

**PACIFIC WATER ASSOCIATION
STEERING COMMITTEE MEETING**

held at SOPAC Secretariat, Suva, Fiji
21-31 January 1996

**Ed Burke
SOPAC Secretariat**

August 1996

SOPAC Miscellaneous Report 231

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INTRODUCTION

This report documents the meeting of the Pacific Water Association Steering Committee hosted by SOPAC on 29-31 January 1996 at the SOPAC Secretariat, Suva, Fiji,

BACKGROUND

The first meeting of Pacific water and wastewater utility managers was held in Apia, Western Samoa on 27-28 July 1995. At the meeting there was unanimous support for the formation of an independent Pacific Water and Wastewater Association (PWA). The meeting also called for a Steering Committee (consisting of members from the Western Samoa Water Authority, UNELCO, Vanuatu and the Papua New Guinea Water Board) to prepare Terms of Reference for the appointed consultant (Pacific Power Association) to establish the proposed PWA. See SOPAC Miscellaneous Report 202 "Report on a Meeting to Discuss the Establishment of a Pacific Water Association" for details of the Apia meeting.

SOPAC, through its UNDP funded Pacific Water and Sanitation Program (WASP), is acting as the PWA's Interim Secretariat until the association is officially operational. WASP has been actively promoting the establishment of a PWA by organising the Apia meeting and hosting the Steering Committee meeting.

The attached Strategy Paper "Establishing Pacific Water Association" (Annex 1) was prepared by PPA and WASP and sent to the Steering Committee members for their comments. It was decided that a meeting was required to discuss the Strategy Paper and to develop a strategy to establish a PWA.

THE MEETING

This report records the Steering Committee meeting by enclosing the following documents:

Annex	<u>Document</u>
1	Strategy Paper; Establishing Pacific Water Association
2	Minutes of the PWA Steering Committee Meeting
3	Proposal; Establishment of a Pacific Water Association
4	Meeting Press Release

ANNEX 1

**STRATEGY PAPER; ESTABLISHING
PACIFIC WATER ASSOCIATION**

Report to Steering Committee for PWA

Strategy Paper: “Establishing Pacific Water Association”

(DRAFT - Revised as of 20 October 1995)

INTRODUCTION

At a meeting of water utility organisations in Apia in July 1995, utility managers agreed to the formation of an independent association to help promote and coordinate activities in the region’s water sector. The organisation envisaged would be called the Pacific Water Association (PWA).

The meeting established an interim PWA steering committee comprising Latu Kupa (Western Samoa Water Authority), Benson Gegeyo (Papua New Guinea Water Board) and John Chaniel (UNELCO-Vanuatu) to oversee the establishment of the organisation. The meeting noted the experience gained by management of the Pacific Power Association (PPA) in setting up the PPA in Fiji in 1992 and agreed to engage the services of the Pacific Power Association (PPA) as consultants in this work. The meeting also requested the assistance of SOPAC to work with the PWA steering committee and develop the consultancy proposal and proposals to potential aid donors.

Background

The rationale for the formation of PWA are the likely benefits to its members through increased cooperation within the region's water sector. A paper presented by PPA (Christopher Cheatham, Executive Director) at the Water Policy Meeting in Majuro (September 1994) highlighted the following points:

- The water utilities face many problems in common which can be solved by sharing their expertise and resources (i.e., training facilities, technical assistance, and other resources).
- Water utilities require solutions that are known to work in the Pacific islands environment because of problems which in combination are unique to the Pacific region, including: isolation from supply markets, a limited resource of water, relatively small demand, limited infrastructure, harsh physical conditions, and a limited labour market.
- The water utilities are of different sizes and varying stages of development, and collectively provide a great wealth of experience. Thus less developed utilities can learn a lot from the experience of larger utilities, which earlier traveled a similar path of development.

The PPA report highlighted that, to be effective, the association would need to operate at the level of the utility managers, remaining independent from governmental and other influences. PPA noted also that PWA would need to ensure it could meet its “core” administrative running costs from membership subscriptions and other sources of income to remain a permanent institution.

Benefits of PWA

PPA's experience shows that an association can serve members’ needs for information, training services, technology and expertise by sharing resources which

are under the control of utility managers (i.e., trainers, experienced personnel, equipment, and influence over purchasing decisions). Benefits include and are not limited to the following:

- act as a clearinghouse to coordinate the exchange of technical and management expertise from member utilities to solve problems;
- provide the administrative manpower required to arrange and operate a regional technical and managerial training programme utilising local -mainly utility- resources;
- act as a clearinghouse of information on technological developments and engineering and management practices. internationally and share information on significant developments within member utilities;
- design and coordinate regional workshops and projects;
- organise and administer group purchasing schemes;
- represent utilities and articulate their interests in international fora and to international agencies;
- actively pursue aid donor funding for training, workshops and other water sector activities;
- assist in the administration of aid funds available from regional- agencies in pursuit of training, technical assistance and other areas of interest to utilities;
- prepare and distribute a news magazine on Pacific water sector developments and issues; and
- maintain a database on installed assets, inventories of spares, utility personnel and other data.

STRATEGY AND TIMETABLE

SOPAC and PPA management held a preliminary meeting in mid-August 1995 to discuss the resolutions of the Apia meeting.

It was proposed that Mr Ed Burke (Manager, Water & Sanitation-SOPAC) and Mr Chuck Filiaga (Deputy Director-PPA) coordinate this effort as follows:

August 1995	Establish preliminary Terms of Reference (TOR)
September 1995	<ul style="list-style-type: none"> • Establish preliminary costing for TOR. • Prepare draft Strategy Report for review and approval by PWA Steering Committee. • Advise SOPAC AGM
October 1995	<ul style="list-style-type: none"> • Finalise Strategy Report and circulate to potential PWA members. • SOPAC to seek PWA support at Water Supply & Sanitation Collaboration Council meeting in Barbados.
November 1995	<ul style="list-style-type: none"> • Interim PWA Secretariat functions provided by SOPAC. • Solicit proposals from potential host sites for locating the PWA Secretariat. • Prepare comparison of benefits for review by potential members and coordinate voting to finalise the location of PWA Secretariat.
December 1995	<ul style="list-style-type: none"> • Solicit and invoice potential donors and members. • Commence consultancy -once sufficient funds have been collected.
June 1996	PWA established as a legal entity.

September 1996

Organise first meeting of Association - may be held concurrently with PPA's AGM meeting in Apia.

IMPORTANT CONSIDERATIONS

Interim Secretariat

The implementation of many PWA functions should not be dependent on the legal establishment of the PWA. As an interim measure, SOPAC has offered its services for a period of up to 1 year, to act temporarily as the PWA secretariat and provide needed administrative support. During this period, SOPAC's services would also cover some of the communication costs (telephone, fax and electronic mail facilities) required to establish a network of regional contacts and allow a regular exchange of information between members. SOPAC would also administer funding from members and if requested may implement training and other programs.

Location of PWA Secretariat

The location of the PWA Secretariat needs to be considered by members because it not only affects the proposed timetable but also impacts the costs for the Secretariat's initial set-up and ongoing operations. Unfortunately, this issue was not resolved at the Apia meeting.

Because of the wide range of options available, it is proposed that interested host countries and organisations submit formal proposals indicating the benefits possible to PWA if the Secretariat were located in their country. These proposals would allow interested members an equal opportunity to make their case to the rest of the association. SOPAC and PPA would circulate the proposals to members and monitor the voting.

A list of the information required in these proposals is attached as Annex 1.

Funding available

The financial implications of operating an independent PWA needs to be considered. The initial funding estimated from members is around US\$60,000 and does not meet the costs of running a fully independent secretariat. As a guideline, the annual budget for the PPA secretariat is around US\$300,000. Assistance from aid donors may need to be identified.

Time Constraints

An independent PWA should be established by mid-1996.

Other options available

Members may wish the following options investigated in the course of this consultancy.

PWA based in Fiji and merged with PPA

With PWA and PPA merged as one organisation, both would realise the benefits of sharing the administrative costs of running a Secretariat. Joint organisation would seek approval from Fiji Government for tax concessions.

PWA based in Fiji as a project of SOPAC

PWA would benefit from concessions already received by SOPAC, including tax free and duty free status. The structure of the organisation would need to be in line with parameters for SOPAC. The procedures for management of PWA would need to be established and set-up to be separate from the normal government channels used by SOPAC's management committee.

TERMS OF REFERENCE

Phase1

1. Prepare Strategy paper for review and approval by Steering Committee
2. Research options and benefits to PWA if established in Fiji
 - Research how other regional organisations were established in Fiji (i.e., SOPAC; PPA; Association of South Pacific Airlines; Foundation for the Peoples of the South Pacific; Pacific Conference of Churches, etc.)
 - Meet with accounting firm to discuss corporate structure and review options
 - Meet with appropriate government ministries:
 - Ministry of Foreign Affairs
 - Ministry of Finance
3. Coordinate selection of the location for the PWA Secretariat
 - Solicit proposals from potential host governments/organisations
 - Prepare and circulate to members a comparison of benefits for locating the Secretariat in various locations. Include the options/benefits available in Fiji as in Step 2 above. Coordinate voting by members to select location
4. Report on proposed organisational structure for review by PWA Steering committee and endorsement by potential members.
5. Solicit funding and commence Phase 2 of consultancy.

Phase 2

1. Prepare letters to Pacific island water and wastewater utilities for their confirmation of participation as Active members and to appropriate world-wide organisations seeking their confirmation as Allied members.
2. Solicit donor support
3. Draft a first year work program with appropriate budget for review and approval by the Steering Committee
4. Coordinate legal work
 - Bylaws; Prottem rules and procedures
5. Prepare a report to the Steering Committee on the above tasks and seek endorsement of members to finalise the establishment of PWA.
6. Prepare a report for presentation to the first meeting of PWA -scheduled for September 1996.

BUDGET

The estimated budget is as follows:

ITEM	COST (USD)
Phase 1	
Professional fees (20 days @ \$300/day)	\$6,000
Communications and incidentals	\$2,000
Travel (optional - at discretion of Steering Committee)	\$5,000
SOPAC services -interim PWA Secretariat	nil
Phase 2	
Professional fees (45 days @ \$300)	\$13,500
Legal fees	\$3,000
Communications and incidentals	\$5,000
Travel (optional - at discretion of Steering Committee)	\$5,000
SOPAC services -interim PWA Secretariat	nil
TOTAL COST	\$39,500

ANNEX 1

Information needed from countries/organisations wishing to host the PWA Secretariat:

Office Space

- Size (and cost to PWA if any) of office space being offered by host organisation
- Location of office space being offered by host organisation - indicate other tenants in the building and vicinity
- Average cost of 1000 sq. ft of commercial office space

Personnel

- Average salary of a legal secretary with 5 years experience
- Average salary of a government director (Minister)

Office

- Communication rates for international calls to various destinations
- Rates for local phone calls
- Options (and costs if known to provide a connection to the Internet
- Number of computer repair companies in the country
- Banks and financial institutions in the country
- Insurance companies in the country
- Average cost to print a 6 page, double sided, full colour newsletter
- Average cost to print 500 business cards in 2 colours

Equipment

- Average costs to purchase the following office equipment:
 - a. Photocopier (High speed with paper sorter, paper feeder, double sided copies)
 - b. Computer (minimum 486DX33Mhz with 8 MB RAM and 500 MB hard disk)
 - c. Fax machine (plain paper)

Vehicle

- Cost to purchase a 4-door sedan (indicate price range for several vehicle models)
- Cost to lease the same vehicles

Travel

- List the airlines which service the country
- Provide information on airline flight destinations and arrivals in a given week
- Provide approximate costs for round trip tickets to each direct destination

Other Considerations

- Provide information on legal requirements, procedures and estimated time needed to set-up an independent, non-profit organisation
- List other regional organisations, donor agencies or diplomatic offices in your country
- List other organisations in your country which may be able to provide or share resources with the Secretariat - indicate which resources and services.
- Security - provide information on Security companies in the country
- Provide a map of the main island or town

ANNEX 2

MINUTES OF THE PWA STEERING COMMITTEE MEETING

PWA Steering Committee meeting

Venue: SOPAC Conference Room (Suva, FIJI)

Dates: 29-31 January 1996

Participants: [Steering Committee] Latu S. Kupa (Western Samoa Water Authority), Benson Gegeyo (PNG Waterboard), John Chaniel (UNELCO Vanuatu)
[Others] Philipp Muller (SOPAC), Ed Burke (SOPAC), Alf Simpson (SOPAC), Patrick Amini (PPA), Chuck Filiaga (PPA).

Minutes: Chuck Filiaga

ITEM 1. OPENING REMARKS

Introduction of Steering Committee members and other participants. Welcoming remarks from Philipp. Alf excused from meeting due to other work commitments.

Brief remarks from Steering Committee members:

Benson - personally supports PWA. However, advised participants of the uncertainty of PNG support to PWA because of the possible disbanding of the PNG Waterboard. Fate of PNG Waterboard to be determined at next Parliamentary meeting in March 96.

John - reiterated support for PWA. Supports a merger with PPA. Let's agree on the TOR and do it!

Latu - supports PWA. Thanked SOPAC and PPA for work done so far.

Latu nominated Philipp as Chairman of these proceedings. Seconded by John and approved by the Committee.

ITEM 2: ADOPTION OF AGENDA

The following draft Agenda was proposed and reviewed.

1. Opening Remarks
2. Adoption of Agenda
3. Review of PWA-SOPAC Rundown
4. Review of Establishment of PPA (PPA presentation)
5. Review of SOPAC/PPA Report
6. Responsibilities & procedures for Steering Committee
7. Objectives
8. Strategy & timetable
9. Long term strategy
10. Terms of Reference
11. Other matters

Latu proposed to adopt agenda. Agenda adopted by meeting.

ITEM 3: REVIEW OF PPA-SOPAC RUNDOWN

Distribution of handout PPA-SOPAC *Rundown*. (**refer to Attachment 1**) Handout presented by Ed and acknowledged by Committee.

ITEM 4: REVIEW OF ESTABLISHMENT OF PPA

Presentation given by Chuck on the benefits PPA provides to its members. Presentation included specific examples of activities already conducted by PPA. Handout of presentation distributed to participants (**refer to Attachment 2**).

The meeting congratulated Chuck on presentation. John requested that a similar presentation be made at the Inaugural PWA meeting scheduled for 1996.

Philipp: explained current situation with FSED, SOPAC. SOPAC likely to work with SPREP on sanitation. SOPAC will always have a presence (hydrology studies, etc.) Highlighted that relations with aid donors will improve once PWA is established. Indicated positive feedback from France, Australia and New Zealand.

Benson: PWA establishment already approved. In addition to PPA consultancy, would like to also see SOPAC compensated.

Philipp: SOPAC is committed to assisting. Acknowledges this - SOPAC will advise if costs are excessive.

John: by the end of the proceedings, the steering committee will have a better idea of these costs,

Ed SOPAC's efforts would be assisted greatly if member countries would indicate to aid donors that water is a priority.

Latu: on consultancy fees, Apia meeting did not specify the level of membership fees

John: the steering committee should finalise this and possibly send invoices after this meeting.

ITEM 5: REVIEW OF PPA/SOPAC STRATEGY PAPER

Committee reviewed the PPA/SOPAC Strategy paper (dated 20 October 1995). Changes and comments on each section in thereport are noted below.

ReportsectionINTRODUCTION-nocomments or changes.

Report section STRATEGY AND TIMETABLE

Committee noted the delay caused by issues held up pending this meeting (e.g., Location of Secretariat, Terms of Reference, etc.) Committee agreed to pursue possibly holding the Inaugural meeting in conjunction with PPA's next AGM (currently scheduled for August 1996 in Apia).

Report section IMPORTANT CONSIDERATIONS

Interim Secretariat - meeting discussed SOPAC handling functions as PWA's Interim Secretariat if needed. Philipp reconfirmed SOPAC support.

Location of PWA Secretariat - this issue was discussed and the following considerations noted: legal costs, duty free status, possible merger with PPA. It was decided to defer a decision on this issue until the meeting had reviewed costs associated with the 3 available options. These were: 1) PWA based in Fiji, 2) PWA based in Western Samoa and 3) PWA based in Fiji and sharing office space with PPA.

Information on costs for PWA to locate in Apia presented by Latu.

Funding available - It was agreed that this issue would be sorted out in the process of reviewing location options.

Time constraints - meeting to come back to this as this was dependent on the progress expected by the Inaugural PWA meeting.

Other options available - Committee agreed to look at the 3 options indicated in the discussion of PWA's location. Meeting noted Philipp's suggestion that a possible merger with SOPAC would not be in PWA's best interest.

NOTE: comments on other sections of the report deferred to later discussion in the meeting.

ITEM 6: RESPONSIBILITIES AND PROCEDURES FOR THE STEERING COMMITTEE

Committee members noted their authority given by the general meeting held in Apia (July 1995) to oversee the establishment of an independent organisation and agreed that, in the event this is shown to be uneconomical, any other options would be presented to another full meeting for a decision.

Committee noted Benson's remarks to have PWA consultancy, clearly show the costs/benefits of a merger versus an independent organisation. The bottom line is economics. **(refer to costs shown in attached Excel spreadsheet)**

ITEM 7: OBJECTIVES (of this meeting)

Committee agreed to the following:

- Preparations for Inaugural meeting - should not encourage a lengthy debate, as in last meeting in Apia.
- Prepare a Framework of PWA: do a cost comparison of the 3 options and make a recommendation
- Document of establishment - review draft PWA Bylaws and circulate to members at least 30 days before Inaugural meeting
- Participants at the Inaugural meeting must have authority to commit their organisations to PWA - consultants to draft this form
- Finalise Terms of Reference for consultancy
- Prepare a Proposal to forward to aid donors seeking funding

Other significant comments noted:

Patrick: PWA should not have disparity between 2 top staff positions because otherwise the office will not function if the top person is away.

John: We should also consider an option of 2 independent organisation sharing an office. What's important is that there are 2 independent heads looking after the needs of their respective members. Administrative staff, equipment may be shared.

ITEM 8: STRATEGY AND TIMETABLE

Discussion of the 3 options. A comparison of the estimated set-up costs associated with each option was prepared and reviewed. (refer to Attachment 3 - Excel Spreadsheet) Options reviewed: 1) Independent organisation (Suva), 2) Independent organisation (Apia), 3) Independent organisation with facilities shared with PPA. Comparison showed option 3 as the lowest cost. Option 2 is the next least cost.

Committee decided the following:

1. Pursue option 3 immediately.
2. Accept the Terms of Reference proposed in PPA/SOPAC report dated 20 October 1995
3. Commission PPA to proceed with consultancy as soon as sufficient funds are available
4. Consultancy costs of US\$40,000 will be sought from aid donors. Funds raised from Active and Allied member contributions of US\$2,500/member should target recurring costs, unless aid funding is not found. SOPAC to invoice all organisations present at the Apia meeting and also other prospective and potential members. Contributions from potential Allied members should be credited to them as their membership fee for the first year.
5. Pursue the possibility of holding the Inaugural meeting in conjunction with PPA's 1996 AGM in Apia
6. PWA's fiscal year to coincide with calendar year.

Discussion of procedure for invoicing potential members and operating an interim account.-

Committee endorsed the resolution approved at Apia meeting stating that SOPAC will set-up a trust fund and collect fees from potential members. SOPAC support confirmed.

Operation of Trust Fund: Committee agreed for SOPAC to manage a PWA Trust Fund and disburse funds on behalf of PWA. SOPAC advised that PWA Trust Fund account will be separate from other SOPAC accounts. Signatories shall be 2 of the following: SOPAC Director, Deputy Director, Finance/Administration Controller.

Committee agreed to draft a formal letter from Steering Committee to prospective members.

Committee reviewed tentative list of donors and prospective members (both Active and Allied). Refer to attachment.

ITEM 9: LONG TERM STRATEGY

Committee agreed to draft a Mission Statement to be presented to the Inaugural meeting for endorsement and in the interim, to be utilised in the proposal to aid donors.

Mission Statement :

"The PWA is a regional association of Pacific Islands organisations operating in the water sector. The PWA is committed to enhancing the well-being of the people of the region through the provision of safe and affordable water and the facilitation of sanitation. PWA works through its Active members in fulfilling their missions and promotes co-operation between members and with funding agencies and related organisations."

ITEM 10: TERMS OF REFERENCE

Terms of Reference: delete Item 5, of Phase 2. (Refer to discussion of OBJECTIVES.)

Committee endorsed the Terms of Reference as given in the PPA/SOPAC Strategy paper. PPA/SOPAC to finalise TOR into proper contract format and forward to Committee for approval. TOR to be faxed to Committee and responses received by 16 February 1996. Faxed approvals from Committee to be regarded as valid authorisation.

ITEM 11: OTHER MATTERS

Committee agreed that prospective members are to receive full documentation on PWA's establishment at least 1 month prior to the Inaugural meeting. Members are also to be advised that their delegate to the Inaugural meeting must have authority to commit their organisation to the formation of PWA.

Committee reviewed and endorsed *Proposal for Assistance to Establish a Pacific Water Association*.

NOTE: The estimate of travel costs needs to be detailed and attached to this report as an appendix.

The Committee considered the draft Bylaws of PWA (Memorandum and Articles of Association) and resolved that these were to be finalised and forwarded to prospective members at least 2 months prior to the Inaugural meeting. Committee agreed to review the draft Bylaws in more detail and forward comments to PPA/SOPAC by 9 February 1996. PPA to revise Bylaws, highlighting committee members comments, and forward this to Committee Members by 16 February 1996 for their approval.

The Committee agreed to extend the applicability of Active membership to organisations in any other countries at the discretion of the Founding Members. This to be noted in comments of Bylaws.

Arrangements for the Inaugural meeting

Committee agreed that the PWA Inaugural meeting should be held in conjunction with PPA's AGM in August 1996. Committee decided to have PPA look into this and make recommendations. It was also agreed that a trade show for PWA Allied members would be held in conjunction with PPA's Allied member Trade Show.

Committee members agreed to meet in Apia a few days prior to the Inaugural meeting to receive the report from PPA, prepare the presentation to the meeting and finalise any other matters pending in preparation for the meeting.

APPROVAL OF MINUTES

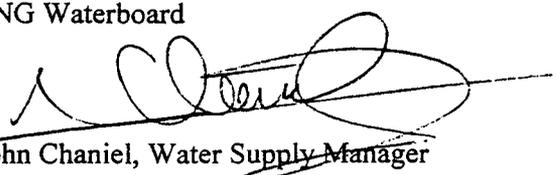
These minutes have been reviewed by the Steering Committee and approved as a true record of proceedings held 29-31 January, 1996.



Latu S. Kupa, General Manager
Western Samoa Water Authority



Benson Gegeyo, Managing Director
PNG Waterboard



John Chaniel, Water Supply Manager
UNELCO

PWA-SOPAC/PPA RUNDOWN

- June 1994 Honiara Workshop sees merit in forming an association responsible for the water and sanitation sector in PICs and asked PPA to prepare a paper for the Majuro water group meeting.
- At SOPAC 1994 Annual Session in Majuro, it was recommended that SOPAC, through its new Water and-sanitation Project facilitate a Pacific Water Association.
- Jan 95 SOPAC informs member countries of possible meeting in Tahiti
- Jan 95 Visit to Tahiti with PPA *staff* to initiate possible back to back PPA/PWA meeting in early June 95.
- Feb 95 French requested to fund PWA meeting in Tahiti
- Feb 95 advertised PWA and trade display throughout the Pacific, Australia and NZ
- Early May 95 postponed meeting and trade display due to unsecured funding of meeting. (ie French could not confirm funding and SOPAC could not sustain total cost of the proposed meeting)
- 24 May 95 we heard about an Australian water trade display to be held in Apia that will fund many of the PIC water sector managers to attend. Good opportunity to hold meeting.
- Early June 95 the proposed Apia meeting appears feasible and affordable thus organise a PWA in conjunction with the Australian water trade display.
- 27 to 28 July 95 PWA meeting held with 14 countries present and 16 countries represented. Unanimous support to form association but some PICs must consult with their governments first. (Cost to SOPAC \$25,000 not counting staff time).
- Steering Committee formed at the meeting to assess setting up an association and report back to PICs.
- Aug 95 minutes of the meeting distributed to PICs. Minutes available.
- Aug 95 TOR drafted by Chris Cheatham
- Aug 95 SOPAC/PPA meeting in Suva to discuss assistance and TOR required to form an association.
- Sept 95 The above mentioned meeting resulted in a draft strategy paper for the Steering Committee prepared by PPA and SOPAC. Comments were received from John Chaniel and David Morgan.

-Sept 95 Abe Malae visited SOPAC office with PPA management fully supporting any form of a PWA.

-Sept 95 Fax from Abe supporting Apia as the headquarters of the proposed PWA.

-3 Oct 95 a meeting of water sector managers plus SOPAC and PPA staff was held at the Forum Secretariat due to SOPAC Annual Session. Minutes of meeting available. The meeting resolved that the draft strategy paper to the Steering Committee should be re-written by SOPAC and PPA.

-20 Oct 95 the strategy paper was re-written and sent to the Steering Committee. The consensus was that a meeting of the Steering Committee to be held in Suva is required to keep things moving.

-29 to 31 Jan 96 HERE WE ARE TODAY



Pacific Power Association

Presentation to members of PWA
Steering Committee on 29 Jan 1996

Pacific Power Association

- ◆ Non-government, regional organisation
- ◆ Founded in 1992 by Pacific island power utilities



Objective

“Improve the quality of power in the region through co-operation among power utilities, private sector organisations and regional aid donors.”



Membership Structure

- ✦ **Either Active (voting) or Allied (non-voting)**
- ✦ **Active membership: limited to only power utilities in the Pacific islands**
- ✦ **Allied membership: available to other organisations or individuals with interests in the region's power sector**



Current Membership

- ✦ **25 Active Members**
- ✦ **55 Allied Members**



Benefits to Members

- ✦ **Pooling of resources and expertise in the region**
- ✦ **Increased awareness of power sector activities**
- ✦ **Improved circulation of tenders & projects**
- ✦ **Stronger voice in International fora**
- ✦ **Improved relations with aid donors**
- ✦ **Improved relations with suppliers**



✦ **Pooling resources and expertise**

■ **Shared utility training facilities**

- ◆ reduce training costs
- ◆ improve training quality
- ◆ increase training opportunities

■ **Utility staff as “expert consultants”**

- ◆ self-help scheme
- ◆ assistance is more relevant
- ◆ benefits both utilities involved



✦ **Pooling resources and expertise (cont.)**

■ **Equipment and personnel for disaster relief**

- ◆ less inventory needed for disaster recovery
- ◆ reduced costs
- ◆ quicker recovery



◆ **Increased awareness of power sector activities**

- Regular correspondence with other members
- Association newsletter
- Industry magazine
- Meetings and conferences



◆ **Stronger voice in international fora**

- Recognition of PPA as a regional body
- Greater exposure

◆ **Improved relations with aid donors**

- Facilitation of regional proposals
- Improved coordination of regional projects
- Central location for accessing information



Summary of Projects & Activities

- ✦ Regional Training
- ✦ Regional Database
- ✦ Information Dissemination
- ✦ Meetings & Conferences
- ✦ Demand Side Management
- ✦ Corporate Planning
- ✦ Risk Management



Activities

- ✦ Regional Training
 - training courses in American Samoa, Fiji, Guam, PNG, Tuvalu
 - workshops on Corporate Planning, DSM, Fuel supplies, Tendering Guidelines
 - inter-utility training attachments



Activities (cont.)

◆ Regional Database

- operating statistics: peak load, generation
- financial statistics
- utility assets and equipment
- spares and inventory
- utility personnel
- fuel supplies
- equipment manufacturers and suppliers



Activities (cont.)

◆ Sharing utility expertise

- Technical Assistance using utility personnel as consultants

◆ Information

- circulation of utility tenders to Allied members
- quarterly magazine of power sector news
- monthly newsletter



Activities (cont.)

- ◆ **Meetings & Conferences**
 - **Annual General Meeting**
 - **Allied Members Trade Show**



Demand Side Management

- ◆ **10 utilities**
- ◆ **Identify and implement DSM programs**
- ◆ **Funded by UNDP**



Secretariat Structure

- ✦ Executive Director
- ✦ Deputy Director
- ✦ ~~3~~ Administrative Assistants
- ✦ Clerk/Driver

PPA

Secretariat functions

- ✦ co-ordinate travel & accommodation
- ✦ correspondence
- ✦ maintenance of financial accounting system
- ✦ filing
- ✦ maintenance of database system

PPA

PPA 1st Year P&L

Revenues

Active & Allied Members	US\$192,000
Donations	<u>100,000</u>
TOTAL	292,000

Expenses

Salaries	\$111,000
Equipment	30,000
Travel	27,000
Operating costs	<u>111,000</u>
TOTAL	<u>279,000</u>
Excess Income	US\$13,000



Estimated PWA set-up costs

Legal fees / Consultancy	US\$ 39,500
Staff salaries	100,000
Office space	10,000
Office vehicle	10,000
Equipment	23,000
Furnishings	5,000
1st year operating costs	30,000
TOTAL	\$217,500



Pacific Water Association

Comparison of costs associated with the 3 available options
 Performed by Steering Committee on 29 January 1996
 (NOTE: All costs estimated in US\$)

	Option 1 Independent Org (Suva)	Option 2 Independent Org (Apia)	Option 3 Sharing with PPA (Suva)
Consultancy Fees	\$37,000	\$37,000	\$37,000
Legal Fees	3,000	3,000	3,000
Staff Salaries	100,000	73,000	60,000
Office space	10,000	10,000	5,000
Office vehicle (leased)	10,000	18,000	10,000
Equipment	23,000	23,000	5,500
Furnishings	5,000	5,000	5,000
O&M			
Vehicle	5,000	5,000	5,000
Printing	2,000	2,000	2,000
Advertising	500	500	500
Communications	15,000	15,000	15,000
Insurance	2,000	2,000	1,000
Electricity & Water	2,700	2,700	1,350
Periodicals	1,000	1,000	1,000
Travel	\$20,000	\$30,000	\$20,000
	\$236,200	\$227,200	\$171,350

ANNEX 3

**PROPOSAL; ESTABLISHMENT OF A
PACIFIC WATER ASSOCIATION**

PROPOSAL

Establishment of a Pacific Water Association

Abstract

The following is a proposal to develop an independent Pacific Water Association (PWA) of all organisations operating in the water sector in the Pacific Islands Region. The proposed association would also include, as associate members, other organisations from around the world who have interests in the water sector in the region.

The idea of PWA came about because of the success of a similarly structured organisation, Pacific Power Association (PPA) in facilitating assistance to the power sector in the region. PPA although still in its infancy (established in 1992) has already achieved recognition from aid donors and the private sector as an effective vehicle for promoting self-help and coordinating assistance to the power sector in the Pacific islands.

The PWA concept has been endorsed by the Governing Council of the South Pacific Geoscience Commission (SOPAC) at its *23rd Session Meeting on Water Policy* (Majuro, 1994) and by the governments, water utility and private sector organisations who met in Apia (July 1995).

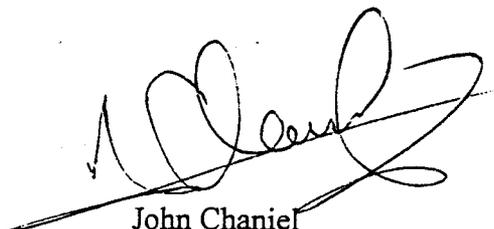
This proposal was prepared by members of a Steering Committee appointed for the purpose of establishing PWA. The Steering Committee, acting on the authority of the *Heads of Pacific Island Water Utility Organisations Meeting* (Apia, July 1995), resolves that this proposal is to be promoted by PPA, SOPAC and individual Steering Committee members.



Benson Gegeyo
Managing Director
Papua New Guinea Waterboard



Lati S. Kupa
General Manager
Western Samoa Water Authority



John Chaniel
Water Supply Manager
UNELCO (Vanuatu)

Signed: 31 January 1996

INTRODUCTION

At a meeting of *Heads of Pacific Island Water Utility Organisations* in Apia in July 1995, it was unanimously decided to establish an independent Pacific Water Association (PWA). A three member Steering Committee comprising UNELCO, Western Samoa Water Authority and Papua New Guinea Waterboard was appointed to oversee the formation of PWA with assistance from the South Pacific Applied Geoscience Commission (SOPAC) and Pacific Power Association (PPA).

The aim of the association is contained in its interim Mission Statement as follows:

“The PWA is a regional association of Pacific Islands organisations operating in the water sector. The PWA is committed to enhancing the well-being of the people of the region through the provision of safe and affordable water and the facilitation of sanitation. PWA works through its Active members in fulfilling their missions and promotes co-operation between members and with funding agencies and related organisations.”

Funding in the amount of US\$90,000 is being sought to assist in the establishment of PWA. Members have agreed to contribute towards recurrent costs and will progressively meet such costs through association membership subscriptions.

Further detail of the role and purposes of the association is provided in the draft Memorandum and Articles of Association to be considered at the Inaugural meeting (refer Attachment 1).

BACKGROUND

In June 1994, UNESCO/SOPAC/UNDP organised a *Pacific Water Sector Planning Research and Training Workshop* held in Honiara, Solomon Islands. The workshop recommended that PPA be requested to prepare a paper for the *SOPAC 23rd Session Meeting on Water Policy* on how a regional NGO with responsibility for water and sanitation might be established. PPA's report entitled “Establishment of an Association of Water Utilities” was endorsed by the Governing Council of SOPAC at the meeting held in September 1994 in Majuro.

At a subsequent meeting in July 1995 in Apia of *Heads of Pacific Island Water Utility Organisations* it was unanimously decided to establish an independent Pacific Water Association. The attached SOPAC Miscellaneous Report #202, “Report on a Meeting to Discuss the Establishment of a PWA” notes the resolutions made at the meeting.

BENEFITS OF AN ASSOCIATION

PPA's experience shows that an association can serve member's needs for information, training services, technology and expertise by sharing resources (i.e., trainers, experienced personnel, equipment, purchasing decisions, etc.) Benefits include but are not limited to the following:

- act as a clearinghouse to coordinate the exchange of technical and management expertise from member utilities to solve problems;
- provide the administrative manpower required to arrange and operate a regional technical and managerial training programme utilising local - mainly utility - resources;

- act as a clearinghouse of information on technological developments and engineering and management practices internationally and share information on significant developments within member utilities;
- design and coordinate regional workshops and projects
- organise and administer group purchasing schemes
- represent utilities and articulate their interests in international fora and to international agencies;
- actively pursue aid donor funding for training, workshops and other water sector activities;
- assist in the administration of aid funds available from regional agencies in pursuit of training, technical assistance and other areas of interest to utilities;
- prepare and distribute a news magazine and newsletter on Pacific water sector developments and issues; and
- maintain a database on installed assets, inventories of spare parts, utility personnel and other data.

BUDGET

This proposal is for funding to assist in the establishment an independent PWA by mid-1994 and to support its inaugural meeting in Apia in August 1994. The total funding requested is US\$90,000 as follows:

- US\$40,000 for legal and other costs associated with the incorporation of PWA in Fiji
- US\$50,000 for the convening of the inaugural meeting

Details of the requested funding are contained in Attachments 3 & 4.

Preliminary list of donors

UNDP (offices in Suva, PNG, Apia)

- Latu to contact Regional Office in Apia
- SOPAC to contact Regional Office in Suva

European Union (offices in Vanuatu, Suva, Apia, PNG)

- SOPAC to contact regional office in Suva
- Latu to contact office in Apia for support
- John to contact office in Vanuatu for support

JICA

- Benson to contact JICA office in PNG
- SOPAC to contract JICA office in Suva
- Latu to contact JICA office in Apia

Canadian Fund

- SOPAC to make contact in Suva

AusAid

- Committee members to contact Australian Embassy's in respective countries
- SOPAC to coordinate main contact with Australian Embassy in Suva

NZ Aid

- Committee members to contact NZ embassies in respective countries

US

- PPA to contact US Army Corps and US DOI

French

- John to contact Caisse Francaise de Development in Port Vila
- John to contact French External Trade Commission in Port Vila
- John to contact French Embassy in Port Vila
- SOPAC to contact French Embassy in Suva

Preliminary list of Active members

- refer to minutes of Apia meeting
- also: Tahiti, Wallis & Futuna, New Caledonia (EEC & SCE - contact through UNELCO), Northern Marianas

Preliminary list of Allied members

John to fax list of AusWater participants

French trade commission in Noumea have offered to contact prospective suppliers on PWA's behalf

List of organisations originally contacted for Apia meeting - follow up only positive replies

Others: ACTEW, Aquaduct,

ANNEX 4

MEETING PRESS RELEASE

ISLAND COUNTRIES AGREE TO FORM JOINT WATER ASSOCIATION

Contact: Ed Burke, SOPAC Water and Sanitation Project Manager, 381-139
Contact: Chuck Filiaga, PPA Deputy Director, 306-022

The formation of a Pacific water and waste association is closer to reality after several island countries gathered in Suva last week to plan the establishment of the group before the end of the year.

A Pacific water organisation is crucial to help countries use water more wisely. It will serve members' needs for information, training services, technology and expertise by sharing resources. It will also give countries a chance to educate each other, share ideas and problems, and help plan management strategies.

Water utility managers from Western Samoa, Vanuatu and Papua New Guinea met at the office of the South Pacific Applied Geoscience Commission (SOPAC), which will act as an interim Secretariat for the next year.

The Pacific Water and Waste Water Association is modelled on the same lines as the successful Pacific Power Association (PPA) which has been operating since 1992. The PPA will be engaged as a consultant to the new group and report on various options available to establish a water association.

In July 1995 a meeting of Pacific water utility managers, representing 16 water utilities met in Apia, Western Samoa and unanimously agreed to form a Pacific water group. A three person steering committee was selected to organise the formation of an association with the assistance of the SOPAC Secretariat and the PPA.

The following is the draft mission statement of the proposed water association:

"The PWA is a regional association of Pacific Islands organisations operating in the water sector. The PWA is committed to enhancing the well-being of the people of the region through the provision of safe water and the facilitation of sanitation. PWA works through its active members in fulfilling their missions and promoting co-operation between members, and with funding agencies and related organisations".

The inaugural meeting of the Pacific Water Association is scheduled for August 1996 in Apia, a week before the PPA meeting. A water trade display will also be held at the same time.

The steering committee will seek donor funding to assist in the initial costs of establishing the association.