

## **REGIONAL ENERGY OFFICIALS MEETING**

Fa'onelua Convention Centre, Nuku'alofa,

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**Session 7.0:                   Priorities and Looking Forward**

**Title:                               Regional Institutional Framework (RIF) Implication on Energy**

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**Regional Energy Officials Meeting**

Nuku'alofa, Kingdom of Tonga, 20 – 22 April 2009

**Update on the Regional Institutional Framework**

*Presented by the CEOs of SOPAC SPC and SPREP*

## **Objective:**

To provide a brief update to Energy Officials and Energy Ministers on the progress achieved in implementing the Forum Leaders' 2008 Niue decisions on reforming the region's institutional framework and subsequent related decisions of the governing bodies of SOPAC, SPC and SPREP.

## **Background**

1. Pacific Forum Leaders in Paragraph 20 of their Niue Communiqué in August 2008 adopted the following decisions in relation to the Regional Institutional Framework.

Para 20: Leaders;

- a. recalled their 2007 decision on the rationalisation of the Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC) functions into the Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP), without any substantive diminution in SOPAC functions, and the merger of the South Pacific Board for Educational Assessment (SPBEA) with SPC;
- b. expected that all work to define the new institutional arrangements, as well as plans for implementing those arrangements, would be finalised and jointly agreed by the CEOs of the relevant agencies for presentation to Leaders at the 2009 Leaders' meeting; and
- c. directed their representatives on the Governing Councils of the SPC, SOPAC, SPREP and SPBEA in 2009 (and prior to the Leaders' meeting) to take all the final decisions on the new institutional arrangements and implementation plans, with implementation to commence immediately after the Governing Council meetings and no later than 1 January 2010.

## **Progress since the 2008 Forum leaders meeting**

2. Following the Niue Forum:
  - i. the governing bodies of SPREP (September 08); SPC (October 08 and SOPAC (October 08) met and agreed that the three CEOs work collaboratively with each other and present recommendations on the proposed new institutional arrangement for consideration by a joint meeting of the three governing bodies in May 2009. The decisions by the governing bodies of SPREP, SPC and SOPAC are annexed to this paper for information.
  - ii. The CEOs agreed to:
    - a. jointly commission an independent external consultancy to assist in determining rationalisation of SOPAC programmes into SPC and SPREP (Part 1) including developing implementation plans for the proposed rationalisation (Part 2),
    - b. the convening of a joint meeting of the governing bodies of SOPAC, SPC and SPREP in June 2009 to which they will present their

recommendation on the proposed new regional institutional framework for their consideration

### **Independent external consultancy**

3. The Consultants have completed Part 1 of their terms of reference. Based on information provided to them by the three agencies and other stakeholders, the consultants recommended that following rationalisation of SOPAC programmes into SPC and SPREP. The CEOs have agreed to the recommendations.
  - i. **ICT** - The ICT-Outreach component be coordinated and absorbed by SPC.
  - ii. **Energy** - The CROP lead organisation coordination role for the pacific energy sector and petroleum advisory services be transferred to SPC. The components of renewable energy, energy efficiency and energy conservation<sup>1</sup> be integrated into a new environment and resource management organisation
  - iii. **The rest of the SOPAC Programme of work** - A re-branded regional environment and resource management organisation (potentially called the “Pacific Environment Resources Commission”) be established by integration of the ‘core’ functions and programmes of SPREP and SOPAC, while taking into account the recommendations of the SPREP Independent Corporate Review (ICR)
4. The consultants are currently working on Part 2 of their terms of reference.

### **Implementing the three recommendations**

5. The three agencies have agreed on the following with regards to the implementation of the three recommendations:
  - i. *ICT outreach* – The CEOs of SOPAC and SPC with their staff will jointly develop the detailed implementation plan to achieve this.
  - ii. *Energy* – The CEOs of SOPAC, SPC and SPREP and other key stakeholders in the region’s energy sector will further consult and develop the implementation plan to achieve this.
  - iii. *The rest of the SOPAC programme of work* – Part 2 of the Consultancy will focus on developing the implementation plan to achieve this recommendation working with CEOs of SOPAC and SPREP and their staff and involving CEO of SPC as necessary in the process.
  - iv. The three CEOs have invited the Secretary General of the Pacific Islands Forum Secretariat to facilitate some of discussions between the

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<sup>1</sup> Noting the role of other CROP Organisations who have mandated responsibilities within the pacific energy sector

CEOs to ensure that the opportunities provided through the RIF process are progressed effectively.

## **Taking the recommendation on Energy further**

### *a. High priority sector needing strengthened coordination at the regional level.*

6. Energy has been a very high priority for the region for many years as aptly demonstrated by successive conclusions and recommendations from ministerial meetings as well as the Forum Communiqué. However the approach to energy still suffers from a lack of a comprehensive and coordinated mechanism at both the national and regional levels. For a sector that has been accorded extremely high priority, it is imperative that we have an effective coordination mechanism in the region.

7. Recommendation 2 of the independent consultancy report on the rationalisation of SOPAC programmes into SPC and SPREP vis-à-vis *'the CROP lead organisation coordination role for the pacific energy sector and petroleum advisory services be transferred to SPC. The components of renewable energy, energy efficiency and energy conservation be integrated into a new environment and resource management organisation'* provides a basis for this more coordinated and comprehensive approach to energy at the regional level.

8. One of the major impediments to effective coordination in the region's energy sector has been due to a lack of clear articulation and appreciation of the role and responsibilities of the lead agency for the regional energy sector vis-à-vis the role of other key stakeholders in the energy sector. For recommendation 2 above to work, this first needs to be clarified.

9. For example, all agencies acknowledge the lead role by SPREP in Climate Change notwithstanding that some agencies have significant roles and functions that support implementation of climate change actions with respect to mitigation and adaptation.

### *b. Role of lead agency for coordinating the regional energy sector (SPC)*

10. The key role of the lead coordination agency for the regional energy sector is that of providing leadership for, and improving the profile of energy as a key priority sector in the Pacific islands region. In this regard the lead coordination agency will have the following responsibilities:

- i. Establish a dedicated long-term senior position in the organisation with funding that is not dependent on project funding to effectively facilitate regional energy sector coordination to raise and maintain the profile of energy at all levels.
- ii. Overall responsibility for analysis of trends in the energy sector, issues and challenges, and identify opportunities for strategic engagement by the region at national and regional levels.

- iii. Proactively undertake social, economic and policy research and analysis on the energy sector (petroleum, transportation, renewable energy, energy efficiency and energy conservation, energy infrastructure, power) and provide policy responses and strategic solutions to members and key stakeholders, to inform their own decision-making processes.
- iv. Coordinate the development of a joint, regional energy sector work-plan with an appropriate M&E and prioritised framework that involves all stakeholders to effectively implement the regional energy policy and plan.
- v. Develop and sustain a comprehensive, coordinated and shared approach to data collection, analysis and dissemination in the energy sector.
- vi. Develop and sustain a common energy data and information system.
- vii. Focal point for development partner interaction and coordinate resource mobilisation and allocation for the delivery of regional energy services.
- viii. Establish and facilitate mechanisms that will involve key energy stakeholders in strategic analysis of emerging challenges and opportunities, as well as the oversight, decision-making and / or management of issues in or affecting the energy sector.

*c. Role of implementing organisations and partners.*

11. Delivery of energy services from the regional level is currently done by a number of organisations. This will continue but the improved coordination and cooperation between agencies will lead to better impact and outcome for members. The key principle underpinning the work of the many partners delivering energy solutions in the region should be on the basis of **'22 island members, many partners, one team'**.

12. Explicit in this underpinning principle is that there are twenty-two members who stands to benefit from improved regional services, there will be many agencies involved in the region's energy sector, but we are seen from members and development partners as 'one team' assisted through the improved coordination and development over time of a common work-plan involving all partners.

13. SPC has many examples of such a multi-agency work-plan one of which is the 'Regional HIV/AIDS strategy' where we have more than forty partners but one overarching strategy and one common implementing strategy (work-plan). The common work-plan also provides the basis of a multi-agency monitoring and evaluation framework for HIV/AIDS initiatives in the region. A similar approach could work for the energy sector.

14. In this regard:

- i. the new environment and resource management organisation (resulting from the integration of the SPREP and SOPAC programmes), as a key stakeholder within the regional energy sector and its programme of work, would implement actions related to renewable energy, energy efficiency and energy conservation. It will also contribute to research and policy work in these areas.
- ii. PPA will continue its work in the power sector
- iii. USP will continue its work on the areas it is involved in on the energy sector
- iv. SPC will implement actions in the petroleum area when petroleum functions transfer from PIFS to SPC
- v. Other key stakeholders involved in implementing energy solutions in the region will continue their roles and will actively participate in the improved coordination and implementation of priorities in the regional energy sector.

### **Taking the coordination mechanism further**

15. One key issue that has been raised in relation to the coordination and delivery of regional services was the need to avoid segregation of energy initiatives and that separating different components of energy between different agencies could undermine the full potential of the benefits to members to the extent that some members would prefer to see energy coordination and implementation coming under one agency.

16. Cognisant of this issue the CEOs are exploring the option of possibly 'co-locating' the various components of their energy programmes in one location to enhance coordination, service delivery and a 'one-team' approach. Each agency that is co-located will retain its own organisational identity and integrity in the team.

## Annex 1 – Decisions of PIFS, SPREP, SPC and SOPAC relating to the Regional Institutional Framework

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### I) Pacific Islands Forum (PIF)

Forum Leaders met in Niue in August 2008 and in paragraph 20 of their 2008 Communiqué articulated their recommendations in respect of the regional institutional framework review.

Leaders:

- a. **recalled** their 2007 decision on the rationalisation of SOPAC functions into SPC and SPREP, without any substantive diminution in SOPAC functions, and the merger of South Pacific Board for Educational Assessment (SPBEA) with SPC;
- b. **expected** that all work to define the new institutional arrangements, as well as plans for implementing those arrangements, will be finalised and jointly agreed by the CEOs of the relevant agencies for presentation to Leaders at the 2009 Leaders' meeting; and
- c. **directed** their representatives on the Governing Councils of the SPC, SOPAC, SPREP and SPBEA in 2009 (and prior to the Leaders' meeting) to take all the final decisions on the new institutional arrangements and implementation plans, with implementation to commence immediately after the Governing Council meetings and no later than 1 January 2010.

### II) Pacific Regional Environment Programme (SPREP)

The SPREP Council met in the Federated States of Micronesia in September 2008 and considered both the 2007 Pacific Island Forum Leaders' Communiqué, Para. 19b and the 2008 Pacific Island Forums Leaders' Communiqué Paragraph 20; and at the 19SM Informal Session on 7 September 2008 decided as articulated below.

*Decision by the 19SM on the Regional Institutional Framework (RIF)*

The Meeting:

**Considered** the information provided on the RIF review and its reports took into account the 2007 and 2008 Forum Leaders' decisions on the RIF review (outlined above);

**Considered** the opportunities to strengthen the region's environment organisation that would be provided by rationalization of SOPAC functions, in whole or part, into SPREP;



**Recognised** the need to consider the legal, financial, administrative, and programmatic implications for absorbing SOPAC and/or its functions, in whole or in part, within SPREP,

**Directed** the Director of SPREP to engage collaboratively with the CEOs of SOPAC and SPC immediately following the 2008 SOPAC Council Meeting to determine and jointly identify proposed institutional arrangements based on an analysis of:

- a. synergies and linkages between programs
- b. optimising service delivery
- c. organisational capacities
- d. maintaining the integrity of the applied science and technical services

**Directed** that the Director of SPREP, in collaboration with the CEOs of SOPAC and SPC, jointly commission an independent analysis of the legal, financial, administrative, and programmatic implications of their proposed institutional arrangements

**Directed** the Director of SPREP to propose to the other CEOs that the proposed institutional arrangements and analysis of implications are circulated to all member focal points of SPREP, SPC and SOPAC with an invitation for a representative from each Member country to attend a meeting of all countries and territories for consideration by May 2009;

**Directed**, subject to the guidance of the above-referenced meeting, the Director of SPREP to work collaboratively with the CEOs of SOPAC and SPC to finalise and jointly recommend new institutional arrangements and implementation plans, to be provided to Members by July 2009, for consideration and decision by their respective Governing Bodies in 2009;

**Agreed** that the SPREP Meeting meet to consider the institutional arrangements and implementation plan recommended by three CEOs before the next Pacific Islands Forum Leaders' meeting in 2009;

**Directed** the Director of SPREP in his deliberations on new institutional arrangements to take account of the ICR recommendations and implementation;

Directed the Director of SPREP to propose to the other CEOs to provide a joint quarterly update on progress and to seek and share the views of, and give due consideration to, all members of SPREP, SPC and SOPAC.

### **III) The Pacific Community (SPC)**

The CRGA of SPC met in New Caledonia in October 2008 and noted the excellent progress achieved during 2008 in responding to the Regional Institutional Framework review and decisions related to rationalising the activities of regional organisations;

Noted that the CEOs of SPC and SPBEA have agreed on the process for developing an implementation plan for the merger between the two organisations;

Endorsed and adopted the approach agreed by the SPREP meeting with regard to the RIF process; and

Directed the Director-General to implement the decision of CRGA38 as set out in Annex 3 of SPC/CRGA 38 (08)/Paper 4.2/Addendum

### Decision by the CRGA38 on the Regional Institutional Framework (RIF)

1. At its 38th meeting held in Noumea, New Caledonia from 13th to 16th October 2008:

- Recalling the decision made by the 5th Conference of the Pacific Community on the RIF in Apia in November 2007,
- Noting the decision by the SPREP meeting at its recent meeting on the RIF,
- Wishing to establish one mechanism between SPC, SPREP and SOPAC to respond to the RIF review PIF Leaders' decision on the regional institutional arrangements
- Noting that the SOPAC Governing Council will meet after CRGA,

2. CRGA:

- a. Endorsed the process contained in the SPREP decision,
- b. Added three more parameters to the analysis proposed in the SPREP decision, including two that were approved by the 5th Conference of the Pacific Community in Apia in 2007.

3. CRGA also:

**Directed** the Director General of SPC to engage collaboratively with the CEOs of SOPAC and SPREP immediately following the 2008 SOPAC Council Meeting to determine and jointly identify the new proposed institutional arrangements based on:

a. transparency and timeliness with respect to the process, and effective involvement of stakeholders

b. cost effectiveness, and

- c. analysis of the core function of each SOPAC programme to assess whether it is primarily (a) an environmental programme or (b) an economic development programme
- d. synergies and linkages between programs
- e. optimising service delivery
- f. organisational capacities
- g. maintaining the integrity of the applied science and technical services

**Directed** that the Director General of SPC, in collaboration with the CEOs of SOPAC and SPREP, jointly commission an independent analysis of the legal, financial, administrative, and programmatic implications of the proposed new institutional arrangements;

**Directed** the Director General of SPC to propose to the other CEOs that the proposed institutional arrangements and analysis of implications are circulated to all member focal points of SPREP, SPC and SOPAC with an invitation for a representative from each Member country to attend a meeting of all countries and territories for consideration by May 2009;

**Directed**, subject to the guidance of the above-referenced meeting, the Director General of SPC to work collaboratively with the CEOs of SOPAC and SPREP to finalise and jointly recommend new institutional arrangements and implementation plans, to be provided to Members by July 2009, for consideration and decision by their respective Governing Bodies in 2009;

**Agreed** that the 39th meeting of the CRGA and the 6th Conference of the Pacific Community in 2009 will consider the institutional arrangements and implementation plan recommended by three CEOs before the next Pacific Islands Forum Leaders' meeting in 2009;

**Directed** the Director General of SPC to propose to the other CEOs to provide a joint quarterly update on progress and to seek and share the views of, and give due consideration to, all members of SPREP, SPC and SOPAC.

**Noted** the instruction by the SPREP meeting to the Director of SPREP in his deliberations on the new institutional arrangements to take account of the ICR recommendations and implementation; and

**Agreed** that an independent external consultancy would be commissioned and if necessary, to assist the three CEOs to achieve the objective of paragraph 3 (a) additional resources would need to be sought.

4. To ensure the three governing bodies and their respective CEOs work together using one mechanism, CRGA requested the Chairperson of CRGA38 to write to respective Chairpersons of the SPREP meeting and the SOPAC Council to inform them that CRGA has endorsed the process contained in the SPREP decision as outlined above.

### **SOPAC 2008 RIF Decision**

[AS37 Item 10.1]

#### *Recommendations*

Council commended the work of its Committee during the year, to provide a positive and timely response to the challenge outlined in the 2007 Forum Communiqué;

SOPAC Council:

- 1) took into account the 2007 and 2008 Forum Communiqués relating to the RIF Review.
- 2) took into account the 2008 SPREP Council and Pacific Community CRGA decisions on the RIF.
- 3) recognised the need to ensure a cautious approach is adopted when considering the legal, financial, administrative, and programmatic implications for rationalising SOPAC functions into SPREP and SPC.
- 4) requested the Director of SOPAC to engage collaboratively with the CEOs of SPREP and SPC immediately following the 2008 SOPAC Council Meeting to determine and jointly identify proposed institutional arrangements based on an analysis of:
  - (a) transparency and timeliness with respect to the process, and effective involvement of stakeholders.
  - (b) cost effectiveness.
  - (c) analysis of the core function of each SOPAC programme to assess whether it is primarily (a) an environmental programme or (b) an economic development programme.
  - (d) synergies and linkages between programmes.
  - (e) optimizing delivery and sustainable continuation of regional services.
  - (f) strengthening organizational capacities.
  - (g) maintaining the integrity of the applied science and technical services.
  - (h) a mechanism that will enable the benefits of STAR to be continued.

5) requested the Director of SOPAC to work with the other CEOs to provide joint, formal quarterly updates on progress and to seek and share the views of, and give due consideration to all members of SPREP, SPC and SOPAC.

6) encouraged the Director of SOPAC to provide regular briefings to members with Suva-based representation, as well as regular email updates to all members.

7) requested the Director of SOPAC in collaboration with the CEOs of SPREP and SPC, jointly commission an independent analysis of the legal, financial, administrative and programmatic implications of their proposed institutional arrangements, avoiding duplication of work already undertaken.

8) requested the Director of SOPAC to work with the other CEOs to ensure that the proposed institutional arrangements and analysis of implications are circulated to all member focal points of SPREP, SPC and SOPAC with an invitation for a representative from each Member country to attend a meeting of all countries and territories for consideration by May 2009.

9) requested, subject to the guidance of the above-referenced meeting, the Director of SOPAC to work collaboratively with the CEOs of SPREP and SPC to finalise and jointly recommend new institutional arrangements and implementation plans, to be provided to Members by July 2009, for consideration and decision by their respective Governing Bodies in 2009.

10) agreed that it will meet to consider the institutional arrangements and implementation plan recommended by the three CEOs before the next Pacific Islands Forum Leaders meeting in 2009.

11) Agreed that an independent external consultancy may be commissioned and if necessary, to assist the three CEOs to achieve the objective of paragraph 4 acknowledging that additional resources would be sought.

12) noted the instruction by the SPREP meeting to the Director of SPREP in his deliberations on the new institutional arrangements to take account of the ICR recommendations and implementation.

13) to immediately respond by writing to the Forum Chair, Chairs of SPC and SPREP governing bodies, Chair of STAR, donor partners and key stakeholders advising of the outcomes of its consideration of the issue at the 2008 Council Meeting.