

**Pacific High-level Policy Dialogue on  
“The Role of Macroeconomic Policy and Energy Security in supporting  
Sustainable Development in the Pacific”**

**8-9 October 2012, Nadi, Fiji**

**Jointly organized by  
UN ESCAP and Sustainable Development Working Group of the Council of Regional  
Organizations in the Pacific (CROP)**

**Session 2 – Enhancing Energy Security for Sustainable Development**

*Presentation*

**Pacific subregional policies and framework on renewable energy  
and existing sub-regional plans**

by  
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**October 2012**

# The Role of Macroeconomic Policy and Energy Security in supporting Sustainable Development in the Pacific

*Enhancing Energy Security for  
Sustainable Development, Session 2,  
Nadi*

8 October 2012

Scott Hook, Economic Infrastructure  
Adviser



Pacific Islands Forum  
Secretariat

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## Pacific Islands Forum Secretariat

- The Pacific Islands Forum is a political grouping of 16 independent and self-governing states.
- The Secretariat's mandate is delivered through the annual Leaders' Communiqués, Forum Officials Committee and Forum Ministerial Meeting decisions.
- The Forum Secretariat is also mandated to coordinate the implementation of the Pacific Plan for strengthening regional cooperation and integration.
- PIFS has an **overall coordination role** in the region as permanent Chair of CROP.



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## How does PIFS support sustainable development in the Pacific?

- The Pacific Plan lays out the guiding principles on improving the quality and performance of infrastructure. These are based on enhancing and stimulating economic growth and good governance. The current relevant goals include:
  - Improved efficiency and effectiveness of infrastructure development and associated service delivery.
  - Increased private sector participation in, and contribution to, development.
  - Improved transparency, accountability, equity and efficiency in the management and use of resources in the Pacific.



## Leaders Decisions

- 2012 - MDGs: ‘increased investment in basic infrastructure to improve access to water and sanitation and energy .’
- 2011 - “Leaders agreed on the value of energy audits and of developing credible whole of sector plans such as “energy road maps” and structures to improve energy security, reduce dependency on fossil fuel for electricity generation and improve access to electricity.”



## Leaders decisions

- **2011:** *Waiheke Declaration on Sustainable Economic Development*

Commit ourselves specifically to:

- “Improve energy security through greater efficiency measures and the promotion of clean and affordable energy, including renewable energy.”



## Assisting Energy Policy Development and Implementation

- PIFS provides coordination and assists with collaboration of key policy areas identified by Leaders and Forum Economic Ministers.
- Economic Policy including governance and financial management (particularly stronger Public Financial Management).
- Aid effectiveness and donor coordination.
- Policy advice to members on trade in goods and services.
- Administers the PEC Fund (solar PV systems).



## The Private Sector and Energy

- Cost-effective energy supply in the Pacific presents challenges to the private sector.
- The high cost, the environmental impact and the reliance on imported fossil fuels can disadvantage business.
- Some RE sources remain expensive.
  - Reforms in Government procurement.
  - Reduction in import duties on RE technologies.
- No single solution for the various energy needs.



## Regulatory Frameworks

Small reforms can change behaviours

- Transparent fuel and energy prices can assist consumer education.
- Labeling can lead to improvements in energy efficiency have benefits in terms of economic efficiency and allocative efficiency gains.
- Mandating minimum standards in equipment and vehicles can reduce energy consumption at low economic costs to consumers and businesses.



Thank you!

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