

**REGIONAL INDICATIVE PROGRAMME  
FOR THE PACIFIC ACP REGION**

**FOURTH LOME CONVENTION  
SECOND FINANCIAL PROTOCOL**

**1. GENERAL FRAMEWORK**

1.1 Regional cooperation and integration is given high priority under Article 7 of the Fourth Lome Convention concluded between the African, Caribbean and Pacific ACP States and the European Community (hereinafter referred to as "the Community"), with the aim of promoting long term collective self-sustaining and integrated social, cultural and economic development. Community support shall therefore be given to those areas where joint action is more beneficial than isolated, state by state, action.

1.2 In order to determine the general guidelines for cooperation between the eight Pacific ACP States (Fiji, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa) and the Community:

The Forum Secretariat, represented by the Secretary General, Mr Ieremia TABAI, and the European Commission (hereinafter called "the Commission") represented by Mr. Francisco Granell, Director, in the presence of representatives of the eight Pacific ACP States, held discussions in Rarotonga, Cook Islands, on 19 September 1997.

1.3 During these discussions, the Regional Indicative Programme of European Community aid to the Pacific ACP Region was drawn up in accordance with Article 160 of the Fourth Lome Convention as revised by the agreement signed in Mauritius on 4 November 1995 (hereafter called "the Lome IV Convention"), for that part corresponding to the implementation of the Second Financial Protocol.

1.4 The parties underline that their cooperation at the regional level is to be based on the following priorities :

- Sustainable socio-economic development with particular emphasis on human resources development, gender issues and environmental management and protection;
- Further development of regional economic cooperation and integration, in particular through the promotion of the private sector and the development of trade, as a means of ensuring further integration into the world economy.
- Strengthened regional solidarity by means of further integration in the wider Asia-Pacific (APEC) region;

- Deeper cooperation and integration with Pacific Overseas Countries and Territories and Overseas Departments and support for the smaller and more fragile economies of the Pacific ACP States in the region;
  - Continued observance and consolidation of the principles of democracy, good governance as well as respect for the rule of law, human rights and fundamental freedoms;
  - The cooperative involvement of all elements of the civil society in efforts to achieve self-sustaining growth and development.
- 1.5 Within this framework, the overall objective pursued through the cooperation under this Regional Indicative Programme is to contribute to sustainable social and economic development.
- 1.6 As regards programmable financial and technical cooperation as provided under Articles 160 and 281 of the Lome IV Convention, an indicative envelope of ECU 35 million is made available to the Pacific ACP region for the implementation of this Indicative Programme.
- 1.7 This Indicative Programme mainly provides for programmable financial resources under regional cooperation. However, it also takes into account coherence with other financing from which the Pacific ACP States could benefit under all other Community resources, both at national and regional levels. In particular, regional projects which have a significant national impact shall be jointly financed from regional and national cooperation funds or other financial resources, in accordance with Article 163 of the Lome IV Convention.
- 1.8 Furthermore, the European Investment Bank could contribute to the financing of productive investment projects from the resources which it manages in compliance with the criteria and statutes of the Bank and the provisions of Articles 233 and 236 of the Lome IV Convention.
- 1.9 The Pacific ACP States have taken a commitment to provide an enabling policy environment for the strategies of this regional programme by undertaking major economic reforms including appropriate improvements to legislation, institutional policies and procedures and overall governance. At their 1996 meeting in the Republic of the Marshall Islands, the Forum Leaders issued an Economic Statement which, inter alia, asked the donors to ensure that their development assistance supports the region's key reform objectives.
- 1.10 In response to new global and regional trends, all Pacific ACP States now are either in the process of, or are committed to, adjusting their economies in preparation for facing further reduction in aid flows and increased economic competition. These new trends include liberalisation of trade resulting in declining preferential treatment; and the emergence of trade/economic blocs such as the APEC to which the Pacific ACP States are linked as either full members (Papua New Guinea) or as observers (all other Pacific ACP States) through the Forum Secretariat. These global trends and regional arrangements will require that Pacific ACP States adopt policies and strategies aimed at improving their

competitiveness. Given their relatively small land areas and populations as well as their isolation, Pacific Island Countries will need to undertake necessary adjustments within the framework of increased regional cooperation and integration.

- 1.11 On this basis, the Community and the Pacific ACP States agreed that the aim of regional cooperation is to support the economic and social integration process, particularly in areas which will assist the regional economy become more competitive and which will contribute to future sustainability. Most Pacific ACP States have already undertaken, or will undertake, economic reform programmes with the support of the principal donors. In this context it is essential to take account of the regional dimensions of macro-economic and sectoral adjustment policies being carried out, as these policies can have important consequences for the Region as a whole.
- 1.12 The parties also agreed that in the interest of efficiency, the resources made available for regional cooperation should be concentrated on a limited number of focal areas, programmes and projects, which should as much as possible be integrated into overall sectoral strategies, at the regional and/or sub-regional levels. The regional strategies should also be consistent with those decided at the national level and be defined together with the regional organisations concerned. The possibilities for cooperation and programmes at the sub-regional level should be encouraged.
- 1.13 Special emphasis will be given to participatory and gender approaches. Due account shall be taken of the region's institutional situation and social and cultural values.

## 2. AREAS FOR REGIONAL COOPERATION

Within this general framework and in accordance with Title XII of Part Two of the Lome Convention, the parties have agreed on the main priorities for their cooperation and on the sectors on which the support of the Community will be concentrated. They have identified the mutual commitments to be entered into by the Community and the Pacific ACP States to achieve their objectives under the agreed conditions set out below.

The Pacific ACP States and the Community have agreed that the priority areas are:

- Human resources development (approximately 45% of the resources);
- Sustainable management of natural resources and environmental management and protection (approximately 35% of the resources);
- Activities outside the focal areas (approximately 20% of the resources).

## 2.1 HUMAN RESOURCES DEVELOPMENT

### 2.1.1 *Definition*

The factor of human capital is one of the few major assets of the Pacific Island region. Its development and nurturing, through education and training and supported by health initiatives, will be of essential importance to the long term sustainability of the region's economic development and quality of life.

As a key strategy for adjusting their economies and societies to the new competitive economic and social milieu, the Pacific ACP States are now focusing on sustainable human resources development and are reviewing and/or adjusting their educational/training and health policies and systems with the support of key donors.

The overall aim of the HRD strategy is to improve the region's living standards and international competitiveness by making its people more skilful, and motivated and able to respond flexibly to new challenges and opportunities.

### 2.1.2 *Specific Objectives*

The regional cooperation process will concentrate on policies and initiatives which improve the planning and the management of the region's human resources, as a complement to national strategies.

The specific objectives are:

- Strategies and policies in human resource development aimed at promoting investment in human capital. While the immediate objectives of these strategies and policies must be to develop a mix of appropriate skills, at the relevant levels and in sufficient volume, there is also a need to incorporate longer-term objectives of improving the relevance of the educational systems to the new economic, social and political milieu of the 21st Century<sup>1</sup>. The need to ensure quality and continuing relevance is particularly important given the rapid changes brought about by globalisation and its accompanying and encompassing technologies in telecommunication and information. Both these immediate and long-term objectives should be pursued for achieving sustained economic growth and development.
- Capacity building and institutional strengthening initiatives, including some appropriate infrastructural developments, for improved education and training particularly in health and in other selected key economic sectors (industries and services).

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<sup>1</sup> The problem of quality and relevance is generally recognised throughout the region leading to some "vocationalization" of the curricula, and had led to projections by the World Bank and others of increasingly acute shortage of skilled manpower, particularly in technical, engineering, and scientific fields.

### 2.1.3 Regional Commitments

Support to human resources development shall be consistent with other sectoral policies and the overall strategy for economic and social development in the individual states, their commitment to possible reforms in the education sector and to common educational and training policies within an overall HRD regional strategy.

The commitment to HRD is evident at the national level in the emphasis now given to education reviews and improvements in national development strategies and resources allocation including those from national budgets<sup>2</sup> and from key donors like the Community<sup>3</sup>.

At the regional level, the Forum Leaders including all 8 Pacific ACP States, agreed in their 1994 Forum Communique to highlight education as a key to effective management of the region's natural resources and to endorse the Suva Declaration on Human Development with its theme of humans being simultaneously the purpose of development and the instruments of their own development.

At their meeting in 1995, the Health Ministers of the Pacific islands agreed to encourage regional modalities including regional training institutions to develop health workers and other key health priorities.

The Pacific ACP States are also committed to integrating population and gender issues into their overall development and health strategies and in accordance with commitments made at the Copenhagen Summit on Population and Social Issues and in the Pacific Region's Plan of Action for the Beijing Summit on Women and Development.

Accordingly, activities which enhance the relevance of education and training, which increase access to a wider range of tertiary level and technical and vocational training, which stress management and servicing of key economic sectors/industries and the environment will be at the core of the Pacific ACP region's human resources development strategy.

For long-term sustainability, regional training institutions and organisations shall continue to improve their ability to attract appropriate funding including in the first instance national contributions and user fees. In return, and on the basis of economies of scale and experience achieved, regional institutions will be supported in the long term where they prove effective and efficient.

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<sup>2</sup> Most Pacific Island Countries now invest an average of 9% of GNP and between 5% and 25% of total government expenditures on HRD.

<sup>3</sup> Of the National Indicative Programs for the 8 Pacific ACP States, 5 focus on HRD as the focal sector with one of them focusing exclusively on Education improvement. Of the other three, their foci include many HRD initiatives including in the areas of environmental health and capacity building.

#### 2.1.4 *Community Support*

Subject to the provisions of the Lome IV Convention as regards appraisal and approval of projects and programmes, Community assistance will support the regional sectoral strategy outlined above, in coherence with the financing foreseen in the budgets of the Pacific ACP States on their own resources, in their National Indicative Programmes, and by other donors.

##### 2.1.4.1 *Human Resources Development Strategies*

Support in the area of human resources development strategies will be concentrated in the key areas of:

- (a) review of the medium term knowledge and skills requirements of the Pacific ACP States and region, giving due consideration to the new economic, social and cultural milieu of globalisation and regional integration;
- (b) the development and implementation of common long-term strategies and policy recommendations for HRD in the Pacific region taking advantage of economies of scale at the regional and sub-regional level, and focusing on:
  - common or harmonised standards in basic and secondary education at the national level in order to facilitate tertiary-level regional modalities while enhancing the transferability of human skills;
  - programmes which seek to rationalise and harmonise tertiary level education and training, and promote technical and vocational training and education in key social and economic sectors and industries;
  - in view of the potential benefits from telecommunications and information technologies for the Pacific ACP States, establishing effective policy frameworks and enhance policy skills in this area;
  - programmes seeking to prevent the loss of trained people from the region.

In formulating such strategies and policies, special consideration will be given to the disadvantaged groups including women and youth. A special effort will also be made to involve and coordinate with the private sector and assure NGO participation in education and training delivery.

##### 2.1.4.2 *Capacity Building and Institutional Strengthening*

Support, with the view to sustaining development efforts, will be provided to regional programmes and initiatives for capacity building and institutional strengthening in the areas of :

- (a) based on regional and extra-regional trends in education, developing a common approach for improving basic literacy and numeracy allowing intra regional recognition of national education standards;
- (b) training and technical assistance directed at the needs of the economic sectors and industries, i.e. fisheries, agriculture, forestry, tourism and other selected key economic sectors:
- assistance for fisheries development shall include the development of training capacities and regional institutions in priority areas (i.e. in fisheries management and protection, assessment of stock and aquacultural potential, control and research of deep-water fisheries, upgrading of skills and technology for employment and income-generating activities for men and women);
  - improved training opportunities in utilisation and sustainable management of agriculture and forestry;
  - support will be provided to tourism and maritime/shipping in order to upgrade and maintain acceptable international standards of service and skills.
- (c) health, through infrastructural development and technical assistance for regional training and research capacity in the area of public health, which will benefit planning, management and delivery of health services.

## 2.2 SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND ENVIRONMENTAL MANAGEMENT AND PROTECTION

### 2.2.1 *Definition*

Another key strategy of the Pacific Island governments for adjusting their economies and societies to the new competitive economic and social milieu is to increase sustainable production possibilities in, and income from, areas for which the region has significant assets and comparative advantages (fisheries, forestry, agriculture, tourism and natural heritage). Since the Forum Leaders meeting in Australia in 1994 which had as its theme the proper management of the region's resources, much attention has been focused on the need for optimum sustainable development and management of resources with the support of key donors.

The overall aim of the natural resources development and environment management strategy is to achieve the optimum balance between the Pacific ACP Region's economic aspirations and the need to preserve these resources and environment for the benefit of future generations, embracing the social and cultural dimensions of development.

### 2.2.2 *Specific Objectives*

The Pacific Island governments are aware of the fact that their fishery, forestry, agriculture, and generally pristine environment will remain of crucial importance for the sustainable development of the region in the foreseeable future. Their development and sustainable management through research and planning, through the adoption and implementation of common policies and strategies, and through the combining of efforts and forces in order to obtain higher returns from the use of resources will be of essential importance to the long term sustainability of the region's economic development and quality of life.

The specific objectives are:

- Improved planning and policies in natural resources development and environmental management which will promote higher returns while sustaining the resource base. While the immediate objectives of these strategies and policies must be to enhance and broaden production and income generation, there is also a clear need to incorporate longer-term objectives of ensuring that such opportunities are sustained long into the 21st Century. The need to ensure long-term sustainability is particularly important given the fact that one of the Region's most important assets, its environment, is very fragile and is being threatened by the increasing pressure put on it by new consumption requirements and trade imperatives, by population increases and by global factors such as climate change.
- The generation of higher investment returns and income initiatives in support of national and community efforts to increase social and economic benefits from their resources. The key aim here is to build national and community capacity to expand production to optimum levels and to increase employment and revenues through increased participation in and ownership of investment and production activities.

### 2.2.3 *Regional Commitments*

Activities which increase returns on natural resources while enhancing sustainability will be at the core of the Pacific ACP region's development strategies and policies.

At the regional level, the Forum Leaders including all 8 Pacific ACP States, agreed in their 1994 Forum Communique to highlight the need for proper resource management. In 1996, the Forum Leaders endorsed action taken to date by member countries to implement the South Pacific Code of Conduct for Logging of Indigenous Forests in Selected South Pacific Countries, and called for continuing efforts by all Forum members to manage their forests sustainably.

The Forum Leaders in their 1996 Communique also stressed the importance of developing the region's fisheries sustainably and in a way that maximises the benefit to Forum members. They then endorsed a second High Level Multilateral Consultation on the Conservation and



Management of Fisheries Resources of the Central Pacific which was held in June 1997.

In the area of environmental management, the Forum Leaders in 1996 resolved to support the 1996-2000 Action Plan of the South Pacific Regional Environment Program (SPREP) which gives particular attention to building national capacity in national environmental and resource management through support to government agencies, NGOs and the private sector.

At the national level, the commitment is evident in the emphasis now given to resources development and environmental management in national development strategies and in resources allocation including those from national budget and from key donors like the Community<sup>4</sup>.

For long-term sustainability, regional organisations in resource development (FFA, SPC and SOPAC) and in environmental management (SPREP) shall continue to improve their ability to attract appropriate funding including, in the first instance, national contributions and user fees. In return, and on the basis of economies of scale and experience achieved, regional institutions and programmes will be supported in the long term where they prove effective and efficient.

#### 2.2.4 *Community Support*

Subject to the provisions of the Lome IV Convention as regards the appraisal and approval of projects and programmes, Community assistance will support the regional sectoral strategy outlined above, in coherence with the financing foreseen in the budgets of the Pacific ACP States on their own resources, in their National Indicative Programmes, and by other donors.

##### 2.2.4.1 *Sustainable Natural Resource and Environment Planning and Policy*

Support in the area of sustainable natural resource and environment planning and policy will be concentrated in the key areas of:

- (a) information/data (scientific, technical and commercial) collection particularly in fisheries, coastal and fresh water resources, forestry, agriculture/aquaculture in order to better determine the optimum level and manner of harvesting or general use, and to better monitor their status;
- (b) the development and implementation of common policies, rules and regulations in the areas above;

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<sup>4</sup> Natural resource development features strongly in the National Indicative Programs of the Pacific ACP States.

(c) sustainability of the natural heritage of the region through:

- the development and implementation of common preservation and protection strategies and policies which incorporate environmental management, population and gender and other sustainability issues;
- the conservation and sustainable use of biodiversity;
- capabilities for integrated coastal zone management and protection;
- improving capabilities for preventing pollution;
- enhancing the protection of fresh-water and other vulnerable island habitats; and
- increasing the capacity for natural disaster risk assessment and mitigation.

#### 2.2.4.2 Higher Investment Returns and Income-Generation

Support, with the view to increasing and sustaining returns on investment and income-generating opportunities, will be provided to regional programmes and initiatives inter alia in:

- (a) promoting greater ownership of and participation in investment and harvest or production by the member countries (particularly in fisheries) and communities (particularly by the disadvantaged ones including women and youth). An important measure for this is to promote awareness of resource values, rights and responsibilities and of the possibilities in enabling participatory strategies which incorporate gender and private sector. This could be facilitated at the regional level through research and advice as well as technical training on production/processing, financing, marketing and other sector/industry-specific needs; as well as through joint promotions and exchange of resources and ideas including on success stories and "best practice";
- (b) ensure the sustainability of the resources (i.e. fisheries, forestry and coastal resources) through adequate monitoring and surveillance of their use and status;
- (c) in the area of agriculture, some follow up actions may be considered in order to sustain programmes initiated under previous EDFs.

## 2.3 ACTIVITIES OUTSIDE THE FOCAL AREAS

### 2.3.1 *Definition*

The parties agree to devote approximately 20% of the funds to operations outside the sectors of concentration.

These include support for regional economic integration through trade and private sector development and for the continuation of existing initiatives in the area of cultural heritage management; a small reserve shall be kept in order to safeguard some flexibility for new and unforeseen needs.

### 2.3.2 *Specific Objectives*

Activities outside the areas of concentration will primarily be aimed at:

- Support for trade and private sector development through the strengthening of the export capacity and competitiveness of the productive sectors and through the creation of an enabling environment for diversified economic development based on private initiative.
- Support for activities started aiming at the management and preservation of the cultural heritage.

### 2.3.3 *Regional Commitments*

As underlined again in the Action Plan adopted by the Forum Economic Ministers Meeting in Cairns, Australia on 11 July 1997, trade and investment and private sector development rank highly on the agenda of the Forum and its members. The Forum and the Pacific ACP are also aware of the fact that, in order to respond to and to benefit from the new milieu of globalisation and increased economic competition, adjustments have to be made in the areas of investment and tariff policies and public accountability, and that Governments should provide a policy environment to encourage private sector development. This programme of reform is being supported and coordinated at the regional level through the work of the Forum and the annual meetings of the Forum Economic Ministers.

The Forum has also given its endorsement to sub-regional approaches to issues of trade and economic reforms as a way of enhancing regional integration.

### 2.3.4 *Community Support*

Subject to the provisions of the Lome IV Convention as regards the appraisal and approval of projects and programmes, Community assistance will support the regional sectoral strategy outlined above, in coherence with the financing foreseen in the budgets of the Pacific ACP

States on their own resources, in their National Indicative Programmes, and by other donors.

In the area of trade and investment and support to private sector, Community support will be provided for:

- the further development of trade and investment strategies and policies;
- advice on the improvement of export capacity and competitiveness of the productive sectors, particularly in the area of private sector involvement, and on problems relating to the implementation of the proposed measures;
- assisting Pacific ACP States to explore and develop opportunities to benefit from liberalisation and globalisation in trade (implement domestic measures consistent with WTO and APEC principles and obligations, regional collaboration in customs and quarantine reform, etc);
- assisting Pacific ACP States in particular to benefit from the rapid development of the Asia-Pacific region. Measures to be supported include the development and/or implementation of regional or sub-regional integration strategies to facilitate integration with the greater Asia-Pacific region (trade, private investment);
- supporting efforts by the Melanesian Spearhead Group to liberalise trade amongst themselves as a sub-regional model for cooperation in trade. Efforts aimed at establishing economic integration will be supported through the coordination and harmonisation of macro-economic and trade and investment policies by the Forum Secretariat.

Support could also be provided in order to continue initiatives aiming at the management and preservation of the cultural heritage.

### **3. ENTRY INTO FORCE, IMPLEMENTATION AND MONITORING**

- 3.1 The parties commit themselves to take all necessary measures to accelerate the procedures of preparation and implementation of programmes and projects. The parties shall organise, with a view to facilitating and strengthening their consultation, periodical meetings for the follow-up and coordination of the implementation of the Regional Indicative Program, in accordance with Article 160(b) of the Lome IV Convention. In that context, the Regional Authorising Officer and the Commission's Services shall meet at least once per year in one of the Pacific ACP States to evaluate the progress made in the implementation of the Regional Indicative Programme.

These meetings will inter alia discuss:

- matters of coordination between the RAO and the Commission and regional institutions;

- the progress in the efforts made on regional integration and the reforms to which the Pacific ACP States have committed themselves;
- the consistency between national and regional programs;
- the progress made and difficulties encountered in respect of the indicative calendar attached to this program.

3.2 The commitments of the countries of the region are stated in Annex 1. In order to plan the implementation of the Regional Indicative Programme, the parties agree upon the indicative timetable given in Annex 2, which sets out forecasts of commitments and disbursements associated with the measures and development operations to be undertaken within the Regional Indicative Programme, and which will be refined progressively.

3.3 The Pacific ACP States agree to mandate the Forum Secretariat as the Regional Authorising Officer for the overall programming and identification phases of this Regional Indicative Programme. In accordance with Article 164 (1e) of the Fourth Lome Convention, financing proposals will be presented by the Regional Authorising Officer. The Regional Authorising Officer will make sure, in particular, that the proposals are in conformity with the general principles of Article 162 and 163 of the Fourth Lome Convention and satisfy the logical framework methodology. The Regional Authorising Officer will also propose to the Commission, on behalf of Pacific ACP States and if deemed necessary, modifications to the Regional Indicative Programme in light of experience and with a view to expediting the programming of resources for regional programmes or projects.

3.4 It is agreed that in accordance with the provision of Article 287 of the Fourth Lome Convention the responsibility for the preparation and appraisal of individual programmes/projects under the Regional Indicative Programme, and their subsequent implementation, shall be mandated by the Pacific ACP States to the regional organisation or national government most closely involved in the technical implementation of the programme or project concerned.

3.5 The parties agree that the "Regional Strategy" approved by the Forum in Madang, Papua New Guinea in 1995 as a framework for establishing regional development priorities and for the planning and coordination of regional assistance between the Pacific Region and its development partners will be put in place and implemented by the Forum Secretariat as a matter of urgency. In doing this, due consideration will be given to this Indicative Programme.

3.6 The parties are aware of the need for the Pacific States to take the appropriate measures in order to:

- ensure that the initiatives and results arising from this Regional Indicative Programme will be manifested and sustained at the national level of the Pacific ACP States, which are the ultimate beneficiaries of regional cooperation;

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- ensure that regional funds are used for projects benefiting the region and are not considered as extra funds for financing purely national projects;
- guarantee that national priorities do not conflict with regional ones. The principle of mixing national with regional funds is of great importance in ensuring this coherence;
- cooperate with the competent regional institutions, in seeking the coherence described above, and support them financially and politically;
- improve the efficiency of the implementation and monitoring of the regional programmes and projects;

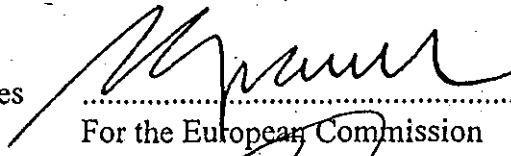
3.7 In accordance with Annex XXXII of the Lome Convention, the parties agree to take steps to take into account, in implementing this Regional Indicative Programme, the possibility of collaborating with the OCTs in the Pacific region (New Caledonia, French Polynesia, Wallis and Futuna, and Pitcairn), whenever common interests warrant this. To this effect the South Pacific Commission will play a key role.

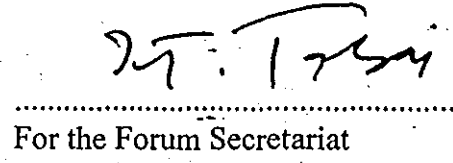
3.8 This Regional Indicative Programme has been established in accordance with the exchanges of views which have taken place between the Community and the Pacific ACP States concerning their possible priorities and orientations for regional cooperation during the national programming exercise.

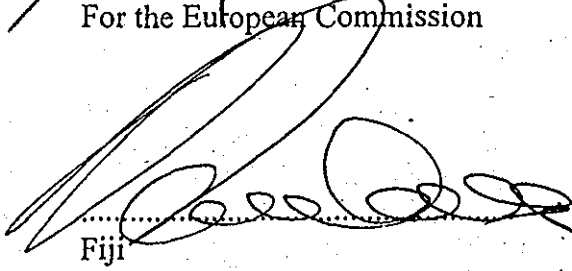
3.9 The agreement of the two parties on this Regional Indicative Programme, subject to the ratification and entry into force of the agreement amending the Lome IV Convention, shall be deemed to be definitive six weeks following the date of signing, unless either party communicate to the contrary before the end of this period.

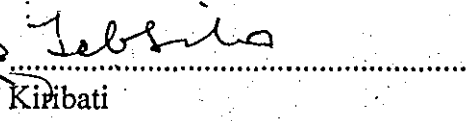
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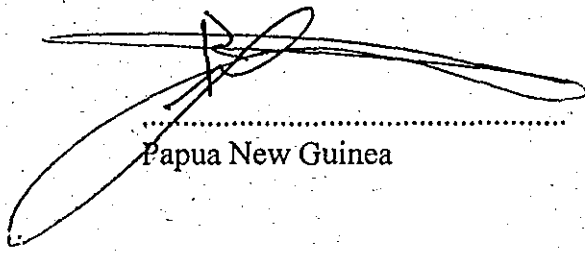
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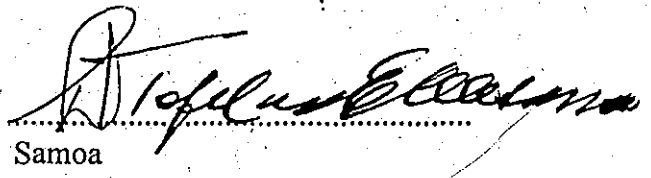
  
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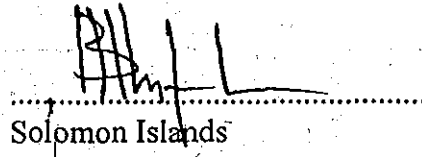
  
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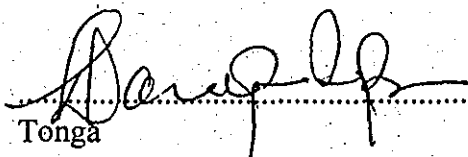
  
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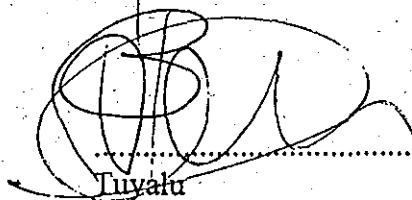
  
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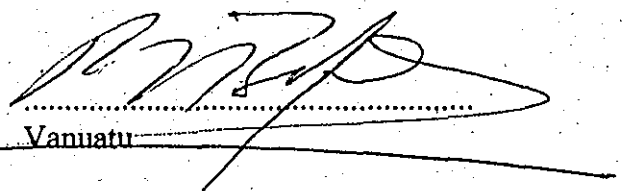
  
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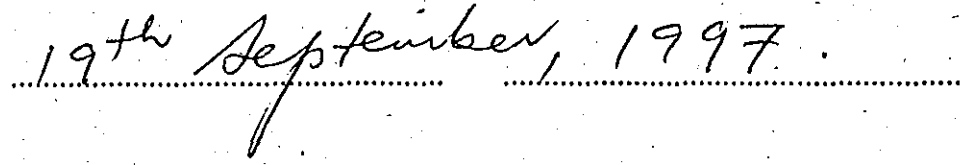
  
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**Commitments of the Countries of the Region and/or Mandated Regional Organisations**

|     |                                 | <u>OBJECTIVES TO BE PURSUED</u> | <u>MEASURES TO BE TAKEN</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | HUMAN RESOURCE DEVELOPMENT      |                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1.1 | HRD Strategies                  | 1.1.1                           | Review of medium term knowledge and skills requirements of the Pacific ACP States giving due consideration to the new economic, social and cultural milieu of globalisation and regional integration.                                                                                                                                                                                                                                                                       |
|     |                                 |                                 | Assist/facilitate review                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|     |                                 | 1.1.2                           | Development and implementation of long-term strategies and policy recommendations for HRD in the Pacific region focusing on:                                                                                                                                                                                                                                                                                                                                                |
|     |                                 | i/                              | common or harmonised standards in basic and secondary education at the national level in order to facilitate tertiary-level regional modalities and to enhance the transferability of human skills;                                                                                                                                                                                                                                                                         |
|     |                                 | ii/                             | programmes which seek to rationalise tertiary level education and training, and promote technical and vocational training and education in key social and economic sectors; and                                                                                                                                                                                                                                                                                             |
|     |                                 | iii/                            | establishment of effective policy frameworks and enhancement of policy skills in the area of telecommunications and information technologies                                                                                                                                                                                                                                                                                                                                |
|     |                                 | iv/                             | programmes which seek to prevent the loss of trained people from the region                                                                                                                                                                                                                                                                                                                                                                                                 |
|     |                                 |                                 | On the basis of the regional long term strategies and policies, implement or introduce policies for reviewing and reforming educational and training systems to match the future requirements of the region:<br>Develop and implement relevant long-term HRD strategies at the national level giving special consideration to access by disadvantaged groups (women and youth) and to delivery roles by NGOs the private sector<br>Undertake policy and resource commitment |
| 1.2 | Capacity/institutional building | 1.2.1                           | Development of a common approach for improving basic literacy and numeracy allowing intra regional recognition of national education standards                                                                                                                                                                                                                                                                                                                              |
|     |                                 | 1.2.1                           | (Related to or part of 1.1.2 above). Implement or introduce policies for reviewing and reforming basic education to better prepare students for future opportunities                                                                                                                                                                                                                                                                                                        |
|     |                                 | 1.2.2                           | Training directed at the needs of the economic sectors and industries (fisheries, agriculture, forestry, tourism, maritime/shipping industries and other selected key economic sectors).                                                                                                                                                                                                                                                                                    |
|     |                                 | 1.2.2                           | Design and implement policies for training in relevant sectors; establish or support regional training programs to address common needs and to exploit economies of scale.                                                                                                                                                                                                                                                                                                  |
|     |                                 | 1.2.3                           | In the sector of public health, improve planning, management and delivery of health services through infrastructural development and TA for regional training and reseach capacity                                                                                                                                                                                                                                                                                          |
|     |                                 | 1.2.3                           | As part of long-term HRD strategies (ref 1.1.2 above), develop and implement policies for public health training                                                                                                                                                                                                                                                                                                                                                            |
|     |                                 |                                 | Undertake policy and resource commitment to support regional programs for health worker training and research to take advantage of economies of scale.                                                                                                                                                                                                                                                                                                                      |



Participating Pacific ACP States agree that preference will be given to the Institution supported by the programme and that payment of study cost (fees, cost of living) for students are guaranteed

2 SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND ENVIRONMENTAL MANAGEMENT AND PROTECTION

2.1 Sustainable Natural Resource and 2.1.1 Environment Planning & Policy

Information/data (scientific, technical and commercial) collection particularly in fisheries, coastal and fresh water resources, forestry, agriculture, aquaculture, in order to better determine the optimum level and manner of harvesting or general use, and to better monitor status of resources

2.1.1 Development and implementation of harmonised national policies and regulations for resource development and environment management  
Design and implement policies for research and information gathering  
Allocate resources for regional or sub-regional research and information gathering activities and enhance their sustainability through cost-recovery measures

2.1.2 Development and implementation of common policies, rules and regulations in the areas under 2.1.1.

2.1.2 Development and implementation of national policies and regulations for resource development and environment management  
Undertake policy and resource commitment to pursue the common policy elements at regional or sub-regional levels and to facilitate collaboration through harmonising resource/environment policy measures.

2.1.3 Sustainable development and management of the natural heritage of the region through the development and implementation of common preservation and protection strategies and policies which incorporate environmental management, population and gender and other sustainability issues; the conservation and sustainable use of biodiversity; capabilities for integrated coastal zone management; improving capabilities for preventing pollution; enhancing the protection of freshwater and other vulnerable island habitats; increasing the capacity for natural disaster risk assessment and mitigation

2.1.3 As part of 2.1.1 above, develop and implement national policies and regulations in these areas.

Undertake policy and resource commitment to pursue the common policy elements at regional or sub-regional levels and to facilitate collaboration through the harmonisation of policy measures.

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2.2 Higher investment returns and 2.2.1  
income

Promoting greater ownership of and participation in investment and 2.2.1  
harvest or production by the member countries (particularly in  
fisheries) and communities (particularly by the disadvantaged ones  
including women and youth). An important measure for  
this is to promote awareness of resource values, rights and  
responsibilities and of the possibilities in participatory strategies which  
incorporate gender and the private sector. This could be facilitated at  
the regional level  
through research and advice as well as technical training on  
production/processing, financing, marketing and other sector/industry-  
specific needs; as well as through joint investment promotions and  
exchange of resources  
and ideas including on success stories and 'best practice'

In the context of 2.1.1 above, formulate and implement  
policies on resource and industry development to maximise  
returns and national/local participation and ownership.

Undertake policy and resource commitment to pursue the  
common policy elements at regional or sub-regional levels  
and to facilitate collaboration through harmonisation of  
policy measures.

2.2.2

Ensure the sustainability of resources (e.g. fisheries, forestry and 2.2.2  
coastal resources) through adequate monitoring and surveillance of  
their use and status.

Development and implementation of harmonised national  
policies codes and regulations for resource development  
and environment management and for monitoring and  
controlling the harvesting of relevant resources.

2.2.3

sustain programmes initiated under previous EDFs in the agricultural 2.2.3  
sector

assure smooth hand over and possible continuation of  
programmes after end of EDF support

### 3 ACTIVITIES OUTSIDE THE FOCAL AREAS

3.1 Trade and Investment and Support 3.1.1  
to Private Sector

The further development of trade and investment strategies and 3.1.1  
policies.

Undertake appropriate economic reforms to provide an  
appropriate policy environment in order to support  
liberalisation of trade and encourage investment. Invite the  
private sector to identify all issues affecting business  
competitiveness  
that can be addressed by Government policies

3.1.2

Advice on the improvement of export capacity and competitiveness of 3.1.2  
the productive sectors, particularly in the area of private sector  
involvement;  
assist Pacific ACP States to explore and develop opportunities to  
benefit from liberalisation and globalisation of trade; assist Pacific  
ACP States in particular to benefit from the rapid development of the  
Asia-Pacific Region;  
support efforts by the Melanesian Spearhead Group to liberalise trade  
amongst themselves

Develop and implement appropriate policies in the areas of  
investment and tariff policies and for increasing production  
possibilities.

Develop and implement joint programs to address those  
common elements of national policies which can be more  
cost-effectively pursued regionally or sub-regionally;

Develop national and regional policies for dealing with  
integration and support those regional and sub-regional  
initiatives which promote integration.

Allocate adequate resources for such activities and  
introducing or encouraging user-pay principles and  
instruments.

3.1.3

Support initiated actions aiming at management and preservation of the  
cultural heritage

Design harmonised national policies and allocate human  
and financial resources

TIMETABLE OF IMPLEMENTATION

Financial Forecasts (in MECU)

|                                              | 1997/2 | 1998/1 | 1998/2 | 1999/1 | 1999/2 | 2000/1 | 2000/2 | 2001/1 | 2001/2 | 2002/1 | 2002/2 |
|----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Primary Commitment Rate:</u>              |        |        |        |        |        |        |        |        |        |        |        |
| Sector 1 (HRD)                               |        | -      | -      | 4      | 16     | 16     | 16     | 16     | 16     | 16     | 16     |
| Sector 2 (Natural Resources and Environment) |        | -      | -      | -      | 6      | 12     | 12     | 12     | 12     | 12     | 12     |
| Other                                        |        | -      | -      | 3      | 5      | 7      | 7      | 7      | 7      | 7      | 7      |
| Total                                        |        | -      | -      | 7      | 27     | 35     | 35     | 35     | 35     | 35     | 35     |
| <u>Disbursement Rate:</u>                    |        |        |        |        |        |        |        |        |        |        |        |
| Sector 1                                     |        | -      | -      | -      | 2      | 3      | 6      | 7      | 13     | 15     | 16     |
| Sector 2                                     |        | -      | -      | -      | -      | 1      | 3      | 6      | 8      | 10     | 12     |
| Other                                        |        | -      | -      | -      | 1      | 2      | 3      | 4      | 5      | 6      | 7      |
| Total                                        |        | -      | -      | -      | 3      | 6      | 12     | 17     | 26     | 31     | 35     |
|                                              |        |        |        |        |        |        |        |        |        |        |        |