



PACIFIC ISLANDS FORUM SEETARIAT



EUROPEAN UNION

**CLOSURE REPORT FOR THE
10th EDF TCF PROGRAMME ESTIMATE 1 FOR THE PERIOD 1 MARCH 2012 TO 30
JUNE 2013**



Insert: Press Conference by RAO and Acting HOD of EU after Day 1 of 11th EDF Programming Meeting October 2012

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Acronyms | 3 |
| 1. Summary | 4 |
| 2. Main Activities | 5 |
| A. Activity 1.1 Prepare identification and Action Fiche for Outstanding 10th EDF Projects | 5 |
| B. Activity 1.2 Facilitate Coordination of 10th EDF Projects | 5 |
| C. Activity 1.3 Support for RAO's and CROP Attendance at EU/ACP Meetings | 6 |
| (i) 11th EDF regional Consultation Meeting | 6 |
| (ii) Special PACP Leaders Meeting | 7 |
| (iii) PIFS Troika Meeting | 7 |
| (IV) Other Political Engagement | 8 |
| D. Activity 1.4 Facilitate Support for the Joint Climate Change Initiative | 8 |
| 3. Operational Costs | 9 |
| 4. Bank Charges | 9 |
| 5. Audit and Expenditure Verification | 9 |
| 6. Monitoring of Logframe Activities | 9 |
| 7. Financial and Expenditure Reporting | 9 |
| 8. Problems encountered and solutions proposed | 11 |
| 9. Conclusion | 11 |
| 10. Recommendation | 11 |

ACCRONYMS

| | |
|-----------|---|
| AAP | Annual Action Plan |
| ACP | Africa Caribbean Pacific |
| ACP GCCA | Africa Caribbean Pacific Global Climate Change Alliance of the 79 member states |
| AF | Action Fiche |
| COP 18 | The 18 Conference of Parties to the UNFCCC |
| CROPs | Council of the Regional Organisation for the Pacific |
| CSO | Civil Society Organisation |
| DP | Development Partners |
| EDF | European Development Fund |
| EPA | Economic Partnership Agreement |
| EU | European Union |
| FA | Financing Agreement |
| IA | Imprest Administrator |
| IAO | Imprest Accounting Officer |
| IF | Identification Fiche |
| MSG | Melanesian Spearhead Group |
| NAO | National Authorising Officer |
| OCTA | Office of the Chief Trade Adviser |
| PACP | Pacific Africa Caribbean States of the Pacific |
| PE | Programme Estimate |
| PIFS | Pacific Islands Forum Secretariat |
| PIF | Pacific Islands Forum |
| PITAP | Pacific Integration Technical Assistance Project |
| PNG | Papua New Guinea |
| PRECAP | Pacific Regional Economic Capacity Advancement Programme |
| PRIP | Pacific Regional Indicative Programme |
| QSG | Quality Support Group |
| RAO | Regional Authorising Officer |
| ROM | Results Oriented Monitoring |
| SIS | Small Island States |
| TA TO RAO | Technical Assistant to the Regional Authorising Officer |
| TCF | Technical Cooperation Facility |
| TEC | Technical Evaluation Committee |
| UNFCCC | United Nations Framework of Climate Change Convention |

1. SUMMARY

This is the Closure Report for the 10th European Development Fund (EDF) Technical Corporation Facility (TCF) Programme Estimate (PE) 1. The PE implementation period is from 1 March 2012 to 30 June 2013. This closure report covers the period 1 January to 30 June 2013 and updates the Interim Report 1 March - 31 December 2012 annexed to this report.

The Closure Report provides the final update on implementation of the four key activities identified in the PE, its implementation challenges and the proposed solutions to ensure effective implementation that will support improvements in the design of PE 2.

The TCF PE 1 was approved, endorsed and signed by EU Delegation in March 2012. Key activities identified in this PE included operational and logistical support to the Regional Authorising Officer (RAO). This supports Pacific Islands Forum Secretariats' (PIFS) unique role in the region that encourages donor coordination and dialogue. The RAO's mandate is to carry out activities that include meetings, workshops, seminars and political dialogue engagements that support EU and PIFS, Pacific African Caribbean Pacific (PACP) countries, other CROP organisations and the PACP governments and National Authorising Officers (NAOs).

During the implementation period, two addenda were approved. The first addendum was to re-allocate funds from the under-utilised budget lines based on identified savings. This was to ensure that sufficient funds were available to fund the initial consultation meeting of 11th EDF Programming exercise. The meeting was held on 11-12 October 2012 at the Forum Secretariat, Suva, Fiji. The second addendum for an additional top up of €70,000 was to fund the 2nd round of consultation meeting of the 11th EDF programming. The total budget for PE 1 was €150,000 and with Addendum 2 this was increased to €220,000.

From the revised PE 1 amount of €220,000, no additional pre-financing was received. The €120,000 (80%) remained as the only pre-financing received. It was agreed by EU on the 4th September 2013 that a total of €100,000 would be de-committed from PE 1. This was necessary to free up the money and allow it to be utilised for PE 2. The total expenditure as at 31 December 2012 is €112,552.20. The expenditure for the period 1 January to 30 June 2013 was €6,357.70, total expenditure for the period 1 March 2012 to 30 June 2013 was of €118,990.90.

Mr. Shiu Raj, Director Economic Governance Programme, continued his role as the Imprest Administrator of the PE whilst the functions of the Imprest Accounting Officer were performed by Mr. Gibson Wekina, Team Leader Finance. Ms. Claire Thoms, Trade Policy Adviser (Aid for Trade) was appointed as Substitute Imprest Administrator and Mr. Rama Va'a, Project Accountant, as Substitute Imprest Accounting Officer. Most of the technical supervision of the day to day implementation of the four key activities were provided by the Aid for Trade Officer and assisted by Technical Assistant to Regional Authorising Officer (TA to RAO).

The Result Oriented Monitoring (ROM) mission for the TCF was undertaken in August 2012. The relevance, effectiveness, efficiency, impact and sustainability of the facility was assessed. Positive feedback was received from the ROM Report, noting the overall objective of the programme being

precise, clear and achievable. The second ROM was undertaken in September 2013 during the completion of this Closure Report. Draft reports (interim and closure) were given to the ROM Monitor for her comments. Based on the preliminary discussions with the ROM Monitor, she has indicated that the overall PE 1 implementation was similar to the findings of the previous ROM showing some improvements in implementation however, financial reporting still remained a minor issue.

Details of implementation of Key Activities of the PE are provided in Section 2 of this report.

2. MAIN ACTIVITIES

(a) Activity 1.1: Prepare Identification and Action Fiches for Outstanding 10th EDF Projects

This activity provided financial support to engage short term technical assistance contracts for the preparation of identification and action fiche for the outstanding 10th EDF Project for the 2012 and 2013 Annual Action Plans (AAPs). Submission for the Non State Actor (NSA) IF was approved by the Quality Support Group (QSG) whilst the Pacific Regional Economic Capacity Advancement Programme (PRECAP) AF was rejected. As recommended by the QSG, Precap has therefore been amalgamated with the Pacific Integration Technical Assistance Project (PITAP).

Eco Pacific Consultants was contracted for the following two contracts:

- i. Preparation of Identification Fiche (IF) for the Non State Actor (NSA) Programme
- ii. Revision of the Action Fiches (AF) for the Pacific Regional Economic Capacity Advancement Project (PRECAP) for Melanesian Spearhead Group (MSG) and Office of the Chief Trade Adviser (OCTA).

Both contracts were awarded under the direct procurement procedure as the contracted amount was within the threshold limit of €10,000. All activities foreseen in the respective contracts were delivered within the contract period and the key milestones pertaining to the contracts were successfully delivered. These two contracts were executed simultaneously. All funds for these contracts were paid in full.

No short term consultancy assignments were undertaken during this period.

(b) Activity 1.2: Facilitate Coordination of 10th EDF Projects

This activity was to undertake a Technical Evaluation Committee (TEC) meeting, which would serve as a basis to update all stakeholders and in particular members of the Council of Regional Organisations in the Pacific (CROPs), technical regional organisations, and the National Authorising Officers (NAOs) of the 14 Pacific ACP countries, including Timor Leste, on the implementation of the 10th EDF Projects. Although the intention was to support improved coordination between stakeholders the extent that this would add value to such a wide range of stakeholders could not be justified, and it would involve a higher cost than originally budgeted, therefore the management of PIFS considered that this activity should not be carried out. Consequently, the

€10,000 budgeted for this activity was reallocated to Activity 1.3 which was considered a higher priority.

No further activity was undertaken during this period.

(c) Activity 1.3: Support for RAO's and CROP Attendance at EU/ACP Meetings; and Support for the EU Troika and Other Regional Political engagement

RAO engagement and CROP attendance at the EU/ACP meetings was a major activity to be funded under this PE.

A total of €40,000 was initially budgeted to support various meetings, seminars and political dialogue. Due to demand for additional logistical support for the 11th EDF meeting, an addendum was prepared in September 2012. This was to re-allocate funds from within the savings identified from various PE budget lines. This was to assist financing the cost of logistics for the 11th EDF Regional Consultation and Programming meeting. A total of €80,000 was therefore made available.

i. 11th EDF Regional Consultation and Programming Meeting

The 11th EDF Regional Consultation and Programming meeting was jointly organised by the EU Delegation and the RAO. This was held on the 11-12 October 2012 at PIFS Conference Center and included a wide range of participants such as NAOs, Heads of CROP Agencies, Regional Technical Institutions, Civil Society Organisation (CSOs) and representatives of other Development Partners (DPs).

The meeting concluded with a summary of discussion that identified two possible focal sectors for the Pacific Regional Indicative Programme (PRIP) for the period 2014-2020.

Funds budgeted for this activity was expended on cost of logistics of the workshop, which included tickets and accommodation for two representatives of NAOs of two PACP Countries (Cook Islands and Vanuatu). Expenditure also included overtime for support staff that provided logistical arrangements at the meeting.

A number of travels were undertaken and financed under the PE during this period. This included attendance by RAO Representative at the 11th EDF Bilateral Meeting in Samoa in April 2013. PIFS representative included the Secretary General and RAO, Director of Economic Governance Programme, and Aid for Trade Officer.

The Aid for Trade Officer also represented PIFS at the Head of Fisheries Meeting and also attended the Sciofish and Devfish II Project Steering Committee Meeting in Noumea, New Caledonia in March 2013. RAO is a key member of the 10th EDF Project Steering Committees; hence RAO's representation is very important.

Insert: Group photo of participants at the 11th EDF Programming Meeting, 11-12 October 2012, Suva, Fiji



ii. Special Pacific ACP Leaders

A Special Pacific ACP Leaders Meeting was held on 6 November 2012, in Port Moresby, Papua New Guinea (PNG). The Pacific ACP Leaders meeting in Cook Islands in August 2012 agreed that PNG host a special meeting. The meeting was to discuss and decide on the best possible way to engage with Fiji on matters/issues relating to Pacific ACP affairs.

The outcomes of the meeting included a proposal by the Government of PNG to host and fund an interim PACP Secretariat to convene PACP Leaders' Meetings. Leaders agreed that the Forum Secretariat will facilitate the PACP engagement in the EPA related matters. This decision was to ensure that Fiji could participate in the PACP related meetings at Leaders level.

The cost of travel and accommodation were funded from the PE for the Forum Secretariat Team, led by the Secretary General and his Senior Staff. To ensure that logistics for this meeting were prepared in accordance with the standard required for a Leaders meeting, the cost of three administrative assistants were also funded.

Part of the cost for tickets and per diems for PIFS Delegation to the above meeting were reimbursed by the PNG Government. A total of \$ 19,234.11 (€7,795.58) was reimbursed and received in August 2013.

iii. PIFS Troika Meeting,

The PE was specifically designed to support the management of and attendance at the Annual EU Troika meeting that included the EU, New Zealand, Cook Islands, Vanuatu and the PIFS was held in Auckland, New Zealand in July 2012. The meeting provided the platform for political dialogue and discussions on regional policy and development issues of importance to EU and the PIFS. Central

to the discussions was climate change mitigation and adaptation in the Pacific. It was acknowledged and concluded that climate change has impacted greatly on the livelihoods of the Small Island States (SIS) in the PACP countries and therefore particular attention should be given by all stakeholders to address this emerging issue.

Participants included the previous and the current chair of the Pacific Island Forum (PIF) together with EU and the Forum Secretariat. PIFS was represented by the Secretary General (Mr. Tuiloma Neroni Slade), Deputy Secretary General-Strategic Partnership Coordination (Mr. Feleti Teo), International Issues Adviser (Ms. Coral Pasisi) and the Climate Change Coordination Officer (Mr. Exsley Taloiburi).

PE funds assisted in travel and accommodation costs for the current, past and incoming chair of the Pacific Islands Forum (PIF) as well as PIFS staff supporting the RAO.

iv. Other Political Engagement

The Chair of the PIF attended the ACP Leaders Summit in Malabo, Equatorial Guinea on behalf of the RAO. The meeting was held on the 13-14 December 2012.

The PE funded the cost of travel and accommodation for the attendance by the Chair of PIF.

(d) Activity 1.4: Facilitate Support for the Joint Climate Change Initiative

In support of the Joint Climate Change Initiative between the EU and the Pacific Islands Forum the PE supported five (5) regional and international climate change meetings.

- i. Climate Change Adaptation Fund Workshop: 21 – 28 April 2012, Apia, Samoa.
- ii. Intra-ACP GCCA Global Project Steering Committee Meeting: 8-14 July 2012, Ouagadougou, Burkina Faso.
- iii. UNFCCC Preparatory Meetings and National Climate Fund workshop: late August – early September 2012, Bangkok, Thailand.
- iv. Pacific Preparatory Meeting and APAN Climate Change Finance Workshop: 20 – 28 October 2012, Apia, Samoa.
- v. UNFCCC COP 18 Meeting: late November – early Dec 2012, Doha, Qatar.

PE funds were used to finance travel and per diems for PIFS staff to attend the Climate Change meetings. Three representatives one each from Solomon Islands, Tonga and Tuvalu were also financed to attend meetings for the UNFCCC COP 18 Meeting in Doha, Qatar.

During the last six months, the Climate Change Support Officer and Economic Infrastructure Adviser of PIFS attended the following meetings:

- i. Asia Pacific Regional Dialogue on Climate Finance: 6 - 9 March 2013, Singapore;
- ii. PACCSAP Science Symposium: 11 – 17 March 2013, Honiara, Solomon Islands; and

- iii. The Pacific Climate Change Finance Roundtable Meeting: April 2013, Rarotonga, Cook Islands.

3: OPERATIONAL COSTS

Funds expended under this activity included office operational costs and bank charges as indicated in the Record of Expenditure. No funds were expended for administration assistant overtime during this period.

4. BANK CHARGES

Total Bank Charges for the full PE1 was €106.29 as provided in the Record of Expenditure.

5. AUDIT/EXPENDITURE VERIFICATION

No audit of expenditure has occurred for PE 1. Expenditure verification has been undertaken. A one off audit is expected after the completion of PE 2.

6. MONITORING OF LOGFRAME ACTIVITIES

The Results Oriented Monitoring (ROM) which was undertaken in August 2012 highlighted positive feedback with an average of B rating. It is expected that the same rating would be received for the second ROM which is currently being undertaken.

7. FINANCIAL AND EXPENDITURE REPORTING

The table below shows actual accumulated expenditure against the PE 1 budget line for the period 1 March 2012 to 30 June 2013. Total expenditure was €118,909.90. Based on the actual expenditure against the budget, the highest percentage in terms of budget utilisation rate was in Activity 1.1 (99%) with Activity 1.2 (0%), Activity 1.3 (40%), and Activity 1.4 (80%). The utilisation rate for office operating cost and bank charges were 36% and 83% respectively. The overall utilisation rate for the total PE is 54%.

Budget Versus Expenditure Table: (Budget in Euro)

| Activities | Original Budget | Addendum 1 | Addendum 2 | Expenditure 01/03/2012-31/12/12 | Expenditure 01/01/2013-30/06/2013 | Accumulated Expenditure | Available Balance | Utilization Rate |
|--|-------------------|-------------------|-------------------|---------------------------------|-----------------------------------|-------------------------|-------------------|------------------|
| 1.1 IF/AF Preparation | 50,000 | 20,000 | 15,000.00 | 14,800.00 | 0.00 | 14,800.00 | 200 | 99% |
| 1.2 Coordination of 10th EDF | 20,000 | 5,000 | 0 | 0 | 0.00 | 0 | 0 | 0% |
| 1.3 Support to RAO & Reg. Pol Dialogue | 40,000 | 80,000 | 140,000 | 59,079.32 | (3,446.13) | 55,633.19 | 84,366.81 | 40% |
| 1.4 Climate Change & Aid Effectiveness | 40,000 | 40,000 | 60,000 | 38,547.79 | 9,472.58 | 48,020.37 | 11,979.63 | 80% |
| Subtotal | 145,000 | 145,000 | 215,000 | 112,427.12 | 6,026.44 | 118,453.56 | 96,546.44 | 55% |
| 2. Investments | | | | | | | | |
| 2.1 Equipment | | | | | | | | |
| 2.2 Vehicles | | | | | | | | |
| 2.3 Supplies | | | | | | | | |
| Subtotal | | | | | | | | |
| 3. Operating Costs | | | | | | | | |
| 3.1 Staff Costs (overtime for a/assistant) | | 2,000 | 2,000 | 0 | 0 | 0 | 2,000 | - |
| 3.2 Office Rental | | | | | | | | |
| 3.3 Office operating costs | | 800 | 800 | 18.79 | 270.72 | 289.51 | 491.97 | 36% |
| 3.4 Vehicle Operating costs | | | | | | | | |
| Subtotal | | 2,800 | 2,800 | 18.79 | 270.72 | 289.51 | 2,492 | 10% |
| 4. Bank Charges | | 200 | 200 | 106.29 | 60.55 | 166.84 | 33.16 | 83% |
| 5 Audit/expenditure Verification | | 2,000 | 2,000 | 0 | 0 | 0 | 2,000 | 0% |
| 6. Contingencies | | | | | | | | |
| Total PE 1 | 150,000.00 | 150,000.00 | 220,000.00 | 112,552.20 | 6,357.70 | 118,909.90 | 101,090.10 | 54% |

8. PROBLEMS ENCOUNTERED AND SOLUTIONS PROPOSED.

No major problems were encountered during the implementation of this PE however there was an issue with aligning the EDF PE rules with that of PIFS procurement rules. This was discussed and it was agreed that conditions of the TCF Financing Agreement (FA) has to take precedence over PIFS procurement process. This has meant that there is basically a double accounting system and rules being used by PIFS with regard to funds received from the EU. On one hand funding received through Contribution Agreements allow for PIFS's rules to be used whereas the funds received through TCF PE has to have EU rules applied while taking into consideration the PIFS rules. An additional issue of understaffing of PIFS Corporate Services Division has placed extra work on the staff of Aid for Trade Team.

9. CONCLUSION

Most of the activities identified for implementation under the PE were implemented which further supported the strengthening of partnerships between the EU and the Pacific ACP countries which in turn will ensure focused development actions, with greater emphasis on regional cooperation contributing to efficient aid delivery. The utilisation of the funds is very good with 54% of the pre financing utilised after fifteen (15) months of implementation. The utilisation rate could have been higher if 2nd consultation meeting for the 11th EDF programming was held in April 2013 as planned.

10. RECOMMENDATION

PIFS is a Regional Organisation and has the recognition of an International Organisation status. The recent institutional assessment of PIFS has resulted in a positive feedback passing all the 4 pillars. For the purposes of uniformity and consistency in the application of rules for effective implementation, and to avoid dual financial reporting systems, we recommend utilising Joint Implementation modality (Contribution Agreements) for the future TCF financing arrangements.