

Final report on a Midterm Review of the
IUCN Pacific SIDS Energy, Ecosystems and Sustainable Livelihood
Initiative: Managing the Ecosystem Implications
of Energy Policies in Pacific Island Countries

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1. Summary of main conclusions and recommendations

2. Background and introduction

This report presents the findings and recommendations of a mid-term review of the project entitled “IUCN Pacific Energy, Ecosystems and Sustainable Livelihoods Initiative (EESLI): Managing the Ecosystem and Livelihood Implications of Energy Policies in the Pacific Island States”. This Initiative¹ is implemented by the Oceania Regional Office (ORO) of IUCN², in collaboration with six Pacific Island Countries (PIC)³ and with funding from the Governments of Italy and Austria.

The objective of the Initiative, as stated in the original proposal submitted by IUCN in August 2007, is “to help accelerate the transition within participating Pacific Small Island Developing States (SIDS) to energy systems that are ecologically efficient, sustainable, and socially equitable, by:

- o supporting beneficiary countries in the development and implementation of environmentally sound, sustainable energy policies; and
- o implementing a number of renewable energy pilot projects focusing on ecosystem conservation and livelihood enhancement.”

The Initiative is one component of a larger programme funded by the Government of Italy (Ministry of Environment, Land and Sea and Ministry of Foreign Affairs), in collaboration with the Government of Austria and the City of Milan. The main features of this programme are:

- o it is governed by a memorandum of understanding (MoU) between the Government of Italy and twelve PICs;
- o all activities are aimed at greenhouse gas emission reduction, with projects

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- o a review of management structure, implementation arrangements and management systems, including systems and procedures for procurement, human resource management and financial management;
- o a review of the main national and regional policy documents in the fields of energy, biodiversity, environment and development;
- o interviews with project focal points and other project participants, including visits to three of the participating countries (Palau, Samoa and Tonga)⁷;
- o interviews with other actors in country (e.g. organisations involved in energy and in environment, donors and policy-makers), at the regional level and within IUCN ORO and HQ.

The review team considers that it is important to ensure transparency in the conduct of the review and in the dissemination and use of its results. The following steps have therefore been taken, or are being proposed at this time:

- o sharing an evaluation framework (see Annex 12) with the IUCN Oceania Energy Programme Coordinator in advance of review;
- o the presentation and discussion of preliminary findings at the regional workshop held in Nadi, Fiji on 25 November;
- o the circulation of a final draft version of this report to stakeholders for review and comments (January 2010), and the use of these comments in the preparation of a final version;
- o the posting of the final report on the IUCN website (Oceania Energy Programme page and Monitoring and Evaluation Reports page) and distribution of the final report to stakeholders.

4. Analysis of relevance

The Initiative is highly relevant to the energy agenda of PICs, because energy issues in small islands states are primarily linked to two challenges:

- o a high dependency on imported petroleum products, and the impacts of that dependency on local economies and fiscal budgets;
- o the need and demand for universal access to energy, with the high cost implications in the case of outer islands and isolated settlements, and with renewable sources often providing the only viable options.

In this context, energy policies and strategies must simultaneously aim at increasing energy efficiency (EE) and providing alternative, renewable energy (RE) sources. It is not a question of choosing between these two approaches (EE and RE), but a question of promoting both, as complementary elements of any strategy aimed at providing universal access, reducing costs and dependency, and mitigating negative social and environmental impacts. As illustrated by Annex 1 (technical components), the country projects implemented under this Initiative are directly relevant to this agenda, as they focus on both aspects (energy efficiency and renewable energy) and provide a good mix of experiments and technologies.

The Initiative and its country projects contribute directly to the implementation of public policy in the six countries involved. Thanks to the commitment of national

⁷ The review team was also able to participate in a Mid-Term Review Meeting of the Initiative that was held in Nadi, Fiji on 25 November 2009. This was one of the events held during a week of activities that also included a two-day workshop on impact assessment and a workshop of participants in PIGGAREP. These events provided the review team with a unique opportunity to interview project participants and other actors (regional institutions and representatives of PICs not involved in the IUCN Initiative), and to make a formal presentation to the Review Meeting.

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cost housing sector, with benefits to low-income households in terms of access to

Communication is an integral part of the Initiative, but this is one of the areas where a

coordination of the Initiative, current arrangements appear adequate, with a Coordinator who has extensive knowledge of and experience in the energy sector in the region, with an efficient and dedicated Programme Assistant, and with the recent recruitment of a Project Officer with suitable experience and skills. Project partners in the various countries describe IUCN's support as timely, efficient and beneficial to their work.

Procurement procedures are adequate, but some issues related to the property of equipment purchased as part of the country projects need to be clarified and some decisions need to be formalised. As stipulated by the terms of the MOU between the Government of Italy, the “ownership of equipment, supplies and other properties shall vest in IUCN”... and “matters relating to the transfer of ownership by IUCN shall be determined in accordance with the relevant policies and procedures of IUCN”. In two instances (RMI and Samoa), the projects have required the purchase of vehicles, and IUCN took the precaution of confirming with the donor agency that such

8. Analysis of sustainability

Sustainability is not a major concern for the six country projects, but there are issues

9. A SWOT analysis

On the basis of the observations and conclusions presented in the preceding sections, it is possible to identify the main strengths, weaknesses, opportunities and threats.

Strengths:

- o clearly defined country projects with deliverables
- o good management structure and support systems within IUCN ORO and in project countries
- o a competent and dedicated team managing the Initiative
- o most country projects effectively and

10. Key issues, opportunities and recommendations

Although the Initiative is made primarily of discrete projects that have only marginal relevance to IUCN's core mission and that were designed with very little and late technical input from IUCN, IUCN has been able to: (a) provide suitable guidance and management services to the six country projects, (b) transform this set of disconnected projects into a coherent regional programme, and (c) optimise the benefits of this work to its own mission and institutional development agenda. This is, indeed, a remarkable achievement, considering the various issues associated with the design and initiation of this work:

- the initial documents (especially the MOU between the Government of Italy and the Pacific Small Islands States as well as the Programme Outline annexed to that MOU) did not provide fully adequate guidance to the Initiative because they had a very broad scope, covering a wide range of sectors and issues. IUCN was however able to narrow down and focus its contribution, first with its concept note of June 2007, and then with the actual project document that was finalised in July 2008;
- while the original understanding between Italy and IUCN covered only three countries, this was later increased to five, and then six countries;
- the main expectation from the countries was that they would receive direct funding for discrete projects, and some have questioned the justification for IUCN's involvement.

In spite of the issues resulting from the process used in its design, the Initiative has been beneficial to its main stakeholders:

- it has contributed, and will continue to contribute, to the energy efficiency and renewable energy production agendas of six countries of the region;
- it has allowed the Government of Italy to contribute to this agenda and to

year as part of the established rotation plan, this could be done easily, perhaps including a sample of two country projects in the field audit.

The issue of the property of the equipment purchased for the country project should be addressed. It is therefore recommended that the Regional Director, in accordance with the provisions of the IUCN Operational Guidelines (Projects and Donor Contracts), formally transfer the ownership of equipment, as follows: (a) immediate transfer of vehicle purchased for the Samoa country project, (b) immediate transfer of all equipment purchased for the RMI and Tonga country projects, and (c) transfer of equipment purchased in the other projects, including Samoa, at the time of commissioning.

On the basis of its achievements, the Initiative is now presented with the opportunity to transform itself while continuing to meet the expectations of the Government of Italy and the specific objectives of the six country projects. This opportunity comes from three main factors: (a) the capital and legitimacy that IUCN has generated on the basis of the work done to date, (b) the fact that within the next few weeks, three of the six country projects (Marshall Islands, Tonga and Tuvalu) will be completed, leaving the IUCN team with more time available for activities other than the design, oversight and monitoring of country projects, and (c) the funding allocated to the Special initiatives, offering the opportunity to support a wide range of activities. At the same time, there are threats that must be taken into account, the main danger coming from the risk of dispersion that could come from a non-strategic use of the funding available under the Special initiatives and from a pull by donors and partners in directions that would be inconsistent with IUCN's core mission and mandate¹⁵.

It is therefore recommended that IUCN design a short-term strategic work plan for the next phase of the Initiative (2010 to mid-2011). This work plan should¹⁶:

- o pursue implementation of the country projects as planned under the terms of the project document and the agreement between IUCN and the participating countries;
- o take into account not only the resources available under the budget for the Special initiatives, but also the time that the Coordinator and other members of the team will be able to devote to activities other than the country projects. Seen in this way, the Initiative has significant means at its disposal and, if it

community-based energy solutions. Another promising area would be for IUCN to work with its Members and other conservation organisations in the region and encourage them to develop and implement plans to reduce their own energy footprint. This would have a significant potential for demonstration and advocacy, and would have a localised yet significant impact, especially with the organisations that manage visitor and other facilities and equipment in protected areas and sensitive ecosystems;

- o ensure that sufficient time and resources are allocated to extracting, documenting and disseminating lessons learned and best practices, and not only from the country projects and the Special initiatives, but also from the past and current experience of other actors. Over time, IUCN should become the privileged source of information and knowledge hub on matters related to the environmental and livelihood dimensions of energy policy and technology.

At this time, eighteen months before the end of its current phase, the future of the Initiative should be discussed among all parties. Countries and other actors clearly expect that IUCN will be able to sustain its role in the energy sector in the region, and there is a need and a demand for more work in the areas of particular interest to IUCN. It would be highly detrimental to the region, and to IUCN, if the Initiative were to terminate at the end of the current funding phase. The Governments of Italy and Austria should therefore consider the continuation of their support beyond 2011, and should work with IUCN and the participating countries to ensure that the gains of the Initiative are secured and built upon.

11. Implications for IUCN's global programme

With the implementation of this energy Initiative in Oceania, IUCN as a whole has begun to gain valuable experience in its newest programme area, called "Naturally energising the future", with the goal of "Implementing ecologically sustainable, equitable and efficient energy systems". This Initiative is at the moment among the largest projects in the programme area, and the results and lessons it produces should therefore be examined very closely to see if there are implications for the global programme.

In many respects, the relationship between energy, ecosystems, biodiversity and livelihoods, which is the rationale for IUCN's involvement in this domain, is less obvious in small islands than in larger countries and regions, because the energy options are fewer (especially in very small islands), and because big environmental issues such as those associated with major dams or large-scale biofuel production are not directly applicable to small islands.

At the same time, there are a number of reasons why focused work on linking energy, environment and livelihoods in island systems is useful, and why such a focus is highly relevant to IUCN's agenda and capacities:

- o because SIDS are by definition small societies and small economies, they offer a good opportunity to design, test and implement comprehensive energy systems, thus being able to provide lessons and experience that could then be extrapolated to other contexts;
- o helping island states and territories to move quickly toward low-carbon energy

- o renewable energy and energy efficiency are an integral part of the image and development strategies that islands – especially tropical islands – wish to promote, notably in support of sustainable tourism;
- o the current drive towards renewable energy could bring negative impacts on biodiversity and ecosystems, impacts that are far less reparable in small islands than in large ecosystems. The transition to energy efficiency and renewable energy should therefore be accompanied with due consideration given to environmental and social impacts, and there is a need for policies, capacities, decision-making tools and technologies to make the management of these impacts possible.

IUCN's global programme on energy can and should therefore see this Oceania Initiative as an excellent starting point for