

SPC file no.: PRO 135/3/4

8 September 2015

CIRCULAR LETTER TO :

ENERGY MINISTERS OF THE PACIFIC ISLAND COUNTRIES AND TERRITORIES

Dear Honourable Ministers,

**Follow-up to the Second Regional Meeting of the Pacific Ministers of Energy and Transport
(Aviation and Maritime), Nadi, Fiji, 2-4 April 2014**

It would be recalled that two of the outstanding matters from the Second Regional Meeting of the Pacific Ministers of Energy and Transport (Aviation and Maritime) in Nadi, Fiji, 2-4 April 2014 were:

- i) the permanent host of the Pacific Regional Data Repository (PRDR), and
- ii) the host of the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE).

The PRDR

1. With regards the PRDR, Ministers welcomed the PRDR initiative and commended UNESCAP for leading the initial work. Further, Ministers welcomed the decision for the Secretariat of the Pacific Community (SPC) to host the PRDR for 12 months, on an interim basis, noting that a review of the arrangement would be conducted after 12 months. Ministers agreed that the outcome of the review and its recommendations on the long-term hosting arrangement for the PRDR would need to be circulated to Ministers out-of-session, for decision. Ministers also agreed for a steering committee to be established to provide an oversight and support role to SPC during the 12-months interim period.
2. Since these ministerial decisions, the PRDR Steering Committee has met four times: it held three meetings before the successful launch of the PRDR at the Third Small Island Developing States (SIDS) Conference held in Samoa in September 2014; and, held a fourth meeting during the meeting of the Pacific Energy Advisory Group (PEAG) in Suva in December 2014, to discuss future directions of the PRDR in 2015 and beyond.
3. Their fourth meeting highlighted the immediacy and urgency of identifying a permanent host for the PRDR and the importance of giving some confidence and certainty to the permanent host as soon as practicable, and in respect of this they:
 - i) acknowledged SPC's effort and commitment of internal financial, staff and office resources to the PRDR development noting the considerable progress achieved which had resulted in positive momentum, awareness and support;
 - ii) Noted the need for security, continuity and confidence for SPC as the host, and for development partners to continue to dedicate and / or commit resources to the ongoing development of the PRDR, given that some assistance is likely to be delayed or withheld until the permanent hosting arrangement is agreed and established;

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- iii) Noted the need, for the viewpoint of governments, to have a sense of certainty and continued ownership of the PRDR, irrespective of where it would be hosted;
- iv) Unanimously agreed therefore that in the absence of any firm alternative interest and given SPC's unique position on the PRDR, that **SPC be recommended to be the permanent host of the PRDR**; and,
- v) Agreed that the Steering Committee be disestablished and that its PRDR oversight role be now taken up by the meeting of the SPC-convened Pacific Energy Advisory Group (PEAG).

The PCREEE

4. On the PCREEE, Ministers supported mechanisms that promote private sector involvement and interactions, including the proposed *PCREEE - A Sustainable Energy for All (SE4ALL) Centre of Excellence* that would be progressed through a competitive tender process to consider bids to host the regional centre. Ministers further agreed that the selection process would involve a panel comprising PICTs and development partners; this group would make a recommendation on the hosting arrangements to be circulated for consideration by Ministers out of session. Ministers further requested that the Pacific Islands Forum Secretariat (PIFS) work with the concept proponent and funder – the United Nations Industrial Development Organization (UNIDO) – and the tender panel to facilitate the process.
5. After criteria for assessment was developed by UNIDO, the tender process was launched in November 2014 by PIFS through its Circular: 157/14. The deadline for submissions was 30 January 2015. By the deadline, one submission had been received. It was a joint submission by members of the Council of Regional Organisations in the Pacific (CROP) - led by the Secretariat of the Pacific Community (SPC), and including the Pacific Power Association (PPA), Secretariat of the Pacific Regional Environment Programme (SPREP), University of the South Pacific (USP) and PIFS. The submission proposed that SPC would be the hub/host of the PCREEE and would be supported by the partner agencies [PPA, SPREP, USP and PIFS], which would be the spokes for various initiatives such as capacity building and financing.
6. To ensure an open and transparent process, UNIDO engaged a consultant to undertake an independent evaluation of the submission. The consultant gave the submission a score of 75.5% out of 100%.
7. PIFS convened an evaluation panel comprising representatives from UNIDO (as the proponent of the PCREEE proposal), SIDS Dock, EU (a long-term development partner in the Pacific, with experience in energy projects in the region), Palau and Tonga (both countries represented by officials with vast experience in the energy sector). Each panel member had to declare any conflicts of interest. The panel individually commented on the submission and the consultant's evaluation. Overall, the panel members were supportive of the submission and agreed with the consultant's assessment.
8. The panel also suggested some steps to strengthen the proposal. These were mainly in the areas of:
 - i) The need for a MoU between the partners to specifically define their roles and responsibilities;
 - ii) The need for Funds received and spent in the name of PCREEE to be kept and managed separately, under the control of the Director of the Centre;
 - iii) Ensuring that the impact for the countries should be maximised and measured;
 - iv) The need for external stakeholders to participate in the recruitment process of staff for the Centre;
 - v) The need for the Centre to eventually have some autonomy to ensure its independence, and not to be in the corporate spine of the SPC (e.g. ability to sign contracts, recruit staff by using flexible and cost-effective employment models for staff);
 - vi) The need for the role of the Pacific Energy Advisory Group and Pacific Energy Oversight Group in providing oversight to the centre to be clearly defined and articulated; and,
 - vii) The need for the Centre to work closely with the newly established regional sustainable energy centres for SIDS in the Caribbean and Africa.

9. It is proposed that these matters would be addressed during the establishment phase of the Centre. SPC has proposed that the Pacific Energy Advisory Group (PEAG) would take on the oversight and monitoring role in this context. SPC will convene a meeting of the PEAG in November this year.

Recommendations for the Energy Ministers to Endorse

10. Given the above discussions and developments in respect of the PRDR and PCREEE, since Ministers' decisions in April 2014, the PRDR Steering Committee and the PCREEE Evaluation Panel provide the following recommendations for Ministers' kind consideration:
- i) Agree that the SPC become the permanent host of the Pacific Regional Data Repository (PRDR);
 - ii) Note the recommendations of the independent evaluation panel and agree to accept the joint proposal of SPC, USP, SPREP, PPA and PIFS to establish the Pacific Centre for Renewable Energy and Energy Efficiency: A Sustainable Energy for All (SE4ALL) Centre of Excellence;
 - iii) Further, note that SPC will be the hub/host of the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE), in cooperation with PIFS, PPA, SPREP and USP who would be responsible for supporting areas such as capacity building and applied research, renewable energy and energy efficiency, knowledge management, investment and business promotion; and,
 - iv) Direct the Pacific Energy Advisory Group (PEAG) to oversee and monitor the establishment and operationalization of the PCREEE.
11. I, the undersigned give you my undertaking that the potential risks raised during the evaluation process will be addressed during the establishment phase of the Centre, and that the Pacific Energy Advisory Group (PEAG) will undertake the oversight and monitoring role in this context.
12. The hosting of PRDR and PCREEE in the SPC will allow the creation of very useful synergies and efficiencies to be realised.
13. We request that you forward any comments and, or objections that you may have on the recommendations outlined in paragraph 11, to Mr Solomone Fifita of SPC [solomonef@spc.int], before 5.00 p.m. on Tuesday, 22 September 2015 (Suva time). As is the usual practice, silence would be taken as consent.

We look forward to your kind support and consideration.

Yours sincerely,



Dr Colin Tukuitonga
Director-General

cc: Official Contacts of Governments and Administrations;
Heads of PICT Energy Offices
Chair and members of the PRDR Steering Committee
Members of the PCREEE Review Panel
Heads of CROP Agencies [PIFS, PPA, SPREP and USP]