

THE EUROPEAN UNION'S DCI PROGRAMME

FINAL EVALUATION OF THE PROGRAMME "STRENGTHENING
PACIFIC ECONOMIC INTEGRATION THROUGH TRADE"
(SPEITT)

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FINAL REPORT

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ABBREVIATIONS AND ACRONYMS

ACP	African, Caribbean, Pacific
AUT	Auckland University of Technology
BSO	Business Support Organization
CA	Contribution Agreement
CLIA	Cruise Lines International Association
EC	European Commission
EDF	European Development Fund
EU	European Union
EUD	Delegation of the European Union
FA	Financing Agreement
FMITT	Fiji Ministry of Industry, Trade and Tourism
FSM	Federated States of Micronesia
FWC	Frame Work Contract
GDP	Gross Domestic Product
IA	Implementing Agency
IACT	Increasing Agricultural Commodity Trade
LTE	Long-Term Expert
MOU	Memorandum of Understanding
M&E	Monitoring and Evaluation
NAO	National Authorising Officer
NTDP	National Tourism Development Plan
NSO	National Statistics Organisation
NTO	National Tourism Organisation
OCT	Overseas Countries and Territories
OVI	Objectively Verifiable Indicators
PACPs	Pacific ACP States
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation

PISBDCN	Pacific Islands Small Business Development Centre Network
PITI	Pacific Islands Trade and Investment
PMC	Project Management Committee
PNG	Papua New Guinea
PRTCBP	Pacific Regional Tourism Capacity Building Programme
PSC	Programme Steering Committee
RAO	Regional Authorising Officer
RMI	Republic of the Marshall Islands
ROM	Results Oriented Management
SPC	Secretariat of the Pacific Community
SPCA	South Pacific Cruise Alliance
SPREP	South Pacific Environmental Programme
SPS	Sanitary and Phyto-Sanitary Systems
SPTO	South Pacific Tourism Organisation
STE	Short-Term Expert
TA	Technical Assistance
TAG	Technical Advisory Group
ToR	Terms of Reference
TSA	Tourism Satellite Account
UNDP	United Nations Development Programme
UNWTO	United Nations World Tourism Organisation
USP	University of the South Pacific

1 PREAMBLE

The EU-financed Programme “Strengthening Pacific Economic Integration through Trade” (SPEITT) is made of two different interventions / components:

- Increasing Agricultural Commodity Trade (IACT) - a EUR 8.5 million contribution agreement implemented by the Secretariat of the Pacific Community (SPC).
- Pacific Regional Tourism Capacity Building Project (PRTCBP) – a EUR 5 million grant contract implemented by the South Pacific Tourism Organisation (SPTO).
- Trade Facilitation in Customs Cooperation (TFCC) – a EUR 7.5 million grant contract implemented by the Oceania Customs Organisation (OCO)
- Pacific Integration Technical Assistance Project (PITAP) – a EUR 13.9 million contribution agreement implemented by the Pacific Islands Forum Secretariat (PIFS)

The present final evaluation only covers the SPEITT Programme components IACT and PRTCBP.

Objectives of the Programme

Overall Objective: *“Increase Regional Economic Integration and Cooperation in Pacific ACP countries”*

Programme Purpose: *“Improve Economic Integration through Strengthened National Systems and Institutional Frameworks to Develop Trade Capacity, Increase Private Sector Competitiveness and Increase International Market Access”.*

Objectives of the Final Evaluation

As specified in ToRs for the Final Evaluation (see also Annex 1), the main objectives are to provide the relevant external co-operation services of the European Union, the partner government and, when appropriate, the wider public with:

- an overall independent assessment of the past performance of the intervention "Strengthening Pacific Economic Integration Through Trade", with a focus on the components IACT and PRTCBP and paying particularly attention to the results of the project against its objectives;
- key lessons and recommendations in order to improve current and possible future action, if deemed appropriate.

In keeping with the EU evaluation methodology, the evaluation will:

- Review and assess the relevance of the original project design and Financing Decision, in the light of achievements or failures to achieve the expected objectives;
- Assess the degree to which the project activities have achieved the defined goals, objectives and targets as well as the impact those have had on the beneficiaries;

- Assess the sustainability of the project achievements and provide recommendations as to ensuring sustainability, if this is not the case yet;
- Review the problems faced, lessons learnt and successes achieved which could strengthen institutional capacity of programme implementers;
- Gauge projects' management competencies and processes;
- Appraise the projects' sensitivities to environmental and gender issues, and specifically whether these issues were addressed adequately.

The evaluation mission to the Pacific ACPs (PACPs) was realized between 15 February and 22 March 2016. During this period, meetings with approximately 150 stakeholders (see also the complete of "List of Persons Interviewed" in Annex 5) have been held in five PACP countries:

- Fiji
- Samoa
- Solomon Islands
- Tonga
- Vanuatu.

In addition, telephone interviews were undertaken with the heads of the national tourism offices in Federated States of Micronesia and Kiribati.

The main purpose of these interviews was to obtain first hand and unbiased comments from all categories of stakeholders concerning their perception of the Programme's design, implementation and results, as well as to verify preliminary conclusions and recommendations formulated by the evaluation team. In order to facilitate an open and critical discussion, the evaluators have assured the interviewees that their comments (and especially the critical ones) would only be used in a "neutralized" form, without disclosing the individual source of the information.

A de-briefing presentation to the Reference Groups (see also Annex 7 and 8) with corresponding discussions was organized towards the end of the mission on March 18 at the EUD in Suva.

Comments made during this de-briefing were subsequently included in the Final Report. Further details as regards the methodology are outlined in the Inception Report (see Annex 6).

The mission was assigned to the consortium lead by TRANSTEC and executed by two consultants (see also CVs in Annex 2):

- Dr. Nico van Tienhoven, and
- Mr. Jan-Bjarni Bjarnason.

2 EXECUTIVE SUMMARY

The EU-financed Programme “Strengthening Pacific Economic Integration through Trade” (SPEITT)” is made of two different interventions / components:

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The two evaluated components of the Programme (IACT and PRTCBP) have very high relevance. Their design is appropriate, although some of the major design principles have not been consequently adhered to during implementation.

As the two components cover different fields of intervention and are implemented by different Implementing Agencies (IAs), the following overview concerning

- main achievements,
- main weaknesses, and
- major recommendations

is given separately for the four result areas.

2.1 Main achievements

The main achievements of the two SPEITT Programme components evaluated are summarised here below:

Component 1 (IACT) - Project Purpose: “Strengthen PACPs productive export capacity in primary industries (agriculture, livestock, forestry and aquaculture/mariculture) and allied downstream processing.”

Two calls for proposals for grant schemes to support SMEs in the PACP countries have been successfully launched and the corresponding projects have been successfully implemented.

Considerable long-term impact through “spill-over” of enterprise support scheme to farm- and community-level. All supported enterprises process agro-based raw materials, thus indirectly contributing to improved income opportunities and livelihood, also in – often remote - rural areas.

Multiple cooperation with other programmes & projects (e.g. PHAMA, FAME, POETcom, IKSA), which are also implemented by SPC, has facilitated mutual benefitting from complementarities and synergies. This includes the employment / absorption of some experienced IACT-professionals by other SPC-managed programmes, thus assuring the accumulated know-how remaining within the institution.

POETcom has further developed a specific organic standard (POS) for the Pacific Community. Certification of products is highly appropriate to create added value and access to niche markets (organic label). Consequently, the development and promotion of an organic label which is responding to the specific regional aspects of the PACP countries is a meaningful approach to facilitate an increase of exports of agro-based products and the achievement of corresponding equivalency agreements is a major milestone.

Regional integration has been fostered and first replication of promising pilot interventions has been started within the region. This achievement has been appreciated unanimously by all interviewed entrepreneurs. Large distances between PACP countries and limited economic resources of SMEs prevent entrepreneurs to develop such exchange activities on their own.

Component 2 (PRTCBP) – Project Purpose: “To strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector”.

SPTO itself benefitted tremendously from the EDF 10 PRTCBP. The organisation had been weakened through the 2000s, and got strengthened through the project, among others, through the preparation of new corporate framework documents such as a new Corporate Policy, a 5-year Business Plan, a new Constitution, and a Phase Out and Sustainability Strategy. At the same time, it expanded its membership by additional government as well as private sector members, and recently increased membership fees by about 20%.

Perhaps, the most significant achievement under the PRTCBP has been the increased capacity built within SPTO itself, retaining most of its former project staff after the closure of the project, and continuing a series of activities such as trade fair participation, compilation and dissemination of statistics, and marketing activities financed by its core budget. Thus, at the time of the field work, SPTO staff numbered 14, compared to 5-6 staff prior to the commencement of the PRTCBP.

At the same time, tourism development in the Pacific is now guided by a new Regional Tourism Development Strategy and a new Regional Cruise Tourism Development Strategy, within which member countries can develop their own development strategies and action plans. And indeed, essential National Tourism Development Plans (NTDPs) were prepared as part of the PRTCBP for five member PASPs, namely Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), Nauru, the Solomon Islands, and Tuvalu. In this connection, a telephone interview with the FSM NTO revealed that this exercise was at the foremost benefit for FSM, setting the framework for the future development of tourism in each of the island states of the FSM.

The PRTCBP also enabled the regional tourism statistics to be revitalised after its collapse in the early 2000s with the establishment of regular quarterly visitor statistics accompanied by a Regional Conference on Tourism Statistics and the preparation of a Tourism Statistics Toolkit to assist in standardising tourism statistics definitions across the region. A series of six Air Visitor Surveys (for FSM, Kiribati, Palau, RMI, Solomon Islands, and Tuvalu) and three Cruise Visitor Surveys (for the Cook Islands, Tonga, and Vanuatu) were conducted. In all instances, except for the Solomon Islands, this was the first time ever that information about visitor expenditure and travel behaviour patterns has been collected in these smaller member countries. Finally, a model Tourism Satellite Account (TSA) was conducted for RMI to establish a more accurate measurement of the economic impact of tourism.

Comprehensive market intelligence was collected to take advantage of the region's competitiveness within various niche market products. Market profiles were completed for 19 niche markets, and for five of these, fully-fledged Niche Market Studies were completed (i.e. covering Diving, Backpacking, Sport Fishing, Cultural Heritage, and Wedding and Honeymoons). Further, the five Niche Market Studies were apart from being included in the online Regional Tourism Resource Centre (RTRC) database, they were converted as training modules, forming part of the Pacific Specialist Programme.

Regional Partnership Integration was enhanced during the PRTCBP, among others, with SPTO entering into new partnership agreements with a series of other regional organisations. Memoranda of Understanding (MOUs) were signed with, among others, the South Pacific Cruise Alliance (SPCA), Cruise Lines International Association (CLIA), Secretariat of the Pacific Community (SPC), Pacific Islands Trade and Investment (PITI), South Pacific Environmental Programme (SPREP) and the University of the South Pacific (USP).

Finally, the PRTCBP has contributed to the increased use of E-communication and marketing, first of all through the redevelopment of a useful SPTO website with built-in microsites for the Regional Tourism Resource Centre (RTRC) database, the South Pacific Specialist training programme, Cruise Tourism Manual, Image Library, the South Pacific Tourism Exchange, etc. At the same time, the SME E-marketing programme has enabled tourism SME businesses for the first time to reach the international markets which they would otherwise not be able to. Similarly, a series of online web-seminars have been conducted.

2.2 Main weaknesses

The main weaknesses of the Result Areas of the of the two SPEITT Programme components evaluated are summarised here below:

Component 1 (IACT) - Project Purpose: “Strengthen PACPs productive export capacity in primary industries (agriculture, livestock, forestry and aquaculture/mariculture) and allied downstream processing.”

Very low efficiency on implementing agency’s (i.e. SPC) level: Late start of activities; low utilization of funds, problematic procurement process. Without the one-year extension of the project, IACT would not have been able to achieve any of its targeted results. Similar as in previous projects, SPC has not been able to assure sufficiently efficient project management, due to inadequate processes and recruiting strategy.

Private sector institutions not sufficiently involved and trained. Therefore, this has been a lost opportunity to further facilitate sustainability of project activities through such “institutional anchoring / embedding” of enterprise support approaches as introduced / applied by IACT

No sufficient insistence on beneficiary companies’ contribution / participation has been applied. Participation of companies in exhibitions and fairs abroad was fully covered by IACT, without obliging the companies to share the cost, although some companies did contribute indirectly, e.g. by financing the participation of an additional staff from their enterprise. Concerning project contribution to any proposed structural changes / investments, as defined in the eligibility criteria of the Guidelines, companies should have contributed at least one third of the total costs. This aspect is missing in numerous proposals and has not been adequately addressed by the IACT team and the TAG. Resulting is a temptation for beneficiaries to “overinvest” without sufficiently assuring the sustainable utilization of the corresponding equipment (overcapacity, maintenance and replacements, operation).

Business planning for POS-certified companies as well as for the overall management of the POS label has not been addressed. In spite of the successful technical positioning of the POS, this lack of an economic feasibility study and corresponding business plan could potentially endanger the success and sustainability of the efforts already invested. It is therefore important to note that, complementary to the efforts made under EDF10 to roll out Organic Certification using the POS, a detailed study is needed to investigate costing for POETcom.

Selection of participants in trainings & study trips has not always been sufficiently target-oriented. Thus, the number of targeted participants has been achieved, but in some cases without any prospects to achieve an impact on their future economic activities.

Component 2 (PRTCBP) – Project Purpose: “To strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector”.

Some of the main weaknesses of the PRTCBP are outlined in the following.

There was a tendency during the first years of operation to be too activity-focused rather than result-focused, being content with concluding activities with little consideration of the results and effects achieved from the activities. This was pointed out by the prior evaluation exercises and subsequently rectified through the implementation of a comprehensive programme of monitoring and evaluation activities.

The activity focus has perhaps also contributed towards some of the other programme weaknesses identified due to too little efforts used on ensuring full awareness about SPTO in general and the PRTCBP in particular. Thus, in some member states, the awareness of PRTCBP-SPTO among private tourism sector operators is limited, which adversely affects the involvement of the sector in programme activities, and also causes a static/diminishing private sector membership.

Similarly, there seems to be insufficient coordination and cooperation with other donor agencies and donor assisted national tourism activities at the national level in some member countries.

Most of SPTO's member countries and territories are small in respect of size of population and economic and human resources with limited capacity and resources to embrace a major programme of activities like the PRTCBP. Therefore, they are often not in a position to take full advantage of the programme activities and gain the full benefits offered to them.

2.3 Recommendations

Major recommendations have been developed separately for the two Components of the SPEITT Programme that have been evaluated since these are independently managed and implemented by different Implementing Agencies with highly diverging technical and administrative challenges.

Component 1 (IACT)

There is a general need for further support to strengthen the PACP region's private sector development. Enterprises are small and access to knowledge concerning innovative management and production is hardly available within the region. However, in order to improve efficiency, effectiveness and sustainability, future programmes targeting SME support should take the following recommendations into consideration:

- IACT has mostly approached companies directly, without including local BSOs in the process. Future projects should try to include BSOs and benefit from “channeling” communication concerning enterprise support projects through local / regional institutions, thus

- Improving credibility / acceptance of BSOs, also beyond their “traditional clientele / members”
- “On site” contact point / support for beneficiaries instead “remote steering” from Fiji.
- Better sustainability of project’s “philosophy” and know how transfer to SMEs.
- IACT has already piloted cross-fertilizing activities, having successful entrepreneurs from one location giving on-site support to entrepreneurs in other locations. Similar projects in future should – where possible - focus on replication of existing successful models, ideally with the entrepreneurs’ involvement
- High end local markets (hotel & resorts, airlines cruise ships) have the same requirements as regards quality levels and homogenous supplies as export markets. They usually rely on imported supplies. Future projects should be opened for import substitution (especially of “sophisticated” products”) as an additional target, similar as opening new export markets. Concerning the impact on national economy (balance of foreign exchange earnings), this is as valuable as exports.
- It is frequently observed that even relatively stable SMEs have difficulties accessing financing through commercial- or development-banks. Therefore it should be pursued to include companies being supported in their application for bank loans as 3rd pillar in financing of grant projects (complementing SME-contribution and grant). This would also facilitate SMEs to access funding (loans) beyond the project and contributes to sustainability.

Concerning the POS, it is most important to urgently develop sustainable business planning on both levels: Individual farmer communities / groups and the institution managing the “label”, complementary to POETComs continued activities to improve the methodology of certification to the POS. Without such schemes, the POS as a regional organic standard, risks either to disappear or to be “forever” depending on external financial support without economic viability. This would be an important having continued to improve the methodology of certification to the POS

As regards project management, the implementing agency has to assure efficiency through various measures, which have not been sufficiently implemented during the different phases of IACT. This includes especially:

- The core project team needs to be already recruited at the moment of signing the contribution agreement. Contracts with staff could be already signed, including a conditionality clause, linking the contracts to the condition that the main contract (between SPC and EU) becomes effective.
- Assure that Team Leaders of major programmes / projects have project management experience and in case of EU-financed projects they should preferably have prior experience in managing EU-financed projects.
- Foresee the position a “dedicated admin/procurement/finance officer” within the project team, especially for projects with major procurement components (already good experience with this set-up in PAPP programme).
- Good knowledge management is essential for efficient project management and a basis for easy future access to project outputs, thus contributing to sustainability of

project achievements. Assure establishment and utilization of appropriate common filing system and assure systematic and regular upload of all project documents.

- Foresee an external “on-going monitoring” support to accompany the project management team (on an intermittent base), in case that an implementing agency does not have sufficient experience in efficiently managing major projects.

Component 2 (PRTCBP)

There is a general need for SPTO management and staff, both in connection with future donor programmes, and in general, to use resources on spreading information about the organisation and its activities in connection with regular and specific visits to member states, embracing all SPTO activities, not only own expertise areas. This will help increasing the awareness and support to SPTO as a spearheading regional tourism organisation.

In this connection, there is a need for SPTO to map the ‘situation’ in each member country in respect of private sector tourism associations, permanent tourism related training initiatives, and other donor financed tourism related activities to obtain full overview at the national level in individual member countries, increase awareness about SPTO and its activities, and ensure coordination and cooperation, and also promote SPTO membership.

Similarly, SPTO needs to ensure full awareness about, and support to the organisation and its activities – not only among NTOs but also tourism ministries and other ministries such as finance ministries, and SPTO needs to ensure that information and communication reach both NTOs and tourism ministries – and urge the NTOs/ministries to distribute such information to private sector associations and individual operators.

In particular, SPTO needs to expand methods of financing. This concerns both increased membership contribution through new members, and through increased membership fees, and most importantly through financial assistance from other donor agencies than the EU. Only through increased contribution, will SPTO be able to retain a high level of activities and membership services. As an example, the Association of South Pacific Airlines (ASPA) gets an annual contribution in excess of FJD 500,000 (EUR 215,000) by charging membership fees that are considerably higher than what SPTO currently charges.

Finally, continuing technical and financial support from the EU and other donor agencies will help alleviate poverty and contribute to essential economic development in Pacific island countries.

3 PROGRAMME ENVIRONMENT AND BACKGROUND

General background

The Strengthening Pacific Economic Integration Through Trade (SPEITT) programme is funded under the 10th EDF Pacific Regional Indicative Programme. The programme covers 15 Pacific ACP countries (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu). They are all sovereign microstates with generally small and weak economies and very heterogeneous living standards. They have also been isolated, partially due to geography, but also due to the absence of common programmes to improve their business regulatory environment, private sector, trade and regional cooperation.

These island states share some general framework conditions, which are a major challenge to their potential for economic development:

- Small local markets, due to a very small population (except PNG) and low purchasing power.
- Enormous transportation costs, due to their remote geographical location.
- Focus on “nature based” industries (agriculture, forestry, aquaculture/marine based processing, and tourism), PNG being in a somewhat special situation with considerable mineral as well as oil & gas resources.
- Low level of value adding activities in the value chain.
- Difficulties to meet quality standards as preconditions to target export markets as well as high level hotels, resort and cruise ship industry (with similar high quality expectations) as potential clients.
- Quality of product and packaging.
- SPS (sanitary and phyto-sanitary) requirements.
- Homogeneous supply (as regards quantity and quality).
- Exposure to sporadic natural disasters.
- Small size of industry (agro-processing as well as tourism), resulting in high cost and limited resources (and know how) for export marketing and market awareness.
- Lack of skilled staff.
- Low level of institutional capacity in the public sector as well as in private sector support organisations and BSOs.

However, in spite of the aforementioned commonalities, the PACP countries differ widely as regards their economic situation, socio-economic and institutional framework, ethnic background, pre-independence history etc. Therefore, based on previous experience of the evaluators, a one-fits-all approach is unlikely to be appropriate and the programme’s ability to respond to specific needs will be evaluated.

Evaluation-specific background

In the aforementioned context, the SPEITT Programme has defined its Overall Objective and Project Purpose:

Overall Objective: Increase regional economic integration and cooperation in Pacific ACP countries.

Project Purpose: Improve economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access.

To achieve the Project Purpose, SPEITT is being implemented through four components, which are managed by four different Implementing Agencies. However, the present **final evaluation will only cover two of the altogether four SPEITT programme components**, implemented by two regional organisations as Implementing Agencies (IAs):

- Increasing Agricultural Commodity Trade (IACT), implemented by the Secretariat of the Pacific Community (SPC), with a volume of EUR 8.5 million
- Pacific Regional Tourism Capacity Building Project (PRTCB), implemented by the South Pacific Tourism Organisation (SPTO), with a volume of EUR 5 million.

The **contractual instruments** for the two components had to be compatible with the rules of contractual engagement with the EU and of the particular agency. As such, the contractual instruments of the different components vary:

- Contribution Agreement for the SPC-component “Increasing Agricultural Commodity Trade (IACT)”.
- Grant Contract for the SPTO-component “Pacific Regional Tourism Capacity Building Project (PRTCBP)”.

Consequently, the procedures for implementation are likely to be different from standard EU procedures. Also, these contractual instruments entail a different degree of control and influence for the EU during the implementation period, once the contribution agreement is signed. Therefore, the evaluators will put an emphasis on the analysis of the internal monitoring systems (and indicators) in place and their corresponding application.

4 DESIGN / CONCEPT

4.1 Component 1 (IACT)

In general, the original project concept and design are appropriate to target the Specific Objective / Project Purpose and the 3 Result Areas on all levels: micro, meso and macro. During implementation, however, it turned out that this broad approach has been quite ambitious. Given the large number of PACP countries, a concentration on, for example, micro and meso level might have been more appropriate, allowing for a better leverage and impact on these levels, instead of spreading project funds on all three levels. De facto, however, IACT has concentrated its efforts for good reason on micro and meso level activities, with a lower intensity on the macro level.

During implementation, however, a few weaknesses have become visible as regards the following aspects:

LogFrame:

Overall, the different elements included in the LogFrame are coherent and meaningful. However, while Result Area 1 refers exclusively to interventions on micro-level, result Areas 2 and 3 are a mix of interventions on micro, meso and macro level, which is hardly comprehensible in its composition. Here, a more stringent attribution of macro, meso and micro aspects to one result area each could have considerably improved the clarity and transparency of the LogFrame.

The original LogFrame as defined has been adapted only as a "rudimentary working version" shortly after the mid-term review. However, this revised LogFrame has never been put in a decent format and OVIs have not been appropriately adapted. They don't sufficiently meet the criteria of being measurable and the number of 74 OVIs for the 3 result areas is quite exaggerated, as compared to the usually recommended number of approximately 5 OVIs per result area

Grant projects:

The overall concept to support promising enterprises in their further development is appropriate and two calls for proposals have been successfully launched.

However, several aspects during implementation of the grant facility have been critical and original concepts have not always been followed:

- No ceiling defined at beginning and communicated during calls for proposals.
- Participation of companies in exhibitions and fairs abroad was fully covered by IACT, without obliging the companies to share the cost. (Note: Some companies did contribute indirectly, e.g. by financing the participation of an additional staff from their enterprise).

- According to the eligibility criteria in the Guidelines, companies should contribute at least one third of the total costs of any proposed structural changes / investments. This aspect is missing in numerous proposals and has not been adequately addressed by the IACT team and the TAG. This is a temptation for beneficiaries to “overinvest” without sufficiently assuring the sustainable utilization of the corresponding equipment (overcapacity, maintenance and replacements, operation).
- Local Business Support Organizations (BSOs) not sufficiently involved.
- Equipment for capacity extension should not be eligible. This should rather be financed by the company through revenues generated with the existing business. Limit co-financing of equipment to the precondition that it is able to create extra value added, improve efficiency or operates more environmental friendly as compared to existing equipment.
- Investments realized already prior to the approval of their proposals have been eligible and accepted as “beneficiary’s contribution”, but should rather not be eligible.
- Support to basic agricultural start-up activities by youth groups etc. should not be supported by a trade and export promotion project.

Certification (POETCom / POS and FSC):

Certification of products is highly appropriate to create added value and access to niche markets (organic label) or even a precondition for exports to some destinations (FSC or comparable certification required for wood products exported to Europe, North America, Australia or New Zealand, while China, Malaysia and others do not insist on it).

Consequently, the development and promotion of an organic label which is responding to the specific regional aspects of the PACP countries (POS) is a meaningful approach to facilitate an increase of exports of agro-based products. However, and in spite of equivalency agreements with achieved with other international standards in association with International Federation of Organic Agriculture Movements (IFOAM), the corresponding economic aspects have been neglected so far, which might endanger the economic survival of the investments and results achieved with IACT’s support:

- Business planning on producers and processors level.
- Business planning on label management / administration level.
- Further training and accreditation of auditors within the PACP countries (to avoid costly visits of corresponding experts from overseas).

4.2 Component 2 (PRTCBP)

The design is highly relevant and appropriate in light of the extreme importance of tourism as an economic driver in most Pacific ACPs. Thus, tourism is arguably the largest economic sector across the Pacific. For many Pacific ACP countries and OCTs, the tourism sector is the major source of foreign exchange earnings and provides for substantial proportion of the

total employment. At the same time, tourism is the only economic sector in the Pacific to grow consistently across the region over the last five years, achieving an average annual growth in tourist arrivals of about 3.5%. In particular, the cruise tourism segment has proved drastic growth in recent years with an increase in passenger capacity of 55% from about 290,000 in 2012 to more than 450,000 in 2015 and an increase in cruise passengers of about 180,000 during the same period.

SPTO data estimate 1.7 million international tourist arrivals in 2014 and a gross value of tourism receipts between USD2.5 billion and USD3.0 billion. Already, six Pacific ACPs records tourism contributions in excess of 20% of their respective GDP. These are: the Cook Islands (50%), Palau (50%), Vanuatu (35%), Fiji (30%), Niue (20%), and Samoa (20%). Similarly, it is estimated that the tourism sector provides directly 64,000 full-time jobs across the region.

According to the Project Purpose, the capacity of Pacific ACPs should be strengthened in respect of the development of a sustainable tourism sector. In this regard, the design has proved appropriate as it aimed at improving tourism sector planning and policy development, increasing market research and marketing initiatives, and increasing tourism HRD and capacity building.

4.3 Future Programmes

Some general observations made during the Final Evaluation should be taken into consideration for future support programmes to the PACPs. As observed by the evaluation team in prior evaluation missions to other programmes (and in other regions), the following aspects frequently present major bottlenecks:

Programmes / projects targeting institution building and change of political strategies and mind sets require time to achieve the best possible sustainability. Consequently, the implementation period as foreseen in the FA needs to be utilised as efficiently as possible to achieve and consolidate the envisaged results. This could be optimized through various design and planning measures, which should be taken into consideration for future programmes:

- Realisation of baseline studies before the commencement of the programme, for example through corresponding Framework Contracts (FWCs, like – for example - FWC Beneficiaries - Lot 10). This would make it possible to utilise the implementation period for actual implementation to the extent possible without “sacrificing” part of the period to preparatory activities.
- Preparation of tenders for major international service contracts before project commencement, with a corresponding suspension clause being linked to the FA being signed. This, would allow for the service contracts to start as early as possible after beginning of the implementation period of the FA and rather stretch over a

longer period then compressing all activities in a reduced time span. This is especially valid for small island economies with a very limited absorption capacity.

Besides their different languages, the Pacific ACP countries and OCTs differ widely in respect of size, economy, and social environment. Consequently, a one-size-fits-all approach is not constructive and future programmes have to allow for sufficient flexibility to respond to needs of specific islands or group of islands. Specifically, it should be considered to have sub-programmes for countries with 'less resources' versus countries with 'more resources'. The resources (and needs) of, e.g. a country like Niue are significantly different from Fiji. Taking a 'middle-of-the-road' approach will not benefit either county sufficiently.

The complexity of procedures to be followed implementing major EU programmes, especially if tendering of major international service and/or supply contracts are involved, is frequently underestimated. A thorough training of the corresponding PMU staff (if not already well experienced through similar prior job experience) at the beginning of a programme is a necessary and well justified investment. This would prepare the terrain for a supportive administration, allowing for a smooth start of implementation activities.

In case that an Implementing Agency has not yet proven its competence to efficiently manage major and complex programmes and projects it should be foreseen an external "on-going monitoring" support to accompany the project management team (on an intermittent base), in case that an implementing agency does not have sufficient experience in efficiently managing major projects.

5 RELEVANCE

5.1 Component 1 (IACT)

The “Increasing Agricultural Commodity Trade (IACT)” component is highly relevant with the result areas being consistent with the needs of the region’s priorities

The project purpose is to “*Strengthen PACPs productive export capacity in primary industries (agriculture, livestock, forestry and aquaculture / mariculture) and allied downstream processing*”.

The IACT targets to contribute to the project purpose / specific objective through three main lines of activities aspiring to achieve the following results

- Result 1: Strengthened and diversified range of tradable products being produced by PACP private sector and inclusive exporter business models established.
- Result 2: Strengthened technical capacity of PACP governments, intermediary organizations and private sector to increase market access and penetration for niche and value-added products.
- Result 3: Strengthened national capacities of PACP line ministries and export enterprises in target sectors to comply with international trade standards.

In 2014, primary sector exports from the Pacific Island region to the world stood at USD 3.97 billion, which represents around 30 per cent of total merchandise exports. Therefore, further development of primary sector production, processing and export has a high priority and relevance in developing the PACP countries’ economies.

Thereby, the PACP economies face major challenges, which include

- Small local production potential with limited scale effects and competitive disadvantage as compared to competitors from larger economies.
- Enormous transportation costs, due to their remote geographical location;

Consequently, the above shown project purpose and results as well as the corresponding project activities are highly relevant, contributing to:

- Development and promotion of niche products with an extra added value (development of new and diversified products; further processing, certification of products, etc.).
- Integration and cooperation of regional economy (knowledge transfer and exchange of experiences between different PACP countries’ enterprises; combine forces to access export markets, etc.).

5.2 Component 2 (PRTCBP)

The “Pacific Regional Tourism Capacity Building Project (PRTCBP)” component is highly relevant with the result areas being consistent with the needs of the region’s priorities.

The PRTCBP targets to strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector through three main components of activities:

Improvement of tourism sector planning and policy development:

- At the regional level by strengthening SPTO through new constitution, new business plan, establishing of a regional tourism resource centre, updating of regional tourism and cruise tourism development strategies, and standardisation of tourism statistics
- At the national level by the development of a series of national tourism development strategies and action plans, and individual specialised assistance for business planning and improved legal framework, conduct of air and cruise visitor surveys

Improvement of regional market research and marketing activities through, among others:

- Conduct of niche and geographical market research
- Development of an online image library for use by member states
- Redevelopment and expansion of SPTO’s regional tourism internet portal and improvement of national websites
- Development of websites for tourism SMEs across the region with booking engines
- Updating and improved South Pacific Travel Specialist Programme for tour operators in overseas markets

Improvement of tourism HRD and capacity enhancement:

- Development of a regional tourism and hospitality HRD plan
- Delivering of a series of training and skills development programmes
- Facilitation of training attachments for industry employees

All of these activities are highly relevant to strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector.

6 EFFICIENCY

Both the IACT and the PRTCBP programmes had a very widespread approach. On the one hand, this refers to the geographic spread with a large number of independent states, different cultures and complicated / costly logistics, which is inherent for any regional project covering the PACP countries. On the other hand, the Programme did provide enterprise support (to a large number of different industries, due to the local specifics of each island), support to the development of a specific Pacific organic certification and bio security / SPS.

Here, a narrower project focus, concentrating more on the enterprise support components and the economic aspects of the POETCom activities would probably have been more efficient, as compared to the “widespread approach” of the IACT Programme. This would have allowed for higher efficiency through:

- More time on the ground of the enterprise support staff (and less time spent for logistics).
- Better utilization of cross-fertilizing potential through activities “transplanting” experiences from one location to other locations with similar conditions.
- Higher penetration intensity within selected (sub-)sectors, thus facilitating a higher momentum within the region’s private sector to follow up on project activities.

Such more focused approach should be taken into consideration for possible follow-up projects and programmes in the region, also in respect of further support to SPTO.

6.1 Timing

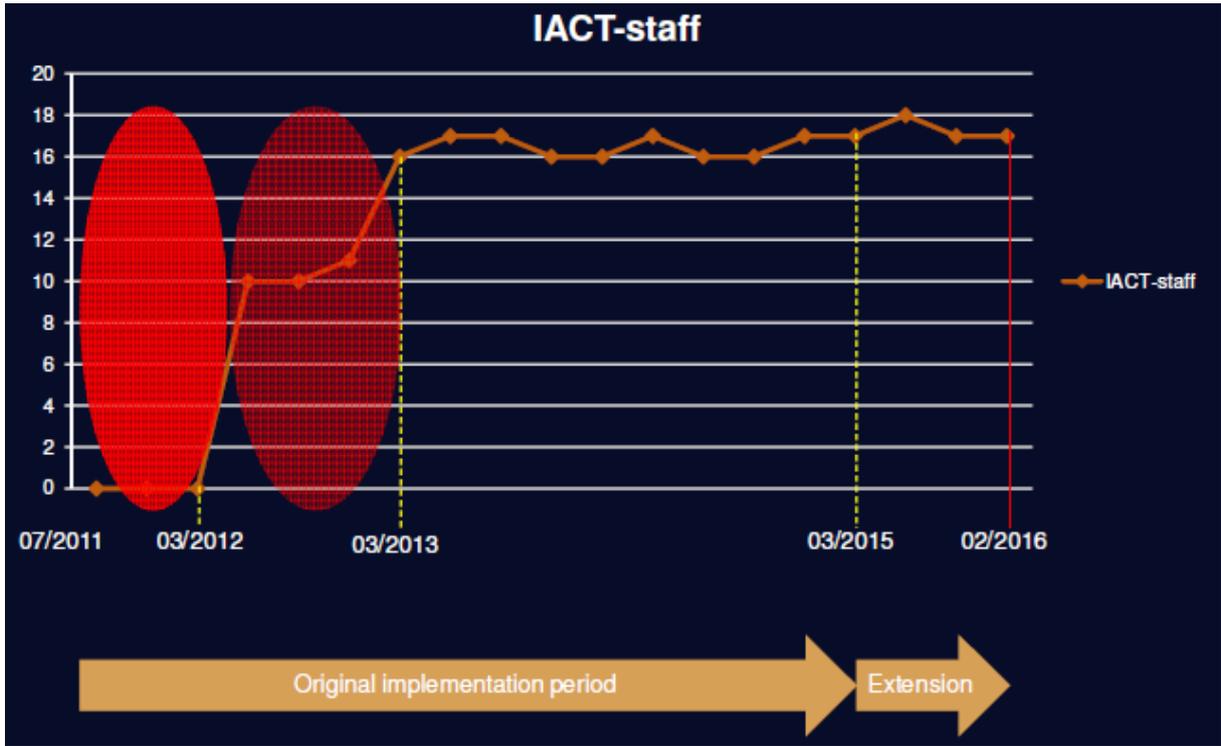
6.1.1 Component 1 (IACT)

Overall, the initial phase of IACT has been characterized by severe delays, which would have been impossible to recover without a project extension. The IACT unit started to be operational only one year after signing the contribution agreement and beginning of the implementation period. Until filling all positions and being fully operational, it took almost two years (see Figure 1).

These problems were caused by SPC’s late start of the recruiting process. In spite of the foregoing proposal and negotiation period, recruiting of key project staff started only after signing the agreement with the EU, instead of already identifying and securing appropriately qualified key personnel beforehand. Such approach, having the team already identified during the proposal phase, would be easily possible and is common standard for all tendered contracts with consulting companies.

It is noteworthy to mention that exactly the same problems have been observed and corresponding recommendations have been given for previous EU-funded projects (IKSA) implemented by SPC. Unfortunately, SPC was not able or willing to take appropriate measures to avoid a repetition of this unsatisfactory situation.

Figure 1: Severe delays at beginning of IACT



6.1.2 Component 2 (PRTCBP)

Overall, the PRTCBP has had a high degree of efficiency in spite of some initial delays in the full deployment of staff, and with a project extension of one year, all project activities were implemented.

Figure 2 below shows the deployment of staff before, under and after the PRTCBP. The Project Manager was engaged within a month after the signature of the Grant Contract and four project staff was engaged over the following two months. However, the full deployment of project staffing was only completed in year two. This delay in staff deployment in the initial project period is a common phenomenon in many development projects.

In connection with project extension of 12 months, the project budget was increased slightly by EUR 180,000 from EUR 5,917,476 to EUR 6,097,476.

Figure 2: Deployment of Staff in SPTO before, under and after PRTCBP, 2011-2016

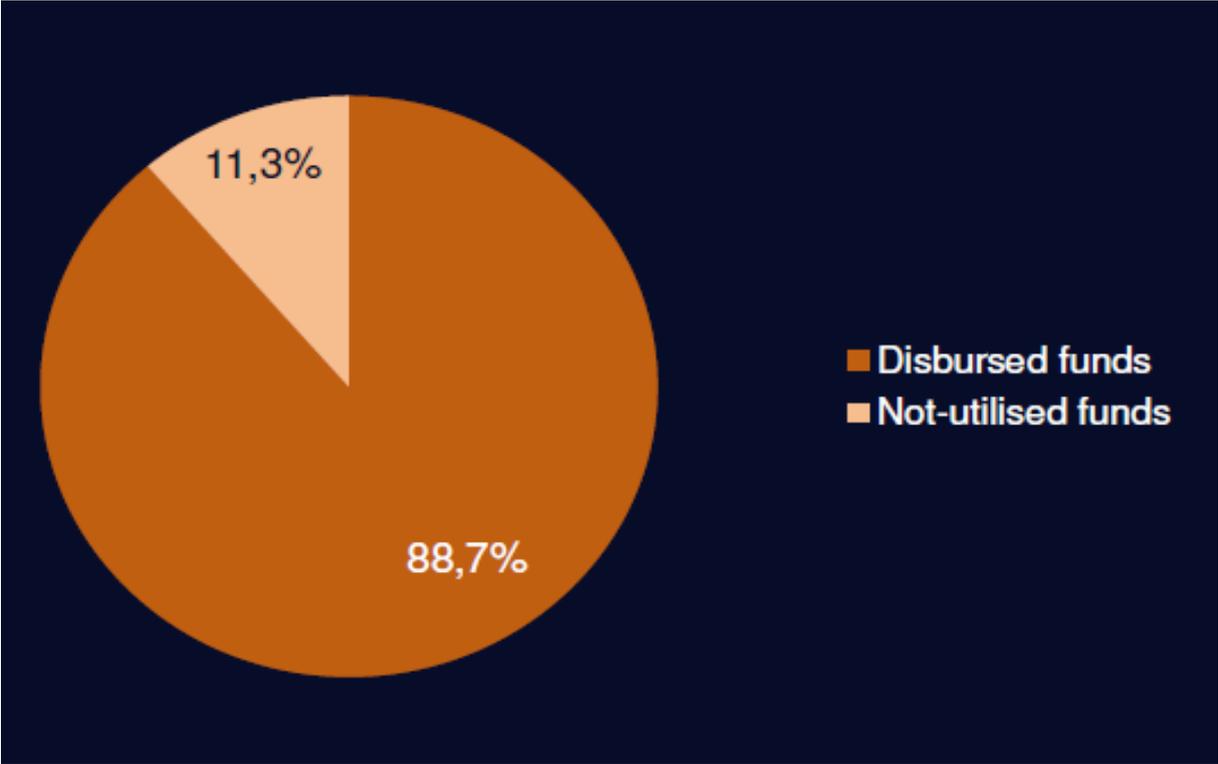


6.2 Disbursement

6.2.1 Component 1 (IACT)

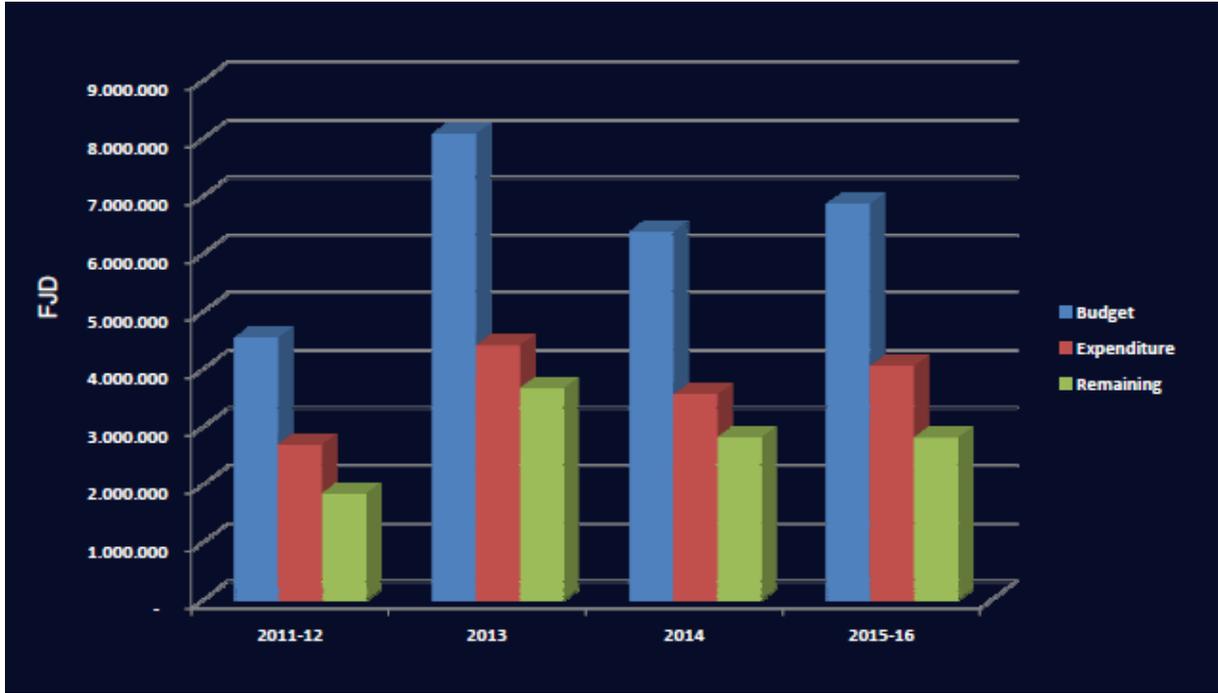
As for the disbursement of funds, an overall of 88% of the budget had been spent and invested in the average of the different Components (see Figure 3). For good reason, this underutilization of available funds has been criticized by Steering Committee members who emphasized that the stressed economies of the PACP states could have well used the funds.

Figure 3: Disbursement of Programme Funds vs. Budget



This overall under disbursement is a “logical consequence” of the continuously unrealistic annual planning, as can be seen in Figure 4). On average, in each year only less than 57% of the budget foreseen in the corresponding Annual Work Plans has been utilised.

Figure 4: Disbursement of Programme Funds in Percent of Annual Work Plans



Main reasons for the inefficient management of IACT are:

- Absence of adequate project management experience on team-leader level. In spite of the management expertise required for a successful implementation of such complex project, with approximately 15 staff members and extreme time pressure, this criteria has been neglected during the recruiting process.
- Non-existence of a position for a dedicated finance and procurement expert within the IACT team. As a consequence, professional project staff had to dedicate an estimated average of 33% of their work time to procurement issues, although this has not been their specific expertise. Consequently, this entailed time consuming and frustrating (for both, project staff and beneficiaries) loops and reduced professionals' time available for perform their technical tasks.
- Insufficient control mechanisms and responsibility to take decisions to improve the organization on SPC-level.

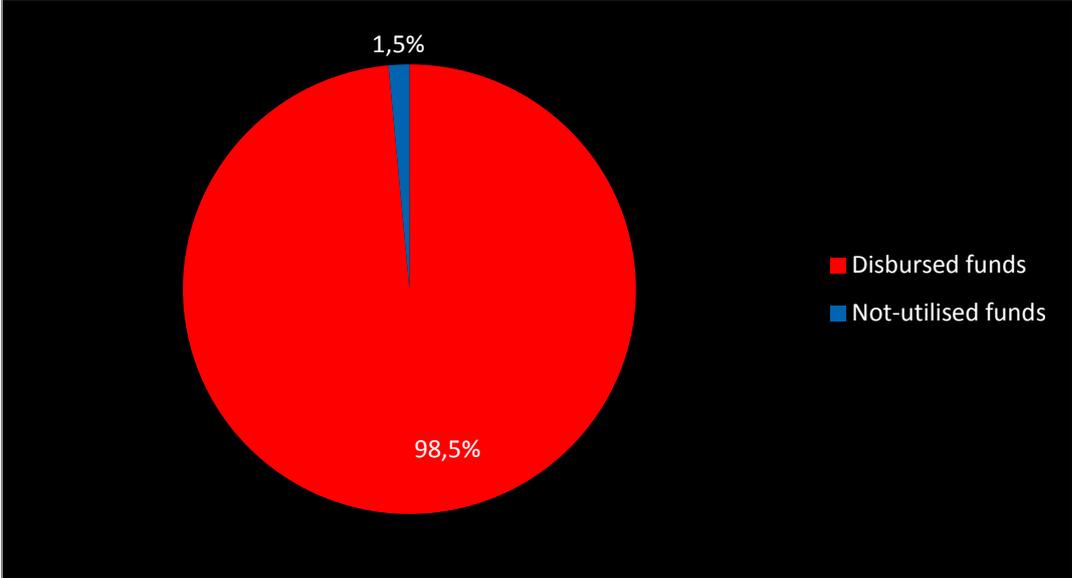
In this context it needs to be mentioned that, in spite of the aforementioned deficiencies, the team of project professionals has managed to successfully implement most of the planned activities. Contrary to the administrative and financial management, the technical staff has been well qualified and motivated (in spite of some frustration originating from high percentage of administrative tasks). However, as mentioned above, a better administrative / financial management by dedicated staff would definitely have allowed for a higher efficiency of the technical staff and the overall programme.

As regards further financial analysis, the data provided by SPC does, unfortunately, not allow for a differentiation between different sources of financing for project activities, especially concerning bio security and split of funds for enterprise support activities for supplies, local and international consulting expertise.

6.2.2 Component 2 (PRTCBP)

The disbursement of funds has been very efficient with as much as 98.5% of the total budget of about EUR 6.1 million disbursed (see Figure 5 below). The non-utilised funds amount to about EUR 90,000, corresponding to less than 1.5%.

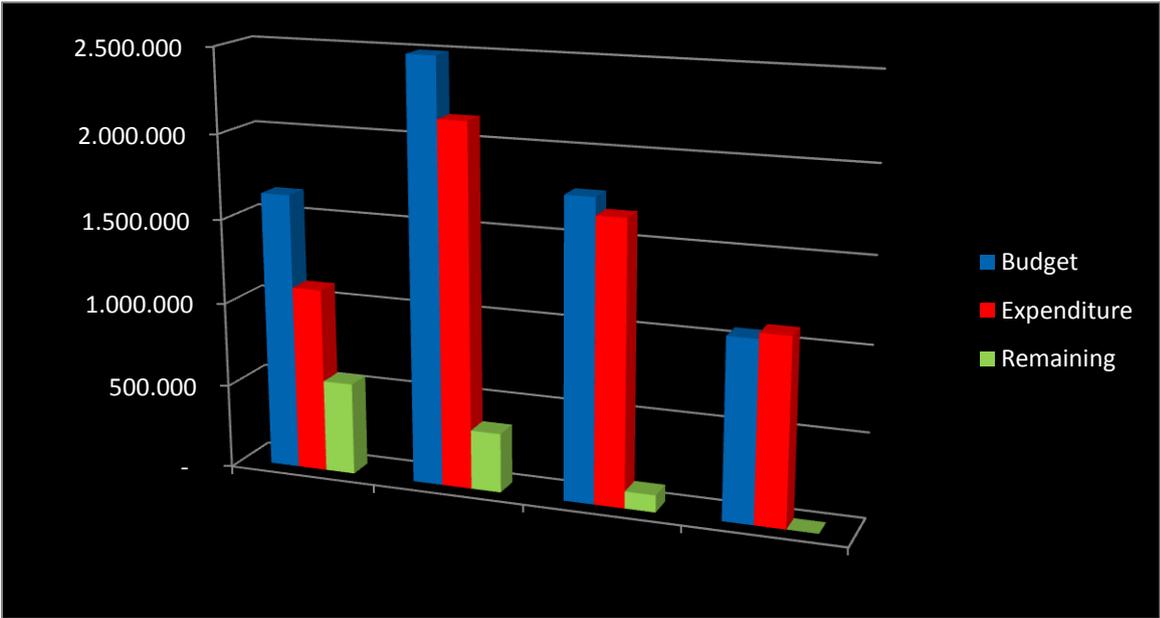
Figure 5: Disbursement of PRTCBP Programme Funds versus the Budget of EUR 6,097,476



The annual rate of disbursement is shown in Figure 6 below. In light of the initial delay in the full deployment of project staff, it is not surprising that the rate of disbursement was lowest for the first project year of 2012, where only two thirds (66.7%) of the budget was disbursed, still exceeding EUR one million. The annual rate of disbursement increased to almost 86% for 2013, with a total disbursement of well over EUR 2.1 million.

In 2014, the third year of operation, the annual rate of disbursement reached 94.2% with total expenditure of almost EUR 1.7 million while the rate of disbursement exceeded 100% for last project year of 2015, where a slight over expenditure of EUR 35,500 was recorded.

Figure 6: Annual Budgets and Disbursement of PRTCBP Programme Funds (EUR), 2012-2015



On the basis of the final project accounts, it is possible to work out a split between project team salaries and service contracts for the entire PRTCBP; which is shown in the table below.

Type of Project Expenditure	Expenditure in EUR	Percentage
Entire PRTCBP	6,097,476	100%
Studies and Research*	2,475,286	40.6%
Salaries of Project Staff	690,076	11.3%
Total regional staff salaries (project and core staff)	1,500,194	24.6%

* Service contracts

Overall, the expenditure of about EUR 690,000 for project staff salaries, accounting for just over 11% of the total project expenditure appears very reasonable for such a large project. In addition to this expenditure, SPTO contributed another approximately EUR 810,000 to the core SPTO staff from its own resources. Thus, the total staff salaries for project and core SPTO staff amounted to about EUR 1.5 million, accounting for just under 25% of the total project expenditure.

Further, the expenditure for the expatriate Project Manager engaged during the first year of implementation is not included in these amounts. This expenditure constituted about EUR 236,000.

When analysing the split of the project expenditure between staff salaries versus expenditure of service contracts, it is essential to account of the implementation approach taken for the EDF 10 PRTCBP to overwhelmingly use local and/or regional staff with limited expatriate input. Thus, with the exception of the project manager during the first year of implementation, the entire project staff, and, for obvious reasons, SPTO’s core staff, were drawn entirely from within the region.

The issue of the size of the permanent project team was exacerbated by the remuneration policy adopted by SPTO, which offer considerably lower salaries than other regional organisations located in Fiji or elsewhere in the region, and which therefore precluded attracting the best available talent within the tourism sector, assuming such existed at all across the wide range of experience and expertise envisaged by the team in question.

Further, the overall project was from the outset far too broad and diffuse, which was recognised by SPTO and attempted to be rectified in project Contract Addendums 1 & 2 by

strengthening the coherence and focus of the design of the project, thereby eliminating some less relevant posts from the original list of team members, and secondly, by deliberately boosting the external technical assistance inputs of the project at the expense of both overall staff costs and other non-essential provisions.

Thus, given the technical complexity of the many of the tasks required to be undertaken by the PRTCBP Work Plans, and given also the relative inadequate quality of the project team, SPTO quite understandably decided to use outside consultants more extensively than originally planned.

The permanent team members participated in the project activities that were contracted out, both in a supervisory and servicing capacity, but for obvious reasons also as understudies. With the aim to maximise the reach of available funds for TA delivered by international consultants, SPTO used a flat consulting fee of EUR 500 per worked day in budgeting and contracting, which arguably was below prevailing charge rates at the time.

In conclusion, it is likely that the same results could have been achieved with less overhead expenditure and serious thought should be given to the modalities of implementing future EDF regional tourism projects.

6.3 Monitoring & Evaluation and Knowledge Management

6.3.1 Component 1 (IACT)

Both, ongoing internal project monitoring and knowledge management are deficient and not appropriate. This is especially surprising and problematic given the

- Size and complexity of the IACT component,
- Number of project staff and beneficiaries involved,
- SPC's experience with implementing large regional projects,
- A Monitoring and Evaluation (M&E) Support Officer having been engaged as a member of the project team.

It is symptomatic that no comprehensive overview table with details concerning grant projects has been available for the evaluation, in spite of this having been already requested / recommended to be prepared by the mid-term evaluation team.

Unfortunately, there has been no systematic knowledge management during the implementation of the Programme. Project staff has been working on individual PCs, thus not systematically and sufficiently sharing their experience.

Only at the very last minutes of the Programme, data and files from individual PCs from project staff have been hastily uploaded to the SPC server, without sufficient prior

harmonization and preparation of the corresponding files. Unfortunately, some of the electronic files concerning grant projects have been lost and are not retrievable.

The IACT website is well designed and easily accessible. It gives a good overview on project activities, although information on beneficiary companies is not sufficiently updated and incomplete.

6.3.2 Component 2 (PRTCBP)

The 2012 ROM Report stated that there was no clear system in place for effective monitoring of project activities: However, in commenting on the ROM Report, SPTO explained that it already had in place day-to-day monitoring of ongoing work by the Project Manager and designated Activity Coordinators responsible for the monitoring of each Work Plan action.

Other monitoring and evaluation measures taken by SPTO include:

- Weekly review and briefing meetings between the Project Manager and the SPTO CEO
- Weekly general staff meetings
- Internal Project Management Committee (PMC) meetings have also been activated in accordance with the requirements of the Grant Contract

SPTO subsequently set out a detailed monitoring system in the Second Work Plan and a comprehensive Phase-out and Sustainability Strategy was prepared with the objective to help strengthen the institutional capacity of SPTO, so as to be able to sustain the activities and services developed through the PRTCBP.

A Monitoring and Evaluation (M&E) Support Officer was engaged by September 2013 to ensure implementation of a fully-fledged M&E system. While this officer resigned in June 2015, the position was re-filled in August 2015, and the M&E Assistant was still in place at the time of evaluation.

SPTO has demonstrated a high level of knowledge management and knowledge sharing. First, implementation of programme and component activities and events have been filed both electronically and in hard copy files. The usefulness of the filing system was clearly demonstrated as part of this evaluation, where the evaluator in a timely manner received all technical and administrative documentations including minutes of Board of Directors meetings, Council of Tourism Ministers' meetings, and Project Management Meetings.

Further, all technical reports and surveys produced under the PRTCBP have been uploaded on the Regional Tourism Resource Centre for sharing with SPTO members.

7 EFFECTIVENESS

This Chapter analyses the Programme's achievements, measured on the basis of the OVIs formulated in the LogFrames for the different Components (see Annex 3) of the Programme.

7.1 Envisaged results & achievement of OVIs – Component 1 (IACT)

The mid-term review recommended with good reason that *“The logical framework needs to be methodically reviewed in order to remedy the discrepancies between its present formulation and the EU procedural method. On the occasion, the number of OVIs and relevant activities should be reconsidered. The exercise should be carried out under the coordination of a representative of the EU Delegation, by a team composed of IACT management and staff, and an external professional”*. Unfortunately, no external professional has been consulted in the context, and the number of OVIs on result-level has not been reduced, as recommended during the mid-term review, but increased drastically from 19 to 74!. Together with a non-existence of any updated information concerning the achievement of OVIs in the IACT PMU, this made any concrete measurement of the achievement of OVIs on result level impossible.

Consequently, the achievement of OVIs as shown below refers to Overall Objective and Project Purpose only and – unusual for a Final Evaluation – does not comment on the numerous OVIs on Result level

The **Overall Objective** has been originally defined in the Contribution Agreement and has since remained unchanged as:

“Improve the economic integration of PACPs through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access”.

Indicator OO.1: Increased exports from Primary Industries Sector, in particular from Agriculture, Forestry, Livestock and Aquaculture, compared to 2010 levels

→ As usual with for OVIs for the Overall Objective, it is very unspecific and the Project's concrete contribution is difficult to measure, due to a multitude of influencing factors. Also, a one year reference base (2010) is highly problematic and unusual for agro-based figures. It should rather be an average of the last three years until 2010, thus “buffering” extreme figures due to climatic influences on yields and fluctuating prices on the world market.

However, since 2010 exports from the Primary Sector have increased by approximately 5% p.a. and it is undoubtful that the Project has positively contributed to the achievement of this indicator. The related activities are definitely suitable to stimulate exports.

The **Project Purpose** has been originally defined in the Contribution Agreement and has since remained unchanged as:

“Strengthen PACPs productive export capacity in primary industries (agriculture, livestock, forestry and aquaculture/mariculture) and allied downstream processing.”

Indicator PP.1: At least 4 new products exported each with export sales of >Euro 50,000 p.a. by February 2016

→ Although exact and separated data concerning sales figures for new products could not be provided by the project management, it is likely that this OVI has been achieved.

The overall number of products exported by partner enterprises increased at an average rate of 15.5% per annum between 2011 and 2015, including new products as shown below (indicator PP.3).

Indicator PP.2: Exports of enterprises targeted by the project on average increased by >5% by Feb 2016 over 2010 baseline.

→ As mentioned above (see OVI on Overall Objective level), it is highly problematic and unusual for agro-based figures to refer to one single reference year, due to possible untypical and non-representative climatic influences. It should rather be an average of three years, thus “buffering” extreme figures due to climatic influences on yields and fluctuating prices on the world market.

However, since 2010 exports from the Primary Sector have increased by approximately 5% p.a. and it is undoubtful that the Project has positively contributed to the achievement of this indicator. The related activities are definitely suitable to stimulate exports.

Indicator PP.3: At least 8 PACPs have diversified their export product range through project support by 2015

→ This OVI has been achieved, as additional exports have been registered in Solomon Islands (sea weed, cocoa), Vanuatu (honey), Tonga (vanilla), Fiji (frozen products), Timor Leste (coffee), Fiji, PNG, Samoa, RMI and Timor Leste and FSM (coconut based products).

Indicator PP.4: Number of jobs and suppliers created by enterprises increased by 5% by Feb 2016.

→ This OVI, too, has been achieved as, according to project documentation, the number of jobs in beneficiary companies has increase by approximately 25% between 2012 and 2015, and additional jobs have been created, mainly in rural environments and (small) villages, and additional ones have been secured and created on the supply side of raw materials on farm level).

7.2 Envisaged results & achievement of OVIs – Component 2 (PRTCBP)

The **Overall Objective** has been originally defined in the Grant Contract and has since remained unchanged as:

“To improve PACP economic integration through strengthened national systems and institutional frameworks to develop tourism industry capacity, increase private sector competitiveness and increase international market access in the tourism sector”.

Indicator OO.1: Increased and diversified inbound tourism including cruise ship tourism throughout the region – compared with 2011 baseline (impact indicator)

→ Air arrivals increased by about 100,000, corresponding to 6%, from 1.6 million in 2012 to 1.7 million in 2014, and during the same period, cruise tourism is estimated to have increased by 180,000 or almost by 30%.

Indicator OO.2: Increased collaborative regional initiatives

→ SPTO partnerships formally established through signed Memoranda of Understanding (MOUs) with, among others, South Pacific cruise Alliance (SPCA), Cruise Lines International Association (CLIA), University of the South Pacific (USP), South Pacific Environmental Programme (SPREP), and the Secretariat of the Pacific Community (SPC).

Indicator OO.3: Growth in tourism revenues and overall economic impacts

→ Regional tourism earnings estimated to have increased by USD 100 million, or 7.7%, from USD 1.3 billion in 2012 to USD 1.4 billion in 2013.

Indicator OO.4: Enhanced viability of tourism SMEs

→ Development of E-marketing websites and training completed for about 170 tourism establishments in 11 PACPs. The scheme has varied in degree of success from extremely successful in for instance Samoa and Kiribati to almost failure in Vanuatu.

The **Project Purpose** has together with the OVIs been updated as part of Addendum 2 to the Grant Contract in 2013 on the basis of recommendations of the 2012 ROM mission and is: “To strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector.”

Indicator PP.1: Increase in regional tourism arrivals and cruise ship visitation as well as tourism receipts by 5% pro anno by 2014 over 2011

→ Air arrivals increased by about 100,000, corresponding to 6.3%, from 1.6 million in 2012 to 1.7 million in 2014, and during the same period, cruise tourism is estimated to have increased by 180,000 or almost by 30% while tourism revenues were estimated to have increase by 7.7% from USD 1.3 billion in 2012 to USD 1.4 billion in 2013.

Indicator PP.2: Increased and improved market access by tourism SMEs resulting in a 25% increase in sales by 2014 against 2011sales volume

→ While no baseline figures are available, it is only possible to measure the number of enquiries (11,400+) and bookings: (3,400+)

Indicator PP.3: 700 international travel retailers certified as South Pacific Travel Specialists by end 2014

→ While SPTO registered about 1,300 tour operators in key market areas, already selling or interested in selling travels to the South Pacific, only 422 agents were actually certified after

having taken the comprehensive online training programme consisting of 15 member-country tourism product packages and five niche market product packages.

Indicator PP.4: Improved flow of tourism market research and intelligence to regional tourism stakeholders

→ Nineteen niche markets profiles, five detailed niche market studies, six air visitor surveys, and three cruise visitor surveys as well as regional cruise tourism intelligence conducted and distributed to member states and uploaded as part of the Regional Tourism Resource Centre (RTRC).

Indicator PP.5: Establishment of SPTO corporate website and online access to increased quantity of proprietary research data and intelligence for SPTO members

→ The visitation of the SPTO website has increased by 200% from about 74,500 sessions in 2011 to almost 224,000 sessions in 2015. However, the website does not facilitate bookings and the Regional Tourism Resource Centre appears to be greatly under-utilised.

Indicator PP.6: Improved online marketing capacity at regional and national levels in key applications including social media and search engine optimisation

→ In spite of several initiatives, results relatively limited - especially at the national level.

Indicator PP.7: Regional tourism and cruise strategies 2014-18 and 2015-2019 completed and adopted by end 2014

→ Both strategies prepared and endorsed by the SPTO Board of Director and Council of Ministers and disseminated to member states and uploaded as part of the resource centre.

Indicator PP.8: Enhanced technical skills and professional capacity of tourism industry employees

→ Almost 1,500 tourism industry staff from 15 PACPs has been trained through tailor-made training initiatives, and more than 100 industry staff from 10 PACPs has attended the attachment scheme. However, there have been some complaints about the short periods of attachments and some stakeholders have expressed a need for repetition of some of the training courses.

Result 1:

“Improved Sector Planning and Policy Development “.

The achievement of indicators (as defined in the updated LogFrame) is evaluated in more details as follows:

Indicator 1.1: Restructured and strengthened SPTO Secretariat with new 5-year business plan

→ SPTO restructured and strengthened according to the 5-year Business Plan, Corporate Policy Manual and revised Constitution.

Indicator 1.2: Reactivated SPTO research and statistics function and regular production of statistical bulletins and reports

→ SPTO research and statistics function resurrected and tourism statistics bulletins are published on a regular basis.

Indicator 1.3: Fully functioning online regional tourism resource centre

→ Excellent resource centre established with statistics and survey reports as well as 1100+ publications. However, the centre seems to be under-utilised.

Indicator 1.4: Standardisation of national tourism statistics systems based on United Nations World Tourism Organisation (UNWTO) norms

→ While a regional tourism statistics conference agreed to the proposed standardisation of tourism statistics in the Pacific, several countries still need to implement the standardisation initiatives inclusive changes to the existing visitor arrival forms.

Indicator 1.5: At least 3 air visitor and 3 cruise ship visitor surveys conducted, and fine-tuned survey toolkits provided to all PACPs backed up by training

→ A total of six air visitor surveys (in Kiribati, Solomon Islands, Palau, RMI, Tuvalu and FSM), three cruise ship visitor surveys (in Vanuatu, the Cook Islands and Tonga) and a pilot Tourism Satellite Account (TSA for RMI) survey conducted. At the same time, a tourism statistics toolkit has been elaborated and provided to NTOs and National Statistics Organisations (NSOs).

Indicator 1.6: Increased promotional, research and product development activities in the region's cruise tourism sector

→ Cruise Market Research and Intelligence study undertaken and a Regional Cruise Tourism Strategy prepared and disseminated, and an online Cruise Manual has been prepared. At the same time, the SPTO has signed MOUs with both South Pacific cruise Alliance (SPCA) and Cruise Lines International Association (CLIA), thereby increasing regional integration.

Indicator 1.7: Preparation and launch of South Pacific Cruise Manual as a permanent micro site on redeveloped SPTO website

→ Microsite prepared and launched as part of the SPTO website. However, as other elements of the SPTO website, the micro site seems to be under-utilised.

Indicator 1.8: Updated medium term regional tourism and cruise shipping strategies by end 2014

→ The Pacific Regional Tourism Strategy and the Pacific Cruise Tourism Development Strategy prepared and approved by the SPTO Board of Director and Council of Tourism Ministers, and subsequently disseminated to member states and uploaded as part of the resource centre.

Indicator 1.9: National tourism policies/strategies and action plans updated in at least 5 PACPs

→ National Tourism Development Strategies and Action Plans prepared for five primarily smaller member states (FSM, Marshall Islands, Nauru, Solomon Islands and Tuvalu) and Tonga's Tourism Act has been revised, and a business plan has been prepared for Vanuatu

National Tourism Office. There will be a need for the SPTO to assist the individual member states in obtaining financing for the implementation of the tourism development plans.

Indicator 1.10: Increased investment promotion schemes in support of tourism SMEs set up in collaboration with PT&I and training for NTOs and IPAs in investment promotion

→ Situation analysis and three regional training workshops undertaken in liaison with the Pacific Islands Trade and Investment (PITI). An online investment directory with 45 project profiles has been established. The activity has suffered for being overlapping with national initiatives through national investment promotion agencies and would perhaps have had larger impact if focusing on investment preparedness and business development.

Result 2:

“Increased regional market research and marketing activities“

The achievement of indicators (as defined in the updated LogFrame) is evaluated in more details as follows:

Indicator 2.1: At least 5 niche and geographical market research studies are conducted

→ A total of 19 niche market profiles have been completed and five fully-fledged niche market studies prepared within the niche market products of Backpacking, Cultural Heritage, Diving, Sport Fishing, and Wedding/Honeymoons. Separate training modules have been prepared for each of the five niche markets and included as online training modules as part of the South Pacific Specialist Programme and the niche market studies uploaded to the online RTRC database.

Indicator 2.2: Online regional digital image library established and well stocked – minimum of 1000 high resolution images by end 2014

→ A total of more than 2,100 high resolution images from 17 Pacific ACPs have been uploaded in the resource library together with one and three minutes destination videos in English and Chinese for use by the individual member NTOs.

Indicator 2.3: Redeveloped and expanded regional tourism internet portal including password-protected ‘members only’ section

→ Portal established including a cruise manual micro-site, an invest directory and the Regional Tourism Resource Centre Library. Although SPTO has taken various initiatives to promote the website and the individual micro sites, it appears that the website is under-utilised.

Indicator 2.4: Online regional portal traffic increased by 50% by end 2014 over 2011

→ On-line traffic has increased by more than 200% from about 74,500 sessions in 2011 to almost 224,000 sessions in 2014.

Indicator 2.5: Websites of at least 6 NTOs improved

→ Assistance and advice has been provided to nine NTOs (FSM, Niue, RMI, Palau, PNG, Samoa, Tonga, Tuvalu and Vanuatu) to improve their website and online marketing campaigns, and a regional online strategy workshop held in Auckland.

Indicator 2.6: E-marketing capacity of at least 6 national tourism organisations (NTOs) improved

→ Online strategies were completed for six PACPs (Niue, PNG, Samoa, Solomon Islands, Tonga, and Vanuatu) and three webinars (Online Training) were held with participants from NTOs and private sector members from the Cook Islands, PNG, Solomon Islands, Tahiti, and Tonga. However, there is still a lack of e-marketing skills in member NTOs.

Indicator 2.7: At least 100 tourism SMEs across the region provided with websites and booking engines and supported with training

→ E-marketing training was conducted for about 295 SME accommodation providers and about 70 SME tour and activity operators in 11 Pacific ACPs. About 165 websites were launched, of which about 100 are still operational. Since the launch, more than 10,000 enquiries and almost 3,200 bookings have been recorded. The scheme has varied in degree of success from extremely successful in for instance Samoa and Kiribati to almost failure in Vanuatu.

Indicator 2.8: Updated and expanded South Pacific Travel Specialist Programme completed and rolled out by end 2013

→ South Pacific Specialist workshops were conducted in 13 overseas markets (Australia, New Zealand, Italy, Sweden, Denmark, Belgium, Germany, Austria, Switzerland, Canada, USA, UK and China) and a total of about 1,300 tour operators, already selling or interested in selling travels to the South Pacific were registered. However, only 422 agents were actually certified as South Pacific Specialist agents after having taken the comprehensive online training programme consisting of 15 member-country tourism product packages and five niche market product packages.

1300 registered agents with 422 certified as SP specialists – aim was 700 – excessive training

Result 3:

“Increased tourism HRD and Capacity Enhancement “

The achievement of indicators (as defined in the updated LogFrame) is evaluated in more details as follows:

Indicator 3.1: Regional Tourism and Hospitality HRD Plan (RTHHRDP) completed and adopted

→ 500 copies printed and distributed to key stakeholders and an additional 200 copies were provided to USP’s School of Tourism, Hospitality and Management.

Indicator 3.2: Training and skills development programmes benefiting at least 500 industry employees delivered by end 2014

→ Almost 1,500 tourism industry staff from 15 PACPs has been trained through tailor-made training initiatives. However, some stakeholders have expressed a need for repetition of some of the training courses.

Indicator 3.3: Training attachments awarded to at least 30 industry employees by end 2014

→ Some 112 industry staff from 10 PACPs (Cook Islands, Fiji, FSM, Kiribati, Palau, PNG, Samoa, Solomon Islands, Tonga and Vanuatu) has attended the attachment scheme. However, there have been some complaints about the short periods of attachments.

Indicator 3.4: Contribution to development of regional centres of excellence in tourism and hospitality training

→ Worked closely with regional and national tourism training institutions like the School of Tourism, Hospitality and Management of the University of the South Pacific (USP), the College of Business, Hospitality and Tourism Studies of Fiji National University (FNU) and the Auckland University of Technology (AUT) and also completed attachments with the Executive Development Institute for Tourism (EDIT) at the University of Hawaii (Manoa). Other cooperation partners could have included, among others, the regional Australia Pacific Technical College (APTTC) and other national training institutions for the development of further centres of excellence in tourism and hospitality training.

8 IMPACT

8.1 Component 1 (IACT)

According to project documentation, the number of jobs in beneficiary companies has increase by approximately 25% between 2012 and 2015, and additional jobs have been created, mainly in rural environments and (small) villages, and additional ones have been secured and created on the supply side of raw materials on farm level. As a consequence, this has a positive impact on:

- Improving livelihood
- Reducing rural depopulation
- Reducing migration to overseas countries

This positive impact has been achieved, among others, through supporting the supply chain on various levels, as shown in Figure 7:

- Supply markets
- Processing level
- Export markets

Figure 7: Supply chain has been supported on three levels



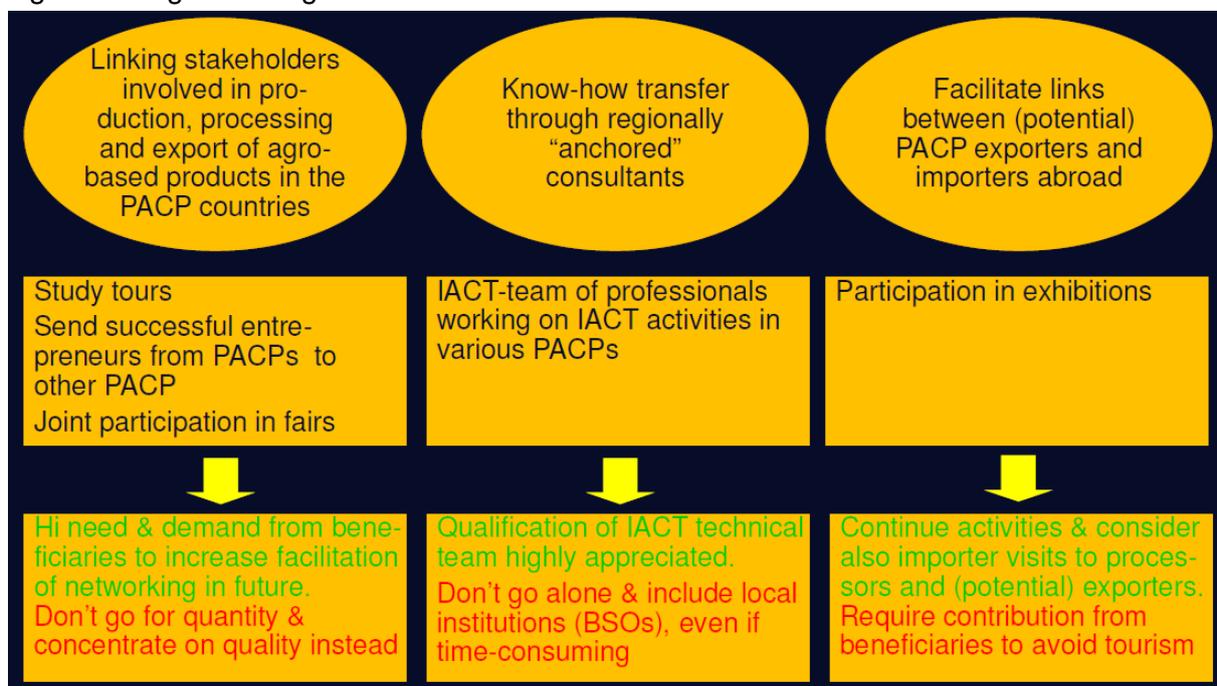
As illustrated in Figure 8, IACT has been successful in fostering regional integration, especially through three main lines of activity:

- Linking stakeholders involved in production, processing and export of agro-based products in the PACP countries.

- Know-how transfer through regionally “anchored” consultants and professionals of the IACT-team.
- Facilitating links between (potential) PACP exporters and importers abroad.

All entrepreneurs interviewed during the evaluation have unanimously mentioned the exchange of know-how and corresponding regional cooperation being of major importance for a successful and efficient development of their business. Due to large distances between PACP countries, entrepreneurs are frequently not aware of experiences made on other islands in their field of business and consequently, “the wheel is invented several times”. It is widely understood that fellow entrepreneurs on other islands are – in most cases - not to be seen as competitors but rather as a colleagues with similar challenges. In this context, sending entrepreneurs from one island to another to share their experience has been a successful approach: entrepreneurs tend to listen to fellow entrepreneurs more attentive as compared to consultants.

Figure 8: Regional integration has been facilitated on three levels



8.2 Component 2 (PRTCBP)

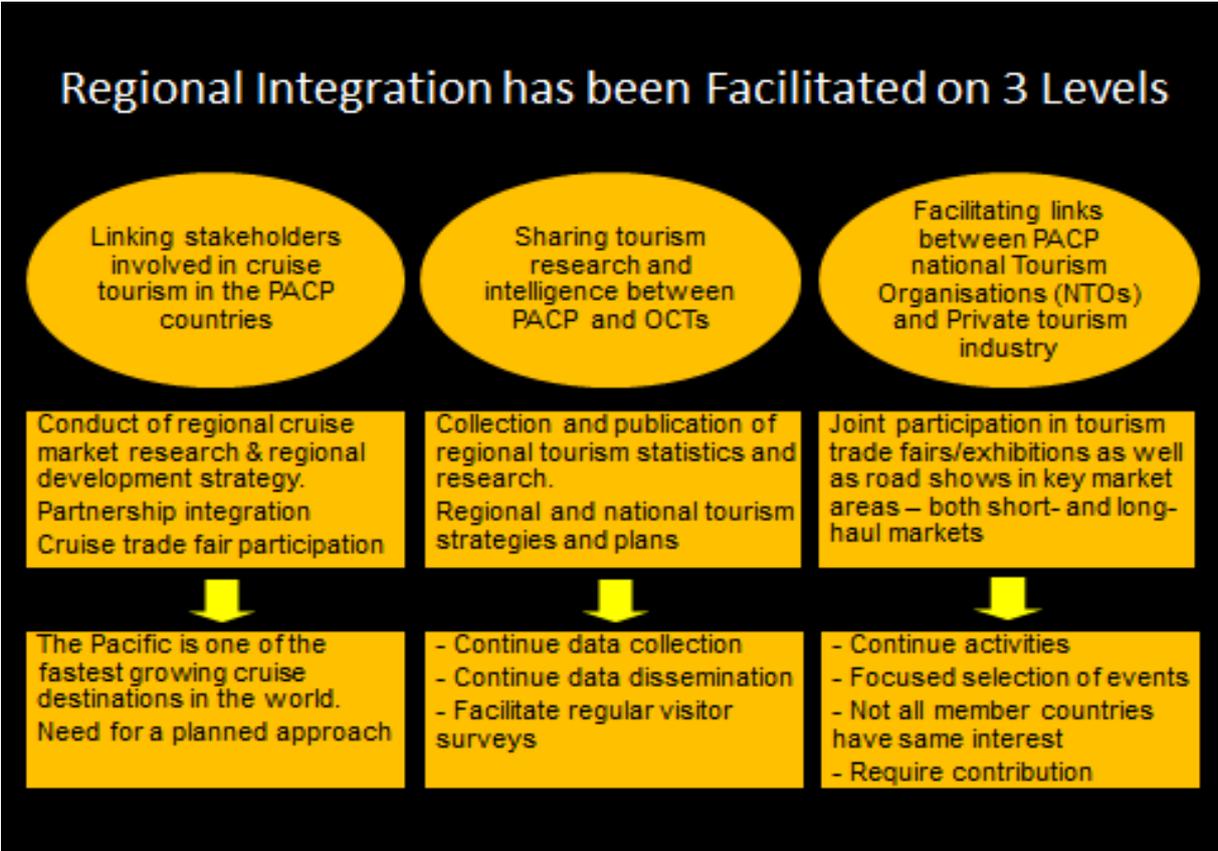
The PRTCBP has had a tremendous impact on SPTO and individual member NTOs. Prior to PRTCBP, SPTO was weak with limited activities and visibility among public and private tourism stakeholders. The PRTCBP has lifted SPTO in capacity, activities and visibility. A series of useful development frameworks have been developed both for the operation of SPTO as a regional tourism organisation and for the development of tourism in the region. Thus, SPTO has been restructured in accordance with its new Constitution, 5-year Business Plan, and Corporate Policy Manual. At the same time, new frameworks have been

established for the further development of tourism in the Pacific, including the Regional Tourism Strategy and the Regional Cruise Tourism Development Strategy,

Regional Partnership Integration was enhanced during the PRTCBP, among others, with SPTO entering into new partnership agreements with a series of other regional organisations. Memoranda of Understanding (MOUs) were signed with, among others, the South Pacific Cruise Alliance (SPCA), Cruise Lines International Association (CLIA), Secretariat of the Pacific Community (SPC), Pacific Islands Trade and Investment (PITI), South Pacific Environmental Programme (SPREP) and the University of the South Pacific (USP).

Figure 9 below illustrates aspects of the regional integration obtained during the PRTCBP at the three levels of cruise tourism development, research and planning and marketing/trade fair participation.

Figure 9: Illustration of Regional Integration Achieved during PRTCBP at three Selected Levels



Also the NTOs interviewed during the field work reported positively on the impact the PRTCBP has had on their respective organisations, and on individual staff both as a result of specific training activities and the general interaction with SPTO and NTO colleagues. In particular, smaller member countries have expressed strong support for the PRTCBP and individual programme activities. This was confirmed by telephone interviews with the heads of the NTOs in FSM and Kiribati, and also during the fieldwork in Samoa and Vanuatu.

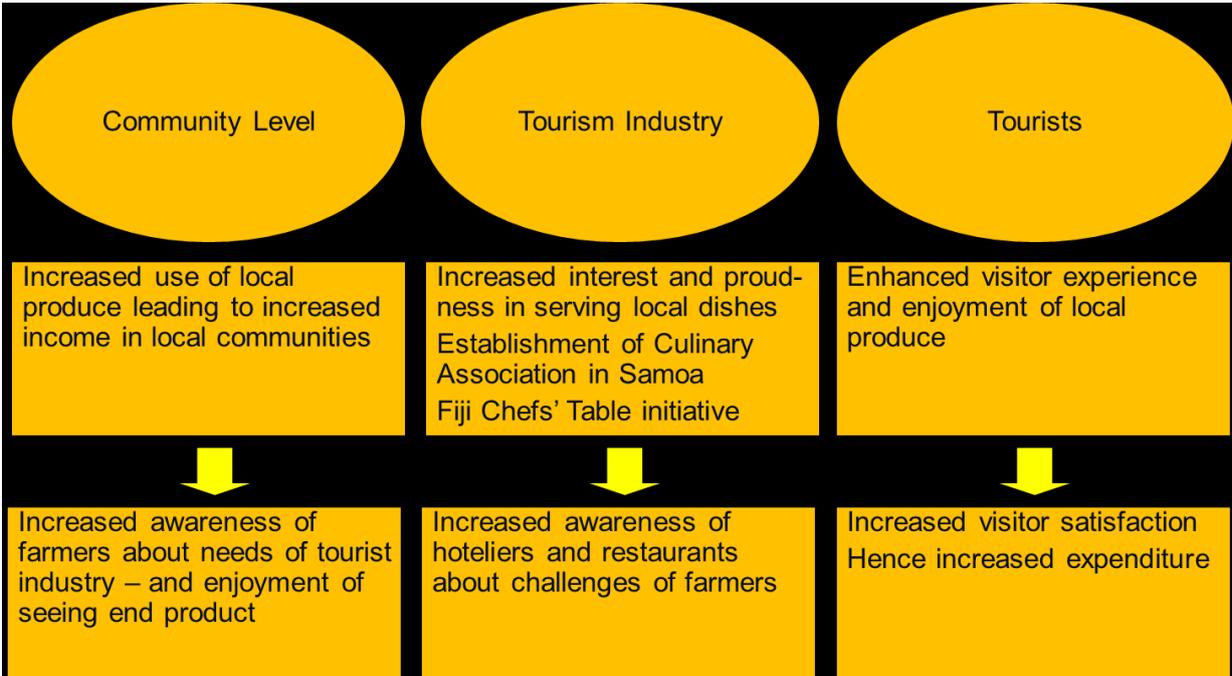
Individual NTOs and private sector industry members have especially pointed at the positive impact and benefits from regional marketing initiatives such as joint trade fair participation and organisation of roadshows in key market areas, something that most individual countries would not be able to undertake on their own through their national budgets. The same concerns the organisation of SPTO’s annual South Pacific Tourism Exchange, initiatives which also show sustainability as SPTO continues to organise these activities also after the completion of the PRTCBBP.

Other examples of the positive impacts of PRTCBBP and the regional nature of specific activities include:

- The establishment of a solid regional planning framework for the further development of tourism, including cruise tourism, in the South Pacific region through the preparation of the Regional Tourism Strategy and the Regional Cruise Tourism Development Strategy, and the subsequent preparation of six National Tourism Development Plans. This has provided a planning framework that most individual PACPs would not be in a position to establish on their own.
- The establishment of a regional framework for the standardisation and collection of tourism statistics and the conduct of visitor expenditure and travel behaviour and attitude surveys

As a further example, Figure 10 below illustrates the impact of PRTCBBP’s culinary skills programme which, among others, aimed at promoting the use of local produce in the local cuisine by using new creative recipes, and also facilitating the close collaboration between hotel and restaurant cooks and local farmers.

Figure 10: Illustrative Impact of PRTCBBP’s Culinary Skills Programme on 3 Levels



In spite of the positive impact illustrated above, there is still a need, and room for building further capacity of both SPTO and its member NTOS.

9 SUSTAINABILITY

9.1 Component 1 (IACT)

As regards IACT, sustainability has to be commended for different areas, which also show a different degree of sustainability.

Secretariat of the Pacific Community (SPC):

SPC, as the implementing agency, will continue to operate beyond IACT. In this case it is of importance that a total of five of IACT's professional staff will be retained by SPC and continue to work with in their field of competence. This continuity has also been observed at the beginning of IACT: Four of IACT's professional staff had already participated in its predecessor programme, FACT. This facilitated a smooth start of the Programme at the beginning and a carryover of accumulated technical experience.

SPC's sustainability as a major regional implementing agency for international development cooperation activities, however, requires additional efforts. As mentioned further above (see chapter "Efficiency"), SPC's project management efficiency has been unsatisfactory, not only with respect to IACT. In this regard, a major effort has to be made to regain the necessary confidence of the donor community, especially concerning:

- Recruiting process for key project management personnel (timing, criteria);
- Financial management and procurement process;
- Monitoring of project progress;
- Knowledge management.

Grant projects:

All visited companies which benefited from grant projects are still operating and the project supported activities, except one: Support to basic agricultural start-up activities by school dropout youths in Tonga. This activity, anyhow, has been rather a social one and its inclusion in a trade promotion project can hardly be justified.

Overall, future development of project supported activities depend very much on the beneficiary companies' ability to further stabilize and increase a homogeneous and reliable supply chain of raw materials (quality and quantity). Interviewed entrepreneur have unanimously identified the lack of reliable supplies as main bottleneck for growth. In this context, IACT has supported different schemes / approaches link producers and processors, as for example:

- Participation of producers in decentralized (pre-)processing units (successful example in Solomon Islands);

- Contract farming (problematic experience in Togo, due to small scale farmers' habits / inexperience in sticking to contractual obligations);
- Advisory services provided by processors (successful examples in Fiji);
- Processor operated training facilities for farmers (successful example in Togo).

Systematically sharing and multiplication (where appropriate) of these experiences with similar enterprises within the region would be an important contribution of future projects to further growth of agro-processing SMEs.

Concerning the visited companies, trainings on business plan development and financial planning have not facilitated a significantly better access to bank loans. It is therefore recommended that future similar projects should consider utilizing the opportunity that companies receive project co-financing to supplement companies' own investment to trigger additional funding through commercial or development banks. Such relationship between companies and banks, once established and successfully implemented, could facilitate a sustainable relationship lasting beyond the project.

Certification (POETCom/POS and FSC):

As regards various "technical and organizational aspects" concerning the POS, major milestones have been reached, which include notably:

- Achievement of equivalency agreement with other international standards in association with International Federation of Organic Agriculture Movements (IFOAM),
- Pacific Guarantee System (PGS) developed, tested and being extended;
- First pilot Pos certifications realized.

However, as already mentioned further above (see Chapter "Design / Concept") and in spite of the aforementioned achievements, the corresponding economic aspects have been completely neglected so far, which might endanger the economic survival and hence the sustainability of the investments and results achieved with IACT's support:

- Business planning on producers and processors level.
- Business planning on label management / administration level.
- Training and accreditation of auditors within the PACP countries (to avoid costly visits of corresponding experts from overseas).

Biosecurity:

Biosecurity and SPS-related facilities are still in a low standard in some of the PACP countries and would require further support until being consolidated and sustainable. This would also include a sound business plan / financing scheme to assure medium- and long-term institutional and infrastructural sustainability.

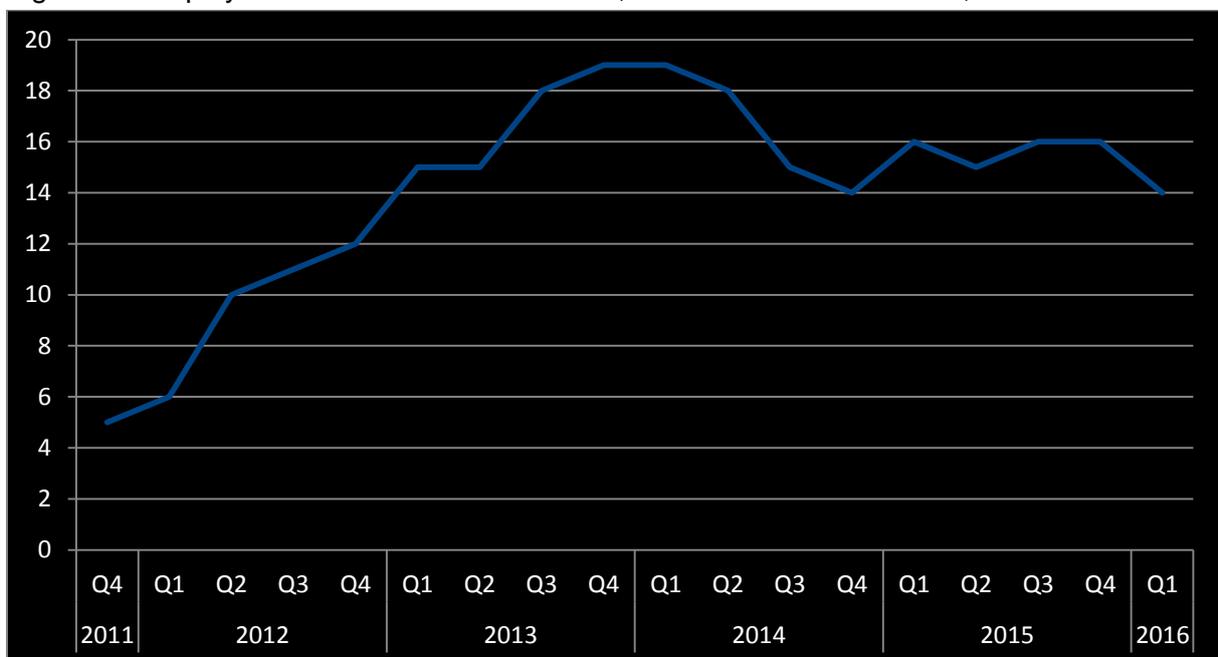
As regards SPS requirements, companies' participation in export promotion activities has definitely increased awareness concerning the necessity to comply with such regulations as a precondition for exports.

9.2 Component 2 (PRTCBP)

Overall, the PRTCBP shows a high degree of organisational and financial sustainability. Thus, at the time of evaluation, SPTO could still after the closure of the PRTCBP at the end of 2015 foster an active secretariat of 14 staff, being financed through its own core budget.

Thus, it is noteworthy that SPTO has not only retained the majority of staff engaged during the PRTCBP, it has more than doubled the staff compared to the situation prior to the commencement of PRTCBP as shown in Figure 11 below.

Figure 11: Deployment of Staff in SPTO before, under and after PRTCBP, 2011-2016



More importantly, SPTO continues the conduct of activities, which were formerly financed by the PRTCBP, but now financed by the core budget. Among activities being continued can be mentioned: the collection and dissemination of tourism statistics, joint participation in tourism and cruise tourism trade fairs (such as the Seatrade Cruise Fair in Florida, ITB in Berlin, BIT Milan, etc.) as well as the organisation of SPTO's own South Pacific Tourism Exchange to be organised on the Gold Coast in May 2016.

Similarly, SPTO continues its regional integration efforts having signed the MOU for closer cooperation with the South Pacific Environmental Programme (SPREP) and SPTO will also take part in the forthcoming Pacific Agro-Business Conference organised by the Pacific Islands Private Sector Organisation (PIPSO).

However, there is a need to reconsider SPTO's salary structure and salary levels, which lack behind other regional organisations based in Fiji and elsewhere in the region, including the Pacific Islands Forum Secretariat (PIFS), the Secretariat of the Pacific Community (SPC), United Nations Development Programme (UNDP) and others. Thus, several trained SPTO staff has during the PRTCBBP moved to these organisations, resulting in more than doubling of their salaries.

In a regional programme as large as the PRTCBBP, it is natural that some activities are weightier or more important than others. Whilst, acknowledging the need for a narrower focus, direct comparisons between the various project activities may not always be meaningful. However, the following activities stand out as both necessary and promising:

- **Regional and National Capacity in Tourism Data Collection and Analysis.**
Apart from re-activating SPTO's research function and re-introducing tourism statistics systems complying with UNWTO standards, a regular flow of market intelligence and authoritative statistical data to members across the region was implemented. This was further strengthened by the reorganisation of the SPTO library into a regional tourism resource centre including extensive digital resources. Research and statistics is a core function of all national tourism organisations, but much of this can best be accomplished at the regional level; hence the importance of SPTO's research and statistics activities.
- **South Pacific Cruise Shipping Strategy.**
Cruise tourism in the Pacific has been growing at remarkable rates, with more and more island countries vying for a share of this market. However, the region's readiness to service the cruise sector has not been up to the required standards, not only in terms of infrastructure but also in terms of market intelligence and human resource skills. The activities carried out by the project were intended to initiate work in all areas of need as well as offer training to personnel at ports of call. With cruise shipping continuing to grow rapidly, these inputs will have to be increased. This is an area in which regional project initiatives will continue to be needed in the foreseeable future.
- **Regional Niche Market Research.**
A steady flow of targeted market intelligence is of obvious benefit not only to national tourism organisations but also to private tourism operators. Niche or special interest market development is increasingly becoming an integral part of tourism development policy in the Pacific, not only as a means of ensuring growth through diversification, but also to assist SMEs and community based tourism organisations. This is rightly perceived as a fundamental obligation and service to member countries and private sector operators and thus forms an integral part of SPTO's core function of research and statistics.
- **Capacity Building in E-marketing for SPTO and NTOs and Tourism SMEs.**
Improving the capacity of both SPTO and member NTOs in the area of e-marketing is essential, particularly as it was generally recognised that there were considerable weaknesses and gaps. Further, the assistance offered to tourism SMEs, such as accommodation providers, in establishing an online presence through their own websites and operating booking facilities online was particularly valuable, though not equally successful in all member countries. With the growing importance of online

information and marketing applications in tourism and the increasing use of social media, much remains to be done in this area, but the foundations for growth in the future have been laid.

➤ **Expansion of the South Pacific Travel Trade Specialist Programme.**

The training modules of this programme, supported by in-market training workshops, had been moribund for years. The project helped update the information of the existing modules as well as expand the range of subjects available to include special interest and niche products and markets. The certification of foreign retail travel agents as Pacific Specialists is an important step in creating knowledgeable and suitably motivated sellers of tourist travel to the Pacific islands in the key target markets. Continuation of this programme should involve expansion in both geographical and thematic terms to new target markets and niche products and by means of increased and improved delivery of training online.

Valuable as this activity is, in many ways it involves fairly straightforward inputs and should need marginal external expertise in the future. Its cost-efficiency should be assessed on the basis of the unit costs per certified “Pacific Travel Trade Specialist”, in addition to whether or not the absolute number of Specialists targeted has been achieved.

➤ **Tourism and Hospitality Training Priorities in Selected Countries**

In responding to urgently needed training in the hospitality and tourism sector, the project delivered useful practical benefits to the private sector, notably SMEs. There is a real need for in-service training, bearing in mind that smaller island countries or remote islands do not have formal training facilities and that new skill areas, such as online marketing, are not always available through established tourism and hospitality training institutes.

There will always be a need for specialised training needs undertaken and delivered at regional level by SPTO as part of its wider function of tourism HRD. However, SPTO is not an education and training provider. It has a policy and coordinating role in HRD, but in the actual delivery of training increased use should be made of existing institutes and other independent providers.

Two major regional strategies were developed under the PRTCBP, both covering a five-year period, i.e.: the Pacific Regional Tourism Strategy 2014-18, and the Pacific Cruise Tourism Strategy 2015-19. Both strategic planning exercises had been long overdue. The underpinning stakeholder consultation and input helped to crystallise a shared regional vision for the medium term future and, importantly, promote stakeholder ownership. As project activities, they merited inclusion in the work plan.

By contrast, tourism strategies at national level were generally more modest planning exercises, rather than full-blown strategies, and were intended to assist selected beneficiary countries to either update existing plans or define the framework for undertaking such plans. There were also business plans for SPTO and a few NTOs and these essentially corporate plans were considered necessary and useful inputs to the beneficiaries in question. During the fieldwork, several national tourism authorities expressed that these plans were in the process of being implemented.

As a curiosum, it should also be mentioned that the SPTO Secretariat proved most efficient in facilitating the evaluation team in respect of providing technical and administrative reports and documents and organisation of meetings.

10 CROSS CUTTING ISSUES

Although the relevant cross-cutting issues (environment, gender, human rights) are adequately mainstreamed in the Financing Agreement of the Strengthening Pacific Economic Integration, they are not specifically addressed in the Grant Contracts for the IACT and PRTCBP projects. However, both components have a positive impact on cross cutting issues.

10.1 Gender

Both components have obvious positive impacts on the women in the project region.

Component 1 (IACT):

Directly, a considerable percentage of labour employed in small scale agriculture and gardening, as well as in agro-processing, are women. Indirectly, women and rural families benefit from better income and a more balanced nutrition as a consequence from project activities.

Component 2 (PRTCBP)

A large proportion of the personnel in the tourism sector, globally and especially in the Pacific region, are women. This seems particularly to be the case in Polynesian countries. Therefore, further development of tourism in the Pacific will automatically benefit the female population and contribute towards poverty alleviation.

10.2 Environment

Both components have obvious positive impacts on the rural environment in the project region:

Component 1 (IACT):

The IACT component contributes especially through its certification activities to the promotion and increased implementation of an environment friendly agricultural production. This concerns especially the utilization of pesticides, but also fertilizers and re-utilization of residues / waste from processing for fertilization or energy production.

Component 2 (PRTCBP)

The 2012 ROM Mission and the 2013 Mid-term Review of the PRTCBP both identified that no activity at the time addressed environmental concerns, and therefore recommended more focus on these aspects. As a result, SPTO commenced incorporating environmental aspect into programme activities, especially HRD training activities. Similarly, SPTO recently signed a MoU with the South Pacific Environmental Programme (SPREP) aiming at increased cooperation and coordination between the two organisations.

11 RECOMMENDATIONS

The following is a list of the main observations made during the final evaluation of the SPEITT Programme and the resulting lessons learnt and recommendations, which should be taken into account to for future projects targeting similar objectives

Component 1 – IATC (SPC)	
Observation	Recommendation(s)
Lengthy and (too) late started procedures and decision making processes in recruiting and mobilizing the IACT team have caused significant delays at the beginning.	Project team needs to be already recruited at the moment of signing the contribution agreement. Contracts with staff could be already signed, including a conditionality clause, linking the contracts to the condition that the main contract (between SPC and EU) becomes effective.
Strict time constraints (N+3) of EU-financed programmes require quick take off at the beginning to facilitate efficient and effective utilization of funds.	Assure that Team Leaders of major programmes / projects have project management experience and in case of EU-financed projects they should have prior experience in managing EU-financed projects.
Lengthy procurement procedures for goods and services and their handling have caused significant delays and inefficiencies (i.e. technical staff dealing with procurement issues).	SPC's internal procedures should be revised. Initiate procurements timely (planning process!). Foresee the position a "dedicated admin/procurement/finance officer" within the project team for projects with major procurement components (already good experience with this set-up in PAPP programme).
Knowledge management: IACT team did not use a shared electronic filing system. This caused communication problems during implementation and endangers sustainability beyond the project. Only on last day of project, data has been uploaded in a rush.	Good knowledge management is essential for efficient project management and a basis for easy future access to project outputs, thus contributing to sustainability of project achievements. Assure establishment and utilization of appropriate common filing system and assure systematic and regular upload of all project documents.
According to the eligibility criteria in the Guidelines, companies should contribute at least one third of the total costs of any proposed structural changes / investments. This aspect is missing in numerous proposals and has not been adequately addressed by the IACT team and the TAG. This is a temptation for beneficiaries to "overinvest" without sufficiently assuring the sustainable utilization of the corresponding equipment	This is against good practice and needs to be changed for future similar programmes. Furthermore, not insisting in company contribution is also putting sustainability in danger, as entrepreneurs would be less engaged. In favour of smaller / emerging companies, a "progressive scheme" could be considered (higher beneficiary contribution for higher value support schemes). Also, TA should have a higher grant percentage as compared to "hardware" (equipment & works).

Component 1 – IATC (SPC)	
Observation	Recommendation(s)
(overcapacity, maintenance and replacements, operation). MDF: 50%/50%	
Also investments realized already prior to the approval of their proposals have been eligible and accepted as “beneficiary’s contribution”	This is against good practice and needs to be changed for future similar programmes. ONLY contributions directly linked to the grant and realized AFTER signing the grant agreement should be eligible.
Participation of companies in exhibitions and fairs abroad was fully covered by IACT, without obliging the companies to share the cost. (Note: Some companies did contribute indirectly, e.g. by financing the participation of an additional staff from their enterprise).	Also participation in exhibitions etc abroad should be strictly based on agreements foreseeing a company contribution.
Flexible procedures allowed for TAGs to respond with a high degree of flexibility to decide the final level of support for each applicant company.	TAG’s utilization of this flexibility has not been questioned by the interviewed companies and it is a suitable approach to respond to individual specifics of each proposal.
It is frequently observed that even relatively stable SMEs have difficulties accessing financing through commercial- or development-banks.	Include that companies are supported in their application for bank loans as 3 rd pillar in financing of grant projects (complementing SME-contribution and grant). This would also facilitate SMEs to access funding (loans) beyond the project and contributes to sustainability.
High end local markets (hotel & resorts, airlines cruise ships) have the same requirements as regards quality levels and homogenous supplies as export markets. They usually rely on imported supplies.	Open future projects for import substitution (especially of “sophisticated” products”) as an additional target, similar as opening new export markets. Concerning the impact on national economy (balance of foreign exchange earnings), this is as valuable as exports.
IACT has mostly approached companies directly, without including local BSOs in the process.	Potential benefits from “channelling” communication concerning enterprise support projects through local / regional BSOs would be twofold: Institutional capacity building for BSOs. Improving credibility / acceptance of BSOs, also beyond their “traditional clientele / members” “On site” contact point / support for beneficiaries instead “remote steering” from Fiji. Better sustainability of project’s “philosophy” and know how transfer to SMEs.

Component 1 – IATC (SPC)	
Observation	Recommendation(s)
	According to the prevailing institutional framework in each PACP, although public entities (like business development units in Government offices) should be considered as BSOs.
Companies were allowed to submit their expressions of interest (Eols) electronically.	This is not yet a standard procedure in other comparable EU-financed projects. However it is strongly recommended to continue this policy, which is highly appropriate especially in the geographical situation of the PACPs.
Although most investments (grants) to support export enhancement on SME-level has been well justified, an even stricter link to the project purpose should be assured.	Equipment for capacity extension should not be eligible. This should rather be financed by the company through revenues generated with the existing business. Limit co-financing of equipment to the precondition that it is able to create extra value added, improve efficiency or operates more environmental friendly as compared to existing equipment. Support to basic agricultural start-up activities by youth groups etc. should not be supported by a trade and export promotion project.
IACT has already piloted cross-fertilizing activities, having successful entrepreneurs from one location giving on-site support to entrepreneurs in other locations.	Similar projects in future should – where possible - focus on replication of existing successful models, ideally with the entrepreneurs' involvement.
Successful processors & exporters need a company size allowing for a stable business development.	Avoid fragmentation and rather allow existing companies to develop to grow and invest into new products and markets. Support start-ups only in exceptional cases, were no existing company covers the same area. If processing / exporting agro-based products, economic benefits will “automatically” trickle down to farming- / community-level.
Entrepreneurs realise the benefit of and the need for better exchange of know-how and experience in the PACP region.	Establishment of networking mechanisms would have a positive impact in private sector development dynamics
Interviewed entrepreneurs have unanimously identified the supply market (farming sector) as key bottleneck, lacking stable quality and quantity.	Include processor-driven approaches for development of agricultural communities' small farms into “reliable suppliers.

Component 1 – IATC (SPC)	
Observation	Recommendation(s)
IACT has been designed for direct support to selected enterprises in the PACP.	Inclusion of local BSOs might be a more time consuming in the beginning, but adds sustainability through institutional development.
POETcom has successfully developed standards and procedures, which are now being piloted. However, business planning for (a) the institutional management of the POS and (b) for enterprises / farming groups has not yet been developed.	Future POETcom support has to focus on business-related aspects, which are crucial for POS “survival potential”, assuming a phasing out scenario of subventions. This recommendation is supported by POETCom, which has started the process under the UNDP Farm to Table Project.

Component 2 – PRTCBP (SPTO)	
Observation	Recommendation(s)
Several of the recommendations made by the Mid-term Review are still valid	Need to optimise spread of information about SPTO and its activities SPTO staff to embrace all SPTO activities on member visits Expand methods of financing and cooperation Incorporate environmental issues in activities Address poverty alleviation and invest in training
SPTO relatively weak compared to other regional organisations, especially due to its low salary structure – making it difficult to attract the same calibre of staff – and losing staff to SPC and PIFS	SPTO needs to expand methods of financing – both from increased membership contribution, especially private sector, and through financial assistance from other donor agencies
It appears that SPTO does not in all instances get full support from member countries	SPTO needs to ensure full awareness about the organisation and its activities – not only to NTOs, but also to tourism ministries and other ministries such as finance ministries
Communication and distribution of information and outputs from SPTO to member states not in all instances ideal	SPTO to ensure that information and communication reach both NTOs and tourism ministries – and urging NTO/ministry representatives to distribute to private sector where relevant
Liaison and cooperation with private tourism sector in member countries not always optimised	SPTO needs to map through the NTOs all operating private tourism sector associations and ensure liaison and promote their possible membership of SPTO – only one association member (Samoa)
Existing liaison and cooperation with regional and national tourism training institutions not always optimised, notably Australia-Pacific Technical College (APTC) and some national universities	SPTO needs to map through the NTOs all permanent tourism related training initiatives and ensure liaison and promote their possible membership of SPTO
Coordination and cooperation with other donor financed tourism initiatives in member countries not always optimised	SPTO needs to map through the NTOs other donor financed tourism initiatives in member countries and coordinate activities
The Regional Cruise Tourism Development Strategy requires, and to a large extent builds on, the engagement and capacity building of a Cruise Specialist Executive	SPTO to immediately advertise and engage a Cruise Specialist Executive if the Cruise Tourism Development Strategy is to be implemented
Limited utilisation of SPTO Resource	SPTO to urge NTOs and tourism ministries to

Centre	provide access passwords to all staff and 'instruction' to make use of centre for capacity building
Tourism is essential as an economic development driver in most Pacific island countries, and an important element to poverty alleviation	Continuing technical and financial support from the EU will help alleviate poverty and contribute to essential economic development in Pacific island countries
While SPTO in spite of recent managerial and operational improvements still has certain limitations and insufficiencies, it is the only representative tourism body in the region	Consequently, SPTO is the only prudent tourism related organisation for implementing future EU assistance for the further development of regional tourism

ANNEX 1

Terms of Reference

ANNEX 3

Logical Frameworks

ANNEX 3A -

LogFrame (SPEITT)

Attachment 1 – SPEITT Programme Logical Framework (Revised Addendum No. 1)

Project Description	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective Increase regional economic integration and cooperation in Pacific-ACP countries	Increased volume and value of trade in majority of PACPs compared to 2009 levels (impact indicator)	Trade statistics; annual economic reports by government and international agencies	
Project Purpose Improve economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access	Export markets supported by SPEITT components increase 5% by value against 2010 baseline; Export markets supported by SPEITT components are diversified 5% by product against 2010 baseline.	Trade statistics	Data will be accurate, up-to-date and available
Result 1. <u>Increased capacity in trade policy through improved technical capabilities and greater integration of trade policy into national development frameworks</u>	<ul style="list-style-type: none"> • At least 5 PACPs announce readiness to trade under each of the PICTA Trade-in-Services and EPA Trade-in-Goods Agreements by 2014 • At least 6 PACPs are WTO members by 2014; All PACPs participate in at least one WTO workshop or training activity each year. • At least 8 country trade policy frameworks in place and comprehensively reviewed at least once by 2014 • Services Agreements signed and implemented by at least 4 PACP countries by 2014 • At least 7 PACP countries have signed EPA agreements and have commenced trade by 2014 • Increase the value of regional Aid for Trade projects by 20% in 2014. • At least one new development partner demonstrates support for the Pacific Plan. • MSG Export markets and labour mobility have increased by 10% in respectively value and number of people, by 2016 over 2010 levels • FIC exports to Australia and New Zealand, and beyond, increased by 5% by value, and diversity, five years after agreement enters into force 	Country announcements confirming readiness to trade EPA Agreements WTO reporting on membership	Political support for entering into the regional free trade agreement; countries adhere to obligations Negotiations conclude with mutually agreeable outcomes

Project Description	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<p>Result 2. Improved trade facilitation through improved customs management and efficient systems</p>	<ul style="list-style-type: none"> • At least 5 PACPs have adopted and are using WCO compliant Customs management programs by 2014 • At least 10 PACP Customs administrations are compliant to at least one of the following international standards by 2014: (a) Revised Kyoto Convention (RKC) , (b) SAFE Framework of Standards (FoS), (c) Risk Management System, (d)World Trade Organisation Valuation Agreement (WTOVA), (e) Harmonised Coding System (HCS), (f) Revised Arusha Declaration (RAD) and (h) Authorized Economic Operators (AEO) • Customs import and export clearance times reduced by >25% by 2014 over 2010 baseline • Customer compliance level increases by 25% by 2014 over 2010 baseline • Customer satisfaction increases by 30% by 2014 over 2010 baseline 	<ul style="list-style-type: none"> • Country and project reports • National accounts • Trade statistics • Customs, Customer and User surveys 	<p>OCO member countries willing to adopt WCO compliant systems and update or adopt relevant legislation</p> <p>Accurate and updated customs data available</p>
<p>Result 3. Strengthened PACPs productive export capacity in key economic sectors (tourism; agriculture, forestry and aquaculture)</p>	<ul style="list-style-type: none"> • 10% increase in value of exports and 10% increase in the number of exporters facilitated by PITICs in key sectors opened under negotiated agreements by 2014 • At least 4 new unique products exported each with export sales of more than €100,000 p.a. by 2014 • Exports of crops targeted by the project on average increased by at least 5% by 2014 over 2009 baseline. • At least 8 PACPs have diversified their export product range through project support by 2014 • Increase in small scale and independent tourism by 25% with participating tourism operators by 2014 • Regional Tourism Strategy endorsed by 2014 • Increase in on line regional tourism portal traffic by 50 percent by 2014 over 2010 count 	<ul style="list-style-type: none"> • Country reports • Domestic market surveys • Trade statistics • National visitor arrival statistics • Minutes of regional Tourism Ministers meeting • Tourism referral statistics • SPTO internet portal statistics 	<ul style="list-style-type: none"> • Financial crisis has limited impact on exports from PACP countries • Cost of fuel remains stable • PACPs governments continue support to private sector development • Global tourism trends continue • PACPs continue to prioritise tourism sector

Activities to achieve Result 1	Means:	Costs:
1.1 Conclude negotiations and implement specific regional and multilateral trade agreements 1.2 Develop and adopt comprehensive trade policy frameworks 1.3 Improve ability of the private sector to engage in the process of trade policy development and to access export opportunities from implemented trade agreements 1.4 Increase coordination between PIFS, national and regional stakeholders and development partners, in particular in the Aft sector, and better report on performance towards meeting the Pacific Plan targets and the implementation of the Pacific Aid for Trade Strategy	Contribution Agreement (PITAP) Contribution Agreement (IACT) Grant agreement (TFCC) Grant agreement (PRTCBP)	13,900,000 9,000,000 8,000,000 5,000,000
Activities to achieve Result 2 2.1 Sustainably improve institutional capacity of the OCO Secretariat 2.2 Develop, adopt and enact internationally-compliant customs legislation for/ by PACPs and Timor Leste 2.3 PACPs incl. Timor Leste use internationally compliant customs processes and systems		
Activities to achieve Result 3 3.1 Strengthen and diversify range of tradable products produced by PACP private sector. 3.2 Strengthen technical capacity of governments to increase market access and penetration for niche and value added products 3.3 Strengthen national capacities of PACP line ministries and export enterprises in the targeted sectors to enable compliance with international trade standards 3.4 Enhance tourism strategic planning and enabling policies to improve the business environment and private sector growth 3.5 Strengthen tourism market research and marketing efforts, particularly in small scale and independent tourism 3.6 Improve human resource and institutional capacities of the tourism industry in the PACPs	Total	35,900,000

ANNEX 3B

LogFrame (PRTCBP)

UPDATED LOGIC FRAMEWORK 2013

	Intervention Logic - Project Description	Objectively Verifiable Indicators of Achievement	Sources of Verification	Assumptions
Objective	<i>To improve PACP economic integration through strengthened national systems and institutional frameworks to develop tourism industry capacity, increase private sector competitiveness and increase international market access in the tourism sector.</i>	<ul style="list-style-type: none"> - Increased and diversified inbound tourism including cruise ship tourism throughout the region – compared with 2011 baseline (impact indicator) - Increased collaborative regional initiatives - Growth in tourism revenues and overall economic impacts - Enhanced viability of tourism SMEs 	<ul style="list-style-type: none"> - Tourism statistics reports from governments and international organizations - Visitor survey results - Special studies 	
Purpose	<i>To strengthen the capacity of Pacific ACPs in the development of a sustainable tourism sector.</i>	<ul style="list-style-type: none"> • Increase in regional tourism arrivals and cruise ship visitation as well as tourism receipts by 5% pa by 2014 over 2011 • Increased and improved market access by tourism SMEs resulting in a 25% increase in sales by 2014 against 2011 sales volume • 700 international travel retailers certified as South Pacific Travel Specialists by end 2014 • Improved flow of tourism market research and intelligence to regional tourism stakeholders • Establishment of SPTO corporate website and online access to increased quantity of proprietary research data and intelligence for SPTO members • Improved online marketing capacity at regional and national levels in key applications including social media and search engine optimisation • Regional tourism and cruise strategies 2014-18 and 2015-2019 completed and adopted by end 2014 • Enhanced technical skills and professional capacity of tourism industry employees 	<ul style="list-style-type: none"> - National tourism statistics and surveys - Research reports - Web analytics reports - Project reports 	<ul style="list-style-type: none"> • Data will be accurate, up-to-date and available • Global tourism market trends continue improving • PACPs continue to prioritise tourism • Public sector tourism organisations are adequately resourced • SPTO is reorganised, strengthened and adequately supported by members • Private sector cooperation and support is provided • Tourism SME support and cooperation is secured

<p>Results</p>	<p>Result Area 1: Improved Sector Planning and Policy Development</p> <p>Result Area 2: Increased regional market research and marketing activities</p>	<ul style="list-style-type: none"> - Restructured and strengthened SPTO Secretariat with new 5-year business plan - Reactivated SPTO research and statistics function and regular production of statistical bulletins and reports - Fully functioning online regional tourism resource centre - Standardisation of national tourism statistics systems based on UNWTO norms - At least 3 air visitor and 3 cruise ship visitor surveys conducted, and fine-tuned survey toolkits provided to all PACPs backed up by training - Increased promotional, research and product development activities in the region’s cruise tourism sector - Preparation and launch of South Pacific Cruise Manual as a permanent micro site on redeveloped SPTO website - Updated medium term regional tourism and cruise shipping strategies by end 2014 - National tourism policies/strategies and action plans updated in at least 5 PACPs - Increased investment promotion schemes in support of tourism SMEs set up in collaboration with PT&I and training for NTOs and IPAs in investment promotion ▪ ▪ - At least 5 niche and geographical market research studies are conducted - Online regional digital image library established and well stocked – minimum of 1000 high resolution images by end 2014 - Redeveloped and expanded regional tourism internet portal including password-protected ‘members only’ section - Online regional portal traffic increased by 50% by end 2014 over 2011 - Websites of at least 6 NTOs improved - E-marketing capacity of at least 6 national tourism organisations (NTOs) improved - At least 100 tourism SMEs across the region provided with websites and booking engines and supported with training - Updated and expanded South Pacific Travel Specialist Programme completed and rolled out by end 2013 	<ul style="list-style-type: none"> - SPTO regular and ad hoc research publications - National tourism statistics reports - Web analytics reports - Published survey reports and toolkits - Port of call information in cruise manual/ web micro site - Reports of adopted regional tourism and cruise shipping strategies - Records of training workshops for NTOs and IPAs in tourism investment promotion ▪ ▪ ▪ - Market research and intelligence reports - Functioning digital image library - Revamped SPTO website - Improved NTO websites and trained staff in e-marketing - Web analytics reports - SME websites and booking engines online and functional - Register of South Pacific Travel Specialists 	<ul style="list-style-type: none"> • National tourism, statistical offices and investment promotion agencies participate and cooperate actively • Airport, Port and Immigration authorities extend support and cooperation • SPTO governance practices are updated and strengthened • SPTO and NTO technical capacity is upgraded ▪ ▪ • Attractive design, timely completion and increased content in redeveloped regional website • Internet enabled SMEs continue to maintain and improve their online marketing skills • Well designed, rigorous and timely execution and dissemination of research studies
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	Result Area 3: Increased tourism HRD and Capacity Enhancement	<ul style="list-style-type: none"> ▪ - Regional Tourism and Hospitality HRD Plan (RTHHRDP) completed and adopted - Training and skills development programmes benefiting at least 500 industry employees delivered by end 2014 - Training attachments awarded to at least 30 industry employees by end 2014 - Contribution to development of regional centres of excellence in tourism and hospitality training 	<ul style="list-style-type: none"> ▪ - RTHHRDP report - Project reports and training records – databases of participants and course completion rates - Training evaluation reports - Number and spread of regional tourism and hospitality training providers involved ▪ 	<ul style="list-style-type: none"> ▪ ▪ • Correct prioritisation of training programmes • Active participation of regional tourism & hospitality training institutions/centres • Effective delivery of training programmes • Close coordination and support by NTOs and tourism industry associations
<p>Activities</p> <p><u>Result Area One – Sector Planning and Policy Development</u></p> <p>Activity 1: Build Regional and National Capacity in Tourism Data Collection and Analysis</p> <p>Activity 2: Facilitate Aviation expansion through development and promotion of a Pacific Aviation Strategy (Deleted as per Addendum No. 2)</p> <p>Activity 3: Implement the South Pacific Cruise Shipping Strategy</p> <p>Activity4: Develop a Regional Tourism Strategy 2014-2018 and Assist with Country Tourism Plans</p> <p>Activity 5: Develop the Pacific Tourism Sustainability Portal(Deleted as per Addendum No. 2)</p> <p><u>Result Area Two – Market Research and Marketing</u></p> <p>Activity 6: Regional Niche Market Research</p>		<p style="text-align: center;"><u>Means</u></p> <p>HR</p> <p>Equipment, Training, Travel and Operations</p> <p>Visibility</p> <p>Eligible Indirect</p> <p>Contingency</p> <p>Subtotal</p> <p>SPTO Co-financing (20%)</p> <p>Overall Total</p>	<p style="text-align: center;"><u>Costs (EUR)</u></p> <p style="text-align: right;"><u>1,751,000</u></p> <p style="text-align: right;"><u>2,642,000</u></p> <p style="text-align: right;"><u>50,000</u></p> <p style="text-align: right;"><u>290,000</u></p> <p style="text-align: right;"><u>4,733,981</u></p> <p style="text-align: right;"><u>1,183.495</u></p> <p style="text-align: right;"><u>5,917.476</u></p>	

<p>Activity 7:Capacity Building in E-marketing for SPTO and NTOs</p> <p>Activity 8: Expansion of the South Pacific Travel Trade Specialist Programme</p> <p><u>Result Area Three – HRD and Capacity Enhancement</u></p> <p>Activity 9:Development of a Regional Tourism and Hospitality HRD Plan</p> <p>Activity 10: Delivery of Tourism and Hospitality Training Priorities in Selected Countries</p>		
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ANNEX 3C

LogFrame (IAC)

Project Description	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<p>Overall Objective: Improve PACP economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access</p>	<p>Increased exports from Primary Industries Sector, in particular from Agriculture, Forestry and Aquaculture. compared to 2009 levels (impact indicator)</p>	<p>Trade statistics and GDP sectoral analysis</p>	
<p>Project Purpose: Strengthen PACPs productive export capacity in primary industries (agriculture, forestry and aquaculture/mariculture) and allied downstream processing</p>	<p>At least 3 new products exported each with export sales of >Euro 100,000 p.a. by 2015</p> <p>Exports of crops targeted by the project on average increased by >5% by 2015 over 2009 baseline.</p> <p>At least 8 PACPs have diversified their export product range through project support by 2015</p>	<p>Export partner business and progress reports</p> <p>Country reports</p> <p>Domestic market surveys</p> <p>Trade statistics</p>	<p>World trade regimes will continue to be liberalised</p> <p>Financial crisis has limited impact on exports from PACP countries</p> <p>Cost of fuel remains stable</p> <p>PACPs Governments continue support to private sector development</p>

<p>Results</p> <p>1. Strengthened and diversified range of tradable products produced by PACP private sector and inclusive exporter business models established</p>	<p>New production areas for primary produce identified in 5 PACPs by end of 2012 through research, marketing and GIS surveys</p> <p>Templates for calculating financials (cash flows, economic returns and gross margins) for four export-market focused production systems (mixed cropping farm, agroforestry system, smallholder forest plantation and aquaculture) in Pacific Islands context by 2012</p> <p>Enterprises assisted in developing business and marketing plans, and bankable documents, for emerging Pacific entrepreneurs and new ventures</p> <p>Comprehensive market studies for three priority value added products and/or commodities by 2013, and another three by 2015</p> <p>Co-operative and inclusive producer/exporter business model established and operating by 2015</p> <p>Producers assisted to obtain certification for HACCP – at least one per year.</p> <p>Development of 4 value-added products with export potential by 2013 with 4 more by 2015</p> <p>Export market readiness and/or performance of partner enterprises improved by 2015</p> <p>HS codes and Customs information included in trade statistics database; system launched and in use by 2015</p>	<p>Country reports</p> <p>Templates, manual and markets studies</p> <p>Value-adding studies; market/supply chain analysis papers; trade statistics</p> <p>No. of Certifications business reports</p> <p>New market access approvals; market access records; compliance with standards.</p> <p>Online Database</p>	<p>Agencies agree on data sharing arrangements</p> <p>Templates can be usefully applied to PACPs business environment</p> <p>Private sector will utilise new capacity</p> <p>Banks will provide suitable loans to viable export-focussed agribusinesses</p> <p>Businesses access improved markets</p> <p>Market access remains sustainable</p> <p>Database is accurate and readily accessible to PACPs via www.</p>
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<p>2. Strengthened technical capacity of governments and private sector to increase market access and penetration for niche and value added products.</p>	<p>Pacific Organic Standard achieves international recognition and equivalency with other organic standards</p> <p>Producers assisted to obtain certification by 2013: Pacific Organic Standard (2), FSC or equivalent (2), Fair Trade (2), with at least 3 more producers assisted in each category by 2015.</p> <p>New trading opportunities for niche and value-added products evaluated for their commercial viability</p> <p>Pacific Islands export partner enterprises and their representative organizations involved in collaborative market studies and participate in trade fairs (at least six by 2015)</p> <p>Two viable post-harvest technologies developed and promoted by 2013, and a further three developed and promoted by 2015</p>	<p>IFOAM reports</p> <p>No. of Certifications business reports</p> <p>Government reports</p> <p>Market studies and reports of participation in trade fairs and new contracts arising.</p> <p>Technology case study; SPC report</p>	<p>POS adopted by Pacific organic producers</p> <p>Database and MIS utilised</p> <p>Trained staff continue to be employed in relevant positions</p> <p>Training leads to implementation</p>
<p>3. Strengthened capacities of PACPs and export enterprises in the targeted sectors to enable compliance with international trade standards.</p>	<p>Pest risk analysis completed for at least 10 commodities by 2013 and 10 additional commodities by 2015</p> <p>Training provided to at least 12 quarantine staff by 2013</p> <p>Coordinated and effective emergency response to deal with new pest and disease incursions</p> <p>At least 6 PACPs reporting animal and fish diseases via WAHIS to OIE</p> <p>At least 5 people per country trained in use of relevant international standards by 2014</p>	<p>Number of PICTs ratifying IPPC, OIE and CODEX</p> <p>Training certificates; Training reports</p> <p>SPC reports</p> <p>WAHIS reports</p> <p>Training certificates; Training reports</p>	<p>Crop surveys utilised</p> <p>Governments ratify appropriate legislation;</p> <p>National Competent Authorities are operational</p> <p>Training changes export practices</p>

ANNEX 4

List of documents consulted / received

Contribution Agreement between the European Union and the Secretariat of the Pacific Community; Increasing Agricultural Commodity Trade Activity; 2011

Contribution Agreement between the European Union and the Secretariat of the Pacific Community; Increasing Agricultural Commodity Trade Activity (IACT); Addendum 1; 2014

Financing Agreement between the European Commission and the Secretariat of the Pacific Community (SPC), the Oceania Customs Organisation Secretariat (OCO), the South Pacific Tourism Organisation (SPTO); 2011

Financing Agreement between the European Commission and the Secretariat of the Pacific Community (SPC), the Oceania Customs Organisation Secretariat (OCO), the South Pacific Tourism Organisation (SPTO); Addendum 1; 2011

Increasing Agricultural Commodity Trade (IACT) Project; Minutes of Project Steering Committee Meeting December 2014

Increasing Agricultural Commodity Trade (IACT) Project; Project Steering Committee Meeting February 2016; Final Results Report; 2016

Midterm Review of the Strengthening Pacific Economic Integration through Trade Project (SPEITT); 2014

Pacific Organic and Ethical Trade Community (POETCom); Annual Report 2012

Pacific Organic and Ethical Trade Community (POETCom); Annual Report 2013

Pacific Organic and Ethical Trade Community (POETCom); Annual Report 2014

Pacific Organic and Ethical Trade Community (POETCom); Annual Report 2014 (draft version)

SPC; Increasing Agricultural Commodity Trade Activity (IACT); Progress Report May 2011 – May 2012

SPC; Increasing Agricultural Commodity Trade Activity (IACT); Annual Report 2013

SPC; Increasing Agricultural Commodity Trade Activity (IACT); Annual Report 2014

IACT; Draft Final Report; June 2016

Grant Contract between the Pacific Islands Forum Secretariat (PIFS) EDF Pacific Regional Authorizing Officer (RAO), FED/2011/281-830, December 2011

Addendum No.1 to the Grant Contract between the Pacific Islands Forum Secretariat (PIFS) EDF Pacific Regional Authorizing Officer (RAO), FED/2011/281-830, July 2012

Addendum No.2 to the Grant Contract between the Pacific Islands Forum Secretariat (PIFS) EDF Pacific Regional Authorizing Officer (RAO), FED/2011/281-830, June 2013

Addendum No.3 to the Grant Contract between the Pacific Islands Forum Secretariat (PIFS) EDF Pacific Regional Authorizing Officer (RAO), FED/2011/281-830, December 2014

Addendum No.4 to the Grant Contract between the Pacific Islands Forum Secretariat (PIFS) EDF Pacific Regional Authorizing Officer (RAO), FED/2011/281-830, July 2015

Expenditure Verification Report of the Grant Contract for the Pacific Regional Tourism Capacity Program), FED/2011/281-830, 1 January 2012- 31 December 2012

European Union; Monitoring Report MR-145093.01, October 2012

European Union; Mid-term Review of the Pacific Regional Tourism Capacity Program (PRTCBP), October 2013

SPTO; First Work Plan for the Pacific Regional Tourism Capacity Program (PRTCBP), January – December 2012, March 2012

SPTO; Second Work Plan for the Pacific Regional Tourism Capacity Program (PRTCBP), January – December 2013

SPTO; Third Work Plan for the Pacific Regional Tourism Capacity Program (PRTCBP), January – December 2014, January 2014

SPTO; Fourth Revised Work Plan for the Pacific Regional Tourism Capacity Program (PRTCBP), January – December 2015, August 2015

SPTO; First Annual Progress Report, January-December 2012

SPTO; Second Annual Progress Report, January-December 2013

SPTO; Third Annual Progress Report, January-December 2014

SPTO; Forth Semi-Annual Progress Report, January-June 2015

SPTO; Comments on Monitoring Report, November 2012

SPTO; Final Narrative Report, January 2012 – December 2015, 31st December 2015

SPTO-Acorn Tourism Consulting Ltd.; Niche Market Profiles for the South Pacific 1 and 2; May 2012 and May 2013

SPTO- New Zealand Tourism Research Institute; Pacific Regional Tourism and Hospitality Human Resources Development Plan, February 2013

SPTO-John Yacoumis; Pacific Regional Tourism Capacity Building Programme: Phase-out and Sustainability Strategy, March 2013

SPTO-Acorn Tourism Consulting Ltd.; South Pacific Backpacker Market Study Report, March 2014

SPTO-Acorn Tourism Consulting Ltd.; South Pacific Cultural Heritage Study Report, March 2014

SPTO-Acorn Tourism Consulting Ltd.; South Pacific Dive Market Study Report, March 2014

SPTO- TRIP Consultants; Pacific Tourism Strategy 2015 – 2019, June 2014

SPTO-Acorn Tourism Consulting Ltd.; Cruise Visitor Surveys for Vanuatu (February 2014), Cook Islands (June 2014), and Tonga (October 2014)

SPTO-Acorn Tourism Consulting Ltd.; South Pacific Employment Survey, November 2014

SPTO-Acorn Tourism Consulting Ltd.; Tourism in the South Pacific: A Global Comparison with Island Destinations 2012-2014, December 2014

SPTO-Acorn Tourism Consulting Ltd.; Air Tourist Surveys for Kiribati (January 2014), Solomon Islands (February 2014), Palau (November 2014), FSM (September 2015), Marshall Islands (September 2015) and Tuvalu (October 2015)

SPTO-Acorn Tourism Consulting Ltd.; Marshall Islands Tourism Satellite Account 2014, October 2015

SPTO-Acorn Tourism Consulting Ltd.; Tourism Statistics Toolkit

SPTO-Acorn Tourism Consulting Ltd.; Regional and National Capacity Building in Tourism Data Collection and Analysis – Regional Tourism Resource Centre User Manual

SPTO; South Pacific Specialist Discover Paradise Training Manual

SPTO-CHART Management Consultants; Pacific Cruise Tourism Development Strategy, October 2015

ANNEX 7

PowerPoint Presentation for Debriefing 18/03/2016

ANNEX 8

Comments on (Draft) Final Report and Response of Evaluators

EUD's comments on Draft Final Report	Evaluators' response
<p>It would be good to look at the composition of the expenditure (e.g. split salaries vs service contracts, supply contracts). Both projects employed a lot of staff. Nevertheless, a lot of the outputs were produced by external consultants. There is not much analysis of the technical capacity of the two organisations or the project staff. Could the same results have been achieved with less overhead expenditure? Would a narrower project focus have been more cost-efficient?</p>	<p>IACT: Additional paragraphs and explanations have been inserted in the Final Report under sections 6 and section 6.2.1</p> <p>PRTCBP: Additional paragraphs and explanations have been inserted in the Final Report under sections 6 and section 6.2.2</p>
<p>The impacts of the projects seem to be difficult to pin down, so short after the implementation period (as with many other projects). Therefore, it would be good to analyse the quality of the outputs in greater detail. The PRTCBP project implemented an impressive number of actions. Which activities were the most promising? E.g. the PRTCBP project supported the development of several tourism-related regional and national strategies. Was this a good investment? What was the experience with previous tourism strategies? What are the prospects for the implementation of these new strategies?</p> <p>For IACT, there is not much reference to the key result area 3 (biosecurity, pest-management). An assessment of the success under this result area would be interesting, especially as SPC has proposed to work on SPS under the 11th EDF PRIP. Also, for IACT, the total sales of the supported enterprises didn't change despite the support IACT provided (see statistics in final report). Why? Despite constant sales, employment seems to have increased significantly. How?</p>	<p>PRTCBP: Additional paragraphs have been inserted in the Final Report under section 9.2</p> <p>IACT: Additional paragraphs have been inserted in the Final Report under section 9.1</p> <p>As mentioned in section 7.1 of the Final Report, it is highly problematic and unusual for agro-based sales figures to refer to one single reference year, due to possible untypical and non-representative climatic influences and considerable fluctuation of (world-)market prices. This could be the reason for such discrepancy in the two cited figures. As for agro-based sales figures, it should rather be referred to an average of three years, thus "buffering" extreme figures due to climatic influences on yields and fluctuating prices on the world market</p>
<p>A more in-depth analysis would also be useful on sustainability, especially with regard to SPTO's</p>	<p>PRTCBP: Additional paragraphs and</p>

EUD's comments on Draft Final Report	Evaluators' response
<p>business model and with regard to the support provided to individual enterprises (e.g. have the trainings on business plan development and financial planning facilitated better access to bank loans? Are supported enterprises now in a position to tackle SPS requirements?)</p>	<p>explanations have been inserted in the Final Report under Section 9.2. Further, there were specific quantitative targets, for instance in respect of the websites and booking facilities, including training, for SME accommodation providers. Apart from absolute numbers of SMEs benefiting, there was OVI for increase in sales volume by the end of the project. One could perhaps work out the average unit cost of assisting these SMEs and assess its cost-efficiency, which would possibly prove to be rather excessive if looked at in isolation.</p> <p>A more in depth analysis two years after project completion could provide a more accurate picture of the impact. This could possibly be a separate project as part of post project M&E.</p> <p>IACT: Additional paragraphs and explanations have been inserted in the Final Report under Sections 9.1 and 11.</p>

SPC's comments on Draft Inception Report	Evaluators' response
<p>Numerous acronyms are missing from pp.5-6 (e.g. BSOs); some were not identified in the text (e.g. TAG, p.12); and various typos/wrong words need correction (e.g. 'Pacific' not 'partbeing', p.44);</p>	<p>Corrected and included in Final Report.</p>
<p>Some paragraphs need tidying up (e.g. two references to (POS) in paragraph 4 on p. 10);</p>	<p>Corrected in Final Report.</p>
<p>Clarification is needed of the reference to "bank loans as 3rd pillar of financing grant agreements"(p.14, second bullet; also p.48). The way the point is written it could be read to suggest that lending should be part</p>	<p>Corrected in Final Report.</p>

SPC's comments on Draft Inception Report	Evaluators' response
of the AD for EDF11	
Important words missing at the end of the 9th and 10th lines from the bottom on p.18;	Completed in Final Report.
Clarification is needed of the reference to 'Framework Contracts' (p.20) as, it appears, there is no such modality of assistance offered by the EU relevant to this matter	Clarification included in Final Report.
SPC Management may wish to comment on the alleged ability or willingness of the SPC to take appropriate Project management measures and related comments (p.24);	No additional comments have been received from SPC.
With respect to Organics (see, e.g., pp. 14, 19, 50), Stephen Hazelman (POETcom, Suva) has told me that Karen had been proposing to develop business planning for (a) the institutional management of the POS and (b) for the enterprises/farming groups (p.50) under EDF11. Not aware of the circumstances regarding possible funding for the development of business planning under EDF10, it is not certain whether it would be accurate to say that "the corresponding economic aspects [of POS] have been completely neglected so far"(p.19, emphasis added). Perhaps a better wording might be 'some work on examination of economic aspects of POGS had been started but not completed under EDF10'. This would also require an appropriate amendment to p. 12, fourth paragraph from the bottom;	Text on page 19 "completely neglected" has been adapted.
Also on p.12, POETcom has suggested that reference be made to efforts made under EDF10 to roll out Organic Certification using the POS, while a detailed study is needed to investigate costing for POETcom to conduct the POG for farmers in the region	A corresponding explanation has been inserted in the Final Report.
Reference might be made on p. 14 to POETCom having continued to improve the methodology of certification to the POS	A corresponding reference has been included in the Final Report.
After "...from overseas"(p.19), POETcom suggests that the Assessment note that with regards to certification under the POS, and using the Participatory Guarantee System (PGS), locals have been trained to administer and audit farmers. This is the case in Fiji, Solomon Islands and now Vanuatu, Cook Islands. Auditors Training for 3rd party	Text in the Final Report has been accordingly amended.

SPC's comments on Draft Inception Report	Evaluators' response
certification was conducted with IACT support in November 2015. This training was conducted in collaboration with IFOAM	
POETCom supports the recommendation regarding organics (p.50). It has started the process under the UNDP Farm to Table Project and consideration is being given to including this word under the AD for Specific Objective 1.2 under EDF11.	A corresponding reference has been included in the Final Report under section 11.

SPTO's comments on Draft Final Report	Evaluators' response
Overall, the PRTC BP component of the report was in favour of SPTO and the comments & recommendations were very positive. There are no further comments or disagreements on what was presented throughout the report which was fair. The accurate information reflected in the report proved that SPTO had provided relevant, sufficient and accurate information to the evaluator.	No further comments.
The analysis in general was not constructive enough and was quite weak. There was nothing much new in the analysis from the final EOP report that was prepared for PRTC BP by SPTO.	As also stated in SPTO's above general comment, the evaluation was generally, and with good reasons, very positive about SPTO's implementation of the PRTC BP – and quite naturally, therefore, the analysis was very much in line with SPTO's own assessment of the PRTC BP implementation.
The above led to recommendations that were not strong enough and did not provide clear or strong views on the way forward for SPTO in preparation for EDF 11.	As stated above, the evaluation of the PRTC BP was very positive and the concluding recommendations in Section 11 strongly recommended: 1. "Continuing technical and financial support from the EU to help alleviate poverty and contribute to essential economic development in Pacific island countries." 2. "Consequently, SPTO is the

SPTO's comments on Draft Final Report	Evaluators' response
	only prudent tourism related organisation for implementing future EU assistance for the further development of regional tourism”
There were some references to the increase in visitor arrivals as indicators which somewhat implied that arrival figures increased due to the project. What guarantee or how does one know for sure that the outputs of the project really did lead to the increase in VAs?	While we generally agree that it is difficult to accord the recored increase in visitor arrivals directly to a result of the PRTCBP – the references made in Section 7.2 about the envisaged results and achievement of OVIs are to a large extent based on SPTO's own observations and assessment of OVI achievements made in the “Final Narrative Report, Jan 2012 – Dec 2015.”
There was little mentioned about the work done on cruise tourism development and activities recognizing linkages between tourism and other sectors, like agriculture. SPTO had undertaken culinary trainings across the region which is a great initiative for sustainable tourism.	The evaluation greatly recognised the work done on cruise tourism development as referenced in Section 2.1 on Main Achievements and in Sections 5.2, 7.2, 8.2 and 9.2 on the Relevance, Effectiveness, Impact and Sustainability of the PRTCBP. Similarly, culinary training activities undertaken across the region was used as a positive example in Figure 10 in Section 8.2 on PRTCBP's Sustainability, linking tourism with agriculture.

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	The final reviewer did not have a clear process in place as such to commit the team to this work.	Following briefings and discussions with IACT team members, field visits and external interviews were realized as foreseen in the methodology.

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		Findings and preliminary conclusions were then discussed with IACT team members and SPC staff.
	He (i.e. the evaluator) did not invite me as the team leader to the debrief.	Date, timing and location of the de-briefing session have been discussed and agreed upon during the briefing session, between EUD, TL, Reference Group and Evaluators.
1-“Two calls for proposals for grant schemes to support SMEs in the PACP countries have been successfully launched and the corresponding projects have been successfully implemented”. P.9 – p 10	I agree with the evaluator that the project has been successfully implemented beginning from the calling for expression of interest (enterprises) followed by the subsequent interventions by the project team.	Noted and agreed.
2-The evaluator remarked on the ‘very low efficiency’ of the implementing agency in terms of “late start of activities; low utilization of funds, and problematic procurement process’ p 12	<p>I agree with the evaluator on all of these areas but I need to raise a point on the low utilisation of funds, and could be regarded as ‘lessons learned’.</p> <p>Low utilisation of funds within the project has been a critical issue since 2012 to 2014, but we managed to cover most of our spending during the final year 2015 to 2016 February. Reasons include;</p> <ul style="list-style-type: none"> • Private enterprises have been preoccupied with other business matters and on several occasions our timing was not suitable to them and so’ interventions’ have been held off unnecessarily and such has restrained fund utilisation. Managing private enterprises can be difficult compared to a social club, school etc. They have their own agenda and we must exercise flexibility at times... • Sourcing supplies (machinery and equipment) for enterprises from overseas (China, India, Australia, NZ, and Indonesia) can take 3 – 12 	<p>It needs to be mentioned that the extreme inefficiencies at the beginning of the project could only be recovered due to the extension phase of 12 months.</p> <p>Without extension, the project would have resulted in a failure.</p>

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	<p>months and sometimes beyond. Key reason, overseas suppliers rarely accepted SPC payment terms and conditions. This is further aggravated by SPC delayed procurement process. Other times, supplier had accepted the first payment but items have just run out of stock. And then the problem of logistics (shipping) makes the situation worse than ever. EU must understand that no pacific island countries manufacture these machinery and equipment at home but fully dependent on overseas suppliers, and all this affected spending efficiency.</p> <ul style="list-style-type: none"> • Too tight budget lines – each budget line was specific to itself and no chance of reappropriation of allocation from one to another. Several requests been made to accommodate procurements from other budget line through transfers but were unsuccessful. Flexibility must be allowed as operation sees fit. <p>Despite all above, the evaluator has remarked that the project was successfully implemented and achieved all the desired results as stipulated in the logframe. If the funds were not fully utilised by the end of the project but the results have 'exceeded' the targets, is this not 'high efficiency'? Alternatively, if the results were not all accomplished but funds were fully utilized or overspent, this is an indication of very low efficiency on the part of the project management. A budget is simply an estimation and what matters here are 'results' achieved from a controlled budget.</p>	
<p>3-“Private sector institutions not sufficiently involved and trained. Therefore, this has been a lost opportunity to further facilitate sustainability of project activities through such “institutional anchoring / embedding” of enterprise support approaches as introduced / applied by IACT” p.12</p>	<p>Through PIPSO, the project engaged NPSOs (National Private Sector Organizations) in most countries precisely the chambers of commerce during the initial stage of the project. We lost touch with some of them because they were not upfront with us in terms of collaboration. In certain situation some members had attempted to be direct beneficiaries of the project. We thought that this would go against the interest of the project and a waste of time so we approached the enterprises direct with support of the line ministries and departments, namely Ministry of Agriculture Fisheries and Forests, and Ministry of Trade and Public Enterprise. We linked up very well with farmers 'association and that facilitated the successful formation of 'farmer clusters' in Fiji, Solomon Is, PNG, Samoa, Tonga, Timor Leste and Vanuatu.</p> <p>Obviously private sector institutions play a critical</p>	<p>Noted and agreed. This comment complements the evaluator's recommendations</p>

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	<p>role in private sector development in the region and they exist on every point of the supply chain (e.g. farmer association, commodity groups like ginger council, export council or trade association, transport and shipping services etc). The IACT project engaged only with those institutions (including commercial banks) closer to the project for their facilitation. This suggests that an entirely new project in future is required to train, develop and structure some of these institutions for better synergy.</p>	
<p>4-No sufficient insistence on beneficiary companies' contribution / participation has been applied' p.12</p>	<p>What is being implied here is the 30 % cash contribution by the project enterprises to be eligible for IACT funding support. The remaining 70% is to be provided by IACT project. Only 10% of the 42 selected enterprises had reluctantly agreed to the cash contribution, the rest had cited many reasons to show that they could not comply. If the team had continued on the strength of this particular criterion then only 5 enterprises were eligible for support, hence another lost opportunity. It took us over 4 weeks of negotiation on this matter but the enterprises did not change their stand. The project team then decided that we should consider 'owners' equity' as the next best alternative. TAG didn't have an easy time debating on this issue but later decided that equity share was the most considered option in this situation and given the interest of time. TAG approved this in view of the general nature and characteristics of pacific enterprises. Perhaps in the next IACT, the 30% contribution could be enforced as past handouts should be sufficient to start up operation.</p>	<p>The difficulty to convince companies to accept a cash contribution is real. However, it is good practice to insist on companies' contribution in case of co-financing private sector activities.</p> <p>For future projects, a graded contribution could be a feasible option.</p>
<p>5-'IACT has already piloted cross-fertilizing activities, having successful entrepreneurs from one location giving on-site support to entrepreneurs in other locations. Similar projects in future should – where possible - focus on replication of existing successful models, ideally with the entrepreneurs' involvement' p.13-14</p>	<p>This is another breakthrough by the project in replicating the success of a project in Fiji (i.e. Labasa Farm Fresh) to Varivao Holding in Solomon Islands. In addition to the training done at the two enterprises the IACT project organised a field trip to Labasa for Varivao Holding Managing Director and staff to study the Labasa supply chains. In turn we organised a trip to Varivao Holdings for Labasa Farm Fresh executives to study Varivao's supply chains. In this collaboration the two enterprises combine their supply chains into one, and leading to the same market outlet in Australia. This approach has expanded production capacity at both enterprises and also growth in the market. This model benefits the much smaller farmers in terms of supply consolidation and an assured market outlet. This business module can be enhanced in future projects and not re-invent the wheel and</p>	<p>Noted and agreed.</p>

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	gains are quick to accomplish.	
6-‘It is frequently observed that even relatively stable SMEs have difficulties accessing financing through commercial- or development-banks. Therefore it should be pursued to include bank loans as 3rd pillar in financing of grant projects (complementing SME-contribution and grant). This would also facilitate SMEs to access funding (loans) beyond the project and contributes to sustainability’ p.14	Commercial banks and development banks in the region have varying and sometimes tough policies to support agriculture development. History of natural disasters in the pacific has caused banks to shift their support away from agriculture due to severe destruction and unrecovered loans. Exacerbated by this this is the nature or small size agriculture in the pacific where almost total farm production is lost when a disaster strikes. Just recently Fiji has changed its bank policy for agriculture loans and micro-finance facility now available with government and commercial banks. Other countries like Tonga, Samoa, and Vanuatu have ensured the banks’ support for agriculture loans. Exporting enterprises in these countries are benefitting from this facility today. Some beneficiaries include Nishi Trading (Tonga), Labasa Farm Fresh (Fiji), Kaiming Agro Processing (Fiji), and Soil Health Pacific (Samoa). Pre-IACT, many enterprises did not have the asset/collateral strength to entice commercial banks. Post-IACT, the same enterprises now have the collateral advantage to pursue new borrowing from banks.	Noted and agreed. This comment complements the evaluator’s recommendations.
7-‘Foresee the position of a “dedicated admin/procurement/finance officer” within the project team, especially for projects with major procurement components (already good experience with this set-up in PAPP programme)’	Much has been said about SPC procurement and how it can (positively/negatively) influence the delivery of services. IACT was quite a substantial and complex project with a large procurement budget, and SPC internal procurement had created even more challenges. May be the best approach is to identify our overseas sources of supplies by country and vary the procurement policy to meet the ‘general’ procurement policies in that country, as opposed to a one policy fits all by SPC. SPC procurement team is effective but the standard policy in place does not sell well to all our overseas suppliers.	Noted and agreed. This comment complements the evaluator’s recommendations.
8-‘Absence of adequate project management experience on team-leader level. In spite of the management expertise required for a successful implementation of such complex project, with approximately 15 staff members and extreme time	I cannot agree much to this observation. It is a blatant attack and personal in nature. The evaluator is conflicting himself here! At the beginning he says that the project was successfully implemented and here he is questioning my management expertise. Where is the logic?	SPC’s management explicitly confirmed the evaluator’s findings and conclusions. SPC will put more emphasis on management experience in recruiting future project managers.

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pressure, this criteria has been neglected during the recruiting process.		
9-'A one year reference base (2010) is highly problematic and unusual for agro-based figures. It should rather be an average of the last three years until 2010, thus "buffering" extreme figures due to climatic influences on yields and fluctuating prices on the world market' p.31	This is lesson learned for all SPC projects i.e. to take the average of the past 3 years as benchmark. It can be unfair and unjust to a project to accept the previous year as a reference year knowing the project has gone through a combination of growth and uncertainty as the case may be	Noted and agreed.
10 'Knowledge management: IACT team did not use a shared electronic filing system. This caused communication problems during implementation and endangers sustainability beyond the project. Only on last day of project, data has been updated in a rush' p.43	Indeed we rushed this up in the final days. To avoid this happening in future SPC should introduce an electronic introduction/orientation of new staff joining SPC to go through SPC systems and processes.	Noted and agreed.