



PRIF NEWSLETTER

Issue 4, November 2010

Dear colleagues,

Through this newsletter, we wish to bring you up-to-date with PRIF's work and invite your comment and feedback on its activities. To subscribe/unsubscribe to this newsletter, or to provide any comments or feedback please contact the PRIF Secretariat on secretariat@theprif.org or telephone +61 2 9235 6571.

PRIF partner activities

The PRIF partners are working together to coordinate assistance to partner countries in the energy, telecommunications, transport, water and sanitation, and solid waste infrastructure sub-sectors. Information about PRIF activities in each sector is available on the PRIF website: <http://www.theprif.org/sector-based-approaches>.

Our 'Activity in Focus' for this newsletter is Solomon Islands telecommunications assistance. This article can be found at the end of this newsletter. Some of the other activities which we would like to update you on in this newsletter are:

- 1) **Special Forum Energy Ministers Meeting held on 29-30 June 2010**
- 2) **Completion of the Tonga National Infrastructure Investment Plan**
- 3) **Completion of the Scoping study for the Port of Pohnpei**
- 4) **South Tarawa Water Supply, Sanitation and Solid Waste Management Program**
- 5) **Benchmarking for utilities in the power and water sectors of Pacific island countries**

1. **Special Forum Energy Ministers Meeting (FenMM) - 29-30 June 2010, Brisbane**

At the 2009 Pacific Islands Forum, Leaders expressed concern about the Pacific's dependence on imported fuel for energy generation and the impact of fluctuating fuel prices on vulnerable Pacific island economies. Responding to these concerns, Leaders agreed that a special meeting of Forum Energy Ministers should be held to discuss ways to achieve greater energy security in the region.

Australia hosted this meeting in June this year, on behalf of the PRIF partners and in collaboration with the Secretariat of the Pacific Community (SPC).

At the FEnMM, Ministers endorsed the new regional *Framework for Action on Energy Security in the Pacific*. This Framework, developed by SPC, was subsequently endorsed by Forum Leaders in Port Vila in August 2010. The Framework provides a sound basis for guiding Pacific countries' own national energy efforts and is a useful guide for better coordination of financing for regional energy programs.



At their meeting, Forum Energy Ministers also:

- Recognised that petroleum will continue to play the primary role in meeting Pacific energy needs, and that efficient management of petroleum should underpin energy policy decisions.
- Recognised that energy efficiency measures can deliver early and significant energy security gains.
- Encouraged the adoption of ‘whole-of-sector’ approaches to energy planning and management at the national level.

The FEnMM Communiqué and a ‘Whole of Sector Approach’ explanatory paper are available on the PRIF website: <http://www.theprif.org/key-documents>

2. Tonga National Infrastructure Investment Plan

On request of the Government of Tonga, PIAC has assisted with the development of a National Infrastructure Investment Plan (NIIP). The NIIP has been prepared by the Ministry of Finance and Economic Planning of Tonga with technical assistance provided through PIAC. The Cabinet of Tonga approved the NIIP on 22 October 2010.

The NIIP is based on the National Strategic Planning Framework and identifies 66 projects spread across the economic infrastructure sectors, totalling around \$540 million of investment over the next 5 years; and an additional \$150 million in years 5-10 (note that all costs are in Tongan paʻanga, TOP). This includes projects that are currently underway; projects that are not underway but have committed funding; and proposed projects with possible implementation within the next 5- 10 years. The NIIP uses a prioritisation tool to identify 12 priority projects and subsequently analyses the level of cost recovery for each of the infrastructure sub-sectors resulting in a funding strategy. The Cabinet intends to prepare an update of the Plan in the second half of 2011. This report is publicly available on the PRIF website: <http://www.theprif.org/PIAC-activities>

3. Federated States of Micronesia – Scoping study for the Port of Pohnpei

On request of the Federal Government of the Federated States of Micronesia, PIAC has assisted the Pohnpei Port Authority in assessing the current status of infrastructure and operations at the Sea Port of Pohnpei. The study has revealed that there is considerable scope to make better use of current facilities and infrastructure and that financial performance can be significantly improved by reviewing tariff structures and by adequate management of debts. Growth of trade volumes during the foreseeable future is expected to be moderate and gradual and with improved management and efficient operations, current infrastructure facilities will be largely sufficient and major investments can be avoided. Some smaller investments will be necessary for improved operations and enhanced safety in combination with improved governance and capacity building. The study resulted in a short term improvement strategy consisting of four development phases with related recommendations. This report is publicly available on the PRIF website: <http://www.theprif.org/PIAC-activities>

4. South Tarawa Water Supply, Sanitation and Solid Waste Management Program

A stakeholders consultation workshop organised by the Government of Kiribati was held in Betio, South Tarawa on 4-5 November 2010. The workshop aimed to identify the main issues, constraints and gaps in achieving urgently needed improvements in water, sanitation and solid waste management in the densely populated area of South Tarawa. The workshop was attended by about 50 representatives from central and local governments, development partners, NGOs, and the private sector.

The workshop emphasised the urgent need to address the issues in the water and sanitation sectors, to better protect and conserve existing water resources, to reduce the high level of leakage in the piped water supply system and improve service levels, to rehabilitate the existing sewage systems and improve solid waste collection and disposal. A pre-condition to achieve these objectives is the increased awareness and engagement of communities and the strengthening of involved institutions.

During the workshop, and in follow up meetings to the workshop organised by the Government, the members of the Taskforce for Water and Sanitation and the development partners expressed their support for the priorities identified by the Government and informed on the ongoing and planned projects and activities to meet the identified needs. The partners also agreed on the following actions:

- (i) the Government Taskforce on Water Supply and Sanitation to prepare a 5-10 year outline of a program/roadmap for the improvement of water supply, sanitation and waste management in South Tarawa, with the assistance of PIAC;
- (ii) the Taskforce to obtain agreement and commitment on this program from stakeholders and development partners; and
- (iii) the Taskforce (assisted by PIAC) to manage and coordinate program implementation. An update on these activities will be provided in the next PRIF newsletter.



Photo: The Honourable Minister of Public Works and Utilities H.E. Kirabuke Teiaua addressing workshop participants during the closing ceremony on 5 November 2010.

5. Benchmarking for utilities in the power and water sectors of Pacific island countries

PIAC has initiated performance benchmarking for utilities in the power and water sectors of Pacific island countries. The Pacific Power Association (PPA) and the Pacific Water and Wastes Association (PWWA), in collaboration with the Secretariat of the Pacific Community (SPC) and the Pacific Islands Applied Geoscience Commission (SOPAC), and with the support of PIAC, have agreed to undertake joint benchmarking initiatives for power and water utilities in the Pacific region.

These initiatives aim to improve the performance and service delivery of power and water utilities by comparing performance, learning from one another, and enhancing the availability of information on the delivery of water services in the region. PPA and PWWA will be responsible for the overall management and coordination of the benchmarking exercises. For the power benchmarking SPC, will act as a central data repository for benchmarking information and link this initiative with its own and other related regional energy sector initiatives in the Framework for Action on Energy Security in the Pacific. For the water benchmarking, SOPAC will provide technical support in the analysis of data and in preparing the technical benchmarking report. The PRIF partners, through PIAC, are supporting the initiative by providing the technical assistance to both organisations.

Memoranda of Understanding (MOU) between these organisations have been established with the signing ceremonies shown in the photos below.



Photos clockwise: (i) Mr. Anthony Neil, PPA Executive Director, (ii) Dr. Jimmie Rodgers, SPC Director General, and Mr. Allain Goffeau, ADB-SPSO Head of Project Administration Unit, (iii) Mr. John Austin, PIAC Manager, and Ms. Cori Alejandrino-Yap, Research Officer managing the benchmarking exercise for PIAC, (iv) Dr. Russell Howarth, SOPAC, (v) Mr. Jan Willem Overbeek, PIAC Deputy Manager and Mr. Patrick Amini, Chairman of PWWA.

PIAC is also working with the PRIF Secretariat, PRIF partners, partner country governments and regional organisations on developing Pacific Infrastructure Performance Indicators (PIPIs) for PRIF's Monitoring and Evaluation framework. For further information on PIAC's work and to place requests for technical and advisory assistance, visit the website or contact PIAC at piac@theprif.org.

PRIF website

The last newsletter was sent in July 2010 in line with the launch of the PRIF website (<http://www.theprif.org>). To date the website has received over 46,348 hits from over 500 unique visitors in over 20 countries. The following pages have been the most popular:

- PRIF activities – <http://www.theprif.org/sector-based-approaches>.
- PIAC activities - <http://www.theprif.org/PIAC-activities>
- Key documents – <http://www.theprif.org/key-documents>
- News – <http://www.theprif.org/news>
- Events related to infrastructure in the Pacific - <http://www.theprif.org/events-related-to-infrastructure-in-the-Pacific>

If you have any feedback or enquiries about the website or have an event related to infrastructure that you would like advertised or a document related to infrastructure to be shared through the site please contact the PRIF Secretariat on secretariat@theprif.org.

Activity in Focus – Solomon Islands telecommunications sector assistance

Eighty-five per cent of the Solomon Islands' half-a-million people live in rural areas. Effective telecommunications across the country's almost one thousand islands is integral to ensuring families stay connected and businesses run efficiently.

Prior to 2010, a lack of competition in the sector led to high calling costs, poor and uneven coverage, and service inefficiencies. With the entry of a new provider in 2010, greater competition has brought down call costs and led to improved access. The de-monopolisation of the sector was assisted with support from the World Bank and AusAID.

According to local cocoa exporter Albert Fono, the introduction of another telephone provider in August this year has enabled him to expand his business and employ more local cocoa farmers than ever before.

"Two years ago, my cocoa export business was not going as well as I had hoped," said Fono.

"The problem lay in communication. I found it really difficult to stay in touch with cocoa farmers. 100 per cent of the farmers I work with are based in rural areas and these rural areas had very poor mobile telephone coverage.

"I could only reach about 40 per cent of farmers and the connection was always unreliable. This lack of communication meant I could not export as much cocoa as I wanted to," said Fono.

The Solomon Islands, alongside Fiji, Samoa, Papua New Guinea, Tonga and Vanuatu, is undergoing a telecommunications revolution. The industry is being reformed through:

- the development of government policy promoting competition;
- the introduction of new legal framework in the sector; and
- the establishment of a telecommunications regulatory body.

"Today, telephone services are better. I can talk to about 70 – 80 per cent of my plantation farmers on a regular basis. I can talk to farmers about the going rate of cocoa and the fees of my company's export services," said Fono.

"This (improvement in services) has enabled me to increase the sales of my company and its labour force. Two years ago I worked with 20-30 cocoa farmers, now I now work with 60 - 70 cocoa farmers. Over the same time, the number of permanent staff in my office has grown from four to eight.

"The costs of domestic and international calls have also gone down. This is really helpful for many Solomon Islands businesses, as the local market is small and many businesses operate internationally to survive.

"It's now much cheaper for me to call my broker in Sydney who then sells cocoa onto the Asian markets: Malaysia, Singapore and Indonesia.

"In the future, as my business continues to grow, my plan is to build a big warehouse. Then we will be able to export even more cocoa and employ even more local farmers," said Fono.

The World Bank has also been advising successive governments on telecommunications issues since 2004. For the past year the World Bank has supported telecommunications policy and regulatory work at the request of the Solomon Islands Government. The World Bank's work in this sector has been supported by an IDA grant and Australian Government assistance through PRIF.

The *Solomon Islands Telecommunications and ICT Development Project*, implemented by the telecommunications commission, comprises a five-year program of support, including:

- Technical assistance for the Ministry of Communication and Aviation regarding telecommunications sector policy.
- Technical assistance for regulatory support. This comprises operational support as well as advisory assistance to the Telecommunications Commission.
- Technical assistance for the design of a universal access program.
- Project management support for the Project Management Unit which will be established as a separate entity within the Telecommunications Commission.

It is anticipated that this sector reform will significantly improve mobile phone coverage in Solomon Islands. In Fiji, following the introduction of telecommunications sector reform in 2006, mobile phone coverage has increased from one quarter to three quarters of the population.

For more information about this activity please contact the PRIF Secretariat: secretariat@theprif.org.



Photos from left: (i) Solomon Telekom mobile phone shop, (ii) Solomon Islands citizens at launch of Bemobile; (iii) Bemobile shopfront.