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Review of the Fiji National Energy Policy

Final Inception Report

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**Submitted to GIZ/Secretariat of the
Pacific Community by:**

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Abbreviations and Acronyms

ACP	Africa Caribbean Pacific Organization
ADB	Asian Development Bank
APEC	Asia Pacific Economic Cooperation
CCCPIR	Coping with Climate Change in the Pacific Island Region jointly implemented by the SPC and GIZ
CROP	Council of Regional Organizations in the Pacific
DFI	Development Finance Institution
EC	European Commission
EEZs	Exclusive Economic Zones
EE	Energy Efficiency
EIB	European Investment Bank
EU	European Union
EDF	European Development Fund
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GIZ	German Agency for International Cooperation
FEA	Fiji Electricity Authority
IPP	Independent Power Producer
PSD	Private Sector Development
PPA	Pacific Power Association
PPI	Private Participation in Infrastructure
PPP	Public Private Partnership
PCCPP	Peoples Charter for Change, Peace and Progress
PSD	Private Sector Development
RE	Renewable Energy
RESCO	Renewable Energy Service Company
RDSSSED	Roadmap for Democracy and Sustainable Socio - Economic Development
SE4ALL	Sustainable Energy for ALL (UN Initiative)
SPC	Secretariat of the Pacific Community
UNDP	United Nations Development Program
TA	Technical Assistance
WB	World Bank

1 Introduction

This inception report sets the background and context for the Review of the Fiji National Energy Policy to be carried out under the project 'Coping with Climate Change in the Pacific Island Region' (CCCPIR). It briefly describes the problems and challenges we need to address during the assignment and outlines our proposed methodology and work plan. The report is based on a thorough review of documentation and information provided by the DoE and a kick-off telephone conference with representatives of both DoE and GIZ.

1.1 Background

In November 2006, the Fiji Government endorsed its first National Energy Policy and associated strategic action plan, which has since guided the work of the Department of Energy (DoE) and the development of the energy sector. The stated objectives of this policy were:

- o Strengthen the capacity for energy planning through appropriate policy, regulatory and implementation frameworks and effective and efficient management
- o Enhance energy security through greater participation and collaboration within the industry
- o Increase access to affordable and reliable electricity services
- o Research, promotion and utilisation of renewable energy applications.

Under each stated objective, a policy framework describes the strategic moves the Fiji Government intended to make in order to develop and expand the country's energy sector. The policy was accompanied by a detailed strategic action plan that listed numerous activities all geared towards achieving the above objectives. While a preliminary review of this plan reveals that not all activities were successfully completed, the energy sector in Fiji has seen significant growth in demand for services and infrastructure. The budget and number of personnel of the DoE has also increased and today the department has a staff of over 50 and a significant budget allocation from the Government of Fiji. In the Roadmap for Democracy and Sustainable Socio - Economic Development (RDSSSED) 2010 - 2014 which is aligned to the Peoples Charter for Change, Peace and Progress (PCCPP). The RDSSSED 2009-2014 sets out a framework to achieve sustainable democracy, good and just governance, socio-economic development and national unity. The key foundation of the Roadmap is the PCCPP which was compiled through a nationwide consultation process, involving a wide range of stakeholders. The objective of the Roadmap is to implement policies to achieve the Vision of "A Better Fiji for All", which is consistent with the Peoples Charter. To achieve this vision, the overarching objective is to rebuild Fiji into a non-racial, culturally vibrant and united, well-governed, truly

democratic nation that seeks progress and prosperity through merit-based equality of opportunity and peace.

In the Roadmap, the Fiji Government sets the energy sector goal as “To facilitate the development of a resource-efficient, cost effective and environmentally – sustainable energy sector”.

In view of the developments in the six years since the formulation of Fiji’s first energy policy and noting the objectives set this year by the United Nations Sustainable Energy for All (SE4ALL) initiative, the Government of Fiji intends to undertake a review of the national energy policy and the accompanying strategic action plan. The review will include a rapid assessment and gap analysis exercise to establish the baseline for the three objectives of SE4ALL¹ and to identify gaps and support needed, an analysis of the existing legislative framework and recommendations for any possible legislative changes to facilitate the future development of the energy sector for the benefit of the nation.

The policy review exercise is intended to be carried out with full consultation and participation of key actors (private sector, public institutions, NGOs, financial institutions, development partners, civil society representatives) within relevant sectors.

1.2 Rationale for reviewing the energy policy

The last decade have seen a worldwide shift toward greater private participation in infrastructure provision in telecommunications, electricity, gas, and water. The power and energy sectors and in particular the renewable energy segment has been at the forefront of these developments and has produced remarkable successes ranging from feed-in laws and independent power producers to energy efficiency services. As governments retreat from their previous role as owner and operator of infrastructure facilities, new emphasis is placed on their ability to establish sustainable regulatory arrangements that carry credibility with investors and protect consumers at the same time. While OECD countries have effectively responded to these challenges by creating effective enabling environments for private sector participation and regulatory institutions in order to mobilise private capital more effectively, most Pacific Island countries including Fiji still face serious challenges to create environments that are able to effectively facilitate private sector investment at the interface between governments, the private sector, the public and other stakeholder groups. Besides effective regulatory regimes, the availability of adequate financial and human resources and market size and its characteristics are key factors influencing the implementation of reforms and the sustainability of private sector investment.

¹The three of objectives of SE4ALL by 2030 are: 1) Ensuring universal access to modern energy services; 2) Doubling the global rate of improvement in energy efficiency; and, 3) Doubling the share of renewable energy in the global energy mix.

While private sector led growth and development of Fiji's energy sector remains one of the major challenges, other key issues include the development of human capacity, participatory involvement of civil society organisations and improving access to sustainable energy for all. These challenges are best summarized under the ambitious objectives of the UN led SE4ALL initiative: doubling the renewable energy contribution and doubling the rate of efficiency improvement, for example, would reduce global energy demand by 30% and greenhouse gas emissions by roughly 60% compared to a business-as-usual scenario. As with past technology transformations, the transition to cleaner energy – i.e. more efficient energy use with a higher proportion of renewables – would benefit Fiji and the well-being of its population in multiple ways, ranging from better public health to improved energy security, new jobs, reduced energy poverty, and a revitalised economy.

As it has been six years since the national energy policy was developed, a review is considered necessary in order to update the current energy policy to reflect recent changes and trends in the energy sector and to propose mechanisms to address new challenges, such as the significant increase in Fiji's fuel import bill in the last few years which reached over FJ\$1 billion in 2008².

Key reasons for the review arise from the need to address the following:

1. To improve overall reliability, security of supply and quality of energy services, as well as reducing import expenditures for fuel and continuing work on accessibility
2. To strengthen the regulatory framework in the energy sector
3. To update national targets and discuss if there is a need for revised and/or new targets, with due regard given to the objectives set by the SE4ALL initiative
4. To strengthen implementation of policy including improved coordination between stakeholders and mainstreaming energy across sectors.

1.3 Objectives of the review

Against the background described above, the Fiji Government has commissioned a policy review which will consider, amongst others, promoting reforms in macroeconomic policy, improved legislation, adequate institutional arrangements and efficient financial measures related to the enabling environment for public and private investments in sustainable energy in Fiji. Support for this review from GIZ is being provided through the Coping with Climate Change in the Pacific Island Region (CCCP-IR) programme which is jointly implemented by the SPC and GIZ. The stakeholder consultations to be held under this assignment will together with the mainstreaming analysis to be performed by the consultant will in detail

² Fiji Islands Bureau of Statistics

determine the policy options, analytical tools and actions required under a revised policy framework. The ToR for the assignment states the objectives as follows:

1. To review the current energy policy and where necessary propose a revised or new energy policy
2. To prepare a revised strategic action plan component, formulated to align with existing Government of Fiji planning and monitoring frameworks
3. To establish the baseline for the three objectives of SE4ALL and to identify gaps and support needed through a rapid assessment and gap analysis
4. To review the existing legislative framework including identification of necessary changes or additional legislation(s) needed to implement the revised or new energy policy.

In the following, our understanding of the tasks and the methodology to achieve the required outcomes are outlined.

2 Our understanding of the key issues

2.1 Fiji's energy sector in transition

The 2006 Energy Policy sets out a strategic policy framework that builds on past energy developments and the Government's plans to provide a clear set of actions to address immediate energy priorities and position Fiji for longer-term change. It also provided a framework to manage energy security needs in the face of shifting geopolitical balances and changes in global markets. As it stands, the current policy framework still includes valid objectives, targets and strategic actions. However, DoE sees considerable overlap of the four strategic areas of the policy that need a clearer definition of the boundaries. DoE also believes that the area of household cooking fuels is not adequately covered in the current policy.

The need for a revision of the current energy policy framework stems also from recent developments in Fiji. Fiji is currently undergoing policy and institutional reform that involves the updating of existing legislation and policies, and the development of new legislation and policies. An example is the plan to restructure FEA and turn the utility into a private public partnership arrangement (PPP) with government retaining a controlling share.³ The focus of the reforms is to ensure sustainable economic and social development and thereby improve the livelihoods of all communities in Fiji. New policies have been developed in the areas of agriculture, land use, forestry, fisheries, water and climate change. All policies focus on the sustainable management of Fiji's natural resources and the establishment of appropriate institutional arrangements for effective implementation and monitoring. Mainstreaming of the new energy policy into other relevant legislations, policies and frameworks that have been put in place for Fiji will be a key element of the policy review to be undertaken.

An expected outcome of a revised energy policy would be an alignment of the new energy policy with those recently developed for other sectors. The objective of the new policy will be determined in consultations with major stakeholders. Aiming to delivery of Fiji's energy needs in a sustainable manner is assumed to be a guiding principle in this exercise. Our preliminary analysis suggests that in order to achieve this, work needs to be done in improving the business climate and the enabling environment for both public and private sector investors. In a number of countries well-functioning energy markets linked with other key markets such as carbon and financial markets have shown promising results in driving business innovation and produce sustainable, reliable and least-cost energy and climate change solutions.

Globally and nationally, energy supply and its policy context are expected to be even more dynamic than in the past. On the national level, Fiji currently sees a major transition of general political and legal frameworks. Other changes may both include positive developments such as technological innovation or negative changes such an energy crisis induced by political tensions in the Middle East. Fiji's success

³ 2011 National Budget Address (p. 15)

in securing a positive, strong and clean energy future will depend critically on how well the near- and longer-term challenges that arise from changes will be managed. Some challenges are foreseeable, some will develop through time, but others may emerge abruptly. They include but are not limited to:

- o Effectively and efficiently respond to natural disasters affecting energy and electricity supply
- o Attracting timely and efficient investment in the energy sector
- o Minimising energy price pressures
- o Removing discrepancies between rural and urban areas
- o Improving energy productivity and reliability
- o Managing transitional adjustments in liquid fuel markets⁴
- o Bringing new technologies to market and ensure that adequate standards and quality controls are met
- o Ensuring long-term energy security
- o Promoting informed energy choices across the economy.

Whilst Fiji's socio-economic indicators still show significant disparities between rural and urban areas. Despite a decline in rural population over the last decade, approximately 50 % of Fiji's population still resides in rural areas. Utility services, though increasingly available in rural areas as a result of recent government investments, are higher cost in rural areas, which burdens government budgets and can adversely affect rural income, in particular when power is generated locally at higher cost using diesel generators. There are also marked discrepancies in the quality and level of electricity and energy supply that adversely affect rural business development and employment opportunities. A survey in 2005 showed that electricity supplied by limited-supply mini grids is used for productive uses only half the time as it is from full service grid-based supply⁵.

Given these dynamics, it seems prudent institutionalising a regular strategic review of energy policy, commencing with the revision under this assignment. Future reviews would be timely opportunities for high-level assessment and adjustment so that Fiji remains well positioned to meet its energy needs.

The national energy policy to be developed will be guided by the visions and guiding principles laid out in the Roadmap for Democracy and Sustainable Socio - Economic Development (RDSSSED) 2010 - 2014 which is aligned to the Peoples

⁴ In this context the Fiji National Energy Security Situation Report prepared by SMEC in 2010 is relevant

⁵ UNDP Household Survey Fiji 2005

Charter for Change, Peace and Progress (PCCPP). The objective of these plans is to identify and implement policies that take the country forward to a prosperous and peaceful Fiji. We assume that the government's mission is to implement the best political, social and economic policies by abiding to the following guiding principles:

- o Good governance including the need for consistent and credible policies supported by sound and transparent justification
- o Environmental sustainability
- o Respect for the cultures and traditions of all communities in Fiji
- o Respect for legal authority and law and order
- o Respect for human and group rights
- o Honesty in public life and no tolerance for corruption general standards of conduct which reflect fundamental beliefs
- o Contributes to the promotion of gender equality and empowerment of women.

2.2 Barrier analysis

In the following, a preliminary problem and barrier analysis is outlined. During the assignment this will be fine-tuned and broadened.

The need to review the national energy policy together with the associated action plan for energy sector management and project implementation stems from the existence of problems and constraints that hinder an efficient development of the sector. We are aware that particularly DoE in the area of rural electrification has already made extensive progress in implementing energy sector policy⁶. We appreciate the value of much of this work and would choose to build on it rather than start afresh with models taken from other countries. While those we consult with respect to problems in the energy sector will guide us we currently see the following problems:

- o The existing legislations do not address Fiji's energy security issues in an effective manner. Although there are existing legislations in Fiji pertaining to energy, there is a lack of laws to avert energy crisis. There is a need for a separate Energy Bill to include and address energy security issues and to complement the existing legislations.

⁶ Rural Electrification Survey, DoE 2006

- o The policy of a single national tariff for grid-based electrification has constrained private developers from operating rural public power grid systems or developing new ones.
- o Although much better endowed than prior to 2006, DoE still lacks internal capacity and is sometimes challenged to internally perform complex tasks such as the preparation of documentation needed for accessing international finance, management of solicitation processes and regulation of private sector activities.
- o Although a rural electrification policy is in place in Fiji a long-term investment program is lacking and funding of projects remains inadequate. A particular concern is the poor performance of diesel based mini grids.
- o While progress has been made in the area of land management, there are still unresolved issues, regarding long-term secure access to native land for development projects, including development of biomass, large-scale wind, solar or hydropower.
- o There is insufficient coordination, consultation and information sharing among the various government agencies involved in energy sector activities. A typical example is key information on FEA's operation that is not easily accessible for DoE.
- o There is limited understanding of the rural market for energy and least cost solutions making it difficult to determine the most effective technology for a given demand.
- o Legislation is needed to provide the legal basis for private sector energy investments and operations within a comprehensive regulatory framework that ensures government access to key information and data held by public and private entities.

It should be noted that the above problems are often interlinked. They mostly fall into two different categories of core problems:

- o The inadequate allocation of resources (including human and material) to energy sector development
- o The lack of an adequate institutional and regulatory framework that ensures an efficient management of the energy sector.

According to the SMEC Energy Security analysis, the FEA agrees in principle that there is a need in the future to have a separate Energy Bill to complement existing legislations so that a coordinated and orderly approach is established to address Fiji's Energy Security issues. FEA stressed that this can be addressed when the time is favourable to establish a Multi-Sector Regulatory Commission. However, in the immediate and short term, FEA suggested that the Fiji Government must urgently commit to transferring the Regulatory function from FEA to one of its appointed

departments to address the perceived "conflict of interest" situation highlighted in this report.

2.3 Focus on private sector participation

Though there have been some moves towards more private sector participation in green energy (energy efficiency and renewable energy) in Fiji's energy sectors, the public sector is still large by any standard and government is engaged in a wide range of economic activities that could be performed in the private sectors. Though Fiji has tried to embrace the private sector as a provider of utility services and increased rural energy access, various attempts to get the private sector involved in the supply of energy and electricity have failed for a variety of reasons including:

- o Lack of adequate energy policies and gap between policy development and implementation
- o Perception of high sovereign risks amongst potential investors
- o Inadequate human capacity to deal with the complexities of PPP arrangements and unclear roles and mandates of the relevant government institutions
- o Lack of effective legal and regulatory structures
- o Absence of comprehensive national strategies to promote private sector development (PSD) in energy
- o Inadequate financing of high up-front cost for renewable energy
- o Insufficient understanding of green energy investments in the commercial financing and banking sectors
- o Lack of knowledge and inadequate exchange of information and lessons learnt amongst key stakeholders in the energy sector
- o Small size of markets and concerns about the availability of resources for maintenance and post-installation support.

In Fiji a consensus seems to be building that if private sector players driven by a profit motive are invited to participate in the provision of energy services, protection of consumers from monopoly abuse and protection of investors from opportunistic behaviour by Government becomes necessary. Although not all experiences with regulatory approaches have been positive, the multitude of initiatives suggests that there is a strong recognition of the need for effective harmonization of regulatory environments and their integration into national economic policy.

Historically, a considerable number of energy projects have been funded under various donor programs. Often, private sector involvement was at least mentioned

as an objective of these interventions. Independent evaluations of these initiatives have often found that actual private sector commitments often fell short of targets⁷. Typical barriers to leveraging investments from the private sector identified were:

- o Private sector participations have been planned and designed on the basis of poor or inaccurate data with little efforts to improve data and knowledge management
- o Projects have been donor driven with little or no local ownership
- o Grant funded projects have sterilised markets through high subsidy levels creating consumer expectations that renewable energy devices are to be given away
- o Energy sector interventions have very rarely been integrated with required changes of the regulatory and legislative frameworks
- o Effective coordination between donors and project sponsors has been poor or non-existent
- o Strategic planning has been poor with too little built-in flexibility to react to fast changing energy market conditions
- o Capacity building, capacity maintenance and human resource development in both private and public sectors has not been seen as a necessary precondition for enhancing energy sector performance.

These barriers need to be addressed in the development of new policies and enabling frameworks for private sector participation. Barrier diagnostics and policy and regulatory development therefore needs to carefully balance the interest of stakeholders such as intermediaries (regional organizations, NGOs), national government, development partners, consumers and investors and aim to change inefficient structures and inadequate regulations. A key task of the assignment will be to present and discuss analytical tools such as financial and economic analysis and multi-criteria ranking which could be adopted by GoF to support policy choices.

These models force regulators to recognize that, in the long run, private investors need to at least cover their opportunity cost of capital, including the various types of risks specific to the country, the subsectors, or the projects with which they are involved. Because these variables change over time, scheduled revisions are needed to allow for adjustments in the key determinants of the rate of return of the investor. A particular problem exists in Fiji and other small island states: the vulnerability and special characteristics of small states, and weak capacity in the private sector, contribute to perceived riskiness and difficulty in attracting private investment flows. Against this background, there needs to be an evaluation of financing issues in relation to energy development.

⁷ Fiji Energy Security Report, SMEC/DoE 2010

2.4 The environmental link

Fiji and other Pacific Island countries and territories already experience a high level of risk from the effects of extreme weather and climate variability, and these risks could alter and increase as a result of climate change. Climate models suggest⁸ that the Pacific region will continue to warm, which could result in changes in the frequency and/or intensity of extreme weather and climate variability, and in accelerated sea level rise. These events will not only affect the already stressed marine and terrestrial environments but also have the potential to increase stress on existing energy systems (e.g. by increasing demand for air-conditioning in hot weather) and put infrastructure investments in the energy sector at risk. Fiji's power transmission and distribution system has been severely damaged in past hurricanes and a higher frequency of such events could result in considerable financial and technical challenges for the utility.

In January 2012, the Cabinet approved the National Climate Change Policy, a comprehensive policy framework that guides the nation to address climate change as one of the greatest barriers to sustainable development. Climate change adversely impacts on Fiji's biodiversity and ecosystems, and has severe implications for Fiji's economic growth. The effects of climate change are widespread and cross sectoral and can be exacerbated by other environmental impacts such as local pollution from energy sector operations.

Effective co-ordination of a multi-disciplinary approach and a well-established government position on issues and policies are required to link the impacts of climate change with the energy sector and other relevant sectors of the economy. While climate proofing of energy installations becomes a necessity against the background of an increase in severe weather events such as drought (hydropower), cyclones and flooding, the energy sector is also Fiji's largest contributor of greenhouse gas emissions. It is clear that a strong twofold link needs to be established between energy and climate change policy: the energy sector is both at the centre of climate change adaptation (climate proofing) and of climate change mitigation (reduction of greenhouse gas emissions). We will be conscious of these strong linkages and aim to coordinate the energy policy review as closely as possible with those entities dealing with climate change. In this context one key aspect of the assignment is an assessment of policy-compatibility and consistency. To emphasise the strong links, it may be appropriate to establish a format for the new energy policy that reflects the format used for the climate change policy.

⁸ Republic of Fiji national climate change policy, GoF/SPC 2012

3 Assumptions and risks

3.1 Data acquisition and disclosure

We assume that the DoE and other key stakeholders such as FEA will provide the project team with all relevant data, information, reports and texts that are related to energy policy development. We are aware that some key stakeholder such as FEA have to protect commercially confidential information on cost, tariffs, reviews etc. but we nevertheless assume that we will have access to relevant information. We will respect and maintain the confidentiality of any material provided. The gap analysis report required is particularly data intensive and significant effort will be required to compile this deliverable.

It is essential to the success of the project that our team works closely with DoE to ensure effective knowledge transfer and exchange of information. For this reason we have assumed that members of the co-ordination committee and our team will gather for dedicated work sessions as required and that DoE will provide serviced facilities such photocopying and meeting rooms during work periods in Suva.

3.2 Potential cross sectorial overlap

The ToR requires us to address policy issues in the transport sector. The transport sector is of course a stand-alone economic sector managed under a separate department and it does not seem appropriate that DoE prescribe policy to another department. We therefore assume that the DoE will delineate the boundary between the two sectors and ensure that transport sector representatives clearly understand where these boundaries are. In essence, the consultant will not aim to develop a transport sector policy, but an energy policy for the transport sector. We also assume that data and information on transport sector operations will be made available to cover the following:

- o Regulation of the transport sector
- o Fossil fuel use in the transport sector
- o Public transit systems for the main urban areas
- o Domestic inter-island shipping;
- o Domestic air transportation
- o Alternative fuels in the transport sector.

We will not have the resources to collect primary data in this sector and will rely on cooperation and assistance to formulate the transport sector part of the policy.

3.3 SE4ALL report

As discussed during the kick-off conference, the SE4ALL analysis report is a substantial element of the deliverables. The ToR provides a list of content, which is very comprehensive, and compiling this report will require substantial input from our team. There is a risk that the actual policy development work could suffer, given the resource constraints for this assignment. We therefore assume that the priority of the assignment lies in policy development with the SE4ALL report being considered as a "backbone" of information to feed into the policy review and assist in formulation of policies. The aim is to propose appropriate SE4ALL targets for Fiji, which can then be integrated straight into the new/revised policy. The depth of analysis will depend on availability and quality of data. We also expect that there will be significant overlap between the SE4ALL analysis and the mainstreaming report and legal gap analysis, with some content being duplicated.

3.4 Long term impact

The major risk in the long-term success of policy development in the energy sector involves a lack of political will for full-scale implementation and market penetration. There are numerous examples both in the Pacific region and worldwide where well-intentioned energy policy met considerable challenges at implementation level and thus failed to achieve their ultimate objectives. Obviously, a power utility such as FEA would be affected by a policy that opens the grid to IPP producers and promotes decentralised renewable energy investments that substitute for power previously bought from the national power utility. Energy efficiency programmes can also be seen as undermining the commercial viability of a corporatised utility.

A new energy policy that aims at promoting private sector participation in the energy sector would induce change and trigger a re-balancing of stakeholders' positions and will require a re-organisation of institutional roles and responsibilities. This will be of particular importance if and when the plans of GoF to partly privatise FEA materialise. In this context, the most significant risk for the long-term impact of a new energy policy is resistance to change amongst key stakeholders. Energy sector finance together with new regulations such as IPP related legislation, private household participation through net metering and benchmarking of the state owned utility would impact all aspects of the economy. We will aim to find win-win solutions where stakeholder interests are balanced as far as practically possible, but there is a risk that certain stakeholders will feel disadvantaged by change.

For the assignment itself it needs to be emphasised that in a non-cooperative environment the policy development process can be at risk if key stakeholders do not co-operate and even obstruct our work instead of actively participating in the process. An example is disclosure of critical data. Here we have to assume that the relevant public and private sector stakeholders – including regional organisations – will provide us with the necessary data and information to effectively and efficiently carry forward policy development and the required planning work. In

order to mitigate these risks we will consider the development of the new policy as a consensus building process, which aims at balancing interests of all relevant stakeholders.

A third category of risk relates to sustained financing of energy investments. Under current market conditions (oil prices, power tariffs) not all energy investments are generally commercially viable. Some renewable energy technologies (RE) will require some form of subsidy or incentives in order to penetrate the market. We will mitigate this risk through engaging with relevant donors and DFIs in particular with ADB, JICA, EU, EIB, UN, World Bank and other agencies in the entire policy development process. In fact, we assume it is a key activity of the assignment to map out on-going and pipelined energy sector projects and programs and check possibilities to support such projects in the framework of the new and reviewed energy policy.

In summary, achieving the objectives of this assignment is based on three assumptions:

- o The success of developing a new policy rests on the assumptions that key stakeholders in the public and private sectors will co-operate, disclose data and information and support the efforts of the project team.
- o With respect to medium and long term impact of a new policy, success will depend on the level of political will that the Fiji government will bring to bear to reform the energy sector and implement regulations leading to change.
- o We have to assume that the enabling framework support developed under the policy will need to attract funding from lenders or lead to investments from private sector stakeholders.

4 Approach and work plan

4.1 Comments on ToR

The TOR is clear as regards the scope and content of the work. Our updated comments on implementation, which were also reflected in our technical proposal, are provided below.

Coordination and project management

We understand that our counterpart for the project will be the Fiji Department of Energy (DoE). We understand that Mr Inia Saula is the nominated DoE contact with whom we can liaise and through whom information requests, reports and other communications can be channelled. We suggest that there also is a contact person nominated at the FEA.

Consultation arrangements

Consultation with government, concerned agencies, the private sector and civil society is key to building consensus around the energy policy. A key event in this regard is the National Energy Symposium scheduled for 3 and 4 April. During this event our team will have the opportunity to engage with most, if not all key stakeholders through meetings and workshops.

We propose to hold one-day consultation workshops in Suva with the Advisory Committee and key stakeholders towards the end of each phase of our work (to discuss the drafts of each set of deliverables). These workshops are shown in the work plan in Figure 1 below.

We assume that any consultation amongst the public and a wider group of stakeholders will primarily be the responsibility of DoE, although our team will facilitate any such public consultations (including preparing and presenting materials, and leading dialogue and discussion)⁹.

We have suggested that it would be desirable for drafts of the Energy Policy, Strategic Action Plan and Legislative Gap Analysis to be posted on the website of the Department of Energy for comment, feedback and submissions. This would help raise awareness of these documents and help them reach a wider audience. We will further discuss the timing and appropriateness of public consultations with DoE during our visit for the National Energy Symposium.

Decision tools for policy and action

⁹ Our expectation is that the costs and organisation of venues, meals and refreshments, printing services, travel arrangements for participants and other similar logistical matters will be the responsibility of the Department of Energy as indicated in the TOR.

It has been discussed with the Advisory Committee the energy policy should include a proposed set of tools for choosing between interventions and actions feeding out of the overall policy. Our consulting team will consider which tools might practicably be implemented in Fiji and will discuss this in more detail with the Advisory Committee during future visits.

We will consider both qualitative criteria as well as quantitative techniques, with a particular focus on those used by multilateral finance institutions as the major decision making tools, i.e. feasibility analysis consisting of financial and economic analysis augmented by safeguards in the social and environmental areas. The closer decision-making is aligned with the standard tools of DFI the easier strategic action and investment can take place. In some instances it might be necessary to rank options according to multiple criteria including social justice and wider economic impacts.

Analysis of activities in the strategic action plan

The current Strategic Action Plan contains a large number of actions/activities, many of which have not been finalised or even started. Some activities have not even started. We will thoroughly discuss the implementation status of the action plan with DoE in order to determine:

- o Was the planning realistic or over-ambitious
- o What can be done to improve implementation of the new plan
- o What priorities should the activities of the updated action plan have?

It is expected to include estimates of costs and benefits of each of the main identified activities. Within the resource allocated for this project, such estimates must inevitably be made on a high-level and indicative basis, while drawing attention to further analysis that may be required. We would also expect substantial input from DoE with regard to typical unit cost for activities (such as staff cost, travel, construction cost etc.).

4.2 General approach

The tasks defined in our technical proposal follow a logical progression in meeting the stated objectives of the assignment – first a stock-take of existing policy and implementation, then policy drafting, leading to development of an action plan, ending with the finalisation of all the deliverables. The work demands a close relationship and constant consultation with the DoE and the team.

The assignment will be scheduled in four phases:

- o **Inception Phase.** During this phase, a kick-off meeting will be held, the Inception Report produced, and the Energy Symposium held. We will also produce drafts of two key deliverables – the mainstreaming report and the SE4ALL analysis will set the foundation for drafting policy.

- o **Policy Drafting Phase.** During this phase, the team will consult with all key stakeholders and work with them to develop a revised draft Energy Policy document, taking account of the conclusions of our analysis at the Inception Phase.
- o **Action Plan Phase.** During this phase we will continue to consult with stakeholders and work with them to develop the draft Strategic Action Plan and draft Legislative Gap Analysis needed to implement the energy policy.
- o **Finalisation Phase.** During this Phase, we will finalise the various documents, taking account of the comments received during consultation and ensuring that all documents are aligned with the final energy policy.

4.3 Tasks to be performed

4.3.1 Inception phase

Task 1.1: Kick off conference, meeting and data collection

The kick off conference was held on 28 January. During the conference it was agreed to reschedule the teams travel and deliverables due to the delay in project start. The new schedule of deliverables and the staff travel suggested is shown under sections 4.4 and 4.5 below. We confirm that the schedule of deliverables can be maintained within the time period originally allocated.

The initial kick-off visit took place in the third week of February and lasted for just over one week. The Deputy Team Leader/Economist conducted this mission. Discussions confirmed the work plan, methodology, deliverables and working arrangements for the project. The remainder of the visit focused on data collection and initial consultation with stakeholders. To assist in data collection, initial information was obtained by email and the team had reviewed key information made available by GIZ, UNDP and DoE in order to familiarise themselves with key issues. The results of the kick off visit were summarised and discussed in a debriefing meeting with DoE.

Task 1.2: Mainstreaming assessment

During the kick-off mission we also began the process of assessing the extent to which the 2006 NEP has been mainstreamed in sector decision-making. This included investigating the familiarity of government stakeholders with the policy and whether the priorities and actions in the policy are reflected in planning and budgetary decisions and performance evaluations. The mainstreaming analysis will essentially be a check and stock-take on targets formulated in the current policy and its associated action plan. The format of the mainstreaming report will primarily consist of matrix which lists policies and planned actions and compares planning with actual achievements.

Task 1.3: SE4ALL analysis

In parallel to the drafting of the mainstreaming assessment we will begin the SE4ALL analysis. This analysis will be a rapid assessment and gap analysis covering:

- o An overview of the energy situation in Fiji within the context of its economic and social development and poverty eradication.
- o A review of where Fiji is in terms of the three SE4All goals.
- o An assessment of the main challenges and opportunities vis-à-vis the three goals of SE4All where the major investments, policies and enabling environments will be required.
- o A sound basis and background for an action plan component that may follow as part of the SE4All activities in Fiji.

IRENA is currently completing an energy sector profile, which we will expect will be useful for the compilation of the SE4ALL report and we assume that our team will have access to the drafts produced in this exercise. The outcomes of the Energy Symposium (April 3/4) will also be a key input to this analysis. We expect that there will be significant overlap between the SE4ALL analysis and the mainstreaming report and legal gap analysis (described below), with some content being duplicated in each report.

4.3.2 Policy drafting phase

Task 2.1 Finalising mainstreaming paper

The Draft Energy Mainstreaming Status Paper prepared under Task 1.3 will be submitted to members of the Advisory Committee for comments. We envisage that DoE will circulate the paper more widely to obtain comments from stakeholders and have suggested that this might be done using DoE's website. The comments received will be reviewed and a final version of the assessment prepared. This assessment will be used as a basis for reviewing and amending the NEP.

Task 2.2 Energy policy drafting

The draft Energy Policy will be prepared during March and April 2013, drawing on the consultation with stakeholders on issues, priorities and the continued relevance of the 2006 NEP conducted during the kick-off and the second mission to be held from 25 March to 10 April.

It is planned that the team leader re-visits Fiji in May 2013 in order to discuss the SE4ALL gap analysis report and the mainstreaming paper and the key elements of the new NEP in a consultation workshop with a broad stakeholder participation. It is suggested that this one-day workshop will involve the Advisory Committee as well as representatives of FEA, the Transport Department, the Commerce

Commission (Regulator) and other ministries. Private sector and civil society participation is also suggested. During the second mission in March, the consultant will discuss the details of this consultation with DoE and the Advisory Committee in order to establish a consensus on scope of and participation in this event. We will also use the same mission to conduct bilateral meetings with key stakeholders on the draft policy. The results of this consultation will feed into the preparation of the first draft of the NEP to be delivered by end of May 2013.

The draft policy document would begin with a discussion of the context before setting out key objectives, as developed from the stakeholder consultation and a review of government policy statements and programmes, in particular in the area of climate change. Subsequent to this, the policy will need to define the main strategies and expected high-level outcomes under individual sub-sectors or activities. For each of the strategies, the major implementing actions required will also be identified, such as reforms to existing regulatory frameworks or investment by government or the private sector in new assets. We suggest keeping the Energy Policy concise in nature, and assist stakeholders with a set of explanatory notes, which will enable stakeholders to understand the basis for the proposed policies and actions, alternatives considered, and our high-level appraisal of the potential benefits offered. We believe that retaining viable elements of the existing policy is a sensible approach where possible and we will focus the review on areas which are considered inadequate or require clarification.

Following submission of the draft document, we propose that a third stakeholder consultation workshop is held towards the end of June 2013 as indicated in the work plan below. At this workshop, we will present the draft policy and action plan and seek feedback. The workshop should have the same format and participation as the workshop to held in May. In parallel, we also propose that the draft policy is made available on DoE's website for public comment. Submissions and comments obtained from the general public would then be considered when preparing the final draft.

4.3.3 Strategic action phase

Task 3.1 Draft strategic action plan

The draft Strategic Action Plan will be an implementation guideline for the NEP taking account of the preceding assessment of the mainstreaming of the 2006 NEP and the feedback from stakeholders on the draft revised policy. The plan will identify key actions to be undertaken, define roles and responsibilities of implementing agencies, set out the expected outcomes against which achievements can be monitored and provide an initial high-level assessment of costs and benefits. An important issue that the revised plan needs to address is the delineation of boundaries between sectors with strong energy elements such as transport, forestry and agriculture. The plan will also prioritise the identified actions, given the expected financial and other constraints on their achievement and, where appropriate, identify sequencing if one action needs to precede another.

Following submission in June 2013, the draft Strategic Action Plan will be consulted on alongside the draft NEP and SE4ALL report at a stakeholder consultation workshop. This will be accompanied by bilateral consultations and, ideally, publication for public comment of the draft plan.

Task 3.2 Legislative gap analysis

The Gap Analysis paper will set out identified changes or additions to the existing legal and regulatory framework required to implement the proposed policy. It will be prepared and consulted on alongside the draft Strategic Action Plan that defines the actual implementing actions required.

Relevant Legislation includes but is not limited to:

- o Land Conservation and Improvement Act (Cap. 141)
- o Native Land Trust Act (Cap. 134) and Crown Lands Act (132)
- o State Acquisition of Lands Act (Cap. 135)
- o Electricity Act (Cap. 180)
- o Public Enterprise Act (1996)
- o Commerce Act (1998)
- o Petroleum Act (Cap. 190)
- o Fuel and Power Emergency Act (Cap. 191)
- o Petroleum (Exploration and Exploitation) Act (Cap. 148)

It will be important to collect copies of these legislations during the kick off mission conducted by the economist in order to ensure that the team has sufficient time to review these documents and consult with legal experts on the issue. The Draft Gap Analysis will be submitted together with the Draft Strategic Action Plan in June 2013.

4.3.4 Finalisation phase

Task 4.1 Energy policy finalisation

Following receipt of comments and review of stakeholder feedback, we will prepare a final Energy Policy document. The final document will be submitted at the end of July. A matrix showing the comments and feedback received and how we have responded to these in revising the draft policy will accompany it. The final policy and comments and response matrix will be presented to the Advisory Committee during a final mission to be conducted by the team leader in August 2013. During a final meeting we will present the policy and provide the opportunity for the

Advisory Committee to discuss the policy development process and its outcomes with the consultant.

Task 4.2 Strategic action plan, SE4ALL analysis, and legislative gap analysis finalisation

We will produce final versions of the Strategic Action Plan, SE4ALL Analysis, and the Legislative Gap Analysis over a three week period towards the end of July. These final versions will be based on comments received since drafts were submitted and, importantly, on the final form that the National Energy Policy takes.

4.4 Schedule of deliverables

The following schedule of deliverables has been agreed during the inception phase. It summarises the tentative deadlines for all deliverables to be produced during the assignment. While we endeavour to meet the deadlines, we would expect a certain degree of flexibility with delivery dates by the client. In case where a delay of a deliverable is likely, we would discuss in advance with the client and aim to find a consensus on the new delivery date.

Table 1 Proposed schedule of deliverables

	Deliverable	Tentative Deadline
1	Inception note - draft	10 February
2	Inception note - final	10 March
3	Energy mainstreaming - draft	10 May
4	SE4All analysis - draft	15 May
5	Energy mainstreaming - final	04 June
6	Energy policy document - draft	16 June
7	Strategic action plan - draft	30 June
8	Legislative gap analysis - draft	30 June
9	Energy policy document - final	04 August
10	Strategic action plan - final	04 August
11	SE4All analysis - final	11 August
12	Legislative gap analysis - final	18 August
13	De-briefing notes	After each mission
14	Workshop reports	After each workshop

Given the large number of reports and deliverables (20 in total including debriefing notes and workshop reports) under this assignment and obvious resource

constraints, we suggest keeping workshop reports and debriefing notes brief and concise.

4.5 Work plan

Figure 1 overleaf displays the schedule of activities for this assignment that have been agreed with the client. Figure 2 summarises our proposed schedule for team visits to Fiji.

Delivery dates (with reference to Table 1 above) for the key outputs of the assignment were initially based on the decisions taken at the kick-off teleconference on January 28, and then amended during our kick-off visit. The minutes of this conference were prepared by GIZ and are attached to this inception report as Annex 1, and a summary of the kick-off visit is attached as Annex 2.

Figure 1 Work plan

Task	Weeks from project start																											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
	11 Feb	18 Feb	25 Feb	04 Mar	11 Mar	18 Mar	25 Mar	01 Apr	08 Apr	15 Apr	22 Apr	29 Apr	06 May	13 May	20 May	27 May	03 Jun	10 Jun	17 Jun	24 Jun	01 Jul	08 Jul	15 Jul	22 Jul	29 Jul	05 Aug	12 Aug	
1 Inception Phase																												
1.1 Kick-off	1				2																							
1.2 Mainstreaming assessment drafting														4														
1.3 Energy symposium Fiji																												
1.4 SE4All analysis drafting																												
2 Policy Drafting Phase																												
2.1 SE4All analysis Finalisation																												11
2.2 Mainstreaming assessment finalisation																												
2.3 Energy policy drafting																												
Consultation workshop																												
3 Action Plan Phase																												
3.1 Strategic action plan drafting																												
3.2 Legislative gap analysis drafting																												
Consultation workshop																												
4 Finalisation Phase																												
4.1 Energy policy finalisation																												
4.2 Strategic action plan, and legislative gap analysis finalisation																												
Final Meeting with Advisory Committee																												

Figure 2 Staff schedule

Staff Schedule		Weeks from project start																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
		11 Feb	18 Feb	25 Feb	04 Mar	11 Mar	18 Mar	25 Mar	01 Apr	08 Apr	15 Apr	22 Apr	29 Apr	06 May	13 May	20 May	27 May	03 Jun	10 Jun	17 Jun	24 Jun	01 Jul	08 Jul	15 Jul	22 Jul	29 Jul	05 Aug	12 Aug	
1	Gerhard Zieroth																												
2	Richard Bramley																												
3	Tatiana Tumenggung																												
4	Conrad Holland																												
5	Herbert Wade																												

A1 Minutes of kick-off phone conference

Fiji Energy Policy Review

Teleconference Minutes

10am, Tuesday 15th January 2013

Note: we had some issues with the conference call facility so we could not call Richard. The call was between Katerina, Inia, Mika and Gerhard.

1. Introduction of the team and roles

DOE: Project Management, all technical aspects, logistics and day-to-day on the ground:

- Inia Saula - Project Manager
- Mika Belena – Assistant Project Manager

GIZ: Contract management, contractual issues, invoicing:

- Katerina Syngellakis, Sustainable Energy Management Adviser

UNDP – Observe and advise; guidance on SE4ALL assessment

- Thomas Jensen, Energy and Environment Specialist

Consultants Team:

- Gerhard – Team Leader – based in NZ
- Richard - Deputy TL, economist – currently in NZ
- Tatiana – Institutional issues – based in UK
- Conrad Holland – Power sector – based in NZ
- Herb – RE – based in Bangkok

2. Timing of deliverables and inception mission

The following work and timing was agreed:

- a. Contract will commence 1st Feb and end 31st August 2013
- b. Richard to commence Inception Phase in February, to include data collection etc.
- c. Richard to conduct one week mission in February (dates to be proposed by Richard)
- d. Gerhard will be fully available to work on the energy policy review from 15th March till June

- e. Gerhard to arrive in Fiji 15th March with other team members as required
- f. Gerhard and team to contribute to and participate in the Energy Symposium organised by RBF and DOE in order to use it for inputs into the energy policy and strategic action plan review process
- g. Proposed dates for Energy Symposium 19th & 20th March in Suva, Fiji
- h. Deliverables revised schedule for contract shall be:

Deliverable	Tentative Deadline
Draft Inception Note*	10 th February 2013
Final Inception Note*	10 th March 2013
Draft report on status with energy mainstreaming in Fiji	31 st March 2013
Final report on status with energy mainstreaming in Fiji	30 th April 2013
Draft Rapid Assessment and Gap Analysis Report	Beginning May 2013
Draft revised energy policy document	End of May 2013
Draft strategic action plan component document	June 2013
Draft gap analysis paper of existing legislation and identification of possible new energy related legislation required	June 2013
Final energy policy document	July 2013
Final strategic action plan component document	July 2013
Final Rapid Assessment and Gap Analysis Report	July 2013
Final gap analysis paper of existing legislation and identification of possible new energy related legislation required	July 2013
De-briefing notes (including summary minutes of all meetings carried out)	After each mission
Workshop reports	For each workshop carried out during the assignment

*The Inception Note should comprise:

- a) the Contractor's understanding of the consultancy and associated tasks;
- b) the proposed technical approach;

-
- c) identification of issues crucial to the viability of the consultancy;
 - d) comments on this TOR and
 - e) an updated work plan.

3. Next steps

- Katerina will write to GIZ HQ in Germany with revised deliverables timetable for incorporation into final contract.
- GIZ HQ will send final contract to ECA for signature.
- Once contract has been signed, arrange another conference call to prepare inception phase and Richard's mission to Fiji – anticipate next call will be before end of Jan.

A2 Summary of kick-off visit

This note provides a brief summary of the key outcomes of the inception visit by Richard Bramley (the Economist on our consulting team) from February 11-18.

A2.1 Key outcomes of the visit

Inception report

It was agreed that the Department of Energy (DoE), UNDP, and GIZ would consolidate their comments on the draft Inception Report in the same document and that they would send the comments by Feb 25th.

The final Inception Report will be submitted as per the original deliverable date of March 10th.

Any comments on the Inception Report that our team proposes to address in the Mainstreaming Report should be provided as an annex to the Inception Report.

Preparation and format of the Energy Symposium

The date of April 3/4 for the Energy Symposium is fixed in place.

DoE sees this as a crucial opportunity for our team to extract the views of stakeholders. The Symposium should be very structured and focused on one theme at a time, otherwise we will get lost in the cross-fire of different viewpoints on different topics.

It was agreed to do away with panel discussions and to stick to four group discussions, with an introductory presentation by a key stakeholder prior to each topic discussion. DoE will send out a revised agenda.

The format for the group discussion will be to break into small groups, all discussing the same topic/s (one or two topics may need to be combined given that there will only be four sessions), then coming back together to present finding. Each small group will be facilitated by one of the consulting team and/or advisory committee members. Our team should also give a brief 10 minute presentation on our project prior to everyone breaking away into the first discussion group session.

It was agreed that each group discussion should endeavour to identify the following relating to the topic:

- o What are the gaps and challenges?
- o What are the opportunities?
- o What should the actions be?
- o How should these actions be prioritised?

Because the Team Leader and the Technical Expert will be likely arriving a week prior to the Energy Symposium (i.e., arriving around March 25) and Easter is at the end of this week, meetings may be more difficult to arrange. It is suggested that the Team Leader and the Technical Expert send through a list of meeting requests so that DoE can organise them in advance.

Mainstreaming assessment

Once criticism of the previous Energy Policy is that it was only really used by DoE, not be the Department of Transport, FEA etc. For this reason DoE stressed that the Mainstreaming Report should focus on compiling and coordinating all the various energy-related targets and policies that are contained in existing legislation/ policies. For example FEA has its own energy-related targets, as does the Petroleum Act. Our team should go through the various legislation and policies and assess which targets/ policies can be streamlined into the revised Energy Policy Document. The vision is that the Energy Policy will provide a broad framework and set targets across the different government departments.

DoE have agreed to prepare two documents for our team prior to the Team Leader's arrival – the status of 2006 actions and a summary of the current situation by strategic area:

- o It was agreed that systematically going through the 2006 Action Plan is a useful basis for determining the extent to which the 2006 Energy Policy and Action Plan have been mainstreamed into government policy and plans. This involves assessing which actions were successfully undertaken, if not why not, and whether the actions remain valid. The DoE agreed to fill out a simple template provided by our team and will provide it prior to the Team Leader prior to his visit on March 25.
- o DoE agreed to prepare a brief summary of the current state-of-play in Fiji for each strategic area/ topic to bring our consultant up to speed. These summaries will be provided to the Team Leader period to his visit in March.

One specific comment on the 2006 Action Plan was that the “90% RES contribution to energy supply” target should be amended to be “90% RES contribution to grid-based energy supply”. This is in keeping with DoE's desire that the targets set out in the Policy are realistic.

The outstanding data requests of our team are detailed in Section A2.3 below, however information relating to cabinet decisions and FEA reform are particular priorities. DoE have agreed to provide our team with this information as soon as possible:

- o DoE have agreed to provide our team with information on all of the key decisions and policies that have already been set out in various cabinet decisions, as they may not otherwise be encapsulated in the policy documents our team has already collected.

- o It was agreed that DoE would make establishing communication with other Govt stakeholders a priority, in particular with the Ministry of Public Enterprises with a view to finding out what the content and status of FEA reforms is.

SE4All analysis

The advisory committee and our team now agree that the SE4All analysis is not a stand-alone exercise and should underpin the Energy Policy and provide a baseline. It was deliberate that these exercises be merged.

All agreed that there is significant time involved in formatting and preparing another deliverable, and therefore the focus of the draft SE4All deliverable should be on its content, not its presentation.

It was agreed to revise the work plan to bring the SE4All draft forward so that it runs parallel to the Mainstreaming exercise, but is due a couple of weeks following. The final Mainstreaming Report deliverable was pushed back a few weeks accordingly. A revised work plan will be included in the final version of the Inception Report.

Energy Policy

The two key policies which should guide the new Energy Policy are the Peoples Charter and the Roadmap for Democracy and Sustainable Socio-Economic Development.

All agreed that establishing a **better baseline** for this Energy Policy is important. All recommendations in the Policy should be evidence-based:

- o It was however acknowledged that this will be difficult in some cases and that the consulting team does not have time to generate the baseline from scratch.
- o IRENA is currently completing an energy sector profile, which should be useful, although most of the data was provided by DoE.
- o It will be important to access data from other Ministries and Departments, not just DoE.
- o Given the difficulties that we may face in compiling some background data, we should provide requests for data to the DoE (and other stakeholders) as soon as possible.

Targets contained in the Energy Policy should be realistic, or it will lose credibility. Targets should also be accompanied by associated requirements for human resourcing (for example, what capability is required of Government staff, who will be the responsible authority), and DoE will link them to the financial cost of achieving the targets (which will enable DoE to incorporate the actions and targets into its budgets).

DoE emphasised that the Energy Policy Document should **bring together all the different sectors** and government stakeholders. It is therefore important that the different views of stakeholders are incorporated (ie the content of the policy should not solely originate from DoE viewpoints) and that the structure of the Energy Policy reflect practical strategic areas:

- o DoE observed that this Energy Policy should focus more on transport than the 2006 version, given how much of total energy consumption it makes up.

DoE expressed a desire to use a **new set of strategic areas**, different to those used in the 2006 Energy Policy:

- o DoE had already discussed internally the revision of the strategic areas used in the 2006 Energy Policy. The view of DoE staff is that because there was so much overlap between the four strategic areas (ie. national energy planning, energy security, power sector, renewable energy), it was difficult for each stakeholder to focus on the area which was relevant to them, and for each DoE unit (rural electrification, demand side management, renewables, bio-fuels, etc.) to draw out key actions that were relevant to their area of interest.
- o Possible new strategic/focus areas that were proposed by our team include:
 - o rural electrification
 - o grid-based electricity supply
 - o transport
 - o energy efficiency
 - o renewable energy research
 - o bio-fuel research.
- o DoE are going to review these areas and propose a set to be used at the Energy Symposium based on findings from past symposiums.
- o Underlying strategic areas will be broader objectives, such as increasing access, affordability, security of supply etc. There will still be interaction between the strategic areas, but it is intended that there is a clear delineation between them – for example renewable energy research relates to developing renewable resources in Fiji, while rural electrification, grid-based electricity supply, and transport fuels will use and implement the results of this research.
- o The Energy Policy should clearly explain why the strategic areas were chosen (eg. they have the largest potential impact).

- o There should also be a clear ranking of these areas to show which is the priority – all areas are not necessarily equal. This will help development partners allocate support.

It was agreed that our team would consider developing a **set of criteria that can be used to evaluate the different policy tools** that the government might use:

- o For example, how does it choose between import subsidies and net metering?
- o All agreed that this would improve the decision making underlying the Energy Policy, however it was noted that not many countries have applied such a rigorous approach, and also that we need to be careful not to create a roadblock for action.
- o It was suggested that a qualitative criteria could be used for choosing policies across the different subsectors (ie, transport, rural electrification etc), but then within some subsectors a specific quantitative approach could be used – for example least-cost for grid based electricity supply (the Tonga roadmap uses such a criteria).

A2.2 Meetings held

At the request of the Director of Energy, Richard limited most of his meetings to key staff within the Ministry of Works. The Department of Energy (DoE) will arrange meetings with external stakeholders once they have been formally notified of the project and our wider team is in country.

DoE intends to notify external stakeholders through a Cabinet Paper which should be submitted very shortly.

Richard met with the following stakeholders:

- o Direct and Assistant Director of DoE
- o Director of Department of Transport
- o Energy division of the Secretariat of the Pacific Community (SPC)
- o International Renewable Energy Agency (IRENA)
- o Rural electrification unit of DoE
- o Bio-fuels unit of DoE
- o Demand-side management unit of DoE
- o GIZ
- o Energy advisory committee (including representatives from DoE, GIZ, UNDP, and the Ministry of Strategic Planning, National Development and Statistics)

The minutes of these meetings have been provided to the rest of our consulting team.

A2.3 Documents collected

Over 100 background documents were collected, sorted, and indexed.

The documents that we are aware of but do not yet have copies of include:

- o DoE submission on results of past symposiums
- o ESCAP Green Growth
- o Greenpeace Report
- o FREP work plans, 2012 & 2013
- o FREP final inception report
- o PPA benchmarking report
- o Documents relating to FEA reform (Minter Ellison)
- o Electricity Decree 2012 (Approved Commerce Commission)
- o FEA – IPP Report
- o FEA Power Development Plan 2011-2020, Volume 2
- o FEAR Corporate Plan 2011 – 2013
- o FEA grid code
- o Draft Report on Review of Electricity Tariff Rates
- o Forum Secretariat Feasibility of regional bulk fuel procurement
- o Developing a Biofuels Industry in Fiji – Al Binger, Raghavan & Ronneberg
- o Charter for Renewable Energy Based Rural Electrification with Participation of Private Enterprises
- o Asian Development Bank (ADB) Report of Rural Electrification (RE) Survey
- o Large Scale RESCO based Rural Electrification “proof of concept” project – 2006
- o Fiji appliance standards final report AGO Sept07
- o Customs Act - Trade Standards - Household Electric Refrigerating Appliances Order 2007
- o Fuel Standards - National Diesel Standards (Amendment) Order 2011 and Petrol Standard
- o JBIC Report Hydro Survey
- o JBIC Report Geothermal

A full list of the documents we have collected is provided below.

List of documents collected

No.	Title	Author	Year
	<i>Bold = Key document, Red = Missing</i>		
General background			
1	The sustainable development of Fiji's energy infrastructure: a status report	Anirudh Singh	2009
2	SMEC, National Energy Security Situation Report	SMEC	2009
3	DoE Internal Energy Policy Review	DoE	2012
4	SREP Pacific Regional Energy Assessment	PIREP	2004
5	Presentation on Fiji National Energy Security	UNESCAP	2012
6	Renewable Energy Developments in the Pacific – present status and future prospects	Anirudh Singh	2011
7	Presentation - Practical Steps to Reduce Fiji's Petroleum Fuel Imports	Peter Johnston	2010
8	FEASP Fiji Country Energy Security Indicator Profile	SPC	2009
9	Fiji Policy Database	REEEP	2010
10	Fiji National Workshop on Energy Planning and Policy	DoE	2011
11	Renewable Technologies and Risk Mitigation in Small Island Developing States (SIDS): Fiji's Electricity Sector	Dornan and Jotzo	2012
12	Presentation - Promoting Renewable Energy Policies in Fiji	DoE	2011
13	Fiji energy situation and carbon financing possibilities	Tricorona	2010
14	Doing Business in Fiji	IFC	2011
15	Renewable Energy Report	APCTT	2009
16	Pacific Islands Energy Strategic Action Plan (PIESAP)	SPC	2007
17	Framework for Action on Energy Security in the Pacific (FAESAP)	SPC	2011
18	A Review on Gender Mainstreaming and Action Plans of the SIDS IUCN ORO Energy Projects	SPC	2010
19	DOE Annual Report 2011	DoE	2011
20	DOE Annual Corporate Plan 2013	DoE	2013
21	DoE submission on results of past symposiums		
22	ESCAP Green Growth		
23	Greenpeace Report		
Laws, regulations, policies			
24	National Climate Change Policy	DoE	2012
25	National Energy Policy Framework Strategic Action Plan	DoE	2006
26	National Energy Policy Document	DoE	2006
27	Rural Electrification Policy	Cabinet	1993
28	Environment Management Act	Cabinet	2005
29	Supplement to the 2012 Budget Address	Ministry of Finance	2011
30	CDM Policy Guidelines - Draft	Dep of Environment	2009
31	Electricity Act	Cabinet	?

No.	Title	Author	Year
32	Draft Biofuels Policy	DoE	
33	Strategic Development Plan, 2007 - 2011	NES	2006
34	Roadmap for Democracy and Sustainable Socio-Economic Development for 2009 – 2014	Ministry of National Planning	2009
35	Public Enterprise Act	Cabinet	1996
36	Petroleum (Exploration and Exploitation) Act	Cabinet	1978
37	Commerce Act 1998	Cabinet	1998
38	Emergency Power Act 1998	Cabinet	1998
39	People's Charter for Change, Peace, and Progress	Cabinet	2011
Donor projects			
40	Presentation on WB Sustainable Energy Financing Project (SEFP)	WB	?
41	Final Evaluation Report - Promoting Sustainability of Renewable Energy Technologies and Renewable Energy Service Companies in the Fiji Islands	UNDP	2010
42	Fiji Renewable Energy Power Project, Project Identification Form	GEF	2009
43	SEFP Executive Operations Manual	WB	2010
44	SEFP grant agreement	WB	2010
45	SEFP Project Appraisal Document	WB	2010
46	FREP work plans, 2012 & 2013		
47	FREP final inception report		
FEA			
48	Renewable Energy Developments in Fiji – Fiji Electricity Authority	FEA	2009
49	Presentation - Symposium on Renewable Energy Technologies	FEA	2010
50	Annual report 2011	FEA	2011
51	Annual report 2010	FEA	2010
52	Determination on charging customers for capital costs	FEA	2011
53	Quantification of the Power System Energy Losses in South Pacific Utilities	KEMA	2012
54	FEA Regulatory Review	Maunsell	2010
55	Presentation - Future Renewable Energy Investments	FEA	2010
56	Presentation - FEA	FEA	2012
57	FEA Power Development Plan 2011-2020, Volume 1	Power	2011
58	Consumer Extensions Policy	FEA	?
59	PPA benchmarking report		
60	Documents relating to FEA reform (Minter Ellison)		
61	Electricity Decree 2012 (Approved Commerce Commission)		
62	FEA – IPP Report		
63	FEA Power Development Plan 2011-2020, Volume 2		
64	FEAR Corporate Plan 2011 – 2013		
65	FEA grid code		

No.	Title	Author	Year
66	Draft Report on Review of Electricity Tariff Rates		
Transport and petroleum			
67	SOPAC Development Of An Energy Efficiency Project for Land Transportation	SOPAC	2008
68	Promotion Of Environmentally Sustainable Transportation In The Pacific Islands	SOPAC	2005
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