

ADDENDUM NO 02 TO PITAP CONTRIBUTION AGREEMENT 2011/264-351

**EUROPEAN UNION CONTRIBUTION AGREEMENT
WITH AN INTERNATIONAL ORGANISATION**

*2011/264-351
(The "Agreement")*

The European Union, represented by the Commission of the European Union, ("the Contracting Authority")

of the one part,

and

the Pacific Islands Forum Secretariat (PIFS) with its Head office at *Suva, Fiji Islands* ("the Organisation")

of the other part,

have agreed as follows:

The following provisions of this Agreement are a contribution by the Contracting Authority for the implementation of the action entitled: *Pacific Integration Technical Assistance Program (PITAP)* ("the Action") as described in Annex I of this agreement, with the identification no 2011/264-351 concluded between the European Union and the Pacific Islands Forum Secretariat (PIFS), on the 06th April 2011 (the "Contract")

Articles and Annexes are hereby replaced as follows:

Article 2 – Entry into force, Implementation Period and Execution Period

2(3) The implementation period of this Agreement, as laid down in the Description of the action in Annex I, is 72 months (the "Implementation Period").

Article 3 - Financing the Action

3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 13.9 million, as set out in the revised budget for the Action in Annex III.

3(2) The Contracting Authority undertakes to finance¹ a maximum of EUR 13.9 million, equivalent to 100 % of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Articles 14 and 17 of the General Conditions applicable to EU contribution agreements with international organisations.

¹ Where the contribution is financed out of the European Development Fund, mentions of European Union financing must be read as referring to European Development Fund financing.

Article 4 - Narrative and financial reporting and payment arrangements

4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15(1), the following will apply:

<i>Pre-financing</i> <i>(paid on 26/05/2011)</i>	<i>€2,525,949</i>
<i>Forecast instalments of 2nd pre-financing</i> <i>(paid on 25/10/2012)</i>	<i>€1,562,384</i>
<i>Forecast instalments of 3rd pre-financing</i> <i>(paid on 27/06/2013)</i>	<i>€2,814,437.50</i>
<i>Forecast instalments of 4th pre-financing</i>	<i>€3,469,818</i>
<i>Forecast instalments of 5th pre-financing</i>	<i>€3,085,781</i>
<i>Forecast final payment</i>	<i>€441,630.50</i>
Total	€13,900,000

All other terms and conditions of the Contract remain unchanged. This addendum shall form an integral part of the Contract and it shall enter into force on the later date of signature by the Parties.


Done in English in two originals, one original being for the Contracting Authority, and one original being for the European Commission.


The following documents are annexed to this Addendum:

Annex I: Description of the Action

Annex II: Revised budget for the Action:

- Table 1 Revised total budget for PITAP
- Table 2 Revised PIFS budget component for PITAP
- Table 3 MSG budget component for PITAP
- Table 4 OCTA budget component for PITAP

For Pacific Islands Forum Secretariat
TUILOMIA NERONI SLADE
 Name: *NERONI SLADE*
 Title: *SECRETARY GENERAL*
 Signature: 
 Date: *18 December 2013*

For the European Union Delegation
 Name: *Renato MELE*
 Title: *Head of Cooperation*
 Signature: 
 Date: *22/12/2013*

ANNEX I DESCRIPTION OF THE ACTION

Background

This Description of the Action builds on to the Description of the Action in the original Pacific integrated technical assistance project (PITAP) Contribution Agreement (CA) no 2011/264-351. These actions are in relation to the additional funds received to PITAP under the addendum no 2 to PITAP CA no 2011/264-351. These additional actions will contribute towards the overall PITAP objective to improve economic integration through strengthened national systems and institutional frameworks to develop trade capacity. Subsequently support to these additional actions will also contribute towards the purpose of PITAP which is to improve trade policy outcomes by building technical capacity, increasing private sector engagement in trade policy processes and increasing exports of Pacific Island products and increase investment in the region.

The additional actions will be provided through support to the Office of the Chief Trade Adviser – (OCTA) and the Melanesian Spearhead Group (MSG) Secretariat. This sub-regional support is in line with the Pacific African Caribbean Pacific (PACP) region’s commitment to regional economic integration. The following provides an overview on how this support will work.

Main Features of the sector

The Forum Secretariat, OCTA and MSG Secretariat assist PACP States to analyse trade policy issues, develop and coordinate negotiating positions, build trade negotiation capacity, and advance their positions in trade negotiations and implementation of the commitments. OCTA’s focus is solely to provide advice and support the Forum Island Countries (FICs) in the negotiations of the Pacific Agreement on Closer Economic Relations (PACER) Plus agreement with Australia and New Zealand. MSG Secretariat’s focus is to promote trade interests of MSG countries, Papua New Guinea, Solomon Islands, Vanuatu, Fiji and the Front de Liberation Nationale Kanak Socialiste (FLNKS) party of New Caledonia.

OCTA

Since commencing negotiations with Australia and New Zealand on PACER Plus, the FICs² emphasised the need for a trade advisory body to support them in trade negotiations. The establishment of the OCTA was agreed by Forum Ministers in June 2009. OCTA became operational in March 2010 when a first Chief Trade Adviser (CTA) was appointed. OCTA was incorporated as an independent legal entity under Vanuatu law on 17 March 2011³. In the Host Country Agreement between OCTA and the Government of Vanuatu, the latter committed to provide official premises for OCTA.

OCTA has four main roles: policy analysis and advisory, facilitation (including capacity building), coordination and representation. Forum Trade Ministers agreed in October 2009 that the Forum Secretariat’s role was to provide administrative and secretarial support to PACER Plus negotiations for meetings involving all Members (i.e. Australia, New Zealand and the

² Discussions took place at the PACP Trade Officials and Ministers’ Meetings; PACP meetings were the only FIC-only forum then

³ OCTA is headed by a CTA. The CTA reports to a Governing Board composed of three Ministers and four Senior Officials from the FICs. The Governing Board reports to the FIC Trade Ministers.

FICs), while the provision of policy advice and capacity building to the FICs in relation to PACER Plus will be the responsibility of the OCTA.

PACER Plus

In August 2009, Forum Leaders agreed to the commencement of negotiations among parties, referred to as the PACER Plus⁴ to pursue greater regional trade and economic integration in a way that promotes PACPS' sustainable economic development. The Region's commitment to regional integration is further evidenced in various recent negotiations and agreements⁵.

PACER Plus has the potential to shape regional integration and economic development in the PACPS over the next decade. The Region's commitment to PACER Plus has been demonstrated in the ongoing negotiating sessions that have taken place since the launching of the negotiations in August 2009. The sixth meeting of Forum Officials on PACER Plus was held in November 2013. PACER Plus also forms part of the annual Forum Trade Officials and Ministers' Meeting agendas. In 2011, Forum Leaders agreed to key priorities to progress PACER Plus negotiations. In May 2012, Ministers directed Officials to increase engagement and make rapid progress on the priority issues⁶.

The MSG Secretariat

The MSG was formally established in 1998 as a sub-regional body to represent the trade and economic interests of Papua New Guinea, Solomon Islands, Vanuatu and later also Fiji and the FLNKS party of New Caledonia. The MSG is guided by its Leaders and has its own Constitution, the Agreement Establishing the MSG, with one of the key objectives to promote inter-Membership trade.

Of the PACPS, the Melanesian countries of PNG, Fiji, Solomon Islands and Vanuatu, comprise over 98% of the Pacific region's land resources and more than 93% of its population. They also have a 3.5 times higher growth rate than other PACPS (1.95% compared to 0.56%)⁷. With the greatest wealth of natural resources and the largest economies, they drive over 70% of the region's trade⁸. As the major economic powerhouses in the Pacific, PNG and especially Fiji play a major role in supporting the trade and development of nearby island states, including the Solomon Islands, Vanuatu, Tuvalu, Kiribati, and Tonga. But the MSG countries also have the largest share of the region's people living below the poverty line: With per capita GDP of respectively USD 897 and USD 1014, PNG and the Solomon Islands are ranked the lowest of all PACPS⁹.

⁴ At the Special Forum Trade Ministers Meeting, in discussing the role of the OCTA and the Forum Secretariat, in relation to PACER Plus negotiations, Ministers agreed that policy advisory and capacity building of the FICs in PACER Plus is the role of the OCTA.

⁵ The Pacific Island Countries Trade Agreement [PICTA]; and the Melanesian Spearhead Group Trade Agreement [MSGTA]. PACPs also aim to conclude negotiations with the EU on a comprehensive Economic Partnership Agreement (EPA) by 2013. Interim EPAs signed by Fiji and PNG came into force in 2010.

⁶ Rules of Origin (ROO), Regional labour mobility (beyond Mode 4), Development assistance, and Customs Procedures, SPS and TBT

⁷ 2010 Pocket Statistical Summary, SPC, Noumea.

⁸ Between 2005 and 2009, intra-MSG trade increased from €13M to €60M, a 4.5-fold increase.

⁹ 2010 Pocket Statistical Summary, SPC, Noumea; Vanuatu and Fiji are ranked 4th and 7th, respectively.

Economic co-operation and integration has been a long standing objective of the MSG, spearheading economic integration in the Pacific Island countries in the early 1990s. With their own sub-regional agreement and with the establishment of the MSG Secretariat in Vanuatu in 2008, the MSG countries have confirmed their commitment to wider regional economic integration initiatives as a means of further promoting the growth of their economies to improve the living standards of their people. This commitment is indicated through many actions, including the recent decision of Leaders to convene MSG Trade Ministers meetings when required to advance the common trade interests of its members; and up-to-date payments of annual contributions averaging some Euro 400,000 per member, which are the sole source of core funds for the Group.

The MSG Trade Agreement (MSGTA)

In the sub-regional context, the MSG in 1993, recognising the potential benefits for trade integration among themselves, established the MSG Trade Agreement (MSGTA). Initially consisting of a few export commodities, the list gradually expanded and in 1998 included some 180 products. In 2005 the MSGTA was revised towards a free trade agreement based on a negative list.

In the wider Pacific regional context, MSG members are also signatories to the Pacific Island Countries Trade Agreement (PICTA), a free trade Agreement amongst 14 PACPS; are part of the PACPS negotiating a comprehensive Economic Partnership Agreement (EPA) with the EU and are part of PACPS negotiating a PACER Plus Agreement with Australia and New Zealand. The accession to the World Trade Organisation in the mid-90s of three MSG countries and the completion of Vanuatu's accession negotiations in 2011 confirmed the MSG countries' efforts towards global trade and economic integration.

The MSGTA remains the nucleus of the MSG's economic integration and provides a stepping stone to wider regional and global integration. The MSG Leaders have since 2011 provided very clear mandates towards the future direction of this integration, emphasising an immediate focus on improving implementation of the MSGTA (goods) and its expansion to services, labour mobility and other issues, including investment, and to explore detailed concepts for a customs union or common market to support the Leaders' vision towards closer economic integration. Importantly, the Leaders stressed that these processes needed to proceed faster than other regional trade and economic initiatives in order to remain relevant and meaningful to the MSG. In line with this, Leaders in March 2012 endorsed the MSG Skills Movement Scheme to allow movement of skilled MSG nationals within the members as a first step towards a legally binding agreement in future.

Problems to be resolved

While considerable trade expertise exists in the Forum Secretariat, the OCTA and the MSG Secretariat also have similar expertise which can be used to supplement the support provided for the various trade and investment related initiatives of the PACPS. Each of these agencies has specific mandates in specialised areas of support to the PACPS. The OCTA was established to provide focused trade advice to the PACPS in their PACER Plus negotiations. The MSG Secretariat focuses on the interests of its Members and MSG initiatives. The Forum Secretariat provides policy support to all PACPS in addressing their development needs. A coordinated engagement by these three agencies has the potential to provide the PACPS improved access to trade and investment related technical assistance.

The MSG Secretariat and its members face considerable challenges including resources¹⁰ to advance the sub-regional economic integration process at the speed envisaged by its Leaders and to ensure that Members are able to access the benefits of trade agreements. Similarly, OCTA is also faced with significant resource constraints in advancing the consultations and advisory role on PACER Plus negotiations. At the national level these challenges include a limited capacity for trade policy analysis and development, and weak institutional mechanisms and inter-departmental coordination capacity to implement the commitments, which are further exacerbated by the current demands on staff resources in a number of simultaneous and protracted regional trade negotiations (WTO, EPA, PACER Plus, PICTA).

The weak productive and marketing capacity of the private sector affects it from taking better advantage of the market access under the various trade agreements. A limited capacity for compliance with international standards for export products provides further limitations to the PACPS. A number of PACPS also export goods to the European Union and support provided to the PACPS will assist in building capacity for the PACPS to trade with the EU.

Given the cross-cutting nature of the trade agreements and negotiations, it is important for the three agencies to collaborate and organise their actions in a coordinated manner, and avoid any duplication. In order to address these problems it was agreed that OCTA and the MSG Secretariat would work together with PIFS to complement the work of PITAP and contribute towards the key result areas and objectives.

Activities and implementation timetable

PITAP comprises of seven activities that deliver on its four key result areas (KRA) as shown in the Logframe for PITAP. While the support to both OCTA and MSG contribute to all the key result areas, the main contribution is to key result area 1 which is the negotiation and implementation of specific regional and multilateral trade agreements. These will be shown as new Activities under the existing key result areas as follows

KRA 1: Negotiation and implementation of specific regional and multilateral trade agreements.

Activity 1b: *Sub-regional and regional integration of the MSG countries strengthened.* Activities targeted at achieving this result are focused on supporting the MSG Secretariat to build the national capacity of member countries to strengthen trade, and identify and implement trade-related reforms that are deemed necessary under the MSG Trade Agreement (MSGTA). This will complement the ongoing work to provide support for the conclusion of PICTA through the delivery of analysis and technical advice to members as they complete their offers for Trade in Services, and support negotiation meetings that will lead to the conclusion of the agreement and assist in its implementation. Sub activities will include:

- (i) Strengthen national capacities of MSG line ministries and national mechanisms in relation to trade policy and implementation.
- (ii) Review MSGTA and deepening of the MSGTA.
- (iii) Build capacity of MSG members with expansion of MSGTA's negotiations.

Activity 1c: *Negotiations and agreements under the PACER Plus process are beneficial to PACPS.* OCTA's broad mandate includes advisory, coordination, facilitation and representation through OCTA. It will support the FICs in the PACER Plus negotiations to ensure the resulting agreement will be in line with the aspiration to pursue regional trade and

¹⁰ The Trade Division of the MSG Secretariat is headed by a Director who is assisted by 1 adviser.

economic integration in a way that is supportive of FICs' economic growth and sustainable development. Sub activities would include: Activities 1.1c (Improve sustainable institutional capacity of the OCTA to provide advice to, build capacity of, and support FICs in negotiations) and 1.2c (Provide support measures for enhancing FICs' understanding, knowledge level, skills, and capacity to effectively participate in negotiations) that will be undertaken to prepare and support the FICs to participate actively and effectively in the negotiation process. The OCTA provides independent technical support to individual FICs upon request, and supports the broader regional negotiation. The OCTA helps coordinate FICs' negotiating positions and promote common positions to help the FICs to conclude an agreement that would provide a framework to realise economic growth and sustainable development. The envisaged capacity building of FICs' trade officials will promote a key objective of PITAP in that it would promote economic integration among FICs and thus in turn facilitate their greater participation in the multilateral trading system.

Activity 1d: *Strengthened capacity for the PACPS to implement commitments and obligations, and adjust to new trading regime arising from regional trade and economic integration.* These capacity building efforts will positively impact on the capability of PACPS' officials to implement obligations under trade agreements, including the PACER Plus and EPA.

The OCTA aims at building FIC capacity in preparation for the implementation of commitments and obligations made in the pursuit of regional integration, particularly within the framework of PACER Plus, through Activities 2.1 and 2.2. The OCTA will enhance the understanding of FIC officials about trade policy matters and coordinate support and technical expertise available to the FICs. This will be done in coordination with the work of other relevant organisations and development partners, including the PIFS. In achieving this result, the OCTA will assist the FICs in minimising the costs that are likely to be incurred from failing to meet any commitments under PACER Plus and other trade agreements due to inadequate appreciation of their obligations and limited capacity to implement their obligations, as well as adjustment costs arising from a new trading regime.

Activity 1e: *Increased understanding of, and capacity to access, the opportunities arising from regional trade and economic integration processes.* In order for the PACER Plus to have a positive impact in terms of facilitating economic growth and sustainable development, the benefits from the eventual trading regime must outweigh the costs. To achieve this objective, the OCTA will establish programmes to promote awareness and strengthen the capacity of FICs' public and private sectors in understanding and accessing opportunities from regional integration, particularly under PACER Plus. These activities will not duplicate but rather complement existing work in these areas, including EU-funded activities accompanying the EPA negotiation process.

KRA 2: Improved trade policy frameworks developed and adopted by PACPS.

Activities under this KRA provide support for the development and refinement of national trade policy frameworks, as well as focusing on mainstreaming trade policy into national development plans. Cross cutting activities: Activities under the other key result areas will contribute to this key result area. It will also support the MSG Secretariat to help member countries in building and strengthening national capacity in trade and identify and implement trade-related reforms that are deemed necessary under the MSGTA.

KRA 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 b: *Enhanced private sector opportunities in MSG countries through targeted trade facilitation, promotion and development of trade opportunities arising from sub-regional and regional agreements.* The Project will directly and indirectly support the development of private sector-led strategies and initiatives for regional trade development through targeted trade facilitation and promotion measures. This includes the MSGTA and interim Economic Partnerships Agreement trade opportunities to promote private sector exports. The Project will also assist MSG member countries to develop policies for key sectors (mining, forestry, industry, agriculture) or industries of common interest to promote downstream processing, value adding and employment.

- (i) Provide long term technical assistance on private sector development in MSG countries.
- (ii) Conduct at least two (2) information seminars and/or training on new agreements, procedures and processes in each MSG country for relevant authorities, enforcement agencies and private sector.
- (iii) Implement a minimum of 2 studies on strategic export sectors, industries or products of potential and common interest to MSG members.
- (iv) Strengthen export capabilities of export-oriented enterprise in MSG countries

KRA 4: Improve coordination and engagement 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 7b: This project will provide direct assistance in improving the coordination and engagement between PIFS and two sub-regional organisations that being MSG and OCTA. The PIFS Aid for Trade team will work closely with both organisations, with an initial capacity building inception workshop to be held with both MSG and OCTA and to be facilitated by the Aid for Trade Team.

Project support to MSG also provides for building institutional capacity of core MSG staff through two long term Technical Assistance (TA) under this KRA: TA – Capacity Development; and TA –Trade Research. The TA Capacity Development will build capacity of existing MSG staff in monitoring and management of the Project and core MSG work. This person will have inter alia monitoring, operational and financial management skills. The Project includes a number of studies over a range of subjects and will engage a number of short term consultants to carry these out. The TA Trade Research will be able to provide the continuity needed across all the studies and also assist with undertaking the research/studies etc. Both these TAs have been provided for in the budget.

Budgets for the action: Detailed budgets for the action for each activity are in the following Annex II and Tables.

ANNEX II: REVISED BUDGET FOR THE ACTION

TABLE 1 REVISED TOTAL BUDGET FOR PITAP

TABLE 2 REVISED PIFS BUDGET COMPONENT FOR PITAP

TABLE 3 MSG BUDGET COMPONENT FOR PITAP

TABLE 4 OCTA BUDGET COMPONENT FOR PITAP.

TABLE 2										
Detailed PITAP Budget 2011-2014 and Top Up (in EUR)										
		2011			2012		FORECAST		TOP-UP	
		2011	2012	2013	2014	2015				
1	6011	PICTA Technical Assistance	49,483	38,196	90,759	40,000				
3	6012	PICTA Travel and Meetings	100,831	42,420	141,095	20,000				
4	6013	PICTA Equipment and Operations	6,862	1,541	2,097	-				
5	6014	PICTA Visibility	38			-				
6	6019	PICTA Indirect Costs	11,004	6,644	16,577					
1	6021	EPA Technical Assistance	145,179	229,990	469,605	50,000		84,450		
3	6022	EPA Travel and Meetings	717,255	622,343	1,188,926	65,000		341,570		
4	6023	EPA Equipment and Operations	20,315	8,823	21,516	2,000		3,799		
5	6024	EPA Visibility	38	2,095	41,940	10,000		19,400		
1	6025	Trade Policy Advisor ACP/EU				98,400		103,300		
1	6026	Trade Policy Officer ACP/EU				73,150		76,800		
1	6027	Research Assistant ACP/EU				17,350		18,200		
6	6029	EPA Indirect Costs	61,795	59,159	119,153					
1	6031	WTO Technical Assistance	26,666	141,131	136,992	10,000				
3	6032	WTO Travel and Meetings	3,403		21,389	-				
4	6033	WTO Equipment and Operations	27,646	4,489	55,780	-				
5	6034	WTO Visibility	38							
1	6034	Trade Policy Officer WTO (Geneva)				129,300		135,750		
6	6039	WTO Indirect Costs	4,043	9,980	14,991					
1	6041	Trade Policy Technical Assistance	37,832	57,913	406,675	84,450				
3	6042	Trade Policy Travel and Meetings	27,238	19,758	78,185	20,000				
4	6043	Trade Policy Equipment and Op.	5,585	1,473	7,827	2,000				
5	6044	Trade Policy Visibility	38			-				
1	6045	Section Leader Trade Policy				109,000				
1	6046	Trade Policy Officer (Small States)				58,700				
6	6049	Trade Policy Indirect Costs	4,949	9,831	34,488					
1	6051	PIPSO Technical Assistance	8,254	27,238	18,873	19,000				
3	6052	PIPSO Travel and Meetings		11,836	12,582					
4	6053	PIPSO Equipment and Operations	485	171	14,679	-				
5	6054	PIPSO Visibility	38			-				
6	6059	PIPSO Indirect Costs	613	2,725	3,229					
1	6061	PT & I Technical Assistance	40,620	340,474	283,671	10,000				
3	6062	PT & I Travel and Meetings	13,409	45,830	24,325			24,500		
4	6063	PT & I Equipment and Operations	11,206	27,052	8,388	5,000		8,450		
5	6064	PT & I Visibility	38	1,177		-		-		
1	6065	Deputy Representative (Beijing)				78,350		82,300		
1	6066	Trade Representative (Geneva)				135,750		142,500		
1	6067	Export Promotions Officer (Auckland)				68,950		72,400		
6	6069	PT&I Indirect Costs	9,869	28,788	22,147					
1	6071	Aid for Trade Technical Assistance	29,256	251,710	316,888	-				
3	6072	Aid for Trade Travel and Meetings	55,692	12,215	134,804	10,000		73,510		
4	6073	Aid for Trade Equipment and Op.	13,270	10,546	2,097	-				
5	6074	Aid for Trade Visibility	272	125	20,970	8,793				
1	6075	Aid for Trade Officer				89,600		94,100		
1	6076	Aid for Trade Adviser				87,000		91,350		
1	6077	Project Accountant				44,750		46,950		
6	6079	Aid for Trade Indirect Costs	6,894	17,952	33,233					
1	6081	Forum Support Technical Assistance			112,136	-				
3	6082	Forum Support Travel and Meetings				-				
4	6083	Forum Support Equipment and Op.			20,970	-				
5	6084	Forum Support Visibility				-				
1	6085	Climate Change Officer				-				
1	6086	Non-State Actor Liaison Officer				-				
1	6087	Development Partner Support Officer				89,600		24,370		
6	6089	Forum Support Indirect Costs			9,317.42					
		Total Direct Costs	1,330,967	11,897,550	3,613,369	1,436,143		1,443,699		
		Indirect Costs	93,167	130,560	252,936	100,530		101,059		
		Sub-Total PITAP	1,424,134	12,028,110	3,866,305	1,536,673		1,544,758		
					7,318,569	8,855,242		1,544,758		
		TOTAL PITAP							€ 10,400,000	
					Cumulative total 2011- 2013	2014	2015			
		Breakdown of PIFS PITAP								
		Technical Assistance			3,257,311	1,293,350	972,470			
		Travel and Meetings			3,272,736	115,000	439,580			
		Equipment, Training & Op.			246,032	9,000	12,249			
		Visibility			65,807	18,793	19,400			
		Total Direct			6,841,886	1,436,143	1,443,699			
		Indirect Costs			476,683	100,530	101,059			
		Contingency								
		Sub Totals for PITAP			7,318,569	1,536,673	1,544,758			
		PIFS TOTAL BUDGET PITAP							€ 10,400,000	

Table 3 : MSG Budget

as @ 25 Nov 2013

MSG Budget as part of PITAP	Planned Budget									
	Time Frame			Total Budget Breakdown as per budget description				sub totals	TOTALS	
	Nov-Dec 2013	Jan- Dec 2014	Jan-Dec 2015	Technical Assistance		Travel & Meetings	Operations			
				Long Term	Short Term					
Key Result Area 1: Negotiation and Implementation of specific regional and multilateral trade agreements										
Activity 1b: Sub regional and regional integration of the MSG countries strengthen										
Activity 1.1. Strengthen national capacities of MSG line ministries and national mechanisms in relation to trade policy and implementation										
1.1.1 Specialised TA for MSG trade policy and MSG trade integration initiatives (Trade Economist)		63,000	63,000	126,000				126,000		
1.1.2 Provide advice to MSG members on strengthening national institutions that drive and support trade policy and facilitation		50,000				50,000		50,000		
Activity 1.2 : Review MSGTA implementation and deepening of the MSGTA										
1.2.1 Co-ordinate and assist MSG Members with legal and tariff implementation of MSGTA (TA - Trade Research)		31,500	31,500	63,000				63,000		
1.2.2 Re-drafting of the MSGTA legal text		10,000			10,000			10,000		
1.2.3 Build capacity of MSG Trade Officials negotiating skills in revising MSGTA		44,006	44,007			88,013		88,013		
1.2.4 Commission studies on common market and customs union concepts for MSG integration			36,405		26,405	10,000		36,405		
1.2.5 Training to MSG officials, private sector and civil society on MSG trade integration initiatives		50,888	50,888			101,776		101,776		
Activity 1.3 Build capacity of MSG members with expansion of MSGTA, trade negotiations										
1.3.1 Draft legal text on MSG Trade in Services Agreement and build capacity of negotiators (i.e. Trade Officials etc) for negotiations amongst members.		15,000			15,000			15,000		
1.3.2 Draft legal text on MSG Labour Mobility Scheme		15,000			15,000			15,000		
1.3.3 Draft legal text on MSG Investment Agreement		15,000			15,000			15,000		
1.3.4 Build capacity of MSG Trade Officials negotiating skills to establish their positions on Services, Labor Mobility, Investment Agreement		33,208	33,209			66,417		66,417		
1.3.5 Assist MSG members with implementation of MSG trade in services, labour mobility and investment agreements			37,055			37,055		37,055		
SUB-TOTAL	0	327,602	296,064	189,000	81,405	353,261	0	623,666		623,666
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 3b: Enhanced private sector opportunities in MSG countries development of trade opportunities from sub-regional and regional trade agreements										
Activity 2.1. Technical assistance to enhance private sector development in MSG countries										
2.1.1 TA to enhance private sector development in MSG		85,516	85,516		171,032			171,032		
2.2.2 TA - Trade Research (this will contribute to all activities that are undertaking research and studies etc)		31,500	31,500	63,000				63,000		
2.1.2 Private sector development strategy for promoting private sector activities in MSG countries including women entrepreneurs										
a) Consultancy 30days on PSD Strategy x 3 days each MSG country		21,027			21,027			21,027		
b) 3 meetings on PSD strategy on PSD Strategy & Implementation			22,460			22,460		22,460		
2.1.3 Develop mechanism for public-private sector dialogue in MSG countries		94,500	94,500		10,000	179,000		189,000		
Activity 2.2. Conduct at least 2 information seminars and/or trainings on new agreements, procedures and processes in each MSG country for relevant authorities, enforcement agencies and private sector										
2.2.1 MSG Investment Roadshow and Trade Fair		60,000	60,000			120,000		120,000		
2.2.2 In-country awareness training for private sector and civil society on new MSG Agreements		30,000	30,000			60,000		60,000		
2.2.3 Promotional materials for private sector on opportunities created by new MSG trade agreements concluded		10,000				10,000		10,000		
Activity 2.3. Implement a minimum of 2 studies on strategic export sectors, industries or products of potential and common interest to MSG members										
2.3.1 Study on the mining sector in MSG countries		50,000			50,000			50,000		
2.3.2 Study on the forestry sector in MSG countries		50,000			50,000			50,000		
2.3.4 Study on an export product/s (e.g. copra/coconut oil, kava, palm oil etc)		44,178			44,178			44,178		
Activity 2.4. Strengthen export capabilities of export-oriented enterprises in MSG countries in selected sectors										
2.4.1 ST TA for market intelligence, marketing promotion		32,729			32,729			32,729		
SUB-TOTAL	0	509,450	323,976	63,000	378,967	391,460	0	833,426		833,426
3.1 Capacity Development		85,516	85,516	171,032				171,032		
3.2 Operational costs contributing to all activities	21,401	8,000	9,000				38,401	38,401		
SUB-TOTAL	21,401	93,516	94,516	171,032	0	0	38,401	209,433		209,433
TOTAL DIRECT COSTS	21,401	930,568	714,556	423,032	460,372	744,721	38,401	1,666,525		1,666,525
Indirect Costs	22,000	22,000	21,975							65,975
Visibility and Communications (1% of budget)		8,750	8,750							17,500
Budget Breakdown pre year for pre-financing	43,401	961,318	745,281							
	2013	2014	2015							
TOTAL BUDGET										€ 1,750,000

OCTA Budget as part of PIAP

	Planned Budget										TOTALS
	24 month Time Frame			Total Budget Breakdown per budget description							
	Nov-Dec 2013	Jan-Dec 2014	Jan -Dec 2015	Long Term	Short Term	No. days consultancy	Travel & Meetings	Operational costs			
<p>Activity 3.1 Ensure that development programmes and assistance from the PACER Plus process and other relevant initiatives are adequately resourced and strategically target the development of FIC priority sectors</p>											
<i>Activity 3.1.1</i>											
Studies on strategic export sectors, including on labour mobility		33,500	33,500		36,500	73	28,000		2,500		
<i>Activity 3.1.2</i>											
Develop proposals for strategic sectors		14,000	14,000		19,500	39	8,500				
<i>Activity 3.2</i>											
Develop and disseminate information and guiding procedures on PACER Plus that are widely available, of high quality and are in user-friendly format from the FIC perspectives											
<i>Activity 3.2.1</i>											
Develop information packages on PACER Plus		17,000	17,000	3,000	25,000	50			6,000		
<i>Activity 3.2.2</i>											
Disseminate information packages		5,500	5,500		8,500	17			2,500		
<i>Activity 3.2.3</i>											
PACER Plus help desk and information point		11,000	11,000	5,500	5,500	11			11,000		
<i>Activity 3.3</i>											
Deliver awareness building activities and training for relevant authorities, enforcement agencies and the private sector											
<i>Activity 3.3.1</i>											
In-country information seminars and trainings		42,000	42,000	5,500	8,500	17	56,000		14,000		
<i>Activity 3.3.2</i>											
Specific trainings for the relevant authorities and enforcement agencies		42,000	42,000		28,000	56	50,000		6,000		
<i>Activity 3.3.3</i>											
Training for the private sector and civil society		80,000	80,000						140,000		
Subtotals Activity 1 e		245,000	245,000	14,000	131,500		282,500		62,000		
TOTALS Activity 1e			490,000								490,000
SUB-TOTAL DIRECT COSTS (1c + 1d + 1e)				320,500	362,000		827,000		157,000		€ 1,666,500
Indirect Costs	95,000	870,000	701,500								€ 66,000
Visibility and Communications (1% of budget)	6,000	30,000	30,000								€ 17,500
		8,500	9,000								
Budget Breakdown per year	2013	2014	2015								
	101,000	908,500	740,500								
TOTAL BUDGET				€ 1,750,000							