

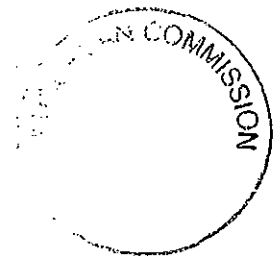
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Agreement N°9540/REG

FINANCING AGREEMENT
between
THE EUROPEAN COMMISSION
and
THE PACIFIC FORUM ISLANDS

Technical Cooperation Facility (TCF)
REG//001/05
EDF IX

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FINANCING AGREEMENT

Special Conditions

The European Community, hereinafter referred to as "the Community", represented by the Commission of the European Communities in its capacity as manager of the European Development Fund, hereinafter referred to as "the Commission",

of the one part, and

The Pacific Forum Islands, represented by the Regional Authorising Officer, hereinafter referred to as "the Beneficiary",

of the other part,

HAVE AGREED AS FOLLOWS:

ARTICLE 1 - NATURE AND PURPOSE OF THE OPERATION

1.1. The Community shall contribute to the financing of the following project:

Title : Technical Cooperation Facility (TCF)

Accounting N°: 9 ACP RPA 10

Identification N°: RPA/001/05

hereinafter referred to as "the programme", which is described in the Technical and Administrative Provisions in Annex II.

1.2 This programme will be implemented in accordance with the financing agreement and the annexes thereto: the General Conditions (Annex I) and the Technical and Administrative Provisions (Annex II).

ARTICLE 2 - THE COMMUNITY'S FINANCIAL CONTRIBUTION

2.1 The total cost of the programme is estimated at 1 200 000 euro.

2.2 The Community undertakes to finance a maximum of 1 200 000 euro. The breakdown of the Community's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions in Annex II.

ARTICLE 3 - THE BENEFICIARY'S CONTRIBUTION

3.1 The Beneficiary shall contribute zero euro to the programme.

3.2 Where there is a non-financial contribution by the Beneficiary, the detailed arrangements shall be set out in the Technical and Administrative Provisions in Annex II to the financing agreement.

ARTICLE 4 - PERIOD OF EXECUTION

The period of execution of the financing agreement shall commence on the entry into force of the financing agreement and end at 31 December 2011. This period of execution shall comprise two phases: an operational implementation phase, which shall commence on the entry into force of the financing agreement and end at 31 December 2009. As from this date shall commence the closure phase, which shall end at the end of the period of execution.

ARTICLE 5 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS AND PROGRAMME-ESTIMATES IMPLEMENTING THE FINANCING AGREEMENT

Contracts and programme-estimates implementing the financing agreement shall be signed by 27 August 2009 at the latest. That deadline may not be extended. This provision shall not apply to audit and evaluation contracts, which may be signed later.

ARTICLE 6 - PAYING AGENT

In order to effect the payments resulting from this financing agreement, the role of paying agent shall be performed by the financial institution chosen by the Commission.

ARTICLE 7 - ADDRESSES

All communications concerning the implementation of the financing agreement shall be in writing, refer expressly to the programme and be sent to the following addresses:

for the Commission

The Head of the Delegation of the European Commission
Suva (Fiji)

for the Beneficiary

The Regional Authorising Officer,
the Secretary General of the Forum Secretariat
Suva (Fiji)

ARTICLE 8 - ANNEXES

8.1 The following documents shall be annexed to this financing agreement and form an integral part thereof:

Annex I: General Conditions.

Annex II: Technical and Administrative Provisions.

8.2 Should a conflict arise between the provisions of the Annexes and those of the Special Conditions of the financing agreement, the provisions of the Special Conditions shall take precedence. Should a conflict arise between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

ARTICLE 9 - OTHER SPECIAL CONDITIONS APPLYING TO THE PROGRAMME

The General Conditions are supplemented by:

For the purpose of Article 3 of the General Conditions the authority responsible for carrying out the programme which is the subject of this Financing Agreement is the the Regional Authorising Officer.

ARTICLE 10 - ENTRY INTO FORCE OF THE FINANCING AGREEMENT

The financing agreement shall enter into force on the date on which it is signed by the last party.

ANNEX I - GENERAL CONDITIONS

TITLE I - PROJECT/PROGRAMME FINANCING

ARTICLE 1 - GENERAL PRINCIPLE

1.1 The Community's financial contribution shall be limited to the amount specified in the financing agreement.

1.2 The provision of Community financing shall be subject to fulfilment of the Beneficiary's obligations under this financing agreement.

ARTICLE 2 - COST OVERRUNS AND COVERING THEM

2.1 Individual overruns of the budget headings of the financing agreement are dealt with by reallocating funds within this budget, in accordance with Article 20 of these General Conditions.

2.2 Wherever there is a risk of overrunning the global amount set in the financing agreement, the Beneficiary shall immediately inform the Commission and seek its prior approval for the corrective measures planned to cover the overrun, proposing either to scale down the project/programme or to draw on its own or other non-Community resources.

2.3 If the project/programme cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, exceptionally, at the Beneficiary's duly substantiated request, grant additional Community financing. Should it take such a decision, the excess costs shall be financed, without prejudice to the relevant Community rules and procedures, by the release of an additional financial contribution to be set by the Commission, up to a ceiling of 20% of the Community contribution laid down for the project/programme.

TITLE II - IMPLEMENTATION

ARTICLE 3 - GENERAL PRINCIPLE

3.1 The project/programme shall be implemented under the responsibility of the Beneficiary with the approval of the Commission.

3.2 The Commission is represented in the State of the Beneficiary by its Head of Delegation.

ARTICLE 4 - PERIOD OF EXECUTION

4.1 The financing agreement shall lay down an period of execution, which shall commence on the entry into force of the financing agreement and end on the date specified to this end in Article 4 of the Special Conditions.

4.2 This period of execution shall comprise two phases:

- an operational implementation phase, in which the principal activities are carried out. This phase shall commence on the entry into force of the financing agreement and end at the latest 24 months before the end of the period of execution;

- a closure phase, during which final audits and evaluation are carried out and contracts and work-estimates for the implementation of the financing agreement are technically and financially closed. This phase shall commence on the date of end of the operational implementation phase and end at the latest 24 months after this date.

4.3 Costs related to the principal activities shall be eligible for Community financing only if they have been incurred during the operational implementation phase. Costs related to final audits and evaluation and closure activities shall be eligible up to the end of the closure phase.

4.4 Any balance remaining from the Community contribution will be automatically cancelled six months after the end of the period of execution.

4.5 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the operational implementation phase and approved by the Commission before that latter date.

4.6 In exceptional and duly substantiated cases, and after the end of the operational implementation phase, a request may be made for the extension of the closure phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the closure phase and approved by the Commission before that latter date.

ARTICLE 5 - CURRENCIES AND PLACES OF PAYMENT

5.1 Where payments are made in the national currency of an ACP State, the accounts shall be held at a bank established in that country or in the country of the contractor's headquarters.

5.2 Where payments are made in euro or foreign exchange, the accounts shall be held at a bank or approved intermediary established in a Member State, an ACP State or in the country of the contractor's headquarters.

TITRE III - AWARD OF CONTRACTS AND GRANTS

ARTICLE 6 - GENERAL PRINCIPLE

All contracts implementing the financing agreement must be awarded and implemented in accordance with the General Regulations for works, supply and service contracts adopted by the ACP-EEC Council of Ministers, supplemented by the General Conditions for contracts financed by EDF and the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

ARTICLE 7 - DIRECT LABOUR OPERATIONS

7.1 All programme-estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme-estimates in question.

7.2 In the case of direct labour operations, adequate provisions for the management and scrutiny of imprest accounts and for the definition of the responsibilities of the imprest administrator and the accounting officer shall be laid down. Moreover, where claims that the European Development Fund has on the Beneficiary via the public or semi-public bodies or departments of the State of the Beneficiary, the Commission shall take all the necessary measures to obtain actual repayment of the sums due, including, where appropriate, suspension by the Commission of that type of arrangement.

ARTICLE 8 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS AND PROGRAMME-ESTIMATES IMPLEMENTING THE FINANCING AGREEMENT

8.1 The contracts and programme-estimates implementing the financing agreement shall be signed by both parties within three years of the adoption of the financial commitment by the Commission, namely at the latest on the date referred to in Article 5 of the Special Conditions. That deadline may not be extended.

8.2 The above provision shall not apply to audit and evaluation contracts, which may be signed later.

8.3 On the date referred to in Article 5 of the Special Conditions, any balance for which contracts have not been signed will be cancelled.

8.4 A contract or programme-estimate which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding cancelled.

ARTICLE 9 - ELIGIBILITY

9.1 Participation in invitations to tender for works, supply or service contracts shall be open on equal terms to all natural and legal persons of the Member States of

the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal persons of the beneficiary third countries or of any other third country expressly mentioned in those acts.

9.2 Participation in calls for proposals shall be open on equal terms to all legal persons of the Member States of the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal persons of the beneficiary third countries or of any other third country expressly mentioned in those instruments.

9.3 Exceptionally, in duly substantiated cases approved by the Commission, it may be decided, on the basis of the specific conditions laid down in the basic acts governing the cooperation sector concerned, to allow third-country nationals other than those referred to in paragraphs 1 and 2 to tender for contracts.

9.4 Goods and supplies financed by the Community and necessary for the performance of works, supply and service contracts and procurement procedures launched by the grant beneficiaries for the execution of the action financed must originate in countries eligible to participate on the terms laid down in the previous three paragraphs.

9.5 This nationality rule shall also apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the Community.

TITLE IV - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS

ARTICLE 10 - ESTABLISHMENT AND RIGHT OF RESIDENCE

10.1 Where justified by the nature of the contract, natural and legal persons participating in invitations to tender for works, supply or service contracts shall enjoy a provisional right of establishment and residence in the Beneficiary's country. This right shall remain valid for one month after the contract is awarded.

10.2 Contractors (including the grant beneficiaries) and natural persons whose services are required for the performance of the contract and members of their family shall enjoy similar rights during the implementation of the project/programme.

ARTICLE 11 - TAX AND CUSTOMS PROVISIONS

11.1 Save where otherwise provided in the basic acts governing the cooperation sector concerned, taxes, duties or other charges (including value added tax - VAT - or equivalent taxes) shall be excluded from Community financing.

11.2 The State of the Beneficiary shall apply to procurement contracts and grants financed by the Community the most-favoured tax and customs arrangements applied to States or international development organisations with which it has relations. For the purpose of determining the most-favoured-State treatment, account shall not be

taken of arrangements applied by the Beneficiary concerned to the other ACP States or to other developing countries.

ARTICLE 12 - FOREIGN EXCHANGE ARRANGEMENTS

The State of the Beneficiary undertakes to authorise the import or purchase of the foreign currency necessary for the implementation of the project. It also undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the contractors allowed to participate referred to in Article 9 of these General Conditions.

ARTICLE 13 - USE OF DATA FROM STUDIES

Where the financing agreement involves the financing of a study, the contract related to this study, signed for the implementation of the financing agreement, shall govern the ownership of that study and the right for the Beneficiary and the Commission to use data in the study, to publish it or to disclose it to third parties.

ARTICLE 14 - ALLOCATIONS OF AMOUNTS RECOVERED UNDER CONTRACTS

Amounts recovered from payments effected or guarantees lodged under a contract financed under this financing agreement, together with any penalties arising from non-performance of a contract, shall be allocated to this project/programme.

ARTICLE 15 - FINANCIAL CLAIMS UNDER CONTRACTS

The Beneficiary undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor and considered by the Beneficiary to be justified in whole or in part. The financial consequences may be borne by the Community only where the Commission has given its prior approval. Such prior approval is also required for any use of funds committed under the present financing agreement to cover costs arising from disputes relating to contracts.

TITLE V - GENERAL AND FINAL PROVISIONS

ARTICLE 16 - VISIBILITY

16.1 Every project/programme financed by the Community shall be the subject of appropriate communication and information operations. These operations shall be defined under the responsibility of the Beneficiary with the approval of the Commission.

16.2 These communication and information operations must follow the rules laid down and published by the Commission for the visibility of external operations in force at the time of the operations.

ARTICLE 17 - PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION

17.1 The Beneficiary undertakes to check regularly that the operations financed with the Community funds have been properly implemented. It shall take appropriate measures to prevent irregularities and fraud and, if necessary, bring prosecutions to recover funds wrongly paid.

17.2 "Irregularity" shall mean any infringement of the financing agreement, implementing contracts or work-estimates or Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the European Communities, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by them, or on their behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

The Beneficiary shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities or fraud and of any measure taken to deal with them.

17.3 The Beneficiary undertakes to take every appropriate measure to remedy any practices of active or passive corruption whatsoever at any stage of the procedure for the award of contracts or grants or in the implementation of the related contracts. "Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities. "Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities.

ARTICLE 18 - VERIFICATIONS AND CHECKS BY THE COMMISSION, THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) AND THE COURT OF AUDITORS OF THE EUROPEAN COMMUNITIES

18.1 The Beneficiary agrees to the Commission, OLAF and the Court of Auditors of the European Communities conducting documentary and on-the-spot checks on the use made of Community funding under the financing agreement (including

procedures for the award of contracts and grants) and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the project/programme, throughout the duration of the agreement and for seven years after the date of the last payment.

18.2 The Beneficiary also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities.

18.3 To that end, the Beneficiary undertakes to grant officials of the Commission, OLAF and the Court of Auditors of the European Communities and their authorised agents access to sites and premises at which operations financed under the financing agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the European Commission, OLAF and the Court of Auditors of the European Communities shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Beneficiary being bound to inform the Commission, OLAF or the Court of Auditors of the European Communities of the exact location at which they are kept.

18.4 The checks and audits described above shall also apply to contractors and subcontractors who have received Community funding.

18.5 The Beneficiary shall be notified of on-the-spot missions by agents appointed by the Commission, OLAF or the Court of Auditors.

ARTICLE 19 - CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY

19.1 The Beneficiary and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this financing agreement further, in accordance with the relevant provisions of the ACP-EEC Partnership Agreement.

19.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of European Development Fund resources, it shall establish all necessary contacts with the Beneficiary to remedy the situation and, take any steps that are necessary, including, where the Beneficiary does not, or is unable to, perform the duties incumbent on it under the ACP-EEC Partnership Agreement, temporarily taking the Beneficiary's place.

19.3 The consultation may lead to the amendment, suspension or termination of the financing agreement.

ARTICLE 20 -- AMENDMENT OF THE FINANCING AGREEMENT

20.1 Any amendment to the Special Conditions and Annex II to the financing agreement shall be made in writing and be the subject of an addendum.

20.2 If the request for an amendment comes from the Beneficiary, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Beneficiary and accepted by the Commission.

20.3 For technical adjustments, which do not affect the objectives and results of the project/programme and alterations in matters of detail which do not affect the technical solution adopted, and within the limit of the contingencies funds, the Beneficiary shall inform the Commission of the amendment and its justification in writing as soon as possible and apply that amendment.

20.4 The specific cases of the extension of the operational implementation phase or of the closure phase are governed by Article 4 (5) and (6) of these General Conditions.

ARTICLE 21 -- SUSPENSION OF THE FINANCING AGREEMENT

21.1 The financing agreement may be suspended in the following cases:

(a) The Commission may suspend the implementation of the financing agreement if the Beneficiary breaches an obligation under the financing agreement.

(b) The Commission may suspend the financing agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.

(c) The financing agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the partie's control which prevents either of them from fulfilling any of their obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by force majeure. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

21.2 No prior notice shall be given of the suspension decision.

21.3 When the suspension is notified, the consequences on the ongoing contracts or work-estimates or contracts or work-estimates to be signed will be indicated.

ARTICLE 22 - TERMINATION OF THE FINANCING AGREEMENT

22.1. If the issues which led to the suspension of the financing agreement have not been resolved within a maximum period of four months, the Commission or the Beneficiary may terminate the financing agreement at two months' notice.

22.2. Where a financing agreement has not given rise to any payment within three years of its signature or no implementing contract or programme-estimates has been signed by the date referred to in Article 5 of the Special Conditions, that financing agreement will automatically be terminated.

22.3. When the termination is notified, the consequences on the ongoing contracts or work-estimates or contracts or work-estimates to be signed will be indicated.

ARTICLE 23 - DISPUTE-SETTLEMENT ARRANGEMENTS

23.1. Any dispute concerning the financing agreement which cannot be settled within a six-month period by the consultations between the Commission and the Beneficiary provided for in Article 19 of these General Conditions shall be submitted to the Council of Ministers. Between meetings of the Council of Ministers, such disputes shall be submitted to the Committee of Ambassadors. If the Council does not succeed in settling the dispute, either Party may request settlement of the dispute by arbitration.

23.2. In this case the parties shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

23.3. Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

23.4. Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

FINANCING AGREEMENT N° 9540/REG

ANNEX II

TECHNICAL AND ADMINISTRATIVE PROVISIONS FOR
IMPLEMENTATION

THE ACP STATES

Title : Technical Cooperation Facility (TCF)
Accounting N°: 9 ACP RPA 10
Identification N°: RPA/001/05

1. PROJECT SUMMARY

The programme aims at facilitating the implementation of the 9th EDF RSP/RIPs in particular the Human Resource Development focal area of the Pacific Regional Strategy Paper. It is also consistent with ACP-EU goals to build capacity within NAO/RAO offices. The project will be funded through balances of the 6th, 7th and 8th EDFs.

There are currently 20 active projects (total value €73 million) under the EDF Pacific Regional Programme, all administered through the Regional Authorising Officer – the Secretary General of the Pacific Islands Forum (PIFS). Thus, the TCF will be implemented by PIFS, closely supervised by the TA to RAO II project (6-RPR-596 & 7-RPR-786).

In general, the programme will provide for:

- a) **A Technical Assistance Facility (TAF)** – a facility for the recruitment of short- to medium-term consultants to assist in the main stages of the project cycle, to ensure the effective implementation of the Regional Indicative Programme (RIP) and other EC programmes in line with the region's development strategy and in keeping with the objectives of the Cotonou Agreement. Consultants will be engaged to assist with specific tasks related to: project identification, preparation and assistance with tender and contract procedures and with evaluation and monitoring or audit where this has not been provided for in the project itself, or the project has already been closed. These services will be provided by consultants recruited by or on behalf of the RAO in accordance with EDF procedures, in particular Article 23.6 of Annex IV to the Cotonou Agreement. The cost of this component will be 1 million Euro (more than 83% of the total fund).
- b) **TSPP – Training Support for Projects & Programmes** – this will finance various capacity building actions such as training workshops or consciousness-raising activities prior to or during the formulation of a project or programme – for example a Project Cycle Management workshop of stakeholders in a sector identified in the RIP - in accordance with EDF procedures.
- c) **CS - Conferences and Seminars** – these include: (a) more general short-term training activities for ACP officials and/or non-state actors on topics related either to the priorities of the ACP-EU Partnership Agreement (structural adjustment, democracy, environment, trade, etc.) or to EDF or other EU administrative and financial procedures and (b) participation by ACP officials or non-state actors in international meetings or seminars on themes of development, trade, etc. The latter are normally organised by bodies or organisations other than the Commission (including UN bodies) - in accordance with EDF procedures.
Activities CS have not been specifically provisioned in the present TCF. However, they are not to be excluded and could take place notably through the contingencies, in accordance with applicable rules.

2. INTERVENTION

2.1 Overall objectives

The overall objectives of the programme are:

- to improve the implementation of National and Regional Indicative Programmes among Pacific ACP countries through the support of sound development programmes financed from the European Development Fund (EDF).
- to foster a coherent and informed approach to development and trade issues.

2.2 Project purpose

The main specific purpose is to provide NAO/RAO offices with timely access to short-term specialist assistance.

2.3 Results

The programme will produce the following results:

Mainly:

- i) Identification of programmes to be financed from the EDF;
- ii) Preparation and formulation of programmes to be supported from the EDF;

but also:

- iii) Through training/coaching more so on a daily basis, increased understanding of issues relating both to specific programme-related matters and to general development and/or trade-related matters;
- iv) The RAO's Office and the (ministries and) agencies concerned will be enabled to maintain satisfactory implementation and monitoring (including tendering procedures) of ongoing projects - where this cannot be provided for in the projects themselves or other projects.
- iv) Audits and evaluations of other projects will be financed through this initiative whenever they cannot be financed out of the project itself or where it is convenient or efficient to combine a number of audits/evaluations of related interventions.

2.4 Activities

The programme will be principally composed of TAF (83% of total) including:

- 75% of total allocated to consultancies for EU and ACP short-term experts (50 man/months) which will be sub-contracted by PIFS to undertake the required studies and technical assistance missions, in relation to cooperation or trade issues, both in respect of the implementation of ongoing programmes and of possible future programmes. In particular, an amount of € 17,000 will be allocated to finance the evaluation of the Vava'u Development Programme III (VDPIII) in Tonga;
- 8% of total allocated to a long term project Administrator (48-month) to be recruited by PIFS.

The rest of the TCF will be shared between TSPP/G, contingencies, Audit and Evaluation.

2.5 Indicators

The key indicators for measuring progress shall be the number and the quality of requests received from PACP countries and of studies successfully completed.

2.6 Lessons learned from previous projects/evaluations

- The Secretary General of the Pacific Islands Forum Secretariat (PIFS), as RAO, successfully manages and implements other types of short-term technical assistance projects under other donor funding. Lessons learnt from such experiences have been factored into the EDF-TCF design.

Technical assistance in general has been an essential part of the major programmes in the region funded from the EDF. However, it was not always possible to optimise the use of technical assistance, for one or more of the following reasons:

- Difficulties in synchronizing mobilisation of human resources with other programme components due to complex administrative and procedural reasons;
- Continued need for training and technical assistance in the supported sectors, including beyond the lifetime of traditional projects;
- Limited procedural knowledge, having hampered project preparation and implementation;
- Absence of, or impossibility of, long-term planning of conference participation, leading to *ad hoc* requirements which could not be satisfied.

More particularly, lessons learned from previous technical cooperation and training projects highlighted the need of competent Short term expertise for:

- complementary training/coaching at all levels among all stakeholders and partners (government, NSAs, private sector);
- a higher level of involvement and capacity building of state or non-state actors ;
- developing linkages at regional level.

An advantage of the TCF is the flexibility and speed of its use to address needs arising in the framework of EC-Pacific region cooperation, whether in the context of the project cycle or in other areas of EC-Pacific region cooperation.

2.7 Co-ordination with other donors

Donor coordination at regional level takes place in various informal or formal forms, on both cooperation and trade issues.

This Project does not impinge upon the actions of other donors, nor does it depend upon them. Donors generally consider that TCF will contribute to their respective bilateral and regional programmes, especially if the outputs of TCF are shared.

However, specific attention to donor co-ordination will be sought on project/study design where other donors are shared contributors.

2.8 Environment, gender mainstreaming and other aspects

An evaluation of the social and environmental impacts of future development programmes forms an integral part of the studies to be carried out. Gender perspective must be reflected in the results, and therefore also in the formulation and implementation phases as well as in the evaluation of any future RSP/RIP programmes. To this effect, it is important that TA employed are competent and knowledgeable on gender issues. The gender balance among participants in conferences and seminars will be followed up by RAO and Delegation to ensure that it is appropriate to the topic or sector concerned.

Environmental impact assessments, if necessary, will be carried out within the context of a strategic policy analysis and shall follow internationally recognised procedures.

3. IMPLEMENTATION

3.1 Physical and non-physical means

The programme will involve:

(a) Approximately 25 short term consultancy assignments. Consultancy firms or individual experts will be identified for this purpose. Due to the widespread availability of ACP expertise, it is expected that a large proportion of the consultants will be ACP based. Other consultants will be selected in accordance with EDF eligibility criteria.

(b) An amount of €17,000 will be allocated to finance the evaluation of the Vava'U Development Programme III (VDP III) in Tonga, which was erroneously not put in the accounting system of the Commission.

(c) 1 contract for a long term project Administrator (48-month).

Short-term and long-term experts will be recruited following the service-contract procedures of the 9th EDF rules and regulations.

3.2 Organisational and implementation procedures

The programme will be run by PIFS under a decentralised management system. The overall responsibility for the implementation of the programme lies with the Regional Authorising Officer, who may request the Commission to implement technical assistance contracts under Article 23.6 of Annex IV of the Cotonou Agreement.

All procurement, contracts and programme estimates under this Financing Agreement will be subject to 9th EDF rules and regulations.

Financial audit of TCF will be carried out to ensure conformity with EDF procedures. The audits will be conducted in conformity with international standards of auditing.

3.3 Appropriate technology

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3.4 Timetable, cost estimate and financing plan

Timetable.

The Financing Agreement shall be signed by 31 December of the year following the year in which the global financial commitment was adopted. Failing this, the corresponding appropriations shall be cancelled.

The end date of the implementation phase of the Financing Agreement is set at 31 December 2009.

The end of the period of execution of the Financing Agreement is set at 31 December 2011 (see provisional implementation table in Annex).

Any balance of funds remaining available under the EC grant shall be automatically cancelled 6 months after the end of the period of execution of the Financing Agreement.

The contracts and programmes estimates through which the Financing Agreement is implemented must be signed by both parties no later than three years from the date of the corresponding global financial commitment. This deadline cannot be extended.

This restriction does not apply to contracts for audit and evaluation of this facility, which may be signed later.

The estimated cost of these activities is € 1.200,000 including provisions for contingencies, broken down as follows:

Activity	Cost (€)
TAF (Expertise required including: fees and any reimbursable expenses)	1,000,000
- Short term expertise (include. € 17,000 for the evaluation of TG-VDPIII)	900,000
- recruiting of project administrator	100,000
TSPP/G - (including: supplies and equipment, rental of premises and incidental expenditures, flights, registration, per diem)	120,000
Audit (of this programme)	10,000
Evaluation (of this programme)	20,000
Contingencies (4.2%)	50,000
TOTAL	1,200,000

3.5 Special conditions and accompanying measures to be taken by the Government

n.a.

4. EVALUATION, MONITORING AND AUDIT

Day-to-day project monitoring will be undertaken by PIFS through the TA to RAO project. Bi-annual reports will detail project status providing the basis of 6-month review meetings between the RAO and the EC Delegation.

A provision for Audit as well as for Evaluation is included in the Budget of this Financing Proposal.

Audit and evaluation contracts and framework contract are always concluded by the Commission acting for and on behalf of the ACP State of States concerned.

ANNEXES

ANNEX 1: Logical Framework

ANNEX 2: Provisional implementation timetable

Annex 1: RIP TCF - Logical Framework

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Improve the implementation of National and Regional Indicative Programmes among Pacific ACP countries, especially the Small Island States and new PACP members	NIP/RIP programming completed on time to an acceptable standard Performance improvement in the utilization of EDF resources	NIP/RIP Strategy Papers OLAS Annual Reports	
Project Purpose	Provide NAO/RAO offices with timely access to short-term specialist assistance	No. of short-term technical assistance requests relative to consultancies implemented. Average processing time for fielding consultancies improved	Project reports Audit statements NAO/RAO/EC records	Demand for services remains constant
RESULT 1	Qualitative improvement in programme/project design	Reduction in no. of queries by IQSG	EC/NAO/RAO records	Advice provided is accepted by governments
RESULT 2	Efficiency gains in programme/project implementation	Commitment /Disbursement rates increased. Increased number of PACP gaining access to additional funding at the time of 2 nd Financial Protocol (EDF 10) and post-MTR.	OLAS Annual Reports MTR results	Financing decision procedures remain unaltered Performance rules of the Cotonou Agreement do not change
Activity 1	Establish TCF operating guidelines, procedures and criteria	<u>MEANS</u> 48 p/m long-term TA	<u>COST €</u> 100,000	Acceptable standard of short-term expertise continues to be available
Activity 2	Promote and advertise TCF including through electronic media.	50 p/m short-term TA Running Costs & Travel	900,000 120,000	
Activity 3	Review and assess national and regional proposals	Contingencies Evaluation	50,000 20,000	
Activity 4	Commission and manage consultants for approved studies.	Audit	10,000 <u>€1,200,000</u>	

