

Proposed Pacific Regional Approach through Partnership with ADB

—Pacific Partnership for Energy Security (PPES)

(i) Regional PMU Supplementation Scheme (PMU-S)

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Background

- i. **PPA annual conference, Tonga (September 2024).** PPA members requested Development Partners to help conceptualize a regional project management unit (PMU) to address their capacity supplementation needs.
- ii. **First brainstorming session, Manila (June 2025).** ADB shared a draft concept note for a regional PMU with PPA members. Consensus built toward taking further steps to refine the scope and institutional setup of a regional PMU.
- iii. **Survey for CEOs of PPA members (August 2025).** Firm support confirmed to establish a regional PMU, its steering committee, secondment scheme, and use of ADB TA-funding, and rostered consultants, among others.
- iv. **PPA annual conference, Palau (September 2025).** Reconfirmation of the proposed Pacific Partnership for Energy Security (PPES) through a draft memorandum of understanding (MOU) and outline of PPES including the Regional PMU Supplementation Scheme (PMUS).

proposed Pacific Partnership for Energy Security (PPES) and 3 Components

A Pacific regional approach focusing on capacity supplementation, to promote quality infrastructure, through the following three initiatives:

- i. **Project Management Unit Supplementation (PMUS)**: A regional shared resource to support utilities with project preparation and implementation commissioned by each utility.
- ii. **On-call technical services**: A system to provide on-call technical services to PPA member utilities in return for fees.
- iii. **Regional joint procurement approach**: An approach to enable Pacific energy utilities to seek an economy of scale, through a standardized and modularized procurement.

Survey Results on proposed PPES (1/2)

- i. Steering Committee: Pacific Island utilities to be represented in the Steering Committee: 60% support for selected representation (e.g., the Northern, Southern, and Western area) and 40% for full representation.
- ii. Delegation: Full delegation was preferred by 30% of respondents. On the other hand, there are many respondents that preferred partial delegation in such areas as Project Feasibility (53%), Contract Management (53%), Environmental Safeguards (47%), Social Safeguards and Gender (41%), and Financial Management (41%).
- iii. Secondment scheme: Full support for a secondee arrangement for PMUS. For duration of secondment, a group of respondents for 1 year, 6 months, and 3 months comprise 90% of respondents. For Number of secondees, 53% prefers 1 person, while some utilities consider 2 (35%) or 3 (12%) persons.
- iv. Consulting firms: List of consulting firms from the roster of ADB and World Bank: 82% responded “yes” to work with them under PMUS, while 18% showed reservations for a certain firm.

Survey Results on proposed PPES (2/2)

- v. PMUS Positions for consultants:
Procurement Officer, Contract Management Officer, Power System Planning Officer, Generation Engineer, and Transmission Engineer.
- vi. Funding arrangement: Majority support partial funding by utilities (59%), some respondents opt for full funding by ADB (41%).
- vii. On-Call technical services: Types of services demanded under on-call technical services: Renewable Energy Expert (82%), Grid Operation Expert (65%), PPP expert (53%), and Energy Efficiency Expert (47%).
- viii. Capacity building/supplementation: Suggested areas for capacity building and supplementation under PMUS: Management of Contracts (59%), Project Management (53%), and Financial Management (53%), among others.

Key Points in MOU between PPA and ADB

An MOU to confirm ADB's and PPA's undertakings, and participation of PPA members.

I. PPA Undertakings:

- i. Coordinate with PPA members for establishment of PMUS;
- ii. Coordinate with potential development partners (DPs) for supporting PMUS;
- iii. Establish a steering committee (SC) for monitoring of PMUS; and
- iv. Make an arrangement for hosting of PMUS, together with PPA members.

II. ADB Undertakings:

- i. Using TA funds, design (i) PMUS; (ii) on-call technical services; and (iii) a regional procurement approach;
- ii. Process a new TA that can be used for recruitment of consulting firms for operationalization of PMUS;
- iii. Coordinate with PPA members to identify projects that may use PMUS;
- iv. Select consulting firms, in consultation with PPA members; and
- v. Propose staffing and budgeting plans of PMUS for concurrence with SC.

Action Plans and Timelines

- i. **Stakeholder discussions on PPES and PMUS and formalization of MOU at PPA annual conference (September 2025)**
- ii. Preparation of PMUS and SC TOR (implementation plan) (October 2025)
- iii. Steering Committee establishment (November 2025)
- iv. ADB TA support and financing (Q1/Q2 of 2026)
- v. PMUS consultant recruitment (Q2/Q3 of 2026)
- vi. Determination of eligible projects through MOU with relevant PPA members (Q3 of 2026)
- vii. Establishment of PMUS and staffing (by September 2026)

Key Points for Guidance

- i. Capacity supplementation approach through centralized and decentralized resources. (a shift from “S-PMU” to “PMU-S”)
- ii. Flexibility in the degree of delegation to PMUS
- iii. Seconded arrangements
- iv. Steering committee structure and mandate
- v. Cost sharing by utilities and ADB
- vi. Other Development Partners (DPs) participation
- vii. Inclusion of government ministries/departments tasked with rural electrification, etc.
- viii. Technical services on call for fee
- ix. Joint and innovative procurement approach – to be deferred