

# 2<sup>nd</sup> Meeting of the PCREEE Steering Committee

## Technical Aspects of the PCREEE



Austrian  
Development Cooperation

Prepared by Mr. Solomon Fifita, Manager - PCREEE

# PCREEE Business Plan

**SC 1 Direction** - endorsed the general structure of the PCREEE Business Plan, noted that it would be integrated with SPC's Energy Programme and directed the Secretariat to present a complete business plan to be adopted at its next meeting.

1. The Regional Energy Scene [SPC's, Thematic hubs and the National Focal Institutions]
2. Development Context
3. SPC Energy Programme
4. Contribution to SPC Organizational Objectives and Results
5. Integrated Energy Programme and PCREEE Results Framework
6. Key implementing partners
7. Risk Management
8. Energy Budget Summary 2018-2020
9. Monitoring, Evaluation and Learning
10. Annex - Annual Work Plans and Budget
11. Resource Mobilisation Strategy

# Challenges

1. The network format or SPC's
2. 70 or 10
3. Need to align with GEM's
4. Structure is incomplete - **Resource Mobilisation Strategy**
5. PCREEE ProDoc
6. Delivery is not affected

# 1. The Regional Energy Scene [SPC's, Thematic hubs and the National Focal Institutions]

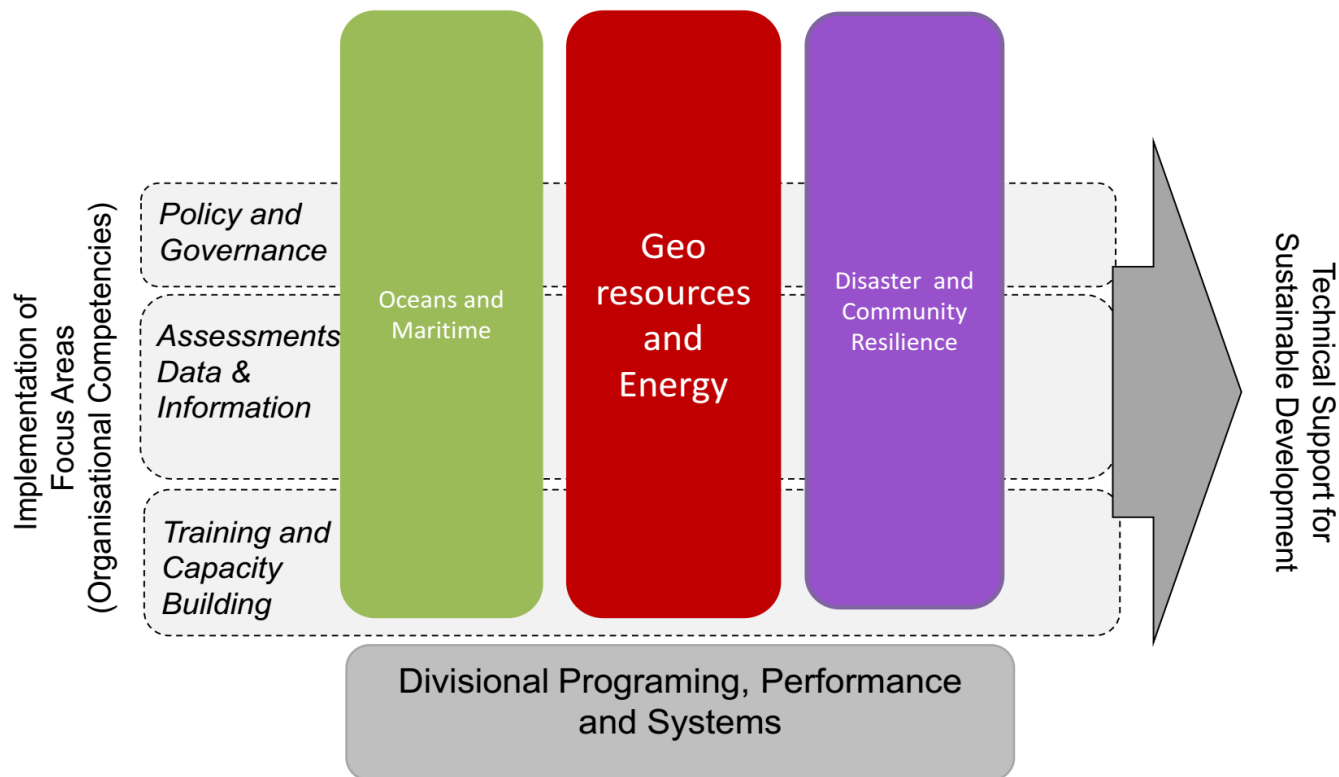
- Heavy reliance on fossil fuel
- Very low access to electricity, esp in Melanesia
- Highlights of some energy security indicators of access, affordability, reliability and the environment
- Regional and National Commitments to RE and EE
- National RE and EE targets
- The new host of the regional energy programme – GEM Division
- THs & NFIs

## 2. Development Context

- Energy as the driver of socio-economic development
- Inputs to everything
- Energy and the SDGs
- Role of the private sector and business community in the sustainable energy development of the region

# 3. SPC Energy Programme

## Geoscience, Energy and Maritime Division



## 4. Contribution to SPC Organizational Objectives and Results

1. SPC Strategic Plan: 2016 – 2020
2. GEM Division's and Georesources and Energy's planning documents, business plan, etc
3. Importance of consistency and avoiding of any duplication

## 5. Integrated Energy Programme and PCREEE Results Framework

1. PCREEE's is in the agreed UNIDO-Austria ProDoc
2. 4 PCREEE outcomes:

**Overall** - Improved access to modern, affordable and reliable energy services, energy security and mitigation of negative externalities of the energy system (e.g. local pollution and GHG emissions) by promoting renewable energy and energy efficiency investments, markets and industries in PICTs.

**Outcome 1:** Enhanced regional institutional capacities through the **creation** of the efficiently managed and financially sustainable Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE)

**Outcome 2:** Strengthened capacities of local key institutions and stakeholder groups through the up-scaling and replication of certified **training and applied research** programs and mechanisms

**Outcome 3:** The **awareness and knowledge** base of local key institutions and stakeholder groups on RE&EE are strengthened

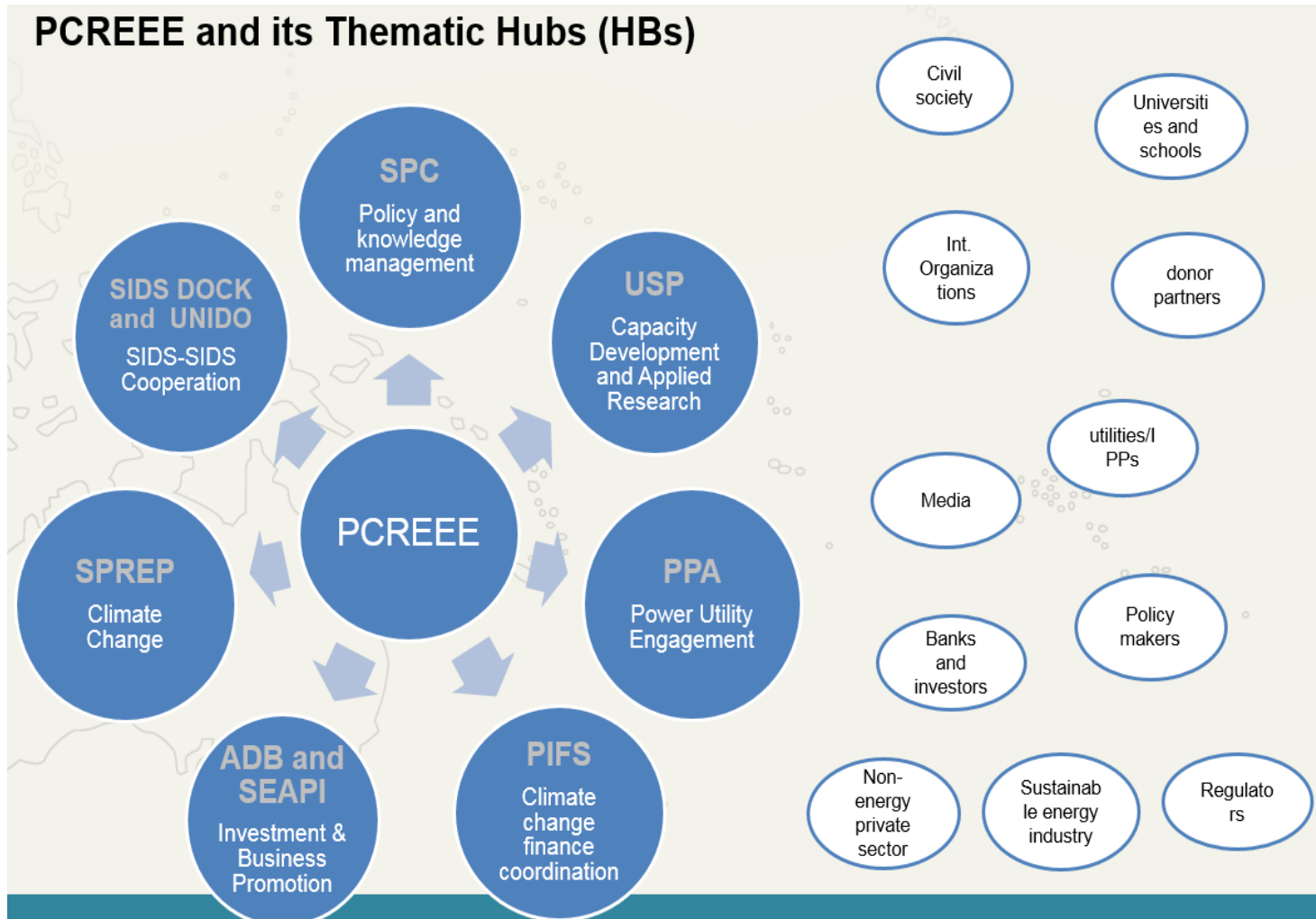
**Outcome 4:** Increased RE&EE business opportunities for local companies and industry through the development and implementation of regional **investment promotion** programs and tailored financial schemes



## 5. Integrated Energy Programme and PCREEE Results Framework

Framework has the Outputs, Indicators, Baselines and the Targets as well as some suggested generalised activities

# 6. Key implementing partners



# 7. Risk Management

Risk	Mitigation Strategy.
<b>1. Lack of commitment by host organisation to support the Centre.</b>	A MoU between SPC and the Government of Tonga on the co-funding commitments was signed in April 2017. SIDS DOCK has signed a co-funding letter.
<b>2. Interference in operations by the host organisation.</b>	Host organisation and/or PICTs could attempt to influence the decision making processes of the PCREEE. This will be mitigated through including a clear phrase on the independency and autonomy of the operations of the PCREEE in the MOU between SPC and the host organisation.
<b>3. Limited Capacity of the PCREEE to monitor project.</b>	Funding from development partners will be linked to specific activities and will entail regular monitoring of the PCREEE.
<b>4. Poor responsiveness by national focal institutions</b>	<p>The partnership agreement between the PCREEE and the NFIs will be such that the PCREEE will be empowered to terminate the agreement in case of poor responsiveness and performance. In such case, the PCREEE will also be empowered to engage alternative institutions in its projects and programmes.</p> <p>The PCREEE will also carry out regular capacity building programmes for the staff of the NFIs to ensure their continued and meaningful engagement. In addition, each national focal institution will be required to regularly brief the representative of the member state to the PCREEE.</p> <p>Adequate financial operational resources from the PCREEE to NFIs will also help to maintain interest and cooperation.</p>
<b>5. Lack of coherence with other regional programmes</b>	Strong links with CROP agencies, PEAG and the constant communication with development partners will ensure the coherence of the Centre activities with regional RE&EE programmes.

<p><b>6. Poor uptake of RE&amp;EE projects by PICTs.</b></p>	<p>Risk is considered to be low as PICTs have, through various forums, policies and development plans, expressed their commitment to the development of RE&amp;EE in the region.</p> <p>The PCREEE will develop RE&amp;EE activities as an integral part of the energy picture in the region. This way, the evaluation of these options will take into consideration all the benefits in comparison to other energy alternatives.</p>
<p><b>7. Lack of ownership by PICTs.</b></p>	<p>Risk is considered moderate. PICTs will be closely involved in the activities of the PCREEE and its major decisions through project implemented in each country. Care will be taken so that the PCREEE maintains its regional focus and not appear to be favouring specific PICTs. Moreover, the annual work plans will be developed through a consultative decision making process which will also involve the Centre stakeholders, especially the NFIs.</p>
<p><b>8. Financial sustainability beyond the support by development partners.</b></p>	<p>The level of support from the Centre partners is anticipated to be in excess of what the Centre requires for its operational costs during the first 4 years of the operational phase. Moreover, the host organisation should sign a MoU with long term (10 years) support to continue to pay for a significant part of the operational costs by providing office space, IT services, telephone and other office facilities.</p> <p>Additionally, the Centre business plan will include activities which could generate income and aggressive fund raising will be carried out during the first operational phase.</p>

## 9. Overall sustainability of the PCREEE

To establish good credibility and integrity, the Centre will develop and adopt code of conduct and ethics governing its operations. In particular, no PICT will feel excluded from the activities of the Centre.

## 10. Poor performance of PCREEE

UNIDO will provide technical key support for institution building and to build up the technical programme of the Centre from the very beginning; The Centre will have to show its added value to PICTs and international partners quickly. The use of existing SPC f sound internal procedures right from the beginning of the Centre (e.g. financial, accounting) is key for the credibility and the basis to receive direct funding from donor partners. Moreover, UNIDO will facilitate south-south cooperation with the other regional sustainable energy Centres.

# 8. Energy Budget Summary 2018-2020

BL	Budget Lines	Total (in EUR)					
		Tonga	SPC	ADA/MFA (through UNIDO)	UNIDO	Others (to be mobilized and earmarked for PCREEE activities)	Total
1100	International Consultant/staff	237.000	550.821	145.000	145.000	430.000	1.507.821
1700	National Consultants/staff	-	-	4.000	4.000	390.000	398.000
2100	Contractual Services	-	-	526.708	297.000	940.000	1.763.708
1600	International Travel	-	-	45.000	51.000	120.000	216.000
1500	Local Travel	-	-	50.000	48.000	150.000	248.000
3500	Regional Meetings/Workshops	-	-	40.000	25.000	620.000	685.000
5100	Miscellaneous expenses	120.000	-	20.000	20.000	180.000	340.000
4500	Equipment	-	-	10.000	10.000	940.000	960.000
3000	Training/Fellowships	-	-	-	-	100.000	100.000
	<b>Subtotal</b>	<b>357.000</b>	<b>550.821</b>	<b>840.708</b>	<b>600.000</b>	<b>3.870.000</b>	<b>6.218.529</b>
	13% Overhead (UNIDO)			109.292			109.292
	<b>Total</b>	<b>357.000</b>	<b>550.821</b>	<b>950.000</b>	<b>600.000</b>	<b>3.870.000</b>	<b>6.327.821</b>

## 9. Monitoring, Evaluation and Learning

The key documents which will guide the monitoring of the PCREEE are the:

1. PCREEE Project Document, particularly the Result Based Management Framework on the First Operational Phase of PCREEE, agreed to by the Government of Austria and UNIDO [plus any amendments to it by the Steering Committee]
2. The umbrella Service Contract No. 3000044,989 signed by UNIDO and SPC on 21st April 2017 and any subsequent amendments to it;
3. Georesources and Energy Pillar's Business Plan and the PCREEE Business Plan
4. Annual work plans of the PCREEE



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## Key Reports:

Type of Report	Targeted Audience	Author	Approval	Time frame
<b>CRGA Reports</b>	PICTs and Development Partners	SEPPL, Georesources and Energy Program Staff supported by M&E Advisor and Finance	Checked by Director and Deputies before submission to SEPPL	Annually (Dec)
<b>Progress reports</b>	Steering Committee, UNIDO and Development Partners	Manager – PCREEE and team	Deputy Director – Georesources and Energy	Based on varying timelines in the service contracts
<b>Project Finance Reports</b>	Steering Committee, UNIDO and Development Partners	Manager – PCREEE and team supported by M&E Advisor and Finance	Verified by Deputy Directors. Signed off by Director.	To be submitted together with, and as part of, the Progress reports
<b>Annual Report</b>	PICTs, Development Partners and Steering Committee	Manager – PCREEE and team supported by Finance	Verified by DD Georesources and Energy. Signed off by Director.	Annually (Dec)
<b>Internal Program Reports</b>	GEM Senior Management and Georesources and Energy Pillar Staff	M&E Advisor	Verified by Deputy Directors. Signed off by Director.	6 monthly (May & November).

# Evaluation

- Internal Mid Term Review Report
- End of First Operational Phase Evaluation
- 6- Monthly Internal Divisional Report

## **6 Monthly Learning and Reflection Events:**

The PCREEE will undertake a 6 monthly learning and reflection event together with the Georesources and Energy Division to review its progress and learnings. Key documents that will be reviewed for this process include the PCREEE Annual Workplan and Business Plan, the Georesources and Energy Pillar Business Plan and the Integrated Energy Program and PCREEE Results Framework. A key output for this event will be the Internal Program Reports.

# PCREEE Business Plan

**SC 1 Direction** - endorsed the general structure of the PCREEE Business Plan, noted that it would be integrated with SPC's Energy Programme and directed the Secretariat to present a complete business plan to be adopted at its next meeting.

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Next Agenda Item

# Recommendations

- Noted the progress with the development of the Business Plan and the need for it to align and be consistent with the new structure of SPC's Georesources and Energy Programme
- Endorsed the need for the PCREEE to have a clear Resource mobilisation strategy as part of the BP
- Directed the PCREEE secretariat to complete the BP and circulate it for endorsement out of session, preferably before the end of the second quarter of 2018.
- Encouraged members to comment and provide inputs to the BP.

# MALO 'AUPITO