

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. ADB is coordinating the project related activities closely with other development partners. The major development partners that have activities undergoing in the sector are listed in the table below.

Major Development Partners – Energy Sector Activities

Development Partner	Project Name	Duration	(\$ million)
Asian Development Bank	<ul style="list-style-type: none"> TA 7329-REG: Promoting Access to Renewable Energy, including (i) Solar demonstration project, 40 kW solar demonstration project in Luganville, and (ii) Small hydropower pre-feasibility studies, prepared pre-feasibility studies/ financial analysis for Malekula and Santo 	2009-2013	1.0
	<ul style="list-style-type: none"> TA 7798-REG: Promoting Energy Efficiency in the Pacific Phase 2. Upscale energy efficiency across 5 countries (incl. Vanuatu). 	2010-2015	2.0
Government of Australia	<ul style="list-style-type: none"> Lighting Vanuatu Programme. AusAID designed and funded a pico solar for rural electrification programme. The two year programme, managed by the Energy Unit and implemented by two NGOs, distributed over 50,000 pico solar lanterns to rural households. 	2012	-
	<ul style="list-style-type: none"> Development of Vanuatu Electricity for Rural Development Programme (VERD). Aimed to build on the success of Lighting Vanuatu, to expand rural electricity access and promote economic development by providing subsidized individual solar systems to households, and basic electrification to public institutions. Programme did not proceed; household segment of the programme will now be delivered under VREP. 	2013	-
	<ul style="list-style-type: none"> Utilities Regulatory Authority. Provided funds through the World Bank for technical assistance to the URA in development and execution of their work programme. 	Ongoing	-
	<ul style="list-style-type: none"> National Energy Road Map. Provided funds through the World Bank to support the preparation of the Vanuatu National Energy Road Map. 	2012-2013	-
	<ul style="list-style-type: none"> Oil and Gas Study. Provided funds through the World Bank for a study into options for improved fuel supply arrangements 	2013-2014	-
Japan International Cooperation Agency	<ul style="list-style-type: none"> Sarakata Hydropower funding. Grant-funded construction of the multiple stage Sarakata Hydropower. Was transferred to GoV ownership and subsequently put under the Luganville concession. 	2000-2009	
	<ul style="list-style-type: none"> Community solar programme. Funded installation of 220 SHSs across four of Vanuatu's islands. 	1999-2003	
NZ Ministry of Foreign Affairs and Trade	<ul style="list-style-type: none"> Vanuatu Rural Electrification Programme (VREP). Providing funds through the World Bank to support the development of a programme to provide subsidized individual plug and play solar systems to rural households 	2014-2017	25
European Union	<ul style="list-style-type: none"> Malekula Distribution Extension Project 	2013-2015	-
World Bank	<ul style="list-style-type: none"> National Energy Roadmap 2013-2020. The World Bank with funds from Australian Aid Programme was the lead development partner assisting the Government with the development and implementation of the Vanuatu National Energy Road Map 	2012-2013	-
	<ul style="list-style-type: none"> Energy Sector Development Project. A World Bank project funded by 		

	Energy Sector Management Assistance Program (ESMAP) and Scaling-up Renewable Energy Program (SREP) for technical assistance to the DoE and by Australian Government's Governance for Growth programme.	2013-2018	-
	<ul style="list-style-type: none"> • GPOBA Improved Electricity Access Projects. A World Bank project funded by the Global Partnership on Output Based Aid (GPOBA), to provide targeted subsidies to enable access to grid-based services for 4,375 low income HHs. 	2013-2017	-
	<ul style="list-style-type: none"> • Utilities Regulatory Authority. Assisted the Government with the establishment of the URA with funding from the Australian Government's Governance for Growth programme through the PRIF. 		-
	<ul style="list-style-type: none"> • Efate Geothermal Power & Grid Development. Assisted the Government with the Efate Geothermal Power & Island-Ring Grid Development Framework pre-feasibility study undertaken by Castlerock Consultants. 	Ongoing	-
		2014	
International Union for Conservation of Nature (IUCN) \	<ul style="list-style-type: none"> • Wind Monitoring. Installation of six wind resource monitoring masts in the six provinces of Vanuatu • Talise mini HPP. Preparation of Environmental and Social Impacts Management Plan; preparation of tender and implementation of hydro project 	2012	-
		2011-2014	-
Private Sector	<ul style="list-style-type: none"> • Geodynamics are proposing a 8MW geothermal plant for Efate. Land access agreements have been signed to commence environmental and social impact assessments. Discussions for a power purchase agreement are ongoing. 	Ongoing	-

¹ funding allocation uncertain

Source: Asian Development Bank

B. Institutional Arrangements and Processes for Development Coordination

2. The proposed project is focusing on development of renewable energy on provincial grids and therefore does not overlap with the other development partner supported projects on the main island of Efate. The ADB has consulted extensively with stakeholders to ensure the power sector projects are complementary. Specific coordination includes:

- (i) the project will extend the distribution grid in Espiritu Santo and Malekula and the World Bank supported OBA project will support connections from the grid to the households.
- (ii) European Union is supporting grid extension along the north-east coast of Malekula, while the project will support grid extension towards the west of Malekula.
- (iii) JICA is considering support for generation on Espiritu Santo. The project will work closely to ensure support is coordinated.

3. At the national level, the Department of Energy (DoE), Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management (MOCC) manages development of the energy sector, including development partner coordination. The DoE provided clear guidance during project design on delineation and allocation of development partner support to the power sector.

4. Extensive consultation was undertaken with relevant development partners throughout project design, including Australian Department of Foreign Affairs and Trade, European Union, Japan International Cooperation Agency (JICA), New Zealand Ministry of Foreign Affairs and Trade, and World Bank. Options for cofinancing were explored with the governments of Australia and New Zealand and the European Union, however suitable cofinancing was not identified.

C. Achievements and Issues

5. The Government of Vanuatu has achieved a high level of development partner coordination for the power sector. However, given the growing interest by a broad number of development partners in promotion of renewable energy in the Pacific, continued coordination will be required. This will be achieved by DoE continuing to coordinate development partners active in the sector, and by the development partners coordinating amongst themselves. Coordination between members of Pacific Region Infrastructure Facility (PRIF) will include sharing design documents for inter-agency technical review. PRIF partners include Asian Development Bank, Australian Department of Foreign Affairs and Trade, European Union, European Investment Bank, International Finance Corporation, New Zealand Ministry of Foreign Affairs and Trade and World Bank. Coordination amongst the broader development partner group will be facilitated through the quarterly meetings of the Pacific development partner energy working group, secretariat services for which are provided by PRIF Coordination office.

D. Summary and Recommendations

6. Ongoing development partner consultation will be required during project implementation to prevent overlap with other development partner activities and to identify appropriate areas for coordination, including coordinated support for training and capacity building and ensuring equipment compatibility. The project will be discussed between the broader development partner group at the Pacific development partner energy working group.