

Sustainable Economic Development through Renewable Energy Applications (SEDREA) project

- a) Sustainable Economic Development through Renewable Energy Applications (SEDREA) project in Palau is a national climate change mitigation project approved for funding by the Global Environment Facility (GEF) in 2008. The United Nations Development Programme (UNDP) is the GEF Implementing Agency and the Palau Energy Office (PEO), Government of Palau is the Implementing Partner.
- b) Partners: Palau Energy Office; National Energy Committee, National Development Bank of Palau; Palau Public Utilities Corporation; Palau Community College; EU North Rep; Palau Chamber of Commerce
- c) Objectives and expected outputs/outcomes: The objective of the project is the reduction of fossil fuel consumption in power generation through removal of barriers to widespread use of renewable energy technologies and renewable energy based energy systems. SEDREA supported various activities whose outputs contributed to the removal of the major barriers to the widespread utilization of renewable energy technologies in Palau.
- d) Successful Outputs/Outcomes achieved: The REFW through the NDBP demonstrated an innovative financing mechanism, often the biggest barrier to the uptake and diffusion of renewable energy technology. The process was accomplished via an inclusive and coordinated approach that involved key stakeholders: government, PPUC, PCC and the private sector, in creating the necessary enabling environment by bringing in the necessary policy and regulatory changes. This was associated with necessary training, capacity building and awareness amongst all the key stakeholders as well as the community. The project catalysed various studies on issues ranging from tariff review, net metering and initiated work on the Energy Framework and Energy Act.

REFW implementation and RE hardware and installation support is where SEDEA has its main strength and where SEDREA has adding particular value to the enhanced uptake of RE in Palau.

e) Lessons Learned:

- Importance of accurate baseline information in project design and development. Projects are reviewed based on this information. Due to time lag between project design and project implementation, validation of baseline information is important.
- Dedicated technical in-country assistance to support and provide guidance on focal area (i.e., energy) and GEF
- Establishing a platform where key stakeholders (including technical agencies, private sector, education institution and policy makers) have ownership and provide strategic input/guidance to the project. The National Energy Committee was instrumental in the projects' achievements.

- f) Recommendations: SEDREA REFW approach of gradually phasing out RE subsidies alongside loans by a local national development bank for well tested standard RE equipment modules provided along with strong technical support for the funding mechanism and for the RE equipment is very innovative in a small island context. The SEDREA REFW seems to beautiful model for replication to further Pacific and other island nations.