

# FEDERATED STATES OF MICRONESIA, REPUBLIC OF THE MARSHALL ISLANDS & REPUBLIC OF PALAU BACK-TO-OFFICE REPORT

Gerhard Zieroth  
Project Manager

## PIEPSAP Project Report 45

June 2006

### ~ Participating Pacific Islands Countries ~

*Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands,  
Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and  
Vanuatu*

**PIEPSAP**  
PACIFIC ISLANDS ENERGY POLICY  
AND STRATEGIC ACTION PLANING

MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
UDENRIGSMINISTERIET



**SOPAC**



## Back-to-Office Report

<b>Country</b>	<b>FSM, Republic of Marshall Islands, Republic of Palau</b>
<b>Consultations held by</b>	Gerhard Zieroth as part of an EU mission (Horst Pilger, Malcolm Ponton, Michael Graf, Tony Derrick, Gwen Legros)
<b>Dates of Consultations</b>	<b>24/05/06 – 5/06/06</b>
<b>Summary</b>	<p>Purpose of the mission was to follow up on ongoing PIEPSAP activities, up-date relevant data and information and - most importantly - agree upon co-ordination and cooperation between EDF9 and EDF 10 energy projects and PIEPSAP. PIEPSAP manager also advised on project design and institutional arrangements for EDF 9 REP5 project, in particular with regard to achieve the poverty alleviation related goals of the EDF 9 project. The contribution of PIEPSAP is mandated through SOPAC/PIEPSAP participation in the REP 5 Steering Committee. Discussions were held on the detailed activities under the REP-5 (focal area 9<sup>th</sup> EDF) with stakeholders in all three countries. In FSM these discussions were held in a workshop, involving a large number of stakeholders.</p> <p>During the mission a forward-looking discussions were held in all three countries. A number of PIEPSAP activities could be agreed upon. In all three countries there will be direct linkages between EU/EDF and PIEPSAP activities. PIEPSAP in line with its mandate under the European Union Energy Initiative will continue to support project identification and project development for EDF 10 national and regional energy projects. Regular co-ordination in the future will ensure that synergies can be achieved. PIEPSAP will focus on the following:</p> <ul style="list-style-type: none"> <li>RMI <ul style="list-style-type: none"> <li>1) Update of the Outer Island Electrification Strategy</li> <li>2) Development of a biofuel pilot project for Ebon Island in co-operation with UNDP Suva</li> <li>3) Advisory assistance in programming EDF 10 funding in energy</li> </ul> </li> <li>FSM <ul style="list-style-type: none"> <li>1) Continuation of Tariff Study for PUC – including an investment plan for generation capacity</li> <li>2) Development of a National Energy Policy with a guideline for renewable energy development</li> <li>3) Advisory assistance in developing EUUEF proposals</li> </ul> </li> <li>Palau <ul style="list-style-type: none"> <li>1) Development of National Energy Conservation Strategy (starting with Exec order 234)</li> <li>2) Advisory assistance in programming EDF 10 funding in energy</li> </ul> </li> </ul>

Contacts During Mission	
<b>FSM</b>	<ul style="list-style-type: none"> <li>• Marion Henry, Assistant Secretary, Resource Management and Development, SOPAC REP</li> <li>• Roger S. Mori, Assistant Secretary, Economic Planning and Statistics</li> <li>• Lorin S. Robert, Deputy Secretary, Foreign Affairs</li> <li>• Jackson T. Soram, Deputy Assist. Secretary, Foreign Affairs</li> <li>• Jane J. Chigiyal, Assistant Secretary Foreign Affairs</li> <li>• Tony Actouka (Infrastructure Pohnpei)</li> <li>• David Hawkins, PUC</li> <li>• Cindy Ehmes</li> <li>• Stakeholders at the REP-5 workshop</li> </ul>
<b>RMI</b>	<ul style="list-style-type: none"> <li>• Frederic Muller, Secretary R&amp;D</li> <li>• Atina Mayzoe, Energy Planner, Energy Division</li> <li>• Steve Wakefield MEC</li> <li>• Carl Hacker, Director Economic Policy, Planning and Statistics Office (EPPSSO)</li> <li>• Ms Yumie Crisostomo, Office of Environmental Planning &amp; Policy Coordination (OEPPC)</li> <li>• Billy Schuetz (Renewable Energy Engineer)</li> <li>• Tony Tomlinson, Consultant (BECA Consult)</li> <li>• Stephen Boland, ADB consultant</li> </ul>
<b>Palau</b>	<ul style="list-style-type: none"> <li>• Hon. Temmy Shmull (Minister of Foreign Affairs)</li> <li>• Tony Tomlinson, Consultant</li> <li>• Greg Decherong (Director of Energy)</li> <li>• Larry Goddard (Office of the President),</li> <li>• Nilo L. Andres (PPUC)</li> <li>• Satoru Adachi (PPUC)</li> <li>• Lorenzo Mamis (PPUC)</li> <li>• Richard Mangham (Engineering Office Capital Improvement)</li> </ul>
<b>Follow up</b>	
<p>As a follow up of the mission the FSM mission the FSM government will formally request PIEPSAP assistance in the area of Energy Policy Development. Upon receipt of this request PIEPSAP will draft ToR for the assignment and possibly engage a specialist to assist the Federal Government in policy development. Co-operation with the local REP-5 expert will be essential, as the policy guidelines will have a direct impact on REP-5 project design.</p> <p>For RMI PIEPSAP's focus will be the completion of the outer island electrification strategy (OIES). It is expected that the strategy will be submitted through the Minister of R&amp;D to Cabinet for approval. A second activity involves the design of an outer island electrification project using coconut oil as a diesel substitute. Ebon with its low electrification rate and significant coconut resources was identified as the preferred location. The project will be co-sponsored by PIEPSAP and UNDP Suva. A mission field is scheduled for September 2006.</p> <p>For Palau, PIEPSAP will immediately draft a work program covering the development of the Palau Energy Conservation Strategy (PECS). The strategy will focus on government agencies taking the lead to achieve a 10 % reduction in energy consumption in line with Exec Order 234. The opportunities offered by energy conservation will be further investigated, in particular the possibilities to transform the government lead in conservation into a broader educational and awareness campaign that eventually includes all parts of the society. Given the experiences already made in other countries in the region there is substantial scope for regional co-operation and exchange of experiences in mandated energy conservation projects.</p>	