

Agreement N°9058/REG

FINANCING AGREEMENT

between

THE EUROPEAN COMMISSION

and

**Cook Islands, Federated States of Micronesia (FSM),
Nauru, Niue, Palau, Republic of the Marshall Islands (RMI)**

*ADDPIC (PPP): Extension of the plant
protection programme to 6 new countries in the Pacific*

(REG/6719/002)

EDF IX

MAY 2003

ARTICLE 4 - PERIOD OF EXECUTION

The period of execution of the financing agreement shall commence on the entry into force of the financing agreement and end at 31 December 2009. This period of execution shall comprise two phases: an operational implementation phase, which shall commence on the entry into force of the financing agreement and end at 31 December 2007. As from this date shall commence the closure phase, which shall end at the end of the period of execution.

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

Contracts and programme-estimates implementing the financing agreement shall be signed by 14 December 2006 at the latest. This deadline may not be extended.

ARTICLE 6 - PAYING AGENT

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

ARTICLE 7 - ADDRESSES

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

for the Commission

EuropeAid Cooperation Office
B-1049 Brussels

for the Beneficiary

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

ARTICLE 8 - ANNEXES

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

Annex I: General Conditions.

Annex II: Technical and Administrative Provisions.

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

ARTICLE 9 - OTHER SPECIAL CONDITIONS APPLYING TO THE PROGRAMME

For the purpose of Article 3 of the General Conditions the authority responsible for carrying out the project which is the subject of this Financing Agreement is the Secretary General of the Forum Secretariat, Regional Authorising Officer.

ARTICLE 10 - ENTRY INTO FORCE OF THE FINANCING AGREEMENT

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

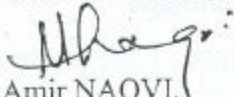
Done in two original copies in the English language, one copy being handed to the Commission and one to the Beneficiary.

Done at Brussels

Done at Suva

FOR THE COMMISSION

FOR THE BENEFICIARY


Amir NAQVI,
Deputy Chief Authorising Officer
of the EDF



Date 15 DEC. 2003

Date 07/02/04





ANNEX I - GENERAL CONDITIONS

TITLE I - PROJECT/PROGRAMME FINANCING

ARTICLE 1 - GENERAL PRINCIPLE

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

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

ARTICLE 2 - COST OVERRUNS AND COVERING THEM

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

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

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

TITLE II - IMPLEMENTATION

ARTICLE 3 - GENERAL PRINCIPLE

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

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

ARTICLE 4 - PERIOD OF EXECUTION

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

4.2 This period of execution shall comprise two phases:

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

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

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

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

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

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

ARTICLE 5 - CURRENCIES AND PLACES OF PAYMENT

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

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

TITRE III - AWARD OF CONTRACTS AND GRANTS

ARTICLE 6 - GENERAL PRINCIPLE

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

ARTICLE 7 - DIRECT LABOUR OPERATIONS

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

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

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

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

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

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

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

ARTICLE 9 - ELIGIBILITY

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

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

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

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

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

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

TITLE IV - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS

ARTICLE 10 - ESTABLISHMENT AND RIGHT OF RESIDENCE

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

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

ARTICLE 11 - TAX AND CUSTOMS PROVISIONS

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

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

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

ARTICLE 12 - FOREIGN EXCHANGE ARRANGEMENTS

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

ARTICLE 13 - USE OF DATA FROM STUDIES

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

ARTICLE 14 ALLOCATIONS OF AMOUNTS RECOVERED UNDER CONTRACTS

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

ARTICLE 15 - FINANCIAL CLAIMS UNDER CONTRACTS

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

TITLE V - GENERAL AND FINAL PROVISIONS

ARTICLE 16 - VISIBILITY

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

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

ARTICLE 17 - PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 19 - CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY

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

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

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

ARTICLE 20 - AMENDMENT OF THE FINANCING AGREEMENT

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

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

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

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

ARTICLE 21 - SUSPENSION OF THE FINANCING AGREEMENT

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

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

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

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

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

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

ARTICLE 22 - TERMINATION OF THE FINANCING AGREEMENT

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

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

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

ARTICLE 23 - DISPUTE-SETTLEMENT ARRANGEMENTS

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

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

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

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

ANNEX II

**TECHNICAL AND ADMINISTRATIVE PROVISIONS FOR
IMPLEMENTATION**

Cook Islands, Federated States of Micronesia (FSM), Nauru, Niue, Palau,
Republic of the Marshall Islands (RMI)

Title : **ADDPIC (PPP): Extension of the plant protection programme
to 6 new countries in the Pacific**

Accounting N°: **REG/6719/002**

Identification N°: **9 ACP RPA 3**

1. Background

1.1 Main features of the sector

The agriculture sector in Pacific ACP countries is largely subsistence in nature and employs approximately 40 to 80% of the labour force and contributes 20 to 30 per cent of GDP. Plant Protection is central to addressing Food security concerns, supply and quality of agricultural exports for existing and emerging markets. A geographical extension of the PPP project will contribute to the development of sustainable agriculture and the environment in the **six new ACP member countries**, which is consistent with the 9th EDF Pacific Regional Indicative Programme.

1.2. Problems to be resolved

1.2.1 Inadequate quarantine services for addressing increased trade and tourism

The six new ACP countries are at risk because national quarantine (Biosecurity) services, laws and procedures are not being developed in harmony with global quarantine standards of the other 11 ACP/OCT countries.

1.2.2 Inappropriate pest management systems in unbalanced ecosystems

The six new countries need a matching programme for upgrading pest management practices in the rural sector by plant protection technology transfer appropriate for the rural subsistence farming systems.

1.2.3 Low adoption rates by farmers of sustainable pest management

Conventional extension practices appear to have not substantially changed or improved pest management in rural communities because of not focussing on those target groups that can effect change and because of the use of inappropriate information and/or extension practice.

2. Objectives and expected results

PPP (addPIC) project will extend the work commenced under the 8th EDF supported 'Plant Protection in the Pacific' project (8 ACP RPA 8 + 8 PTF REG 03) to the six new Pacific ACP States of Cook Islands, Federated States of Micronesia, Marshall Islands, Nauru, Niue, and Palau. The objectives, purpose and expected results in the new ACP countries are the same as PPP in the former 11 ACP countries/OCT.

2.1 Overall Objectives

The PPP (addPIC) project will contribute to the **development of sustainable agriculture and environment in the rural sector** of the six new ACP member countries.

2.2 Project purpose

To facilitate quality food production and trade by minimising pests by development of sustainable agriculture and environment in the six new ACP states.

2.3 Expected Results

The expected results in the six new ACP countries of the PPP (addPIC) project are: (1) Effective and sustainable quarantine services established in 6 new Pacific Island countries; (2) Sustainable pest management solutions developed for Pacific Island farmers; (3) Adoption of improved pest management practices by farmers and (4) Restoration of biological diversity to support sustainable pest management.

3. Factors ensuring feasibility and sustainability

3.1 Lessons learnt from previous projects/evaluations

Following the previous evaluation, the SPC-Plant Protection Service has developed a more integrated team approach with the emphasis placed on information and extension

3.2 Environment, gender mainstreaming and other aspects

Pest management packages, use of customary practices and facilitated revision of pesticide laws will substantially reduce pesticide use and improve the maintenance of the genetic (bio) diversity.

Gender and age will be paramount when identifying correct target groups and developing appropriate materials and media for efficient transfer of technology on pest management to rural communities.

3.3 Co-ordination with other donors

Australia (AusAID, ACIAR) and **New Zealand** (NZAID) fund Pest Management in the Pacific (PMP) project, which focuses on developing appropriate management options for high priority pests like fruit flies and taro beetle. PMP is managed by SPC-PPS, which is thus in an effective position to harmonise the approach and maximise synergies from a technically integrated Plant protection Service.

Cooperation with SOPAC is involved when pest emergency response plans are developed regionally and nationally as a component of national disaster management.

SPREP and SPC-PPS collaborate on invasive species under the Convention for Biological Diversity (CBD) and on quarantine pests under the International Plant Protection Convention (IPPC). -

4. Implementation

4.1 Activities

The project activities in the six new ACP countries, which is essentially similar to the former 11 ACP/OCT will consist of: (1) establish effective and sustainable quarantine services, (2) develop sustainable pest management practices for important pests/crops, (3) facilitate adoption of sustainable pest management by farmers and (4) restore biological diversity and balanced ecosystems to support pest management

4.2 Cost estimate and financing plan

Breakdown of costs to the EU and to other donors are summarised below.

Budget Unit: EURO	TOTAL
Staffing	630,000
Equipment & supplies	252,000
Training & meetings	258,000
Operational costs, administration & communication.	291,000
Audit and independent review	24,000
Contingencies	57,000
Total from EU	1,512,000
Other co-financing source from other donors	
SPC	234,000
PICTs	40,000
Total	274,000

4.3 Implementation procedures and timetable

The overall responsibility for the implementation of the programme lies with the Regional Authorising Officer. In accordance with Article 35(1) of Annex N to the Cotonou Agreement the implementation and management functions will be delegated to SPC through the '*Grant Agreement*' procedure signed locally between the RAO and SPC and following the rules of the call for proposals. The project will be under the direction and management of the Plant Protection Advisor and the Senior Deputy Director General.

The Financing Agreement shall be concluded by 31 December of the year following the year in which the global financial commitment was adopted. Failing this, the corresponding appropriations shall be cancelled. The end of the period of operational implementation and execution of the Financing Agreement are hereby set respectively at 31/12/2007 and 31/12/2009. Any balance of funds remaining available under the EC grant shall be automatically cancelled 6 months after the end of the period of execution of the Financing Agreement.

Contracts and programme estimates must be signed by both parties no later than three years from the date of the corresponding global financial commitment. This deadline cannot be extended. The above provision does not apply to contracts relating to audit and evaluation, which may be signed later.

4.4 Special conditions

Beneficiary countries undertake to make available to the project the necessary counterpart, office spaces, transportation and other staff. SPC commits in providing the required technical advise, leadership and continuous support - beyond the project life - to sustain the project outputs successfully. Pacific ACP member states undertake to implement the necessary legislative measures to ensure maximum effectiveness and sustainability of the Project.

5. Economic and financial viability

The Programme will have a significant economic and financial impact at the smallholders level with a lower pesticide use, higher yields at lower costs, increased production and income and at the macro-economic level with improved trade prospects, increased exports, improved food security and lower risk of national pest outbreaks.

6. Monitoring and evaluation

A logical framework matrix will identify specific objectively verifiable indicators (OVI) of activities against which progress will be monitored. Monitoring will involve independent financial audits and six-month progress (activity) reports on achievements measured against the OVI in the matrix of the logical framework. Provision for an independent mid-term review and a final evaluation of the project is included in the budget.

A provision for Audit is included in the budget of this Programme in order to verify compliance with relevant rules and procedures. It is understood that the Chief Authorising Officer, in accordance with Art. 23 of the Financial Regulation may use this provision to organise an independent Audit of expenditure realised under this Programme.

List of Annexes

Annex 1: Logical Framework

Annex 2: Detailed cost breakdown

Annex 3: List of Acronyms

Annex 4: Timetable

Pacific Plant Protection (PPP(addPIC) Logical Framework

Annex 1

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Reduction of poverty by improving agriculture production			
Project Purpose	To facilitate quality food production and trade by minimising pests.	Quality and Quantity of commodities increased	Statistical bulletins of Pacific ACP/OCT	National governments remain committed to comply with international standards and national food security
Results	1 Effective & sustainable quarantine services established in PICTs	Increased trade and food supply; rate of increase in quarantinable pests reduced; new pests eradicated/contained	Regional trade and agriculture production statistics; official pest lists	Adequate resources available to national authorities Private sector adopts appropriate quality assurance measures
	2 Sustainable pest management solutions & services developed for Pacific Island farmers	Pest management packages for principle crops available and presented to farmers	Published pest management policies/training materials for farmers	Plant protection and extension services committed to transferring pest management technologies to farmers
	3 Adoption of improved pest management practices by farmers	More resistant varieties in use; reduced pesticide usage; low pest numbers; minimal crop loss;	National commercial statistics on pesticides sales; national lists of crop varieties in use.	National services maintain commitment to low pesticide use Farmers willing to adopt technologies
	4 Restoration of biological diversity to support sustainable pest management	Mixed cropping in sustainably cleared forest; biocontrol by competitors; invasive weeds limited. mixed natural vegetation;	National forest statistics, visible mixed cropping; erodible slopes protected not cropped;	Foresters adopting sustainable timber removal, governments committed to sustainable land use practice, community adopts conservation practice

Activities	Activities
<p>1. Establish effective and sustainable quarantine services</p> <p>1.1 Develop national capacity to comply with international quarantine standards of WTO-Agreement on Sanitary and Phytosanitary Standards (SPS)</p> <ul style="list-style-type: none"> • Circularise PICTs on changing WTO-SPS phytosanitary measures • National training on pest risk analysis (PRA) and other standards • Facilitate national pest surveys to update GPPIS and maintain Ag Alert service <p>1.2 Improve border operations to prevent introductions of new pests and strengthen national capacities to respond to outbreaks of pests that breach quarantine barriers</p> <ul style="list-style-type: none"> • Facilitate national ERP based on approved GIMP and train national coordinators • Initiate regular methyl bromide news and advice on MB alternatives • Train national producers/exporters/inspectors jointly on pest free QA systems • Support the upgrading and maintenance of quarantine facilities • Encourage representation of females in border operations • Commission implementation of quarantine curriculum on distance mode • Attachments and training workshops for national quarantine staff in border operations • Quarantine/plant protection certificate training of technical staff 	<p>1.3 Facilitate the strengthening and harmonisation of quarantine laws of the region</p> <ul style="list-style-type: none"> • Commission drafting of model law for border operations and emergency response • Advise on drafting of harmonised national quarantine laws <p>1.4 Increase compliance of travellers/traders with quarantine law</p> <ul style="list-style-type: none"> • Train national traders and export agents in requirements • Advise on penalties and prosecutions • Produce in flight videos for pacific flights, posters, media releases, and brochures. <p>2. Develop sustainable pest management practices for important pests/crops</p> <p>2.1 Develop integrated pest management systems (IPM) for rural communities</p> <ul style="list-style-type: none"> • Identify/characterise relevant target groups in identifiable rural community sectors • Package IPM systems for different targets, conduct trial extension and evaluate • Maintain biocontrol and tissue culture services to support national IPM

Activities	Activities
<p>2.2 Facilitate reduction in the use of pesticides and encourage their correct use</p> <ul style="list-style-type: none"> • Coordinate the revision and regional harmonisation of pesticide labelling laws • Introduce and facilitate local language pesticide labelling • Provide training in IPM pesticide use and safety to sales staff and target groups <p>3. Facilitate adoption of sustainable pest management by farmers</p> <p>3.1 Establish efficient channels of communication with identified target groups</p> <ul style="list-style-type: none"> • Enhance SPC plant protection information services • Publish materials on pests and their management for rural target groups in appropriate languages and form <p>3.2 Establish efficient channels of communication with identified target groups</p> <ul style="list-style-type: none"> • Enhance SPC plant protection information services • Publish materials on pests and their management for rural target groups in appropriate languages and form <p>3.3 Assist national plant protection information and extension services</p> <ul style="list-style-type: none"> • Provide specialised training in plant protection to extension services • Facilitate national information centres by providing website access or CD services • Increase national use of pest databases by extension and plant protection services 	<p>4. Restore biological diversity and balanced ecosystems to support pest management</p> <p>4.1 Encourage conservation of diverse indigenous genetic material in village precinct</p> <ul style="list-style-type: none"> • Introduce villagers to older varieties and non-host plants for precinct land use <p>4.2 Introduce natural predators and competitive microbes to modulate pest numbers</p> <ul style="list-style-type: none"> • Maintain SPC insect rearing facilities, if convenient establish national rearing facilities <p>4.3 Engender community ownership of ecosystems in rural areas</p> <ul style="list-style-type: none"> • Create awareness in schools, within the appropriate target groups and extension services concepts of communal, sovereign rights and intellectual property rights <hr/> <p style="text-align: right;">Inputs (EURO)</p> <p>A. Staffing : 630,000</p> <p>B. Equipment & Supplies: 252,000</p> <p>C. Training & Meetings : 258,000</p> <p>D. Operational Costs : 291,000</p> <p>E. Audit & Indep. Review : 24,000</p> <p>F. Contingencies : 57,000</p> <p>Total : 1,512,000</p>

Annex 2
Detailed Cost Breakdown

(in EURO)	Year 1	Year 2	Year 3	TOTAL
Technical Assistance				
Technical Assistance - Long-term	167,000	153,000	153,000	473,000
Technical Assistance - Short-term	23,000	28,000	28,000	79,000
Support Staff	26,000	26,000	26,000	78,000
TOTAL: Technical Assistance	216,000	207,000	207,000	630,000
Equipment & Supplies				
Field Equipment, vehicles and supplies	62,000	62,000	62,000	186,000
Information centre equipment & supplies	22,000	22,000	22,000	66,000
TOTAL: Equipment & Supplies	84,000	84,000	84,000	252,000
Training & Meetings				
Workshops and training	38,000	38,000	38,000	114,000
Meetings and seminars .	48,000	48,000	48,000	144,000
TOTAL: Training & Meetings	86,000	86,000	86,000	258,000
Operational & Admin Costs				
Administration & Communication	19,000	19,000	19,000	57,000
Internal Audit costs	1,000	1,000	1,000	3,000
Consumables/repairs (including vehicle costs)	4,000	4,000	4,000	12,000
Field operations	25,000	25,000	25,000	75,000
Publications (including Extension Materials)	10,000	10,000	10,000	30,000
Travel	38,000	38,000	38,000	114,000
TOTAL Operational & Admin	97,000	97,000	97,000	291,000
External audit & review	0	24,000	0	24,000
Contingencies	19,000	19,000	19,000	57,000
TOTAL PROJECT COSTS	502,000	517,000	493,000	1,512,000

Annex3: List of acronyms

ACP	African, Caribbean and Pacific
APPPC	Asia Pacific Plant Protection Commission
AusAID	Australian International Development Assistance
CD	Compact Disc
CPM	Crop & Pest Management
CROP	Committee of Regional Organisation of the Pacific
EC	European Commission
EDF	European Development Fund
ERP	Emergency Response Planning
EU	European Union
EUR	Euro currency
FAO	Food and Agriculture Organisation of the United Nations
FORUM	Forum Secretariat
GIMP	Generic Incursion Management Plan
GPPIS	Global Plant and Pest Information System
IPM	Integrated Pest Management
IRA	Import Risk Analysis
IRIS	Intelligent Recall of Information Survey
KAP	Knowledge, Attitude & Practice
OCT	Overseas Countries & Territories
OVI	Objectively Verifiable Indicators
NGOs	Non-Governmental Organisations
NZODA	New Zealand Overseas Development Aid
MB	Methyl Bromide
PHALPS	Permanent Heads of Agriculture and Livestock Production Services
PICT	Pacific Island Countries and Territories
PMP	Pest Management in the Pacific
PPA	Plant Protection Adviser
PPPO	Pacific Plant Protection Organisation
PPP	Plant Protection in the Pacific
PPP (addPIC)	Plant Protection in the Pacific (including six new ACP countries)
PPPSC	Plant Protection in the Pacific Steering Committee
PPS	Plant Protection Service
PRA	Pest Risk Analysis
PRAP	Pacific Regional Agriculture Programme
PRIP	Pacific Regional Indicative Programme
QA	Quarantine; quality assurance
RAO	Regional Authorising Officer
RMFFP	Regional Management Fruit Flies in the Pacific Project
RPPS	Regional Plant Protection Service
RPPO	Regional Plant Protection Organisation
RTMPP	Regional Technical Meeting for Plant Protection
SPC	Secretariat of the Pacific Community
SPOCC	South Pacific Organisations Coordinating Committee
SPREP	South Pacific Regional Environment Programme
SPS	Sanitary and Phytosanitary Standards
UNDP	United Nations Development Programme
WTO	World Trade Organisation

Annex 4: Time table for project approval and implementation

Publishing of the call for individual expression of interest for the recruitment of professional and support staff	November 2003
Signature of the Financing Agreement	December 2003
Recruitment of personnel	January 2004
Project fully operational	May 2004
Mid-term review	July 2005
Final Evaluation	end 2006
Final date for (operational) implementation	31/12/2007