIEPSAP energy activities were discussed.

Discussions were held with the Sustainable Development Adviser of the Forum Secretariat and centred on mainstreaming thematic areas such as climate change, biodiversity, risks and disasters in the PICs.

IUCN Regional Office for Oceania

SPREP has just signed a MoU with IUCN. There is a possibility that IUCN may be responsible for coordinating a component of the Italian Cooperation Project with the PICs. Preliminary discussions were held with the Regional Director on how the two projects can complement each other.

Regional Inception Phase Workshop

After discussions with UNDP on the date and venue for the Regional Inception Workshop, it was finally agreed to be held at Apia on 12-16 November 2007. The circular for the Regional Inception Workshop was then completed and circulated to the 11 participating PICs, UNDP Country Offices in the PICs, the CROP EWG and to the Collaborating Agencies and Regional/International Programmes such as UNEP, World Bank SEFP, European Commission's Delegation for the Pacific, ADB South Pacific Sub-regional Office, REP-5 Programme Management Unit, Govt of Italy and PIC Cooperation Programme, PIEPSAP, South East Asia and the Pacific Secretariat for REEEP, IUCN Regional Office for Oceania, Greenpeace and Alofa Tuvalu. The circular was copied to the 3 non-participating GEF PICs (i.e. FSM, Palau and RMI). Palau had indicated their interest and will look for funds to send a participant.

Output 2.2: Agreed national and regional project activities

No MoU with PICs, Co-financing Partners and Key Project Stakeholders were signed. This is expected to take place after the Regional Inception Workshop has finalised the work plan and budget.

Output 2.3: Agreed M & E Framework

- Activity 2.3.1:** Review, agree on, and finalize the M & E framework for the implementation of the project, including:
- Annual work plan/budget processes covering regional and in-country activities, linked to the overall PIGGAREP work plan & budget. This will include the setting of yearly targets/milestones that are understood and agreed/endorsed by all stakeholders
 - Ongoing monitoring of national level work plan & budget including monitoring and evaluation plans
 - National level links to overall PIGGAREP project outcome indicators (impact indicators), progress indicators and the Logical Framework
 - Practical, activity-level links to the PIFACC and PIEP and associated strategic plan
 - Practical, activity-level links to national energy plans, where available
 - Monitoring of progress of parallel activities of co-financing institutions, including the delivery of their committed co-financing

Status

The need to link PIGGAREP interventions to national policies and plans, regional frameworks and policies as well as to meaningful indicators were emphasized in the national consultative workshops and taken into consideration in identifying national project concepts/activities. This has helped in two ways:

- It has avoided PICs coming up with spur of the moment and ad-hoc activities.
- It has highlighted to the PICs the need to have their priorities adopted and to be available in 'black and white'. This should then enable the spreading out of their priorities according to the available financial resources and their respective criteria and constraints.

For instance, some PICs wanted to push every activity they can think of to be funded by the PIGGAREP. They were advised to spread them out among PIGGAREP, the Italian's, EDF 10, etc. For instance, the Project Manager has drafted Kiribati's project proposal to the Italians, which is a joint project to be funded by Italy, PIGGAREP and AusAID, focussing on bio-fuel. Kiribati was then advised to approach the EDF 10 with their priority activities on wind, PV grid-connected and ocean-based energy development activities.

PIGGAREP should support work on energy policies where it will provide clearer direction to PIC renewable energy development effort. This should be considered a

priority as, and where practical, the prerequisite for other ensuing activities. To this effect the project manager, during his in-country missions, reviewed Tonga's draft renewable energy bill (PIEPSAP initiative) and also reviewed Kiribati's energy sector submission to its National Development Strategy: 2008 – 2011.

The M & E is still in preliminary draft form and will be finalised for the Regional Inception Phase Workshop.

Outcome 3: Agreed Five Year Plan of Project Activities

Output 3.1: Capacity of National Coordinators and Country Teams reviewed and strengthened

Activity 3.1.1: Review the capacity of the National Coordinators and Country Teams in providing and/or obtaining project execution services and day-to-day project management.

Activity 3.1.2: Provide training on required UNDP reporting and project management requirements, as well as general GEF expectations.

Status

The capacity of the national coordinator even though most have not yet been formally notified to SPREP) and the Country Teams to effectively coordinate and manage PIGGAREP were discussed at the national consultative workshops. The PIGGAREP Project Manager is of the view that the Country Teams are made up of highly qualified, experienced and committed people, as evidenced by their strong expressions of the need for proper coordination and better direction in the energy sector. They have expressed the need for continuous meetings and discussions not as a PIGGAREP Country Team but as a Team looking over the whole energy sector. Experience has shown that the usefulness of these committees depends of how often they meet and the issues presented for their deliberations.. Project-based committees are therefore less active than sector-based committees. In PICs without an Energy Committee, the PIGGAREP country team was encouraged to seek their governments' endorsement to take up the role of a National Energy Committee. By the way, committee names may differ but it is basically the same people who will sit in these committees.

The national coordinators are highly qualified and experienced nationals. Most have got university degrees with about a third with postgraduate degrees. What these people need is the exposure, the hands-on experience and the confidence to coordinate and conduct meetings, to share ideas with their more senior counterparts from other agencies in the energy sector.

There is a plan to provide training to the Regional Inception Workshop participants on the required UNDP reporting and project management requirements, as well as general GEF expectations from the PIGGAREP.

Output 3.2: A Project Operations Manual (POM)

Activity 3.2.1: Prepare a POM as supplement to the UNDP Results Management User Guide.

Activity 3.2.2: Share the POM with all project stakeholders and provide training as necessary.

Status

These two activities are considered to be part of the materials and areas for training during the Regional Inception Workshop.

Outcome 4: PIGGAREP publicized and Internet-based link with PIREP established**Output 4.1: Improved appreciation of PIGGAREP**

Activity 4.1.1: Prepare press releases on PIGGAREP

Activity 4.1.2: Prepare a PIGGAREP promotional flyer/leaflet

Activity 4.1.3 Present the PIGGAREP to the Second National Communications Support Programme Workshop and share the PIREP reports with the participants

Status

PIGGAREP was included in the SPREP Director's Islands Business monthly column⁵ for August. PIGGAREP was also covered in the SPREP's August Highlights – a web-based monthly flyer from SPREP⁶. The August 2007 issue of SOPAC's Pacific Energy Newsletter provided an introduction of PIGGAREP to its readers.

Completed a presentation on the PIGGAREP to the regional workshop on the Second National Communications. Participants were made aware of the availability of the PIREP reports and its data and information relating to the greenhouse gas inventories. Unlike the previous National Communication where most of the greenhouse gas mitigation activities were not confirmed for funding and implementation, PICs were advised to include in their Communications activities that PIGGAREP will fund and implement.

⁵ Can be viewed on

http://www.islandsbusiness.com/islands_business/index_dynamic/containerNameToReplace=MiddleMiddle/focusModuleID=17687/overrideSkinName=issueArticle-full.tpl

⁶ Can be viewed on <http://www.sprep.org/documents/highlights/2007-AugustHighlights.htm>

| Output 4.2: Improved visibility of PIGGAREP in the SPREP home page | |
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| Activity 4.2.1: | Update the PIREP page by posting in it the ProDoc and Terminal Review Report |
| Activity 4.2.2: | Create a more easily accessible page for the PIGGAREP with a link to the PIREP's and other related national and regional initiatives. |
| Status | |
| Completed Activity 4.2.1 by updating the PIREP web page and the posting of the signed ProDoc and Terminal Review Report into the page. | |
| Had discussions with SPREP IT on a more accessible page for the PIGGAREP. This activity will continue to the next quarter. | |

8.1 Specific Outputs/Results Achieved (As per quarter work-plan):

While the overall PIGGAREP work plan for the quarter did not specify country-specific activities⁷, the following table summarizes actual activities performed in each participating PIC and regionally during the quarter:

| Country | Key Activities | Key Results/Targets achieved | Comments |
|----------------|--|--|-----------------|
| Cook Islands | <ul style="list-style-type: none"> ▪ National consultative workshop (NCW): 28-31 August | <ul style="list-style-type: none"> ▪ Preliminary draft work plan and budget (WP & B) ▪ Better understanding of project implementation and management issues and risks ▪ NCW revealed the need to convert the adopted national energy policy into an action plan | |
| Fiji | <ul style="list-style-type: none"> ▪ NCW: 17 September | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B ▪ Better understanding of project implementation and management issues and risks | |
| Kiribati | <ul style="list-style-type: none"> ▪ NCW: 18-25 September | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B ▪ Better understanding of project implementation and management | |

⁷ PIGGAREP will have country-specific activities for the first quarter of 2008 once the overall 2008 work plan and budget is approved at the Regional Inception Workshop on 12-16 November 2007.

| Country | Key Activities | Key Results/Targets achieved | Comments |
|------------|--|---|---|
| | | <ul style="list-style-type: none"> issues and risks ▪ NCW revealed the need to urgently prepare and adopt a national energy policy, strategies and plans and the formation of a national energy committee ▪ Reviewed the energy sector submission to the National Development Strategy: 2008-2011 ▪ Drafted project proposal to the Italy-PIC cooperation programme | |
| Nauru | <ul style="list-style-type: none"> ▪ NCW: 6-10 August, by PIEPSAP | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B ▪ Revealed the need for a joint local coordination of REP-5 and the PIGGAREP ▪ NCW revealed the need to urgently prepare and adopt a national energy policy, strategies and plans and the formation of a national energy committee | <ul style="list-style-type: none"> ▪ Preliminary WP & B prepared after consultations with the REP-5 PMU |
| Niue | | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B ▪ Revealed the need for joint coordination of REP-5 with PIGGAREP. | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B prepared after consultations with the REP-5 PMU and the Niue Power Corporation |
| PNG | | | <ul style="list-style-type: none"> ▪ Planned for 1-5 October. |
| Samoa | <ul style="list-style-type: none"> ▪ NCW: 20-24 August | <ul style="list-style-type: none"> ▪ Very preliminary draft WP & B ▪ Better understanding of project implementation and management issues and risks | <ul style="list-style-type: none"> ▪ Conducted as part of the PIEPSAP's action plan exercise. WP & B derived from the action plan. |
| Solomon Is | <ul style="list-style-type: none"> ▪ NCW: 25-28 September | <ul style="list-style-type: none"> ▪ Preliminary Draft WP & B ▪ Better understanding of project implementation and management issues and risks | |
| Tonga | <ul style="list-style-type: none"> ▪ NCW: 20-24 August | <ul style="list-style-type: none"> ▪ Preliminary draft WP & B ▪ Better understanding of project implementation and management | |

| Country | Key Activities | Key Results/Targets achieved | Comments |
|----------|---|--|---|
| | | issues and risks ■ NCW revealed the need to formalize a national energy committee and for more effective coordination and regular meetings ■ Reviewed the draft renewable energy bill (PIEPSAP) | |
| Tuvalu | | ■ Preliminary draft WP & B | ■ Developed with the kind assistance of the Tuvalu Electricity Corporation. |
| Vanuatu | ■ NCW: 13-16 August | ■ Preliminary draft WP & B ■ Better understanding of project implementation and management issues and risks | |
| Regional | ■ Introductory circular ■ Coverage of the PIGGAREP in the SPREP Highlight, SOPAC PEN and SPREP Director's monthly column on the IBM ■ Updated the PIREP web-page ■ Presentation on the PIGGAREP for the regional workshop on the Second National Communication to the UNFCCC (17 th July) ■ Participation at the PPA annual conference (6-10 August) | ■ Improved awareness and understanding by the 11 participating PICs of the required Inception Phase activities ■ Better awareness of the PIGGAREP at the national, regional and international levels. ■ Better awareness at key regional meetings of Leaders and senior PIC officials that renewable energy is a key component of the region's climate change effort. ■ Strengthened partnerships and groundwork prepared for future collaborations with old and new collaborating agencies and regional/international programmes. ■ Regional Inception Workshop prepared. | |

| Country | Key Activities | Key Results/Targets achieved | Comments |
|---------|---|------------------------------|----------|
| | <p>2007)</p> <ul style="list-style-type: none"> ▪ Reviewed/ contributed to meeting papers on climate change for the meetings of the Pacific Plan Action Committee, CROP, FOC, Forum Leaders and the 18th SPREP Meeting. ▪ Participation in the Steering Committee meeting of the REEEP regional secretariat for SE Asia and the Pacific (28 August 2007) ▪ Contributed to the development of a joint SOPAC-SPREP CDM capacity building proposal planned to be supported by the UNDP REP-PoR ▪ Consultation meetings with collaborating agencies and regional programmes (UNDP, UNEP, IUCN, EU, | | |

| Country | Key Activities | Key Results/Targets achieved | Comments |
|---------|---|------------------------------|----------|
| | PPA, CROP EWG members, PIEPSAP, REP- 5 and REEEP. ■ Discussions on possible revisions of the project management structure, ToRs, M & E framework and risks. ■ Regional workshop circular and preparation of the workshop logistics. | | |

9. Challenges/Issues Encountered

There have been some marked improvements observed in the working relationships between power utilities and the Energy Offices with their renewable/rural electrification activities. However, there are still a very few PICs where this close working collaboration is not so obvious because of personal differences. In most of the 11 participating PICs, power utilities have proposed activities to be supported by the PIGGAREP while the national coordination is by the Energy Office. This offers an opportunity for PIGGAREP to create a platform from which the two agencies can work much closer together.

Identifying activities to be supported by the PIGGAREP has been a challenge. There is always the view from some energy office that regional projects are external projects rather than a project with country-specific activities, which are integral into their daily activities. It is with this view that some PICs stated that they are already fully loaded without PIGGAREP. Furthermore, ensuring that suggested activities are priority activities rather than ad-hoc activities (because some resources is available) has been a challenge. This was obvious in PICs without an adopted energy action plan and even in some with adopted action plans where activities are very general and not specific on sites, size, time, cost, etc.

10. Solutions Applied (to address issues and challenges)

It will always help to continue to invite the power utility CEOs to the consultation meetings on the PIGGAREP.

As part of the national consultative workshops, it was explained that if a PIC don't have existing staff to carry out/coordinate their country-specific activities then it raises the questions of whether: i) the country-specific activities are really needed; ii) are they are national priorities, and iii) are these activities complementary or value-added activities to on-going activities. There is thus the option that PIGGAREP activities can be postponed until existing staff have the time and space to incorporate their country-specific activities into their daily activities. It will be interesting to see how PICs will approach other planned interventions with regards to their existing staffing capacity such as the Italy-PIC cooperation programme, WB/GEF SEFP and the EU REP-7 (as part of the EDF-10). One option that should be assessed is the possibility of co-funding additional national capacity between these planned interventions and PIGGAREP. This issue will be discussed during the Regional Inception Workshop.

Some PICs have been advised that it may be most effective initially to work on their national energy policy, strategies and action plans before embarking on implementing other PIGGAREP-supported activities.

11. Recommendations for Future Action/Work Plan Quarter 4/2007

The 4th quarter 2007 will focus on the Regional Inception Workshop and the finalization of the Work Plan and Budget for 2008 (including country specific work plans and budgets) and all the project management and M & E arrangements for the project. This will be followed by signing MoUs and/or Letters of Agreement with the PICs and the collaborating agencies and programmes.

PIGGAREP will continue to provide technical assistance to Kiribati in developing their project proposal to the Italy-PIC Cooperation Programme and the energy chapter of their National Development Strategy: 2008-2011. This assistance is expected to be extended to other PICs as they learn more about the Italy-PIC Cooperation Programme and its deadlines. This is a perfect opportunity to ensure complementarity of the PIGGAREP with this major initiative.

The estimated total budget for the next quarter is estimated to be US\$112,000 and 63% of that has been earmarked for the Regional Inception Workshop.

Below are the planned key activities for the next quarter:

| Country | Key Activities | Comments / Budget |
|--------------|---|---|
| Cook Islands | <ul style="list-style-type: none"> ▪ Draft the project proposal to the Italy-PIC cooperation programme ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ To be confirmed with the CI Energy Office ▪ CI government must first sign the project communiqué with the Italian government |
| Fiji | <ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget | |

| Country | Key Activities | Comments / Budget |
|------------|--|---|
| Kiribati | <ul style="list-style-type: none"> ▪ Finalize the energy sector submission to the National Development Strategy: 2008-2011 ▪ Finalize drafting the project proposal to the Italy-PIC cooperation programme ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ Kiribati government must first sign the project communiqué with the Italian government |
| Nauru | <ul style="list-style-type: none"> ▪ Finalize national project coordination arrangements ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ REP-5 is coordinated and implemented by the Utility. PIGGAREP activities will build on REP-5's. It therefore makes sense that REP-5 and PIGGAREP are jointly coordinated and implemented. |
| Niue | <ul style="list-style-type: none"> ▪ Draft the project proposal to the Italy-PIC cooperation programme ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ To be confirmed with the Niue Prime Minister's Office ▪ Niue government must first sign the project communiqué with the Italian government |
| PNG | <ul style="list-style-type: none"> ▪ Assist with the drafting of the Electricity Industry Policy. (PIGGAREP will liaise with PIEPSAP on this activity) ▪ Assist ATCDI⁸ with the development of PNG's proposals to the Italy-PIC Cooperation programme ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ This is besides the PIEPSAP national energy policy effort. ▪ ADB will take the lead in this policy exercise. PIGGAREP to review and provide comments. |
| Samoa | <ul style="list-style-type: none"> ▪ Finalize national project coordination arrangements ▪ Finalize and endorse PIGGAREP country work plan and budget | |
| Solomon Is | <ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget | |
| Tonga | <ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget | |
| Tuvalu | <ul style="list-style-type: none"> ▪ Draft the project proposal to the Italy-PIC cooperation programme ▪ Finalize and endorse PIGGAREP country work plan and budget | <ul style="list-style-type: none"> ▪ To be confirmed with the Tuvalu Energy Office and the Tuvalu Electricity Corporation |

⁸ Appropriate Technology and Community Development Institute of the University of Technology at Lae.

| Country | Key Activities | Comments / Budget |
|----------|--|--|
| | | <ul style="list-style-type: none"> ▪ Tuvalu government must first sign the project communiqué with the Italian government |
| Vanuatu | <ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget | |
| Regional | <ul style="list-style-type: none"> ▪ Regional Inception Workshop and Inception Phase Report ▪ PIGGAREP web-page ▪ PIGGAREP leaflet and logo ▪ Sign MoUs / LoAs with PICs and collaborating agencies and programmes | |

12. Project Budget

The budget for the quarter was US\$88,000. Actual spending was US\$49,162 or 55.9% of the quarter's budget, leaving a balance of US\$38,838. The under-spending was mostly a result of an under spending on the General Operating Expenses since SPREP's charge on its overhead costs has yet to be sorted out. This issue is expected to be finalized with SPREP's management next quarter. There were also savings on the budgeted travels since PIEPSAP did the consultations in Nauru and the project manager did not have the opportunity to visit Tuvalu and Niue.

The budget for the next quarter will be a total of US\$112,000 to be spend on the following:

- Local Consultant (US\$5,000)
- Contractual Services (US\$25,000)
- Travel (US\$5,000)
- Inception Workshop (US\$70,000)
- General Operating Expenses (US\$7,000)

Total for Quarter = US\$112,000

An advance of US\$73,162 has been requested from UNDP.

13. Report Prepared By: Solomone Fifita
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18th October 2007