

SECRETARIAT OF THE PACIFIC COMMUNITY
THIRTY-NINTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS
(Nuku'alofa, Tonga 6–9 October 2009)

DIVISIONAL REPORTS

AGENDA ITEM 3.5 – ECONOMIC DEVELOPMENT

(Paper presented by the Secretariat)

Purpose

1. This paper introduces one of the two the new technical divisions of the Secretariat of the Pacific Community from January 2010 – the Economic Development Division.

Background

2. The establishment of the Economic Development Division is a culmination of SPC's internal reform process as well as a specific response to the broader reform agenda under the auspices of the Regional Institutional Framework.

3. A fuller description of the new division appears in paragraphs 18 to 33 of CRGA Paper 6.1 – 'Organisational reform and implementation of the Regional Institutional Framework'. The relevant section of Paper 6.1 is annexed to this paper for ease of reference.

Divisional structure

4. This new division comprises the four key drivers of economic growth – transport, energy, infrastructure and communication/ICT (information and communication technology). These drivers constitute the four pillars of the division.

5. The division will be headed by a Director supported from SPC's core resources. The transport and energy pillars, being larger programmes, will each be headed by a Deputy Director within the division. These two positions will also be members of the extended SPC Executive, which will be important in lifting the profile of these critical sectors that have featured in Forum communiqués over the past six years at least. The communication/ICT pillar will be headed by a Programme Coordinator. It will be a smaller programme with a focus on implementing various aspects of the regional digital strategy. For 2010, the infrastructure pillar will not have dedicated technical capacity but will be overseen by the division's Director. Annex 2 of this paper shows the proposed organisational chart for the Economic Development Division.

Implementation

6. The new division will be operational on 1 January 2010. The positions of Director for the division and Deputy Director (Energy) will be advertised prior to CRGA / Conference, with the selection process expected to be completed by the end of 2009.

Presentation at CRGA 39

7. Presentations to CRGA 39 will focus on the transport and ICT pillars. The full divisional presentation will be done at CRGA 40.

Recommendations

8. CRGA is invited to:

- i. note the establishment of the new Economic Development Division at SPC from January 2010, under which the four key drivers of economic development are placed;
- ii. note further that the position of Director for the new division is supported through core resources of the organisation, as is the new position of Deputy Director (Energy), with both positions to be advertised as soon as possible to enable appointments by end of 2009;
- iii. consider the presentations on the transport and communication/ICT pillars and note the tremendous impacts both programmes have made to members' national level development outcomes; and
- iv. note that there will be further opportunity for discussion under agenda item 6.1.

Annex 1– ECONOMIC DEVELOPMENT DIVISION

[Text from CRGA Paper 6.1 – paragraphs 19–33]

1. The new Economic Development division will be operational from 1 January 2010. Below are brief details on each of its four pillars.

(a) *Regional Energy Sector Programme – EDD energy pillar*

2. The Regional Energy Sector Programme (energy pillar) of the new division will be led by the Deputy Director (Energy). The Deputy Director position will be supported from SPC's core resources, demonstrating our commitment to invest in the sustained leadership, planning and coordination of this important sector at the regional level. Initially, SOPAC's energy programme will form the bulk of the SPC programme and will shift from its current location at SOPAC to SPC's Nabua premises in January 2010. The petroleum advisory function, which has shifted from PIFS to SOPAC, will also move with the rest of the energy functions to SPC.
3. The shape and direction of the regional energy programme was directed by the region's Energy Ministers in their Ministerial Declaration and Communiqué of April 2009 as follows: '*(a) that regional and donor coordination delivery of energy services to Pacific island countries be strengthened and delivered through one energy agency and through one programme contributing to the development of a stronger energy sector and improved service to member countries; and (b) in this context it was noted that there was a need to ensure that energy policy and climate change policy remained separate where environmental aspects are managed by SPREP and energy sector activities by SPC so as to ensure that the socio-economic aspects of energy were adequately addressed*'.
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4. From January 2010, SPC will assume the role of lead coordination agency in the regional energy sector, while recognising that there are many important stakeholders involved in aspects of the actual delivery of energy services to members, notably SPREP, the Pacific Power Association (PPA), the University of the South Pacific, the International Union for Conservation of Nature and others.
5. The key role for the lead coordination agency is described in the Ministers' communiqué as follows:

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

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

(petroleum, transportation, renewable energy, energy efficiency and energy conservation, energy infrastructure, power) and provide policy responses and strategic solutions to members and key stakeholders, to inform their own decision-making processes.

- Coordinate the development of a joint, regional energy sector work-plan with an appropriate M&E and prioritised framework that involves all stakeholders to effectively implement the regional energy policy and plan.
 - Develop and sustain a comprehensive, coordinated and shared approach to data collection, analysis and dissemination in the energy sector.
 - Develop and sustain a common energy data and information system.
 - Focal point for development partner interaction and coordinate resource mobilisation and allocation for the delivery of regional energy services.
 - Establish and facilitate mechanisms that will involve key energy stakeholders in strategic analysis of emerging challenges and opportunities, as well as the oversight, decision-making and/or management of issues in or affecting the energy sector.
6. An important initiative agreed to by the major stakeholders in the regional energy sector programme is the need for co-location of expertise in one office, namely SPC's premises in Nabua. If agreed and implemented, this will mean that PPA, SPREP's renewable energy project, and the SPC/SOPAC energy programme will operate from the same office while retaining their specific agency status. This initiative will give credence to the 'many agencies, one team' approach that underpins this new partnership in the region's energy sector.
7. The key to being able to deliver on the expectations of Energy Ministers and Forum Leaders lies in the ability of the regional programme to support the five main areas within the sector, i.e.:
- a. Energy policy, planning, legislation and regulation
 - b. Petroleum (procurement, transport, storage and pricing mechanisms)
 - c. Power generation/electric utilities (urban and rural)
 - d. Renewable energy production
 - e. Energy efficiency and conservation
8. While accepting that much of the actual work needs to occur at national level, it is crucial that the lead coordination agency has a dedicated pool of senior experts to cover each of these areas. These experts would lead research and analysis and provide direct advice to members. There is the potential that with the 'one team approach' advocated in this new partnership, the lead agency may not need to invest in all five areas. However, it is crucial in our view that we invest upfront in bringing together senior experts in energy policy and planning; energy efficiency; petroleum advisory services; renewable energy; energy economics; energy regulation; and institutional aspects of the energy sector. This capacity will make up a core-funded pool that will be supplemented by resources from other partners in the sector.
9. The detailed implementation plan, including a resource analysis and the requirements for making a real difference in the energy sector, is attached as Annex 4.
- (b) ***Regional Transport Sector Programme – EDD transport pillar***
10. The regional transport sector programme (EDD transport pillar) will be led by a Deputy Director (Transport). The programme is based on what is currently SPC's Regional Maritime Programme (RMP).

11. The transport advisory services previously located in PIFS will become part of this programme from January 2010. However, there are no financial resources being transferred with this function. SPC is therefore exploring the best way to sustain the services.
12. A major focus for the regional transport sector programme from 2010 onwards will be increased assistance and advice to members on:
 - i. domestic shipping – members have seen this area as their responsibility rather than that of RMP, but given increasing concerns about the seaworthiness of much of the region’s domestic ships, the regional transport sector programme will actively seek to assist members in conducting or facilitating safety audits and working with members and partners to prepare proposals for longer-term solutions to domestic shipping in the region;
 - ii. sub-regional shipping – including exploring new routes; commodity movements; and establishing regional or subregional shipping commissions similar in nature to the Micronesian Shipping Commission;
 - iii. provision of ‘International Maritime Organization-compliant’ generic model legislation and regulation that can be adapted by members;
 - iv. increased emphasis on maritime safety and security, capacity building and supplementation, data synthesis, research and information services, technical requirements, port operations and management, and shipping company management;
 - v. research and advisory services to members on aviation, complementing the work of PASO (Pacific Aviation Safety Office) on aviation security; and
 - vi. research and information on land transport, focusing on providing information on good land transport practices from other countries/regions that may be relevant to members.

(c) Regional Communication / ICT Programme – EDD communication pillar

13. The Regional Communication/ICT Programme will be headed by a programme coordinator. Its primary role will be to coordinate implementation of the five key objectives of the Pacific Plan digital strategy with a focus on provision of ICT in all areas of the region (ICT outreach to members).
14. The programme will operate from SPC’s Nabua premises from January 2010.

(d) Regional Infrastructure Programme – EDD infrastructure pillar

15. This programme will be held in abeyance during 2010, pending further analysis and taking into account other mechanisms being established to address infrastructure needs, such as the Pacific Regional Infrastructure Facility (PRIF). The EDD Director will oversee any analysis of the potential role of this programme during 2010.