

QUARTERLY PROGRESS REPORT¹

Fourth Quarter 2007

DRAFT



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.

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:** 1st October – 31st December 2007

7. Summary of Overall Project Progress:

The general progress during the quarter was satisfactory.

Nine out of the eleven PIGGAREP PICs have nominated their PIGGAREP National Coordinators and established their country teams.

The comprehensive Inception Phase was completed including a preliminary Inception Report that was presented at the Inception Workshop.

All the participating PICs have draft work plans with their associated project planning matrices (PPM)/log frames and annual targets. These were then consolidated into the overall PIGGAREP PPM and annual targets.

Completed the Inception Workshop on 12-16 November 2007 in Apia, Samoa with its objectives to:

- i) Present, review and endorse the draft Inception Phase report;
- ii) Assist the key project stakeholders to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the Project Plan Matrix (PPM)/Log Frame. This will include reviewing the PPM (including indicators, means of verification and assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the first Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project;
- iii) Introduce key stakeholders to the UNDP-GEF team which will support the project during its implementation, namely the UNDP Principle Project Representative

- (PPR)/UNDP Samoa, UNDP Fiji and UNDP PNG and the UNDP-GEF Regional Technical Advisor for Energy and Climate Change (E&CC RTA) from the UNDP Regional Centre in Bangkok (RCB) and clarify their roles, support services and complementary responsibilities vis-à-vis the Implementing Partner/SPREP, National Coordinators, Country Teams, etc;
- iv) Provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings, and
 - v) Provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.

The completion of the Inception Workshop on 12-16 November was a major achievement given that the ProDoc stated that the workshop be held within the first 4 months of the project implementation. The workshop was held 3 days after the 4 months target and this was due to the difficulty in finding a date that would suit the itineraries of key people at the UNDP Samoa Multi-country Office, UNDP representatives from the Regional Centre in Bangkok (RCB) as well as from SPREP.

There is a widespread appreciation and recognition of the PIGGAREP and its role in the PICs' climate change effort. Some preliminary discussions were made with new and planned regional renewable energy initiatives in the region. PIGGAREP was adequately covered in the SPREP media releases during the quarter and featured in key statements made by PIC delegated at the COP 13 at Bali.

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

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

- i) Completed a preliminary draft Inception Report which contained a review which covered the following areas of the project:
 - The institutional arrangements;
 - The role and responsibility of various participants for achieving the project outcomes;
 - The project management arrangements (organizational chart);
 - The Monitoring and Evaluation (M&E) for the implementation of the project²;
 - The co-financed activities;

² The Review of the M&E also included an exercise during the Inception Workshop where each PIC participant prepared its Project Planning Matrix/Log frame and Annual Targets based on its own work plan.

- Capacity of the National Coordinators and Country Teams;
 - Project Operation Manual (POM);
 - Operational criteria for assistance;
 - The project risks;
 - An overall work plan for the first year of implementation³;
 - Disbursement of Project funds, and
 - Strategic linkages at the national and regional levels preliminary draft Inception
- ii) Completed the Inception Workshop.
- iii) Completed a revision of the preliminary Inception Report based on the outcome of the Inception Workshop and further inputs from project stakeholders.
- iv) Circulated the final draft Inception Report on 10th December with a deadline for further inputs by 20th December and the eventual circulation of the final report before the end of 2007.

These are covered in the report by activities below⁴.

Outcome 1: Established Country Teams and Project Advisory Committee

Output 1.2: National Country Teams Established⁵

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 national participants for achieving the national project outcome

Status

The Country Team in Samoa was convened and had its first meeting during the quarter. The project Manager participated in the Samoa country team meeting. 9 PICs (Cook Is, Fiji, Kiribati, PNG, Samoa, Solomon Is, Tonga, Tuvalu and Vanuatu) have now established their Country Teams. All the established Country Teams prefer to keep their meetings as informal as possible without the need for rules and procedures.

³ The overall work plan was prepared during the workshop after each PIC presented its work plan and budget.

⁵ Output 1.1 was completed during the last reported quarter hence the start with Output 1.2

Output 1.2: National Country Teams Established⁶

Nauru and Niue are the remaining PICs and the Project Manager will visit these two countries next quarter to assist with the institutional set up and to finalise their project activities and required paper work.

Except for Nauru and Niue, the Energy Offices in the other 9 participating PICs were confirmed to be the national hosts and coordinating agencies for the PIGGAREP. Almost all agencies represented in the Country Teams have been identified as a lead agency for the implementation of at least one of the national PIGGAREP activities.

Output 1.3: Project Advisory Committee (PAC) formed

Activity 1.3.2: Invite members to the PAC

Activity 1.3.3: Finalize level of representation and individual membership of the PAC

Activity 1.3.4: Develop rules of procedure for the PAC

Activity 1.3.5: Clarify relationship between the PAC and the Multi-Partite Review

Status

The Inception Phase review recommended to the Inception Workshop to rename and reconstitute the PAC with a Project Steering Committee (PSC). The PSC, its terms of reference and membership were agreed to at the Inception Workshop. These are as follows:

- i) The PSC is responsible for the overall direction and management of the PIGGAREP project and has responsibility and authority for the project. It reviews and approves yearly and quarterly project plans and authorizes any major deviation from these agreed plans. It ensures that required resources are committed and arbitrates on any conflicts within the project and/or negotiates a solution to any problems between the project and external bodies. In addition, it approves responsibilities of the Project Manager. It can delegate its project assurance responsibilities.
- ii) There shall be equal number of PICs representatives to that of non-PICs in the PSC. There shall be 3 representatives from UNDP selected from the 3 UNDP Country Offices in the Pacific respectively. There shall be one representative of the SPREP Director. There shall be 4 representatives from the 11 PICs with 3 regional representatives being one each from Polynesia, Melanesia and Micronesia and also one non-regional representative selected from the remaining 8 PICs who are not regional representatives.
- iii) The Inception Workshop confirmed UNDP Fiji and UNDP PNG to be represented in the PSC, in addition to UNDP Samoa and that the four PIC representatives to be Tonga, Tuvalu and Vanuatu to be the regional representatives while Fiji be the

⁶ Output 1.1 was completed during the last reported quarter hence the start with Output 1.2

Output 1.3: Project Advisory Committee (PAC) formed

non-regional representative. That Inception Workshop agreed that one of the three regional representatives and the non-regional representative be rotated on an annual basis.

- iii) The PSC will meet at least quarterly or more often if there is a need. The meetings will be held so that they enable the approval of quarterly work plans and budgets. The PSC will meet in person where possible otherwise teleconferencing will be used. The PSC will communicate through e-mail, telephone, conference calls, fax, etc. between the meetings.

The organizational chart for the PIGGAREP was also reviewed to clarify the relationship between the PSC and the Multi-Partite Review (MPR). The MPR Meeting is a yearly review mechanism that only is advisory in nature whereas the PSC will meet quarterly and is responsible for the overall management of the project.

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 revision of the ProDoc was undertaken as part of the Inception Phase, with key changes detailed in the Inception Report. The Inception Report will be seen as an attachment to and thus integral part of the ProDoc. Preliminary there is therefore no need for the signatories of the original ProDoc to review and signed again.

The project management arrangements (organizational chart), including reporting lines was reviewed and the changes reflected the following:

- The PSC and its overall direction and management of the project
- The staffing of the PMO with an Assistant Project Accountant and Project Assistant rather than an Administration / Finance Officer
- A clear distinction between the national and regional coordination with the CROP EWG playing the regional coordination role.

Output 2.1: Revised ProDoc Activities

Project risks were reviewed and re-confirmed or updated for each of the activities in the respective national PIC work plans. This exercise was undertaken during the Inception Workshop where country representatives worked on their individual national Project Planning Matrix (PPM)/Log frame. The risks were listed in the Critical Assumptions and Risks column of the PPM.

The Inception Phase review included a review/drafting of the following ToRs which were agreed to at the Inception Workshop:

- Assistant Project Accountant (APA)
- Project Assistant (PA)
- National Project Coordination (NPC)
- Project Steering Committee (PSC)
- National Coordinator (NC)

Output 2.2: Agreed national and regional project activities

- 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 Inception Workshop
- Activity 2.2.9:** Sign MoUs with PICs, Co-financing Partners and Key Project Stakeholders

Status

As informed in the progress report from last quarter due to the very significant time between the original design of PIGGAREP and actual implementation some co-financing activities have been completed, some will not materialize and new ones have been

Output 2.2: Agreed national and regional project activities

included. With regard to the last category PIGGAREP's has two new key co-financing sources: the European Development Fund's (EDF 10) renewable energy programme for 7 PICs (a total of 13.95 million Euro) and the government of Italy – PIC Cooperation programme involving all the 11 PIGGAREP PICs (a total of US\$ 10 million). Whilst the financing agreements and communiqué have been signed for these two initiatives (specifying country level allocations in monetary terms), project identification and development (including detailed design) are currently underway. It may take at least another 6–12 months before the detailed project activities are available. It is not until these detailed baseline activities are known that the incremental barrier removal activities can be specified including which ones that directly address productive uses of renewable energy (PURE). While this situation is unfortunate it is outside the control of the project. Nevertheless during the Inception Workshop it was confirmed that most of the activities in the PIC work plans at this point in time are at the project concept stage. They are therefore general/flexible enough to be modified if required and detailed as detailed information relating to several of the co-financing/baseline activities becomes available.. In this context a Project Activity Summary (PAS)/project concept template was developed after the Inception Workshop. These are to be completed for each project activity and will be a supplementary document to the country level work plans. If/when further detailing is required comprehensive project proposals; Terms of References, etc will be prepared (with assistance from the PMO as required).

Operational criteria for screening project activities, including allocation of funds to individual countries was developed and submitted for the consideration of the Inception Workshop. The workshop approved the operational criteria and these are included in the Inception Report as Annex 10.

The work relating to review including re-confirmation or updated of co-financing sources for the PIGGAREP continued during the quarter. Liaised with IUCN Oceania on the possible use of its 3 million Euro from the Italian Government and 1 million Euro from Austria for energy-related activities in the PICs. PIGGAREP was not able to attend an informal discussion between IUCN and the CROP EWG members in Suva during the quarter, but it commented on IUCN's draft project proposal (Managing the ecosystem & livelihood implications of energy policies in the Pacific Island States). The PIGGAREP Project Manager will participate in further discussions that are planned to be held in Suva during the next quarter during a CROP EWG that is planned for 28th February 2008.

Liaison with the South East Asia and Pacific Secretariat of the Renewable Energy and Energy Partnership (REEEP) continued during the quarter. The PIGGAREP Project Manager is a member of the Steering Committee and participated in the committee's teleconference meeting on the 28th November 2007. REEEP has engaged a consultant to conduct a stock take relating to the use of AusAID \$1.5 that is channelled through REEEP for projects in the PICs. A meeting of the CROP EWG members and the consultant is planned to be held during the 28 February 2008 CROP EWG meeting.

Output 2.2: Agreed national and regional project activities

The preliminary planning for a US\$50,000 Small Island States Sustainable Solar Energy Initiative (SI3SI) was made during the quarter. SI3SI is about sharing of RE experiences among SIS and the production of a TV documentary of the RE experiences in the region. SI3SI offered an excellent opportunity to be complemented with PIGGAREP-funded incremental activities. The Government of Vanuatu was approached to be the venue and the CROP EWG members, REEEP as well as Vergnet A/S has been approached to collaborate on this initiative.

The Pacific Power Association (PPA) was approached on the opportunities for PIGGAREP inputs into its Pacific Islands Power Utility Engineers Solar Photovoltaic Workshop that is planned for November 2008.

SOPAC and SPC are jointly organising a biofuel conference to be held in Port Vila, Vanuatu, tentatively on 23-27 June 2008. PIGGAREP has been discussing with SOPAC possible ways in which PIGGAREP can add value to this conference.

As reported under Output 1.2 the PIGGAREP Project Manager participated in the consultation meetings of the Samoa country team. The Project Manager had meetings with the UNDP Country Office in Port Moresby, PNG on the 4th October and with the UNDP Multi country office in Samoa the 17 October, 23 October, 11 November and 17 December 2007. The project Manager met Mr Timothy Haslett on 30th October, a ADB consultant investigating ways that the PICs can access the resources available to fund clean energy and energy efficiency projects. The Project Manager also met with Mr Peter Johnston on October 24 2007. Mr Johnston was doing an evaluation of UNDP's role in Managing Environment and Energy for Sustainable Development in the 14 PICs covered by the UNDP Samoa and UNDP Fiji multi-country offices.

Regular consultative email communications, rather than meetings, were held with the Tuvalu Electricity Corporation (TEC), REEEP and members of the CROP EWG in regards.

Prepared a draft overall work plan for the first year of PIGGAREP's implementation and revised the project budget accordingly. The overall work plan contains country specific activities which, as earlier mentioned above, at this point in time are at the conceptual stage and which are general and flexible enough to be slightly modified as further details relating to the co-financing/baseline activities unfold. There are of course the opportunity where two or more activities of a PIC or among PICs can be merged to make bigger national or sub-regional activities.

The Inception Workshop was held on 12 –16 November 2007 with 10 out of the 11 PIGGAREP PICs participating. The UNDP Regional Centre in Bangkok (RCB) was represented in addition to the UNDP offices in Fiji, PNG and Samoa. The SOPAC PIEPSAP, SOPAC Core Energy Programme, PPA, REP-5, European Union and Alofa Tuvalu were also represented in the workshop.

Output 2.2: Agreed national and regional project activities

No MoUs were signed during the quarter. In the case of the PICs, signing MoUs can be a lengthy process that would normally involve inputs from the Solicitor General's Office and endorsements by Cabinet. Thus it would be practical for each PIC to have one MoU covering all the planned PIGGAREP activities. However, a lot of the activities proposed in the PIC Work Plans are still very much subject to change when the practicality of their implementation and their linkages to the co-financing activities are finalised. To address this, a PAS will be prepared for each project activity. Once finalised, a letter signed by the Director of SPREP will be attached to the PAS to confirm the understanding with regards to the administrative, technical and financial aspects of each activity.

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 Pacific Islands Framework Action on Climate Change and the Pacific Islands Energy Policy 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

Continued with the advise to PICs of the need to link PIGGAREP interventions to national policies and plans, regional frameworks and policies as well as to meaningful indicators when they do the revision of their work plans, PPM and Annual Targets.

PICs representatives worked on their individual M & E framework (PPM and Annual Target) during the Inception Workshop. This was then collated into the overall project M & E framework that is presented in the Inception Report.

Outcome 3: Agreed Five Year Plan of Project Activities

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

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 Coordinators and Country Teams in providing and/or obtaining project execution services and day-to-day project management of national level activities was reviewed as part of the Inception Phase. It was found that the national coordinators are highly qualified and experienced nationals. Most have got university degrees with about a third with postgraduate degrees. All would benefit from increased exposures and hands-on project coordination experience with some encouragement from their superiors to build their confidence.

The Country Teams were found to be made up of highly qualified, experienced and committed people who would be more productive if they meet on a regular basis and worthy issues are tabled for their deliberations. However, sector-based committees have higher impacts than project-based committees and therefore PIGGAREP country teams were encouraged to seek their governments' endorsement to take up the role of a National Energy Committee.

The Inception Workshop included training on the UNDP/GEF project cycle including UNDP/GEF's specific monitoring and evaluation requirements. There was also training on the estimation of GHG emissions. The representatives of the UNDP Regional Centre in Bangkok (RCB) made these presentations.

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

During the Inception Phase an understanding was reached between UNDP and SPREP that UNDP's Project Management Guide where relevant be used for the PIGGAREP rather than developing a POM just for PIGGAREP. This subject was then discussed at the Inception Workshop it was agreed that the need for a POM be revisited in mid-2008.

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

Output 4.1: Improved appreciation of PIGGAREP
<p>Activity 4.1.2: Prepare a PIGGAREP promotional flyer/leaflet</p> <p>Status A press release on the Inception Workshop was prepared and circulated among the SPREP media network. This was published in the Samoa Observer of 14 November 2007 and featured in the SPREP Highlights⁷ for November 2007.</p> <p>The PIGGAREP featured at the COP 13 at Bali when the Pacific announced that the region is working towards reducing regional fossil fuel emissions by 33% by 2015 through the PIGGAREP⁸. It is reported that this was a strong political statement because it shows PICs are doing its part and that others should do the same.</p> <p>The preparation of a promotional flyer/leaflet was put on hold pending the finalisation of the individual PIC and overall work plans.</p>

Output 4.2: Improved visibility of PIGGAREP in the SPREP home page
<p>Activity 4.2.1: Update the PIREP page by posting in it the ProDoc and Terminal Review Report</p> <p>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.</p> <p>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. During the quarter the 2007 3rd Quarter Progress Report of PIGGAREP (1st Progress Report) was also posted to it.</p> <p>Confirmed with the SPREP IT that PIGGAREP can have a web page on the SPREP web site just like the International Waters Programme. This activity will continue to the next quarter.</p>

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

Below is a summary of the progress with the activities planned for each PIC for the quarter:

Country	Key Activities	Results/Targets Achieved
Cook Islands	<ul style="list-style-type: none"> ▪ Draft the project proposal to the Italy-PIC cooperation programme ▪ Finalize and endorse PIGGAREP 	<ul style="list-style-type: none"> ▪ Cook Is joined the Italy-PIC cooperation programme at a meeting during the margins

⁷ This is a monthly SPREP electronic newsletter highlighting the key events of at SPREP - <http://www.sprep.org/documents/highlights/2007-NovemberHighlights.htm>

⁸ Details can be viewed at the SPREP web site - http://www.sprep.org/article/news_detail.asp?id=404

Country	Key Activities	Results/Targets Achieved
	country work plan and budget	<p>of the COP 13 at Bali in December 2007. Request for assistance in drafting the proposals is expected next quarter.</p> <ul style="list-style-type: none"> ▪ Reviewed the Cook Is work plan and budget for the PIGGAREP.
Fiji	<ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget 	<ul style="list-style-type: none"> ▪ Reviewed Fiji's work plan and budget. Fiji's work plan format is still not the same as the other PICs. ▪ Facilitated the communication / linkage between a waste-to-energy facility in Fiji and the European Investment Bank (EIB).
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"> ▪ Completed the energy sector submission to the NDS. ▪ Kiribati signed the Communiqué for the Italy-PIC cooperation programme during COP 13 at Bali in December 2007. <p>Discontinued assistance in drafting the Kiribati Fossil Fuel Free Future proposal (K4FP) since a Cabinet paper drafted to support the K4FP has not been submitted for the consideration of Cabinet. Instead, provided Kiribati with the proposals from Vanuatu and Tuvalu to adapt.</p> <ul style="list-style-type: none"> ▪ Reviewed Kiribati's work plan and budget and the Project Activity Summary of its activities for 2008.
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"> ▪ Mission to Nauru was planned to take place after the Inception Workshop. This was rescheduled for the first quarter of 2008 because of

Country	Key Activities	Results/Targets Achieved
		<p>the need to put more effort into finalizing the Inception Report.</p> <ul style="list-style-type: none"> ▪ Reviewed Nauru’s work plan and budget.
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"> ▪ Provided Niue with the proposals from Vanuatu and Tuvalu to adapt. ▪ Reviewed Niue’s work plan and budget.
PNG	<ul style="list-style-type: none"> ▪ Assist with the review of the Electricity Industry Policy. (PIGGAREP will liaise with PIEPSAP on this activity) ▪ Assist ATCDI⁹ 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"> ▪ Draft Policy has been submitted to Cabinet. A review will be based on Cabinet’s consideration of the submitted draft policy. ▪ Provided ATCDI with the proposals from Vanuatu and Tuvalu to adapt. ▪ Reviewed PNG’s work plan and budget.
Samoa	<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"> ▪ The PIGGAREP PMO participated in two meetings of the Samoa country team. ▪ Had a meeting of the PIGGAREP PMO, UNDP Samoa, EPC and the Samoa national coordinator to finalize EPC’s hydro activities to be supported by the PIGGAREP. ▪ Samoa has yet to submit its revised work plan and budget. ▪ Contributed to the consultation meeting on its draft GHG Mitigation Strategy.
Solomon Is	<ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget 	<ul style="list-style-type: none"> ▪ Reviewed Solomon Is’ work plan and budget.
Tonga	<ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget 	<ul style="list-style-type: none"> ▪ Reviewed the work plan and budget and the Project Activity Summary for Tonga’s 2008 activities.

⁹ Appropriate Technology and Community Development Institute of the University of Technology at Lae.

Country	Key Activities	Results/Targets Achieved
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"> ▪ SOPAC assisted Tuvalu with drafting their Italian proposal (TPVENI). ▪ Reviewed Tuvalu's work plan and budget. ▪ Finalized the Project Activity Summary for TV-4 and was ready for implementation in January 2008.
Vanuatu	<ul style="list-style-type: none"> ▪ Finalize and endorse PIGGAREP country work plan and budget 	<ul style="list-style-type: none"> ▪ Reviewed the Vanuatu 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 	<ul style="list-style-type: none"> ▪ Completed the Inception Workshop on 12-16 November 2007 ▪ Updated the PIREP web page ▪ Finalized the logo and ready to be used in 2008 ▪ Issued one letter signed by SPREP Executive confirming support to an activity in Tuvalu. ▪ PIGGAREP PM participated in a teleconference of the Steering Committee of the REEEP (East Asia and the Pacific). ▪ Prepared for a sub regional workshop in Vanuatu in 2008.

9. Challenges/Issues Encountered

Meeting set deadlines by all the 11 participating PICs has surfaced as a challenge during the quarter. After the Inception Workshop, PICs were given until 28th November 2007 to submit their revised PPMs/Log frames and Annual Targets so that the overall project work plan for 2008 and the final draft Inception Report could be reviewed and circulated by 10th December 2007. This would allow further inputs by 20th December 2007 and subsequently the Inception Report was planned to be finalized and circulated before the end of 2007. As it turned out, not all the 11 PICs provided their revised documents by 28th November 2007. Thus the preliminary final draft Inception Report circulated on 10th December was incomplete. By the 20th December 2007, not all the PICs have submitted their revised documents. The completion of the Inception Report before end of 2007 was therefore not possible. Instead it will be finalized and distributed beginning of next quarter.

For the PICs which have completed their PPM/Log frame and Annual Targets, the next step was to prepare the PAS and to highlight the baseline/co-financing activities and the PIGGAREP incremental activities. The incremental activities must of course be barrier removal in nature and directly or indirectly address the productive uses of renewable energy (PURE). It should also mention the detailed budget for the activity and highlight which are to be under direct payment from SPREP and those that are to be carried out on a reimbursement basis. Kiribati, Tonga, Tuvalu and Vanuatu are the only 4 PICs that have worked on their PAS during the quarter. Experiences from these 4 PICs have shown that operationalising the activities identified by the PICs would be a challenge for the following reasons:

- i) Timing of the incremental activities does not necessarily match the timing of the baseline activities. Therefore the programming of activities in the country level work plans as well as the overall project level work plan are subject to change. In this respect, it is to be expected that a significant number of the country level activities for the next quarter, as in 8.2 above, will not be implemented or postponed to later in the year or alternatively activities planned for later in the year move ahead to first quarter;
- ii) The titles of the activities in the Work Plan now will be further revised to better match the nature or the characteristics of the final incremental activities. For instance, one of the activities for the Cook Is next quarter will be a “Support to the Committee working on renewable energy standards.” This may turn out to be a “Capacity Building on RE Standards.” It is in the preparations of the PAS that the details of the baseline activities are provided which then helps to confirm the incremental activities. It has been seen that the titles of the concept level activities in the work plan need to be modified to match the nature and the characteristics of the incremental activities, and
- iii) In several cases some national activities with advantage can be merged either into a bigger project (and act as components of such) and/or some activities between a numbers of PICs can be merged into a sub-regional project. When the details of the baseline and incremental activities are provided in the PAS, it will be clear what specific activities can be merged within a country work plan and among work plans of a number of PICs.

10. Solutions Applied (to address issues and challenges)

The work plan for the PIGGAREP should be viewed as ‘work in progress’. Some baseline activities have been identified. However, the financing agreements and communiqués relating to key baseline activities have been signed but their details are still being worked out. PICs have therefore come up with incremental activities based on their ‘best guesses’ of these baseline activities. As the details of the baseline activities unfold, the incremental activities get adjusted accordingly.

The use of the PAS should be encouraged since it provides key details about the co-financing and the incremental activities and provides the opportunity to look at merging activities within a country and across a number of countries. Merging of activities should

be encouraged since it will have the advantage of streamlining the project management resources at both the national and regional levels. In addition if required detailed project proposals, TORs, etc will be prepared with assistance by the PM.

11. Recommendations for Future Action/Work Plan Quarter 1/2008

Proj. Code	Activity	Outcome	Lead / Collaborating Agencies	Budget
CK1	Mangaia Power System Upgrade	Technical	French and Aust govts, SOPAC and MIC	10,000
CK8	Wind Farm integration study	Technical	Energy / TAU	15,000
CK17	Support to the Committee working on renewable energy standards	Technical Awareness	Transport / Energy	750
Sub-total Cook Is				25,750
FJ1	Hydro resource assessment in the upper Navua River Areas	Technical	DoE	500
FJ6	Holistic training provided for Energy staff, rural communities, village technicians and relevant stakeholders of the Renewable Energy sector	Market	DoE	5,000
FJ7	Holistic training provided for staff members of the Energy (economics, accounting, policy, management, and other technology related training)	Institutional	DoE	10,000
FJ8	Review/adopt/enact relevant policies, frameworks, legislations for RET; Enactment of Fiji's Energy Bill	Policy	DoE	2,500
Sub-total Fiji				18,000
KI4	Technical visits to PV-Grid developments in Tuvalu.	Technical Awareness	EPU, SEC & PUB	10,000
Sub-total Kiribati				10,000
NA4	Create an 'Energy and Environment' curriculum for the schools	Institutional Awareness	Energy Efficiency Officer (Utilities) and schools	10,000
Sub-total Nauru				10,000
NI4	Capacity Building, NPC/Private Sector/	Awareness	NPC	1,000
NI6	Energy Coordinator / AFO	Institutional	NEAP	3,750
NI7	Develop renewable energy plans and targets for 2010, 2020 and 2050	Policy	NEAP	1,500
Sub-total Niue				6,250

Proj. Code	Activity	Outcome	Lead / Collaborating Agencies	Budget
PN2	Investigating The Possibility Of Using Coconut Oil As A Substitute Fuel For Diesel Engines	Market	Department of Mechanical Engineering at PNG University of Technology	6,148
PN3	Rehabilitation of the Bogo School Micro Hydro Power Scheme	Technical	ATCDI at PNG University of Technology	2,673
PN4	Solar Photovoltaic Project for the Baiteta Village Aidpost In the Madang LLG, Madang Province	Technical	ATCDI at PNG University of Technology	2,774
PN5	Clinical Waster Gasifier Project for Asaro Health Centre in the Eastern Highlands Province	Technical	ATCDI at PNG University of Technology	1,292
Sub-total PNG				12,887
SA4	2.4.1 Coordinate the development of an RE programme with the RDIS		RDIS, Energy Division, MNREM, EPC, MAF, SWA	1,000
SA11	Hydro data collection programme	Technical	EPC, MNREM, Energy Division, Energy Stakeholders	30,000
SA17	1.4.1 (3.4.2)Coordinate the development of an Energy demand and supply database - collection of RE data.	Finance	Energy Division, Statistics, energy stakeholders, EPC, MNREM, MWTI, MOR, Gas companies, Oil companies	825
SA19	1.2.2 (2.1.4) Develop an Energy Bill - RE component	Policy & Regulation	Energy Division, energy stakeholders, MNREM, AG, consultants	1,500
Sub-total Samoa				33,325
SI3	Feasibility study of economic of scale of production/use of coconut oil /bio-fuel as fossil fuel substitute in power generation in rural areas.	Market	MME, Italian Gov't	4,000
SI5	Feasibility study for mini hydropower plants on Rori (Malaita) under Rural Electrification Framework	Market	SIEA, MME, SOPAC	2,500
SI6	RE Electricity Pricing Study	Finance	MME, SIEA, SOPAC	2,500
SI11	Support to investment Development Projects	Market	SIG, MME, SIEA, Private Sector	2,000

Proj. Code	Activity	Outcome	Lead / Collaborating Agencies	Budget
SI12	RE Conservation and Efficiency Programmes	Technical	MME, SIEA, SIG, SOPAC	300
SI14	Setup of RE Unit	Institutional	SIG, SIEA, (REEEP?)	2,000
SI16	Energy Supply/Demand Studies	Policy	MME, SIEA, (SOPAC?)	300
Sub-total Solomon Is				13,600
TO1	Joint annual committee meetings	Institutional	EPU, HSES & NFSES	6,000
TO2	Technical evaluation of the solar installations	Technical	EPU, HSES & NFSES	3,000
TO12	Wind resources assessments	Technical	EPU	2,500
TO14	Biofuel feasibility study	Market	EPU & Waste Mgmt Ltd	10,000
TO17	RE Awareness Programme	Awareness	EPU	1,500
Sub-total Tonga				23,000
TV4	Support to TEC's outer island grid connected renewable energy projects	Technical	TEC	5,000
TV6	Training of TEC Outer Islands Supervisors on RE Technology			20,000
Sub-total Tuvalu				25,000
Sub-total Vanuatu				0

Grand Total for Year 1 Country Activities:	177,812
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PMO Costs

International Consultants (PM)	25310
Local Consultant - PA	2500
Local Consultant - APA	3000
Administration Fess	4500
Contractual Services - Ind	1250
Travel, Audits and Reviews	10000
Contractual Services - Co	1250
Equip and Furniture	500
Comm & Audio Equip	750
Supplies	500
Info Tech Equip	3000
Audio Visual and Print Prod	500
Total for PMO	53,060

GRAND TOTAL FOR 1 QTR 2008	230,872
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Preliminary the Project Manager's planned missions for the next quarter are as follows:

- i) In-country assistance to Nauru, 28 January – 2 February 2008
- ii) CROP EWG Meeting, IUCN Oceania consultation meeting and REEEP consultation meeting, 28th February – 1st March 2008, Suva, Fiji
- iii) In-country assistance to Niue, 14th – 20th March 2008

12. Project Finance

The total budget for the quarter was USD 112,000.00. Total expenditures were USD 67,332.00 (23,635.00 for Project Manager, 9,635.00 for operating expenses and 34,062.00 for the Inception Workshop). The operating expenses were mostly for SPREP's Administration Fee (Programme Support) for the 6 months of 2007. On average this is USD1,500/month and this number is subject to management approval with the adjustments to be made to the project accounts, if there will be any further changes. This number will also change once PIGGAREP PMO support staff is recruited. Total expenses were therefore 60% of the available budget for the quarter. The underspending was mostly to do with the Inception Workshop, which was budgeted at USD70,000 whereas the actual spending was less than half of that amount.

The estimated total budget for the next quarter is US\$230,872.00 and 77% is for country activities while the rest is for the PMO.

13. Report Prepared By: Solomone Fifita
Project Manager
28th January 2008