



PACIFIC ISLANDS FORUM SECRETARIAT



EUROPEAN UNION

**PACIFIC INTEGRATION TECHNICAL ASSISTANCE PROJECT
(PITAP)
ANNUAL REPORT
2012**

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ACRONYMS

AF	Action Fiche	PACPTMM	PACP Trade Ministers Meeting
AFT	Aid for Trade	PACPTOM	PACP Trade Officials Meeting
AWP	Annual Work Plan	PICs	Pacific Island Countries
CSO	Civil Society Organisation	PICTA	Pacific Island Countries Trade Agreement
CA	Contribution Agreement	PIFS	Pacific Islands Forum Secretariat
CROPs	Council of Regional Organisation of the Pacific	PIPSO	Pacific Islands Private Sector Organisation
DEG	Director Economic Governance	PITAP	Pacific Integration Technical Assistance Project
EDF	European Development Fund	PRTCBP	Pacific Regional Tourism Capacity Building Project
EGP	Economic Governance Programme	PT&I	Pacific Trade and Invest
EPA	Economic Partnership Agreement	PNG	Papua New Guinea
EU	European Union	PE	Programme Estimate
FSM	Federated States of Micronesia	PSC	Project Steering Committee
FA	Financing Agreement	RA	Research Assistant
FEMM	Forum Economic Ministers Meeting	RTSM	Regional Technical Support Mechanism
FICs	Forum Island Countries	RMI	Republic of Marshall Islands
FRSC	Forum Regional Security Council	ROM	Results Oriented Monitoring
GC	Grant Contract	SPC	Secretariat of the Pacific Community Strengthening Pacific Economic Integration Through Trade
IF	Identification Fiche	SPEITT	
IACT	Increasing Agriculture Commodity Trade	TA	Technical Assistance
JTWG-LICB	Joint Technical Working Group – Legal Institutional and Capacity Building	TCF	Technical Cooperation Facility
KRAs	Key Result Areas	TVET	Technical Vocational Educational Training
LDCs	Least Developed Countries	TMNP	Temporary Movement of Natural Persons
LOGFRAME	Logical Framework	TFCC	Trade Facilitation in Customs Cooperation
MAO	Market Access Offer	TIS	Trade In Services Negotiation
MTC	Micronesian Trade Committee	TPA	Trade Policy Adviser
MOU	Memorandum of Understanding	TPF	Trade Policy Framework
NGO	Non Government Organisation	TPO	Trade Policy Officer
NSA	Non State Actor	UNFCCCOP	United Nations Climate Change Convention Conference of Parties
NSALO	NSA Liaison Officer	WACC	Working Arm on Climate Change
OCO	Oceania Customs Organisation Secretariat	WTO	World Trade Organisation
PACER	Pacific Agreement on Closer Economic Relations		
PCFAF	Pacific Climate Financing Assessment Framework		
PP	Pacific Plan		
PRNGOs	Pacific Regional Non Government Organisations		
PACP	Pacific Africa Caribbean and the Pacific States		

1. INTRODUCTION

The Pacific Integration Technical Assistance Program (PITAP) is implemented by the Pacific Islands Forum Secretariat (PIFS) and is financed by the European Union (EU) under the 10th European Development Fund (EDF) with an overall budget of €8 million over four years (2011 – 2014). PITAP is a Project Component of the Strengthening Pacific Economic Integration through Trade (SPEITT) Programme.

The **Overall Objective** of the SPEITT programme is to increase regional economic integration and cooperation in Pacific-ACP countries. The project **purpose** is to improve economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access for Pacific Island products and services.

SPEITT commenced implementation in April 2011, after the signature of the Financing Agreement (FA) in March 2011. The SPEITT Programme has four components which are listed as follows:

- (i) Increasing Agriculture Commodity through Trade (IACT) implemented by the Secretariat of the Pacific Community (SPC);
- (ii) Pacific Integration Technical Assistance Project (PITAP) implemented by the PIFS;
- (iii) Pacific Regional Tourism Capacity Building Project (PRTCBP) implemented by the South Pacific Tourism Organisation (SPTO); and
- (iv) Trade Facilitation in Customs Cooperation (TFCC) implemented by the Oceania Customs Organisation (OCO) Secretariat.

The **Overall Objective** of PITAP project is to improve economic integration through strengthened national systems & institutional frameworks to develop trade capacity. The project **purpose** is to improve trade policy outcomes by building technical capabilities, increasing private sector engagement in trade policy processes and increasing exports and investment in the region. There are 4 Key Result Areas (KRAs) in the PITAP Project which are;

- (i) **KRA1:** Negotiation and implementation of specific regional and multilateral trade agreements
- (ii) **KRA2:** Improved trade policy frameworks developed and adopted by PACPS
- (iii) **KRA3:** Improved ability of the private sector to engage in the process of trade policy development and to access export opportunities from implemented trade agreements.
- (iv) **KRA4:** Improve coordination between PIFS & regional stakeholders & development partners, in particular in Aid for Trade (AFT) via the Pacific Aid for Trade Strategy & Cairns Compact and better reporting on performance towards meeting Pacific Plan (PP) targets.

2. PROJECT MANAGEMENT

PITAP Project is implemented by PIFS Economic Governance Programme (EGP). The Director of EGP is the overall Project Manager. Implementation of the seven key activities for the project is by various team members and in some cases implementing partners. This is clearly indicated in the Annual Work Plan in the column “responsible party”. Day to day administration, coordination and monitoring of the project is undertaken by the Aid for Trade Team with financial transactions and expenditure reporting carried out by the Project Accountant.

The Aid for Trade Team also coordinates the implementation of the overall SPEITT Programme. This includes monitoring and oversight of two project components through Grant Contracts (GC). This is the Trade Facilitation in Customs Cooperation (TFCC) implemented by Oceania Customs Organisation Secretariat and the second one is the Pacific Regional Tourism Capacity Building Project (PRTCBP) implemented by South Pacific Tourism Organisation. The third project component is being implemented by the Secretariat of the Pacific Community (SPC) through a Contribution Agreement (CA) between the EU and SPC. Part of PIFS project management of SPEITT is to facilitate a SPEITT Project Steering Committee (PSC) meeting annually with dedicated sessions for each of the components of the programme. The first PSC meeting was convened 6 November in Suva and the next meeting is scheduled for the 26 June 2013. A Summary of Discussions was circulated to all participants.

The administration of the EU/EDF and the RAO functions are additional tasks undertaken by the Aid for Trade Team. However, further support was provided by the Technical Assistant (TA) to RAO on a Framework Contract (160 days spread over a 24 month timeframe) funded out of the Technical Corporation Facility (TCF) from August 2012.

2.1 Project Team

There are 13 project team members employed by PITAP of which 9 of the staff are based at PIFS Headquarters Suva Fiji. These are as follows:

- 1) Trade Policy Adviser (Aid for Trade – [AfT]);
- 2) Trade Policy Officer (Aid for Trade – [AfT]);
- 3) Trade Policy Adviser (ACP/EU);
- 4) Trade Policy Officer (ACP/EU);
- 5) Trade Policy Officer (Small Island States –[SIS]);
- 6) Research Assistant (ACP/EU);
- 7) Project Accountant;
- 8) Climate Change Liaison Officer and
- 9) Non State Actors Liaison Officer.

A further 4 project team members are based in the Pacific Trade and Invest Offices (PT & I) and the office for the Delegation of the Pacific Islands Forum to the World Trade Organisation (WTO). These are as follows:

- 10) Deputy Representative and Export Promotions Manager (PT & I Beijing);
- 11) Trade Promotions Officer (PT & I Geneva);
- 12) Export Promotions Officer (PT & I Auckland) and
- 13) Trade Policy Officer (WTO-Geneva), Delegation of the Pacific Islands Forum to the WTO.

3. MONITORING OF PROJECT PROGRESS

3.1 Results Oriented Monitoring.

A Result Oriented Monitoring (ROM) for the PITAP Project was carried out in August 2012. Monitoring of PITAP as well as other SPEITT Programme project components were carried out based on the following criteria; relevance, efficiency, effectiveness, potential impact and sustainability. B grading was rated for all evaluation criterions for PITAP while a C Grading was given for potential sustainability.

With regard to the sustainability grading the ROM report acknowledged that the current funding only provides for concluding Trade Agreements plus limited support for implementing agencies (PACP Governments) to continue with existing Aid for Trade activities. For many of the Pacific regional and national institutions, it is a challenge to achieve financial sustainability after the end of PITAP without additional financial support from the donor community. This acknowledgement in the ROM report was then taken into the key observations and recommendations for further funding of PITAP to “Supplement the current financial allocation for PITAP to deliver improved results and capitalise on the project's good performance”. At the end of 2012 discussions were under way for a “top up” to the SPEITT programme to include additional funds for PITAP.

3.2 Reporting against 2012 Work plan - Narrative Report

This annual progress report is based on the 2012 Work plan. The following table provides the activities that were planned to be undertaken in 2012 per KRA and the respective Activities, while the second column reports the progress during the year against these activities.

KEY RESULT AREA 1: Negotiation & implementation of specific regional & multilateral Trade Agreements.		
ACTIVITY 1: Promote regional trade integration by finalising and fully implementing Pacific Islands Closer Trade Agreement (PICTA). Objectively Verifiable Indicators: At least 5 countries trade in both goods and services under PICTA by 2014. Source of Information: Country announcements of readiness to trade		
	2012 Work plan Activities	Annual Report against activities
1.1	There are no long term positions funded under this activity. Only short term consultancy position will be funded to support implementation of very technical areas on PICTA.	There is no funding for long term position. Funding is only made available for Short Term Technical
1.2	Convening the 7 th Round of PICTA Trade in Services Negotiations held in February.	Consultants Patrick Macrory and Sherry Stephenson were engaged to support PICTA Trade in Services (TIS) Negotiations. The Consultants’ consortium of VituLink & ECORM International Ltd was engaged to undertake

		the PICTA TIS Social Impact Assessment.
1.3	Providing necessary technical support to the Countries in implementing PICTA and finalising their PICTA TIS offers	7 th Round of PICTA TIS Negotiations was held in Nadi, Fiji in February 2012, to progress discussions of the PICTA TIS Protocol, as well as the submission and exchange of services sector market access offers by all 14 FICs.
1.4	Overseeing a Social Impact Assessment of the liberalisation of PICTA TIS which was finalised in April 2012	Technical support was provided to the Countries by the PIFS, complemented by the above named consultants in implementing PICTA and finalisation of PICTA TIS offers.
1.5	An agreed draft for the PICTA TMNP Scheme	Overall 9 Leaders signed the final PICTA TIS Protocol in 2012 after the Protocol was opened for signature at the PACP Leaders meeting on 28 August 2012.
1.6	A possible 8 th round of negotiations, contingent on the directive from Leaders with respect to finalising PICTA TIS arrangements.	The Social Impact Assessment was successfully undertaken by VituLink & ECORM International Ltd. The final report was conveyed to the Countries which facilitated the finalisation of PICTA TIS offers.
1.7	Additional PICTA support to FICs including facilitating national consultations and technical assistance.	Countries agreed at the Sixth Round of PICTA TIS negotiations in August 2011, that in order to facilitate the conclusion of the PICTA TIS negotiations, it would be necessary to carve-out the negotiations of the PICTA Temporary Movement of Natural Persons (TMNP) scheme which would be pursued separately from the PICTA TIS negotiations. Consequently, a separate text on the PICTA TMNP scheme has been developed for consideration once the PICTA TIS negotiations are completed. Further, the Labour Market Assessments (LMA) to assist individual FICs determine their engagement in the PICTA TMNP scheme commenced in November 2011 and continued throughout 2012.
1.8	Commence process of drafting a comprehensive PICTA.	PICTA TIS negotiations were finalised at the 7th Round of PICTA TIS Negotiations so an 8 th round of PICTA TIS negotiations is unnecessary. The Secretariat continues providing support to FIC, and responds to specific issues on request. The process of drafting a comprehensive PICTA will depend on the directive from Members including Leaders.

KEY RESULT AREA 1: Negotiation & implementation of specific regional & multilateral Trade Agreements.		
ACTIVITY 2: Promote global trade integration by finalising and fully implementing Economic Partnerships Agreement (EPA)		
Objectively Verifiable Indicators: At least 5 countries announce readiness to trade under the EPA by 2014.		
Source of Information: EPA Agreement, country announcements of readiness to trade.		
	2012 Work plan Activities	Annual Report against activities
2.1	<p>Technical assistance: 3 long-term positions are funded under Activity 2, comprising a Trade Adviser, a Trade Officer and a Research Assistant to support the EPA negotiations.</p>	<p>The Research Assistant (ACP-EU) was recruited in July 2012 to assist EPA Adviser and Officer on the negotiations. The Research Assistant (RA) is responsible for preparing research papers, assisting in collecting and analysing data, maintaining the EPA database, upgrading the EPA website and providing administrative support to EPA-related meetings.</p>
2.2	<p>There are 9 EPA-related meetings to be undertaken in 2012 during these meetings Short Term TA will be recruited through short consultancies as required. Meetings tentatively scheduled are as follows:</p> <ul style="list-style-type: none"> i. Market Access Offers Workshop – August ii. Technical Working Group Meetings on Fisheries (TWG- FISH) – August iii. Legal, Institutional & Capacity Building (TWG-LICB) – August iv. PACP Trade Officials Meeting – August v. PACP Trade Ministers Meeting – August vi. PACP Trade Officials Meeting - October vii. Joint PACP-EU Technical Working Group (JTWG) Meeting - October viii. PACP Trade Officials Meeting – December. ix. PACP Trade Ministers Meeting – December 	<p>There were 10 EPA-related meetings convened in 2012, with two meetings with the EC.</p> <p>The EPA meetings convened were:</p> <ul style="list-style-type: none"> (i) PACPTOM 7-29 February Nadi (i) TWG on Fisheries 6-7 August Nadi (ii) MAO workshop 8 August Nadi (iii) TWG LICB 9-11 August Nadi (iv) PACPTOM 13-15 August Tonga (v) PACPTMM 16-17 August Tonga (vi) PACP Officials Preparatory meeting 27-28 September Brussels (vii) PACP-EU JTWG 1-5 October Brussels (viii) PACP Officials Preparatory Meeting 4- 9 December Brussels (ix) Joint TWG on fisheries 5-12 December Brussels <p>The purpose of the PACP EPA meetings was to prepare for the formal negotiating session with the EC, i.e., PACP-EU JTWG meeting on 1-5 October. This was the first negotiating session with the EU since September 2009.</p> <p>Much progress was made in re-starting and progressing the negotiations in 2012. At that JTWG, both sides agreed that more technical meetings were to be convened to resolve key issues such as fisheries to</p>

		<p>progress the EPA. A joint PACP-EU TWG meeting was convened in December (instead of a PACPTOM/PACPTMM). An outcome of that meeting was for both sides to meet for a TWG meeting on fisheries in Nadi, Fiji in early 2013.</p> <p>Short term consultancies were commissioned in 2012. These included hiring of an expert to assist PACPS to finalise their draft market access offers. As a result, 12 PACPS (excluding Fiji and PNG) submitted revised draft market access offers to the EC in September 2012. A project on developing a consolidated AfT Matrix was also commissioned by the Secretariat. The matrix will be a key component of the Development Cooperation Chapter of the draft EPA text.</p> <p>A global sourcing video on fisheries rules of origin was also commissioned as part of the PACP lobbying and communication strategy on fisheries.</p> <p>The Secretariat also assisted Fiji in their national consultations on the EPA and on cumulation.</p> <p>Negotiations are now in the final stage. PACPS have submitted all the necessary technical work and await formal written responses from the EC.</p>
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KEY RESULT AREA 1: Negotiation & implementation of specific regional & multilateral Trade Agreements.

ACTIVITY 3: Promote global trade integration by increasing PACP country participation in the World Trade Organisation (WTO).

Objectively Verifiable Indicators: At least 6 PACPS are WTO member countries by 2014. All PACPS participate in at least one WTO workshop or training activity each year to 2014.

Source of Information: WTO reporting on membership and participation.

	2012 Work plan Activities	Annual Report against activities
3.1	Long-term Technical Assistance: 1 Long Term position of a Trade Policy Officer – WTO is funded to support WTO engagement. The Trade Policy Officer will undertake the following activities.	The Trade Policy Officer (TPO) joined the PIFS-Geneva Office in January 2012 and boosted the Office’s capacity to support the integration of Pacific Island Countries into the multilateral trading system.
3.2	Attend WTO Regular Meetings/workshops on Agriculture, Sanitary and Phytosanitary (SPS), Services, Non-Agriculture Market Access, Technical Barrier to Trade, Trade-related aspects of Intellectual Property Rights, Trade	Pacific interests were advanced in the WTO. PACP WTO Members were informed about their outstanding obligations and commitments that were highlighted in these different meetings. In some cases, Members responded immediately in implementing their WTO

	and Environment, including the first and second WTO General Council Meetings.	obligations, especially those not requiring policy, legislative and regulatory changes.
3.3	Attend and participate in the ACP-Geneva Office led meetings, workshops for WTO LDC and SVEs Group Meetings. Most of the meeting/workshops to date have been facilitated by the ACP– Geneva Office.	The TPO raised issues of relevant to the PACP Members and Pacific region in the Workshops and Meetings, as appropriate. Secondly, the TPO provided WTO Briefs to the PACP Members in the ACP Senior Trade Officials, ACP Trade Ministerial Meetings, and other meetings that were held in Brussels, Belgium.
3.4	Prepare and disseminate appropriate briefs, circulars and reports to FICWTO members and PACPs (non WTO members) on the outcomes of meetings and workshops.	Both PACP WTO Members and non-WTO Members received Circulars and Briefs from the PIFS-Geneva Office. In total, 35 formal circulars on WTO-related issues were disseminated, in addition to information circulated through informal channels. Many Pacific officials acknowledged the assistance provided by the PIFS-Geneva Office.
3.5	Provide individual country and technical briefs on issues to FICs upon request. For example, for Solomon Islands Mission on fisheries issues. Note: Solomon Islands are the LDCs Focal Point on Fisheries. The TPO also necessarily collaborates with other international organizations in Geneva eg South-South Centre to gauge their views on technical topics or issues that the Geneva Office is working on.	The Trade Officer responded to Members on an individual basis providing technical updates on the Doha Negotiation issues. The TPO worked closely with the Solomon Islands Permanent Mission on fisheries issues. Fisheries Subsidies under Rules Negotiations was dropped in the current negotiations (2012-2013).
3.6	Collaborate with the technical advisors from the ACP Secretariat, Commonwealth Secretariat and other Geneva-based international organisations and development agencies.	The Trade Officer established good working relationships with other International Organizations (IO) at the individual level, on general WTO Issues, and their activities serving to benefit PACP Members. In total, the PIFS-Geneva Office conducted 13 networking events in 2012 and received 35 delegations of visitors.
		<p>Highlights</p> <p>2012 was an important year for the Pacific as it saw two new Pacific members Samoa and Vanuatu join the WTO after long accession negotiations.</p> <p>The Memorandum of Understanding between PIFS and WTO to provide technical assistance and training to PACP WTO Members was renewed and strengthened.</p>

	<p>The WTO Director General visited Samoa and Vanuatu, This was the first time a WTO Director General has visited the Pacific region. This visit followed strong engagement with the WTO Secretariat.</p> <p>In 2012, the PIFS-Geneva Office assisted in excess of 25 Pacific trade officials' participation in WTO training programmes, including the twice-yearly Geneva Week.</p> <p>Two officials, from Samoa and Fiji completed six-month WTO-funded internship programmes within the PIFS-Geneva Office. Over the course of the year, 46 other Pacific trade officials also visited the office.</p>
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KEY RESULT AREA 2: Improved trade policy frameworks developed and adopted by PACPs.

ACTIVITY 4: Implement trade policy frameworks throughout the region and mainstream trade into national development strategies.

Objectively Verifiable Indicators: At least 8 country trade policy frameworks in place and comprehensively reviewed at least once by 2014, At least 4 countries have mainstreamed trade into national development plans.

Source of Information: National development plans, national trade policy documents.

	2012 Work plan Activities	Annual Report against activities
4.1	Long-term technical assistance: 1 long-term position of a Trade Policy Officer- Small Island States is funded to support this activity.	The Trade Policy Officer-SIS is currently working to support the implementation of the Trade Policy Framework.
4.2	Finalise Niue and Palau's TPF (by end of 2012).	The draft Niue TPF was presented to the National Trade Facilitation Committee in October 2012 and to the Acting Premier. Unless there are any further technical challenges, it should be finalised before the end of 2013. Significant work is still required in order to assist Palau to progress its work on its TPF.
4.3	Continue work on Fiji's Trade Policy Framework (from Aug onwards).	Work is still continuing and is expected to be finalised by end of 2013.
4.4	Commence work on Tuvalu's Trade Policy Framework (Aug). The following additional sub-activities that will be undertaken concurrently with Trade Policy	Work on sourcing technical advice of third party for the development of Tuvalu's Trade Policy Framework commenced. It is expected that by end of 2013, the Tuvalu Trade Policy Framework should be finalised.

	Formulation include the following points (4.5 & 4.6)	
4.5	Development of a 3 year work plan, including work to be undertaken by the Hub and Spokes project.	Work plan on Trade Policy Frameworks completed. This incorporates support work undertaken by the Hub and Spokes project.
4.6	Strengthened engagement with Small Island States; Short term capacity building in key countries:	<p>Progress updates on the development of Trade Policy Frameworks for SIS are as follows:</p> <ul style="list-style-type: none"> • The Republic of Marshall Islands (RMI) Trade Policy was finalised in May and endorsed by Cabinet in June 2012. • N.B. The Federated States of Micronesia (FSM) was completed in Jan 2011 and already reported on. • Vanuatu's Trade Policy Framework was endorsed at the Validation Workshop in April 2012 and endorsed by the National Trade and Development Committee in June 2012 and launched by the Prime Minister on 20 July. • The Trade Policy Framework for Nauru was finalised in 2011 and submitted to Cabinet for endorsement. Minor revisions were made in 2012 and the TPF was submitted to the Government of Nauru. Assistance may be required to finalise the work for Nauru. The budget should be flexible to allow travel to brief the parliament, outreach programmes, launching of the TPF, and printing of the TPF in the case for Nauru. It is anticipated that the TPF will be endorsed by Cabinet in 2013
4.6.1	Particularly Kiribati and Nauru to support spokes person roles in regional negotiations.	Support provided for capacity building of Kiribati and Nauru Officials in regional negotiations.
4.6.2	Committee (MTC); meeting to consult with the US on the MTC in Oct/Nov.	Meeting was postponed due to lack of funds and final text for EPA was not ready.
		<p>Challenges include:</p> <p>Most Pacific Island countries participate in trade negotiations without a comprehensive Trade Policy Framework to assist them identify offensive and defensive trade needs and to guide them in the negotiations.</p> <p>Formulation of a Trade Policy Framework is more effective if there is a Trade Adviser based at the</p>

		<p>national level. Currently, many countries don't have any.</p> <p>The need to establish and/or strengthen National Trade Facilitation Committees to ensure that all the stakeholders, including the private sector and other non-state actors are involved in formulating Trade Policy Frameworks.</p> <p>Adequate resources as indicated in the draft budget are needed to assist all the countries to formulate Trade Policy Frameworks and to assist them to implement the TPFs.</p> <p>Resources are also needed to support the MTC including consultations with the US, to enable them to participate in the EPA.</p>
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KEY RESULT AREA 3: Improved ability of the private sector to engage in the process of trade policy development and to access export opportunities from implemented trade agreements.

ACTIVITY 5: Increase private sector participation in the development of national trade policy frameworks and trade negotiations.
 Objectively Verifiable Indicators: Annual private sector trade policy development fora are run by PIPSO, private sector attendance at trade policy development fora increases by 25% by 2014.
 Source of Information: PIPSO records of meetings and attendance lists.

	2012 Work plan Activities	Annual Report against activities
5.1	Provide support to PIPSO to enable them to carry out activities to engage with governments to develop trade policy.	During the reporting period, PIPSO received support in the form of four DELL laptops with up to date Operating Software. In addition, office rent for 2012 was paid directly to the landlord.
5.2	Undertake core programmes relating to increasing women's participation in the development of trade policy and support for trade policy discussion and information sharing at the PIPSO annual meeting and related events.	Activities delivered during this reporting period included the successful coordination of the Trade Pasifika 2012; participation at the NSA PACER+ Dialogue; and Observer status at PACP trade meetings of officials and ministers.

KEY RESULT AREA 3: Improved ability of the private sector to engage in the process of trade policy development and to access export opportunities from implemented trade agreements.

ACTIVITY 6: Increase the number of exporters operating under new trade frameworks and develop greater capacity to promote trade and investment in PACPS.
 Objectively Verifiable Indicators: 10% increase in value of exports and 10% increase in the number of exporters facilitated by the Pacific Islands Trade and Investment Commissions in key sectors opened under negotiated agreements (from 2010 baseline),

At least four PACPS nationals receive long-term training and capacity development to promote Pacific trade and investment in foreign markets

Source of Information: Pacific Islands Trade and Investment Commission reporting data.

	2012 Work plan Activities	Annual Report against activities
6.1	Long term technical assistance: 4 long term positions are funded under this activity. Export Promotion Officer for the Pacific Islands Trade & Invest, Auckland; Deputy Trade Representative and Export Promotion Manager Pacific Trade & Invest, Beijing Office; And positions in Geneva: and Trade Promotion , Pacific Trade & Invest, Geneva.	The four positions funded under this activity were fully operational in 2012. The Export Promotion Officer in Auckland took up his position in January; the Trade Promotion Officer located in Geneva took up her position in 2011, while the Deputy Trade Representative took up her position in Beijing in August. The collective activities and initiatives undertaken by these staff during the reporting period resulted in the delivery of this key result area.
6.2	Promotion of Pacific Island exports through the placement of staff in Beijing and Auckland Offices.	A range of trade promotion services, business networking opportunities and technical expertise were delivered by staff in these offices to meet client needs. The services included branding, standards and compliance, customs and quarantine requirements and product development. Exportable products from PACP countries received high reviews in Fine Food Fair, Australia 2012 and in FOODEX Japan.
6.3	Commencement of initial work toward increasing trade in niche Pacific products in Europe by Trade Representative in Geneva.	The Trade Promotion Officer was able to collaborate with PACP public and private sector and with multilateral agencies in Geneva and in Brussels to build on existing networks. PNG Palm Oil is the largest export product to the EU. Results of research by the Trade Promotion Officer indicate potential for other commodities such as coffee, cocoa, coconut products, essential oils, aromatics/spices and flavours, certified timbers, seafood and floriculture although a greater differentiation of these products is needed to attain entry in to the EU. Efforts were made to explore potential for granulated coconut sugar, coconut blossom sugar, aseptic coconut water, coconut flour and tapioca/manioc flour from PACPs.

KEY RESULT AREA 4: Improve coordination between PIFS & regional stakeholders & development partners to increase Aid for Trade and better reporting on performance towards meeting the Cairns compact and Pacific Plan targets through strengthening of PIFS institutional capacity.

ACTIVITY 7a: Provide support for regional coordinating mechanisms, particularly the Pacific Aid for Trade Strategy and the Cairns Compact.

Objectively Verifiable Indicators: Pacific Aid for Trade Strategy is implemented and an increase of 40% in funding for regional Aid for Trade programs against the 2010 baseline.

CROP agencies are well coordinated and work is harmonized.

Source of Information: Reporting and stock take data from Aid for Trade Roundtable Meetings, WTO reporting by development partners.

Minutes from CROP coordination meetings.

	2012 Work plan Activities	Annual Report against activities
7.1	Long Term Technical Assistance: 3 long term positions are funded under this activity. Aid-for-Trade Adviser and Aid-for-Trade Officer; Project Accountant.	The Aid for Trade team was fully recruited in 2012 which has enabled them to work in a coordinated effort towards delivering on this key result area. The Trade Policy Officer (Aid for Trade) took up his position in January; Project Accountant in February and the Trade Policy Adviser (Aid for Trade) in May.
7.2	Continuous project management of Aid for Trade Projects – (i.e. SPEITT -PITAP; TFCC; PRTCBP & IACT).	<p>The Aid for Trade team was able to provide continuous management support, monitoring and oversight to the overall SPEITT programme. This included inter-alia:</p> <ul style="list-style-type: none"> • The SPEITT Programme Steering Committee (PSC) was also facilitated, by the Aid for Trade Team. The meeting was held on the 6 November 2012 at the Forum Secretariat Headquarters, Suva. Project Managers from the three components (IACT, PRTCBP and TFCC) including other key stakeholders attended the meeting. The Summary of Discussion of the meeting was distributed to all participants including the EU. • Raising awareness of the 1% communications and visibility section was carried out by the Aid for Trade Team for the SPEITT Programme. A visibility and communication workshop was undertaken on the 19 September 2012, where all SPEITT Components Project Managers and communication officers and representative of the EU Delegation attended. The importance of communication and visibility was discussed and each component's communication and visibility strategy as well as for the SPEITT Programme were developed. A pull up banner with EU logo for PITAP project was also developed to be used for visibility of PITAP and the SPEITT programme. The banner was placed in the 11th EDF Programming and Consultation Meeting, SPEITT Steering Committee Meeting and at the 4th Pacific Aid for Trade Meeting held in Samoa on the 2 December 2012. It will be used at further workshops and meetings for visibility.

7.3	Management of the 4 th Pacific Aid for Trade Roundtable Meeting.	The 4 th Aid for Trade roundtable meeting was held 1 December in Samoa with Senior Officials from 14 PACP countries along with key development partners and technical implementing partners. This gave an opportunity for these key stakeholders to discuss and strategically address specific Aid for Trade issues of interest to the Pacific region through regional activities and arrangements.
7.4	Progress Pacific Aid for Trade Strategy.	The Pacific Aid for Trade Strategy was presented and discussed at key meetings throughout the year e.g PACP Trade Officials and Ministers; Forum Leaders; PACP Ministers (inaugural meeting) and Aid for Trade Roundtable Meeting. Each presentation highlighted progress to date on the process of revising and timelines to finalise the Strategy. Valuable input was received from participants at each meeting towards the revised strategy. The roadmap presented and approved by PACP Trade Ministers outlined the consultation process for the revised strategy with the final draft to be presented to PACP Trade Ministers at their meeting in August 2013.
7.5	Progress work to finalise the Memorandum Of Understanding (MOU) establishing the Pacific Regional Trade and Development Facility (PRTDF).	Continuous work on finalising the text for the MOU was done throughout the year at a number of key meetings and via emails with PACP Trade Officials and Ministers. The MOU and an update on establishing the PRTDF was shared with key stakeholders at the 4 th Aid for Trade Roundtable Meeting on possible structure and options to progress the setting up of the PRTDF. The meeting requested for Development Partners and technical agencies to provide substantive comments on how the MOU could be operationalised by February 2013.
7.6	Provide support to countries e.g. Assist countries design Aid for Trade project proposals and resource mobilisation.	Support was provided to countries with assistance from Commonwealth Secretariat for a workshop to the Northern Pacific. This was a “Sensitisation and Capacity Building Workshop on Regional Trade Agreements and Aid for Trade Project Proposals’ Formulation” held from 4-12 June 2012 in Federated States of Micronesia. The purpose of the proposed Sub regional Workshop was to sensitise the

		Parliamentarians, Officials and Private Sector Representatives of the Member States of the Micronesian Trade Committee (Federated States of Micronesia (FSM), Republic of Palau (Palau), and Republic of the Marshall Islands (RMI)) on ongoing trade negotiations involving their respective countries; and build and strengthen their capacity of in AfT project proposals' formulation, translate priority activities identified in their respective Trade Policy Framework, into ready fundable projects for submission to Congress, State Legislatures, bilateral partners and other relevant multilateral donors.
7.7	Project Management of 9 th and 10 th EDF projects till TA to RAO commences contract (August 2012).	<p>The AFT team continued with the administration and coordination of the 9 and 10th EDF Projects. Some of the major activities undertaken in 2012 included the following:</p> <ol style="list-style-type: none"> a. Management of the 10th EDF Technical Cooperation Facility (TCF) Programme Estimate (PE); b. Coordination of ROM Mission in particular SPEITT Programme which was undertaken in August 2012; c. Facilitated and coordinated together with EU Delegation, the initial consultation of the 11th EDF Programming in October 2012; d. Prepared payment orders for pre-financing for various projects; e. Prepared papers on EDF project updates for PACP Leaders Meeting; f. Facilitated and commented on PITAP audit report g. Facilitated and drafted various addendums for projects; h. Provided responses to various correspondences relating to the EU/EDF projects; i. Attended PSC Meetings representing the RAO; j. Prepared service contracts for short term consultants engaged under the TCF PE etc; and k. Provide management supervision on the TA to RAO Consultant.
ACTIVITY 7b: Forum Support: Provide support to two key areas of regional engagement i.e. 1). Issues relating to climate change adaptation, mitigation and financing, within the context of the Joint European Union - Pacific Initiative on Climate Change. 2). Increasing Forum engagement and liaison with Non-State Actors.		
	2012 Work plan Activities	Annual Report against activities

7.8	Long Term Technical Assistance: 2 Long term positions are funded under this activity. Climate Change Coordination Officer and a Non-State Actor (NSA) Liaison Officer.	The position of NSA Liaison Officer was filled in September 2011 and Climate Change Coordination Officer was recruited in February 2012.
7.9	Climate Change Coordination Officer will provide coordination support to strengthen the Forum Secretariat's engagement and collaboration with the Council of Regional Organisations in the Pacific (CROP), Forum Member countries, development partners and relevant stakeholders, particularly in the area of climate change financing as mandated by Forum Leaders.	<p>(i) Effective coordination amongst CROP agencies, Forum Member Countries and the EU to launch the EU-Pacific Plan of Action on Climate Change 2012-14 in June 2012 in Auckland.</p> <p>(ii) Coordinated amongst CROP agencies and member countries to collectively add input into an Identification Fiche and Action Fiche submitted to the EU for 35.5 million euro for climate change adaptation, renewable energy and TVET.</p> <p>(iii) Engaged in the first EU-Pacific Regional Consultations on the EDF 11 Programming.</p> <p>(iv) Booklet of Pacific experiences on modalities relevant for climate change financing compiled and disseminated at relevant high level meetings including the FEMM, Leaders Meeting and other fora.</p> <p>(v) Developed a flyer on conceptualizing what the Regional Technical Support Mechanism (RTSM) may look like.</p> <p>(vi) Developed and maintained a good professional relationship, engagement and networking with climate change contacts in CROP agencies, development agencies and Forum Member Countries.</p> <p>(vii) Supported a series of CROP CEO Sub-Committee on Climate Change (CES-CCC) & CROP Officials Working Arm on Climate Change (WACC) Meetings over 2012.</p> <p>(viii) Active representation of PIFS interests and mandate on climate change financing in a number of regional and international climate change meetings in Fiji, Samoa, New Zealand, Thailand, Burkina Faso, Nauru and the UNFCCC COP 18 in Doha.</p>

		<p>(ix) Ongoing technical assistance and support provided to Forum Member Countries on climate change financing matters during UNFCCC negotiations and preparatory meetings.</p> <p>(x) Active engagement in the Nauru Climate Change Financing case study and development of the Pacific Climate Financing Assessment Framework (PCFAF).</p>
7.10	<p>Non State Actor Liaison Office will play a key role in strengthening engagement between the Forum Secretariat and the non state actor sector.</p>	<p>NSA LO has established strong working relationships with the Pacific Regional NGO Alliance (PRNGO) and Pacific Islands Private Sector Organization (PIPSO) in their capacities as focal points for regional civil society and private sector respectively. The PRNGOs are made up of regional NGOs mostly based here in Suva and are secretariat type organizations that service networks of national NGOs. PIPSO, although established by the Forum also services a network of national private sector organizations.</p> <p>NSA LO has facilitated engagements between NSAs and other programmes across the Secretariat as well as provided support to the regional NSA dialogues or consultations hosted by PIFS including the Peace, Conflict and Security CSO Dialogue, PACER Plus NSA Dialogue, PIC Partners meeting etc. NSA LO is also working with programmes across the Secretariat on the inclusion of NSAs at key policy meetings like PPAC and FRSC. NSA LO has also consulted NSAs during the identification and formulation stages of the EDF 10 funding available to the non focal area.</p>
7.11	<p>Development of an identification fiche for a €4 million, 4 year programme to strengthen the capacity of the Forum Secretariat and non state actors to engage on regional policy.</p>	<p>The Identification Fiche (IF) for the non focal area under EDF 10 was submitted successfully to Brussels after which PIFS was invited to submit a detailed Action Fiche (AF) for the final stage of approvals which is due early 2013.</p>

4. EXPENDITURE ANALYSIS

A summary of the 2012 Budget and expenditure report is also provided in this section of the report. Below is the table which provides the expenditure analysis according to each activity budget. The total budget for the 2012 Work Plan is **€2,798,066**. A pre-financing amount of **€1,562,384** was paid by EU Delegation in October 2012.

There were no over spends in 2012, the under spend budgets will be fully expended by the second quarter of 2013. Total audited expenses for 2012 is **€2,028,130** which represents **72.5%** of the overall Work Plan Budget of 2012. The Audit Report is attached as **Annex 1**.

		Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	Activity 7	Total Expenditure	Total Budget as per annual work plan	(Over)/Under spend
1	Short and Medium Term Technical Assistance	37,565	90,775	1,454	14,379	27,238	19,220	614	191,245	283,575	92,329
2	Long-term Technical Assistance	631	139,215	139,677	43,539	-	319,038	251,096	893,196	1,020,465	127,269
3	Travel	42,420	622,343	-	19,758	11,836	45,830	12,215	754,403	1,143,619	389,215
4	Equipment, Training & Operations	1,541	8,823	4,489	1,473	171	29,268	10,544	56,308	144,684	88,376
5	Visibility	-	2,095	-	-	-	177	125	2,397	23,327	20,930
6	Total Direct Costs	82,157	863,251	145,620	79,149	39,246	413,533	274,595	1,897,550	2,615,669	718,118
7	Indirect Costs 7 %	6,644	59,159	9,980	5,331	2,725	28,788	17,952	130,580	182,397	51,818
	TOTAL	88,801	922,410	155,600	84,480	41,971	442,320	292,547	2,028,130	2,798,066	769,936

5. CONCLUSION

The PITAP project is progressing well against its expected results for each KRA since its commencement in April 2011. 2012 saw the recruitment of additional team members which has contributed to the delivery of more planned activities as compared to 2011 where only 51% of the budget for 2011 was spent by 31 December 2011. Whereas 2012 had a delivery rate of 72.5% spend of the planned budget, this is also reflected in the progress for each activity as reported in section 3.2.

PITAP Audit Report