



Fiji: Support for Energy Sector Regulatory Capacity and Electrification Investment Planning

Project Name	Support for Energy Sector Regulatory Capacity and Electrification Investment Planning		
Project Number	48049-001		
Country / Economy	Fiji		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8971-FIJ: Support for Energy Sector Regulatory Capacity and Electrification Investment Planning		
	Technical Assistance Special Fund		US\$ 1.00 million
	TA 8971-FIJ: Support for Energy Sector Regulatory Capacity and Electrification Investment Planning (Supplementary)		
	Technical Assistance Special Fund		US\$ 200,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development		
Sector / Subsector	Energy / Energy sector development and institutional reform		
Gender	No gender elements		
Description	<p>The proposed TA will have two distinct components. First will be the development of capacity at the Department of Energy to cope with its expanded mandate to regulate the energy sector. The second component will focus on developing the planning capacity at DoE to identify and prioritize sector investments to provide for security of supply, increased renewable generation, and expansion of electricity service to currently unserved Fijians.</p> <p>The regulatory institutional capacity development component will identify and provide recommendations and consultancy support for: secondary legislation (implementing regulations) necessary for the establishment of the regulatory function within the Department of Energy (including drafting of proposed legislation and/or regulations); organizational structure, staffing profiles, skills and competence matrices, and training requirements; and material resource (e.g. budget) requirements for the newly-created regulatory unit within the Department of Energy. This component will be complemented by TA-sponsored training for key Department of Energy and other relevant Government of Fiji representatives in recognized international training programs on public utilities regulation (e.g. the Public Utility Research Center/World Bank International Training on Utility Regulation and Strategy)</p> <p>The second component will equip the Department of Energy to develop an electrification master plan (EMP) by establishing the underlying policy framework and tools for identifying, prioritizing, selection, and implementation of discrete electricity expansion investments, i.e. the screening criteria for project identification and prioritization and the capacity to apply them. For the purposes of building this capacity and as a demonstration of the practical application of these tools, the TA will develop preliminary feasibility studies and project definitions for a limited number of candidate projects identified with the involvement of Department of Energy personnel.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>Regulatory oversight of the sector is weak. Tariffs are authorized by the Fiji Commerce Commission, but the manner in which prices are reviewed is not transparent and does not offer the long-term certainty and predictability that investors (private and state-owned corporatized FEA alike) require. Aside from rate-making authority residing with the Commerce Commission, FEA has operated as a self-regulating entity, retaining and administering licensing authority, developing and applying technical codes and standards, and defining rules and incentives for third-party generation.</p> <p>The newly-announced National Energy Policy prescribes the transfer of significant sector regulatory authority from FEA to the Department of Energy (an arm of the Fiji Ministry of Transport, Works, and Public Utilities). Concurrently, the government has announced plans for the legal corporatization and partial divestiture of FEA, which will thereafter pursue a purely commercial agenda.</p> <p>The lack of investment and limited regulatory oversight is exacerbated by the absence of any clear plans for development of the power sector. Without such plans, investors are not aware of opportunities and regulators cannot assess the reasonableness and efficiency of proposed investments and the tariff levels needed to deliver these.</p> <p>The proposed TA responds to the government's request for ADB assistance to develop regulatory capacity and sector planning capacity within the Department of Energy.</p>		
Impact	A resource efficient, cost effective, and environmentally sustainable energy sector (Roadmap for Democracy and Sustainable Socio-Economic Development 2010-2014*)		
Project Outcome			
Description of Outcome		Improved framework for development of Fiji's energy sector	
Progress Toward Outcome		ongoing	
Implementation Progress			
Description of Project Outputs		Enhanced regulatory capacity at the Department of Energy Enhanced sector planning capacity at Department of Energy. 1. Establishment of regulatory capacity at selected regulatory agency 2. Enhanced sector planning capacity at relevant government department	
Status of Implementation Progress (Outputs, Activities, and Issues)		The consulting firm conducted a hybrid system training for MOIT in Suva last 1 and 2 November 2017.	
Geographical Location		Nation-wide	
Summary of Environmental and Social Aspects			
Environmental Aspects			

Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	The proposed TA has two distinct components: (i) regulatory institutional capacity development within the Department of Energy, and (ii) development of an electrification master plan.
During Project Implementation	As of 17 September 2018, total contracts awarded amount to \$991,723 (99.17%) and total disbursements is at \$634,720 (63%) while total uncommitted funds is \$8,277 (1%) . The TA has a current approved budget totaling \$1,000,000 from ADB's TASF-Others. Supplemental financing from TASF-Others for \$200,000 is required to support the FCCC for transitioning to a new role as power sector regulator under Electricity Act 2017 and preparation of a cost of service study for Energy Fiji Ltd (EFL). The additional resources will help achieve two key objectives: (i) extend the level of anticipated input of Castlerock Consulting Pte Ltd. (CCPL) per attached additional Terms of Reference (Attachment 2), and (ii) increase the TA allocation for business travel so that there is more flexibility to adequately synchronize in-country and home office inputs. A total of three (3) experts are anticipated to provide the services: (i) current CCPL team leader, (ii) electricity tariff specialist, and (iii) financial analyst. Activities funded through this additional financing are consistent with the TA's impact, outcomes, and outputs.

Business Opportunities

Consulting Services	An international regulatory expert (individual consultant) is recruited to advise the Government of Fiji on the establishment of a public utility regulatory agency to oversee regulation of the power sector (output 1) and prepare a capacity-building program. A consulting firm for output 2 has been recruited and will be mobilized by 1 April 2017 to develop a policy framework and screening criteria to identify, prioritize, select, and implement discrete renewable generation and network investments.
---------------------	---

Responsible ADB Officer	Trainor, James Michael
Responsible ADB Department	Pacific Department
Responsible ADB Division	PAEN
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable

Concept Clearance	08 Oct 2014
Fact Finding	-
MRM	-
Approval	29 Sep 2015
Last Review Mission	-
Last PDS Update	28 Sep 2018

TA 8971-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Sep 2015	04 Feb 2016	04 Feb 2016	28 Sep 2017	31 Mar 2019	28 Jun 2019

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,200,000.00	0.00	100,000.00	0.00	0.00	0.00	1,300,000.00	17 Jun 2022	1,135,074.38

Project Page	https://www.adb.org/projects/48049-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48049-001
Date Generated	05 June 2023

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.