

European Union - The Pacific Islands Forum Secretariat
Pacific Regional Indicative Programme
for the period 2014-2020

GENERAL CLAUSES

The European Commission on behalf of the European Union and the Pacific Islands Forum Secretariat hereby agree as follows:

(1) The European Commission, (represented by Neven Mimica, Commissioner for International Cooperation and Development) and the Pacific Islands Forum Secretariat, (represented by Dame Meg Taylor, Secretary General and Regional Authorising Officer) hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014 - 2020.

These orientations which are included in the Regional Indicative Programme concern the European Union Aid in favour of the Pacific region and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010.

The Pacific Regional Indicative Programme is annexed to the present document.

(2) As regards the indicative programmable financial resources which the European Union envisages to make available to the Pacific region for the period 2014 - 2020, an amount of EUR 166 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.

(3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The Regional Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which the Pacific region benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.

(4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.

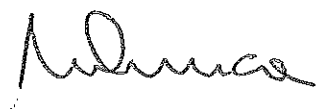
(5) Following the entry into force on 1 March 2015 of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council, on the financing of European Union Aid under the multiannual financial framework for the period 2014 - 2020, financing decisions for projects and programmes can be taken by the Commission at the request of the Pacific Islands Forum Secretariat within the limits of the A- and B-allocations referred to in this document. The respective projects and programmes shall be implemented according to the 11th EDF implementing rules and financial regulation.

(6) The European Investment Bank may contribute to the implementation of the present Regional Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multiannual financial framework for the period 2014 - 2020.

(7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the Regional Indicative Programme as well as the A- and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Done in Suva on 16 June 2015

For the European Commission



Neven MIMICA
Commissioner for International
Cooperation and Development

For the Pacific Islands Forum Secretariat



Dame Meg TAYLOR
Secretary General

Table of Contents

Executive summary

Acronyms and abbreviations

I. The overall lines of the EU support to the region

1. The policy agenda of the region
 - 1.1. The policy perspectives of the region
 - 1.2 Sustainability of policies and medium-term outlook
2. Strategic objectives of the EU's relationship with the region and choice of sector

II. Financial overview

Priority area 1: Regional Economic Integration

Specific objective 1.1: Strengthening the regional trade and business enabling environment

Specific objective 1.2: Increased participation of the private sector in economic integration

Priority area 2: Sustainable Management of Natural Resources and the Environment and the Management of Waste

Specific objective 2.1: Improved economic, social and environmental benefits from sustainable management of oceanic and coastal natural resources with due regard for the conservation of native biodiversity and climate change adaptation requirements.

Specific objective 2.2: Improved economic, social and environmental benefits from sustainable management of waste with due regard for the conservation of native biodiversity and climate change adaptation requirements.

Support for regional investment projects.

Priority area 3: Inclusive and Accountable Governance and the respect for Human Rights

Specific objective 3.1: Transparent and Effective Policies and Public Finance Management, Data and Statistics.

Specific objective 3.2: Promote and protect Human Rights for all and Progress in Gender equality and Civil Society engagement in governance practices.

Specific objective 3.3: Strengthening of Regional Organisations in relation to 11th EDF implementation.

Technical cooperation facility

III. Duly mandated regional organisation and the Regional Authorising Officer(s)

IV. Annexes

Annex 1: Intervention framework for each priority area

Annex 2: Timetable for indicative 11th EDF commitments and disbursements

EXECUTIVE SUMMARY

As part of the African, Caribbean and Pacific Group of States (ACP), the Pacific region consists of 15 ACP states spread over an area more than twice the size of Europe. The total population of the region is less than 10 million, with about two thirds residing in Papua New Guinea. In contrast to a total land area of just 528 000 km² the combined Exclusive Economic Zone (EEZ) of the Pacific ACP region is 20 million km² and constitutes the world's largest tuna fishery resource. The region has an established structure of nine regional organisations providing technical assistance and policy advice, which forms the Council of Regional Organisations in the Pacific (CROP), with leadership provided by the Secretary General of the Pacific Islands Forum Secretariat (PIFS), the Duly Mandated Regional Organisation (DMRO) for the Pacific¹. The Pacific Islands Forum Leaders Meeting – an annual meeting of heads of government – is the premier regional policy-making body of the independent and self-governing states in the Pacific.

Achieving economies of scale in the Pacific region is extremely difficult due to the scattered nature of the islands, small populations and the great distance between countries. Agriculture and fisheries remain important sectors of the regional economy and the growing tourism sector is totally reliant on the natural environment.

The 11th EDF Pacific Regional Indicative Programme (Pacific RIP) addresses the challenges of the Pacific ACP countries by reference to the *Framework for Pacific Regionalism* (FPR) (which represents a re-casting of the Pacific Plan), the *EU Agenda for Change* and the conclusions and recommendations of the recent evaluation of the European Union's cooperation with the Pacific Region 2006-2012.²

The **Overarching Objective of the Pacific RIP** is to "*Contribute to the Pacific Leaders' vision for a region of peace, harmony, security, social inclusion and prosperity so that all Pacific people can lead free, healthy and productive lives*". The **Programme Objective** is to "*Improve the economic, social and environmental benefits for Pacific ACP states arising from stronger regional economic integration and the sustainable management of natural resources and the environment*".

The total 11th EDF indicative allocation to the Pacific RIP is EUR 166 million.

Based on the assessment of major regional integration challenges, especially in the areas of trade, natural resources management and the importance of inclusive and accountable governance, while taking into account support provided by the EU and other development partners, the Pacific RIP will target **three priority areas**.

The **first priority area** selected is **Regional Economic Integration** with an indicative allocation of EUR 50 million to support (i) Strengthening the regional trade and business enabling environment, and (ii) Enhancing private sector involvement in economic integration.

The **second priority area** selected is the **Sustainable Management of Natural Resources and the Environment and the Management of Waste** with an indicative allocation of EUR 52 million to support (i) Increasing economic and social returns from sustainably managed oceanic and coastal resources, (ii) Improving sustainable management of waste and reducing pollution, and (iii) Building capacity of Pacific ACP countries to responsibly and accountably manage their oceanic and coastal resources and waste.

For the purpose of implementing objectives and increasing sustainable impact in priority areas 1 and 2, the EU will cooperate with financial institutions and other development partners to promote investment projects with a regional approach in economic and social sectors, notably in Trade, Private Sector Development, Sustainable Fisheries and Waste Management (indicative amount of EUR 46 million).

The **third priority area** selected is **Inclusive and Accountable Governance and the respect of Human Rights** with an indicative allocation of EUR 18 million to support (i) Governance at national and regional levels (notably in public finance management and statistics), with adequate incorporation of relevant cross-cutting issues including gender, youth, persons with disabilities and Non-State Actors particularly in priority areas 1 and 2. This priority area will also accommodate necessary technical assistance support to the Regional Authorising Officer (RAO) for overall programme implementation and coordination.

¹ In 1999 the Secretary-General of PIFS was appointed by PACP Leaders to undertake the functions of the Regional Authorising Officer for the duration of the Cotonou Agreement.

² https://ec.europa.eu/europeaid/strategic-evaluation-european-unions-cooperation-pacific-region-2006-2012_en

Acronyms and Abbreviations

ACP	African, Caribbean and Pacific Group of States
ADB	Asia Development Bank
AfT	Aid for Trade Strategy
CPRD	Convention on the Rights of Persons with Disabilities
CROP	Council of Regional Organisations in the Pacific
CSO	Civil Society Organisations
DMRO	Duly Mandated Regional Organisation
EDF	European Development Fund
EEZ	Exclusive Economic Zone
EIB	European Investment Bank
EPA	Economic Partnership Agreement
FAO	Food and Agriculture Organisation
FPR	Framework for Pacific Regionalism
GCCA	Global Alliance on Climate Change
GDP	Gross Domestic Product
IATTC	Inter-American Tropical Tuna Commission
ICCP	Investment Co-financing Programme for the Pacific
ICT	Information and communications technology
iEPA	Interim Economic Partnership Agreement
IFP	Investment Facility for the Pacific
IMF	International Monetary Fund
IPA	International Plan of Action
IUU	Illegal, unregulated and unreported
LMMA	Locally Managed Marine Areas
MSG-TA	Melanesian Spearhead Group Trade Agreement
NAO	National Authorising Officer
NIP	National Indicative Programme
NSA	Non State Actor
OCT	Overseas Countries and Territories
OVI	Objectively Verifiable Indicators
PACER	Pacific Agreement on Closer Economic Relations
PACP	Pacific African Caribbean and Pacific countries
PEFA	Public Expenditure and Financial Assessment
PFM	Public Finance Management
PICTA	Pacific Island Countries Trade Agreement
PIFS	Pacific Islands Forum Secretariat
PNG	Papua New Guinea
PPP	Public-Private Partnerships
PRIF	Pacific Region Infrastructure Facility
PRSD	Pacific Regional Strategy for Disability
PYDF	Pacific Youth Development Framework
RAO	Regional Authorising Officer
REI	Regional Economic Integration
RFMO	Regional Fisheries Management Organisations
RIP	Regional Indicative Programme
SME	Small and medium enterprise
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPEITT	Strengthening Pacific Economic Integration through Trade
SPRFMO	South Pacific Regional Fisheries Management Organisations
SPS	Sanitary and Phytosanitary Services
SRIMPAC	Shipping Related Introduced Marine Pests Pacific
TBT	Technical Barriers to Trade
UNEP	United Nations Environment Programme
WCPFC	Western and Central Pacific Fisheries Commission
WTO	World Trade Organisation

I. THE OVERALL LINES OF THE EU SUPPORT TO THE REGION

1. THE POLICY AGENDA OF THE REGION

PIFS is the EU's principal counterpart for regional economic integration in the Pacific region. From 2005, PIFS has overseen the implementation of the 'Pacific Plan' - the region's master strategy for strengthening regional cooperation and integration in the Pacific. As the Plan was not intended as a programmatic instrument or regional development plan, it was focused on high-level strategic objectives and associated initiatives, and did not provide detailed information on expected results, performance indicators, or an implementation timeframe as such³.

Following the recommendations of an in-depth review⁴, Leaders in May 2014 agreed to re-cast the Pacific Plan as a 'Framework for Pacific Regionalism' (FPR). In doing so, Leaders confirmed the importance of advancing Pacific regionalism beyond regional cooperation towards deeper forms of regional integration where there are clear, equitable benefits to be gained.

Central to the FPR is a vision for the Pacific region: *a region of peace, harmony, security, social inclusion, and prosperity, so that all Pacific people can lead free, healthy, and productive lives*, which draws from the Leaders' Vision of 2004 (as set out in the Communiqué of the 42nd Pacific Islands Forum in Auckland, New Zealand, and captured as the foundation of the Pacific Plan).

The FPR aims to guide the achievement of such a vision through the pursuit of regionalism, which it conceptualizes as an expression of a common sense of identity and purpose, leading progressively to the sharing of institutions, resources, and markets, with the purpose of complementing national efforts, overcoming common constraints and enhancing sustainable and inclusive development within Pacific countries and territories and for the Pacific region as a whole.

The FPR focuses on four strategic objectives for regionalism, which are broadly consistent with the original four pillars of the Pacific Plan:

- *Sustainable development* that combines economic, social and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- *Economic growth that is inclusive and equitable*;
- *Strengthened governance, legal, financial, and administrative systems*; and
- *Security that ensures stable and safe human, environmental and political conditions for all*.

In addition, six regional values are set out in the FRP to guide policy making across the region, capturing important cross-cutting issues such as integrity of our vast ocean and island resources; honouring and developing cultures and traditions; embracing good governance, the full observance of democratic values, the rule of law, the defence and promotion of all human rights, gender equality, and commitment to just societies; ensuring stability, full security and wellbeing for the peoples of the Pacific; supporting full inclusivity, equity and equality for all people of the Pacific; and effective, inclusive and enduring partnerships within the region and beyond.

Rather than specifying particular regional initiatives, the FPR sets out a robust, transparent, and inclusive *process* for determining which initiatives are to be overseen by Leaders, and which are to be implemented and monitored through other regional mechanisms such as Ministerial and Officials-level meetings.

The successful implementation of the FPR as a whole is dependent on the support and commitment of Pacific country governments and their people, regional organisations, development partners and all stakeholders working in the region. This Pacific RIP is consistent with the FPR and its implementation will be aligned with the FPR principles and identified regional initiatives.

³ Conclusion 1 p. 75 of the Evaluation of the European Union's cooperation with the Pacific Region

⁴ *Pacific Plan Review 2013*, chaired by the Rt. Hon. Sir Mekere Morauta. www.pacificplanreview.org

1.1. The policy perspectives of the region

Pacific Leaders acknowledge that the island countries of the Pacific region face many common challenges and can best address many of these challenges and influence the international agenda in today's globalising world through integration and cooperation. **The strategic objectives of the FPR are aligned to address such challenges at the regional level and are supplemented by a number of existing regional declarations, frameworks and agreements that provide sector-specific policy responses.**

In the area of *economic growth*, inadequate infrastructure, limited and expensive intra-regional transport due to geographical fragmentation and protection of key sectors continue to undermine competitiveness and constrain *trade* and tourism in the region. Despite tariff-free access to major markets already in place, export-led growth has not been easy to generate and sustain in all countries. Public expenditure relies heavily on debt and aid, although policy efforts led to decreasing fiscal deficits in recent years. Inflation has been contained in the majority of countries.

In response to the above challenges, the importance of deepening regional trade integration as a means to create jobs, enhance private sector growth, raise standards of living and advance the region's sustainable economic development is well understood, and is reflected in the steadily increasing involvement of Members in international trade relations since the 1990s. Multiple trade configurations co-exist, the most relevant being the Pacific Island Countries Trade Agreement (PICTA), the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), the Melanesian Spearhead Group Trade Agreement (MSG-TA), the Interim Economic Partnership Agreement (iEPA), and the negotiations of the Pacific Agreement on Closer Economic Relations (PACER) Plus and the Comprehensive Economic Partnership Agreement (EPA). Deepened regional integration and increased connectivity between Pacific island countries will increase overall economic growth potential and facilitate the strengthening of trade relations with rapidly expanding Asian economies. According to the IMF, Pacific Island Countries' exports to Emerging Asia have increased sevenfold since the early 1990s, while their imports from Emerging Asia have expanded more than fourteen times (starting from a low level though).⁵

The Pacific Aid for Trade Strategy (Aft) (2014-2017) aims to provide Pacific ACP countries an efficient and effective way of delivering regional trade-related assistance in a timely manner. It acknowledges the structural constraints faced by economic actors in the Pacific and suggests a number of priority actions for the region, with emphasis on actions that would benefit more from a regional approach than separate national interventions. The immediate priorities of the Aft Strategy are to improve the region's trade-related infrastructure and increase the region's productive capacity for trade, including trade development. The latter will focus on supporting the private sector to enhance comparative advantages and to diversify exports. This will also include opportunities to increase the participation and contribution of women, youth and persons with disabilities in the economy.

With regards to *sustainable development*, the effects of climate change are widespread, affecting economic, environmental and social livelihoods including food security, health and infrastructure. Although the Pacific has done little to contribute to the causes of global warming (accounting for less than 0.03% of current global greenhouse gas emissions) the region will be among the first to suffer and the least able to respond. Pacific Leaders consider climate change the greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific.

In response, Pacific Leaders have long highlighted the need to respond urgently and sufficiently to ensure the ongoing viability of all Pacific states. In the Waiheke Declaration of 2011 Pacific Leaders committed the region to pursuing sustainable economic development. Leaders reiterated the critical importance of ensuring the sustainable development, management and conservation of the Pacific Ocean, noting the region's unique dependency on the Pacific Ocean as the basis for livelihoods, food security and economic development. Leaders also urged work towards integrated oceans management, using the Framework for a Pacific Oceanscape (2010) as a model, with the aim of realising relevant international goals to contribute to the health and vitality of the ocean environment. The Waiheke Declaration pledges to inter alia: pursue improved sustainable returns to Pacific island economies from the abundant natural resources, particularly fisheries; foster an environment that supports increased investment, productive activity and a strengthened private sector, particularly in relation to fisheries, agriculture and tourism, to generate income and employment; conserve and manage fragile island ecosystems which underpin sustainable development and food and water security within the Pacific region; address the persistent problem of illegal, unregulated and unreported (IUU) fishing through enhancing the

⁵ IMF, Regional Economic Outlook, Asia and Pacific, April 2014, p. 57

effectiveness of regional monitoring, control and surveillance activities; and ensure the meaningful engagement of civil society and Pacific island communities in the development process.

The sustainable development of natural resources is fundamental to the economic, social and cultural wellbeing of the region. By improving synergies between economy, trade and infrastructure development, climate change and disaster risk reduction and ensuring the participation of women, persons with disabilities, youth and local communities, the region would move towards sustainable climate and disaster resilient development. It is important to make more efficient use of available resources by applying the experience and knowledge from the various regional frameworks and platforms that seek to shape the development of national and regional policy.

For example, waste is a major threat to sustainable development. The lack of proper waste management has had negative and serious consequences for areas of development such as health, environmental quality, water resources, fisheries, agriculture, tourism, trade and food security. In response to this challenge the Pacific Solid Waste Management Strategy 2010-2015 provides a holistic framework for implementation, and builds on the benefits and lessons learnt from the Waste Strategy of 2005.

With regards to *governance*, the efficient and effective use of government resources, including development assistance and equitable delivery of government services is often compromised by a range of factors including: political instability; weak policy and law-making processes; outdated and inadequate laws and regulations; corruption and under-resourced governance and accountability institutions.

Recognising that good governance underpins national and regional development, Pacific Leaders and Ministers have pledged to strengthen their governance arrangements through a range of regional-level actions including: bolstering key governance and accountability institutions to enhance the transparency of political and economic processes; improving donor coordination; improving collection of statistics, information management and record-keeping; implementing international and regional anti-corruption commitments; strengthening accountability and integrity mechanisms; as well as promoting and protecting human rights. Other actions could include: strengthening parliamentary mechanisms; ensuring a stronger role for civil society as watchdog for good governance; mitigation of intertribal/ethnic tension, accelerating the participation of women in leadership at all levels and advancing gender equality.

With regards to *security*, the region recognises its vulnerability to a range of threats, including - but not limited to - those posed by transnational and organised crime, unlawful transfers of political power, climate change and disaster risks. The region's understanding of security as encompassing human security has seen Pacific governments recognise and commit at the regional level, to the security implications of issues such as sexual and gender based violence and the vulnerability of urban-based youth to crime.

In addition to these broad strategic areas, there are other cross-cutting areas of concern in the Pacific, and various policy approaches have been adopted to address these. For example, the equal treatment of men and women, a fundamental tenet of the European Union since its inception, is central to all its activities. At the same time, progress towards achieving gender equality remains a challenge in the Pacific region. Forum Leaders are deeply concerned that despite improvements in girls' education and some positive initiatives to address violence against women, overall progress towards gender equality has been slow. For example, women's representation in Pacific legislature remains the lowest in the world; violence against women is unacceptably high; and women's economic opportunities remain extremely limited.

Leaders understand that gender inequality is imposing high personal, social and economic costs on Pacific people and nations and that improved gender equality will make a significant, positive contribution to creating a prosperous, stable and secure Pacific for all. By adopting the Pacific Leaders Gender Equality Declaration in 2012, Forum Leaders reaffirmed commitment in the following six key areas: gender responsive government policies and programmes; improving women's participation in decision making; economic empowerment; ending violence against women; and improving health and education outcomes for women and girls.

In addition, the importance of mainstreaming youth issues nationally and regionally is also recognised by Pacific Leaders as a priority. The Pacific Youth Development Framework (PYDF) 2014-2023 has been developed to enable a coordinated approach to youth-centred development in the Pacific. At its core lies a framework of priorities for youth development and how regional organisations, governments, community organisations and society can support young people in the Pacific towards safe and healthy lives and sustainable environments, as active social and economic participants in their communities.

1.2 Sustainability of policies and medium-term outlook

Institutional, geographic and demographic constraints have affected economic development in the region for decades, despite substantial flows of aid and remittances. In addition, slow economic reform processes and regular disasters from extreme natural hazard events such as cyclones, tsunamis, floods, storm surge and droughts have led to substantially weak economic results for the Pacific over the last 20 years. In the period 2005 - 2012, the average growth rate of real GDP per capita was approximatively 1.3% for Pacific ACP countries (excluding East Timor, Nauru & Niue).⁶

However, the development of each country has varied enormously, reflecting the wide diversity of the countries in terms of population numbers and growth, natural resources' endowment, social and environment constraints and economic development opportunities. While PNG and Solomon Islands experienced a robust growth between 2005 and 2012 (real GDP growth per capita averaging 3.6% and 3.7% respectively), Kiribati's economy declined (average real GDP per capita -0.9%).

The needs of the countries are different and call for a differentiated approach to aid: countries should receive assistance in line with their national agenda and priorities. AFT will help Pacific ACP countries to meet their trade potential including tapping into new exports and markets as well as coherently addressing the capacity constraints facing the region. It should assist them to improve their trade-related infrastructure, increase their supply-side capacity, undertake appropriate trade and regulatory reforms and adopt the necessary adjustment measures to be able to effectively address their distinct economic challenges and therein benefit from international trade opportunities arising from multilateral, regional and bilateral trade agreements.

Lack of access to finance is a major constraint throughout the Pacific⁷, especially for sustainable development of social and economic infrastructure as well as for responses to major global challenges like climate change adaptation. Improving women's access to finance is a commitment made by Leaders which needs to be supported through development partner initiatives. While the EU and other donors are supporting the development of initiatives that address lack of access to finance, principally at national levels, the Pacific RIP may be used as a means to add support where required, particularly for private sector initiatives and Public-Private Partnerships (PPPs).

Recent studies, such as the evaluation of the European Union's cooperation with the Pacific Region 2006-2012 and the mid-term evaluation of the SPEITT (Strengthening Pacific Economic Integration through Trade) Programme, highlight that significant levels of EDF funding for multilateral and bilateral trade negotiations and capacity building have so far resulted in little, in terms of signed trade agreements. The 10th EDF RIP will continue to support these initiatives through to 2018 while the 11th EDF support would switch focus toward increasing the productive capacity for trade (AFT priority 2), in anticipation of the conclusion of major trade negotiations. The mid-term review of the Pacific RIP in 2017 will take stock of progress with respect to trade agreements in the region, and priorities may refocus if this is considered to be necessary, at the time.

Previous Pacific RIPs have achieved positive results in strengthening PACP countries' capacity to manage land and marine resources. Regional organisations and agencies have been used to channel financial resources to implement activities at national level in countries with limited capacity. This has delivered many positive results, with many implementing agencies being able to build and acquire considerable management skills, deliver sound research and analysis, and embrace sound governance practices. The Pacific RIP will continue to work with such regional partners in programme design and project implementation.

Given that the region is 98% ocean, the protection and development of the region's oceanic, coastal and terrestrial resources are vital for sustainable development and food security. Furthermore, the EU and other partners have a vital interest in maintaining the health of the Pacific Ocean. A strategic partnership between the EU and Pacific is needed to achieve this main goal. Previous EU programmes have provided an important foundation for current and future resource management programmes in the Pacific. The development of a policy dialogue⁸ and the strengthening of fundamental and specific applied scientific research as well as the collection of more data are crucial in order to advance climate science, climate action and to manage marine, submarine and maritime resources. Scientific applied research, marketing, and improvements in legislation and information for enforcement have all played a part in improving the sustainable management of the fisheries - the region's key natural resource and asset. However, intensified fluctuations in environmental conditions can affect the

⁶ Asian Development Bank, Key Indicators for Asia and the Pacific 2014

⁷ See conclusion 10 p. 82 of the Evaluation of the European Union's cooperation with the Pacific Region

⁸ Inter alia, in the Framework of the Pacific-Europe Network for Science, Technology and Innovation bi regional platform and Horizon 2020.

scientific models that provide key inputs to tuna management systems. New pressures arising from greater interest from distant water fishing nations in the regional tuna stocks have increased concerns of Pacific countries about IUU fishing. Demands for a fairer share of the revenues generated from tuna stocks have increased, which may be addressed through a greater emphasis on on-shore processing and service industries. A regional approach is also regarded as an important way of addressing the increasingly onerous requirements imposed by export markets for fresh produce from Pacific ACPs.

In addition, support towards development of policies, and legislative and revenue frameworks for deep sea mining have highlighted the importance of building capacity to support sound institutional and policy processes that will ensure increased returns from the exploitation of marine mineral resources, from the outset.

There are a number of issues related to natural resources and environmental management where considerable improvement is needed, such as: better integration between sustainable management and biodiversity conservation efforts; strengthening the involvement of the private sector and community stakeholders in conservation programmes, and having more transparent, efficient linkages and ownership between regional-national-local levels; ensuring more robust linkages between policy and strategic advice provided at the regional level, and increased management and enforcement at the national level.

In respect of waste management, poor practices are affected by factors such as increases in waste generation caused by economic growth and urban drift, relatively small and sparse populations which limit the potential of achieving economies of scale, limited institutional and human resources capacity, and the fact that solid waste financing has not kept pace with growth in waste quantities. Except in a few cases where valuable metals and organic matter are extracted, there is no recycling of waste. Appropriate mechanisms for the disposal of hazardous and toxic waste are particularly lacking, as is often the willingness to enforce relevant regulations. The insufficient exchange of information on appropriate technologies, systems and 'best practices' also hinders the wider adoption of sustainable waste management solutions.

The implementation of the Pacific Regional Solid Waste Management Strategy 2010-2015 has made significant progress in addressing some of the challenges, and has provided useful lessons and guiding principles for the development of successful waste management initiatives. It is now clear that in view of growing needs and demands linked to demographic trends and chronic human and financial constraints, more efforts are needed to help Pacific countries adopt cost-effective and self-sustaining waste management systems that at the same time encourages economic growth. Opportunities for leveraging investments through blended financing also exist in this sector.

The EU Agenda for Change emphasises human rights, democracy and governance as a key strategic focus, vital for inclusive and sustainable development, and which should feature more prominently in the EU's development partnerships. While public sector management, such as policy formulation and public finance management, is a key element, the Agenda also includes the promotion of gender equality and the empowerment of women as development actors and peace builders (EU 2010 Gender Action Plan). In addition, the inclusion of youth, persons with disabilities (Pacific Regional Strategy for Disability [PRSD]; Convention on the Rights of Persons with Disabilities [CPRD]), indigenous peoples and minorities as well as the support of local civil societies' capacities to effectively engage in dialogue with their national governments and regional organisations will be paramount.

Monitoring and Evaluation of the Pacific RIP

A central Pacific RIP monitoring and evaluation function could assist the RAO in compiling and analysing data generated by individual projects and programmes, and in assessing their combined impact in the achievement of the Overall Objective and Specific Objectives of the Pacific RIP. On a number of occasions, Pacific ACP governments together with other stakeholders have expressed concern about the inadequate exchange of information on regional programmes and their interaction with national programmes. This negatively affects the sound planning of national development strategies and action plans as well as the selection and prioritisation of areas and sectors where support from governments, donors and development partners can be most effective.

2. STRATEGIC OBJECTIVES OF THE EU'S RELATIONSHIP WITH THE REGION AND CHOICE OF SECTOR

The Pacific RIP addresses the challenges of the Pacific ACP countries by reference to the *FPR* and the *Agenda for Change* and in the spirit of development cooperation and partnership.

The **Overarching Objective of the Pacific RIP** is to "Contribute to the *Pacific Leaders' vision for a region of peace, harmony, security, social inclusion and prosperity so that all Pacific people can lead free, healthy and productive lives*". The **Programme Objective** is to "*Improve the economic, social and environmental benefits for PACP states arising from stronger regional economic integration and the sustainable management of natural resources and the environment*".

Based on the assessment of major regional integration challenges, especially in the areas of trade, natural resources management and the importance of inclusive and accountable governance, while taking into account support provided by the EU and other development partners, the Pacific RIP will target **three priority areas**.

Reflecting the Pacific region's commitment to liberalise trade and step up economic integration, the **first priority area** will be allocated to **Regional Economic Integration**. It will have a dual focus, comprising (i) strengthening the regional trade and business enabling environment, including improvements in trade facilitation (in particular a broad and early implementation of the WTO Trade Facilitation Agreement) and regulatory frameworks. This will promote the development/updating of national trade policies and export strategies consistent with regional objectives, contributing to regional integration and ensuring that barriers to regional trade development are lowered. Trade facilitation reduces costs and increases trade, both on the import and export side, and contributes to an improved investment climate. Together with private sector regulatory framework improvements, it will help enhance interaction between businesses and government and contribute to reducing costs of doing business and increasing competitiveness. The second focus (ii) will comprise enhancing **private sector involvement in economic integration**. Interventions will be tailored to meet the needs of the countries' private sector partners with the aim of promoting exports and ensuring pro-poor and green growth as well as the development of employment opportunities. While businesses in traditional sectors will be supported through training, technical assistance and access to finance in areas of interest (e.g. agriculture and fisheries, tourism, services sector and cultural industries), efforts toward ensuring the 'greening' of private sector actions will be prioritised. Small and medium-sized enterprise (SME) incubators may be supported to ensure that national creativity and innovative approaches are harnessed to promote regional integration with assistance provided to innovations that positively support the natural environment. Key areas such as product development, quality assurance, and marketing may be supported.

Amongst regional priorities, **infrastructure development** appears prominently (Aft priority 1). Infrastructure development requires significant investments and cooperation with large international investment partners. The EU grant support, through the EUR 46 million support to investment ('blending' and Co-financing Programme for the Pacific (ICPP)) programmes should ensure leverage for co-investment led notably by the private sector or through public private partnerships. The projects supported will have to directly or indirectly contribute to the implementation or expansion of initiatives that promote sustainable economic development while also delivering positive social and economic spill-over effects on communities at national level. The support provided to the development of the private sector will be in line with acceptable norms of social and environmental responsibilities, and the broader economic development needs of the Pacific region.

The **second priority area** of intervention under the RIP is the **Sustainable Management of Natural Resources and the Environment and Management of Waste**. Here resources will be channelled to support (i) increasing economic, social and environmental returns from sustainably managed oceanic and coastal resources, using ecosystem-based management approaches that may include terrestrial resources where these affect, or could affect, the management of oceanic and coastal resources; (ii) improving sustainable management of waste and reducing pollution; and (iii) strengthening capacity of Pacific ACP countries to responsibly and accountably manage oceanic and coastal resources.

Activities that are linked to adaptation to climate change and the conservation of biodiversity, including the creation and management of marine protected areas⁹, will also be strongly encouraged and could include the development of policies and regulations integrating economic activities and biodiversity conservation with sustainable development, and thus enhancing food security and small-scale livelihoods for Pacific people. Whilst there will be a strong emphasis on private sector-led participation in these activities, it is of equal importance to promote governance and consultative structures and processes that take into account traditional knowledge and

⁹ Inter alia - <http://www.sprep.org/publications/framework-for-nature-conservation-and-protected-areas-in-the-pacific-islands-region-2014-2020>

the concerns of local communities. In this regard, appropriate indicators need to be established and monitoring and reporting capacity and processes strengthened at both national and regional levels.

The **third priority area** is aimed at improving **Inclusive and Accountable Governance and the respect for Human Rights** at national and regional levels. This area will support inter alia strengthening of public financial management with the aim of generating qualitative improvements in the process of government accounts' preparation and scrutiny; as well as strengthening of statistical data collection and analysis services.

Relevant cross-cutting issues including gender, youth, persons with disabilities, indigenous peoples and minorities will be given adequate attention as will be cooperation with CSOs within priority areas 1 and 2. This third priority area will also accommodate necessary technical assistance support to the RAO for overall programme management and monitoring.

Integration of cross-cutting themes in the Pacific RIP

The integration of cross-cutting issues such as gender, indigenous peoples and minorities, persons with disabilities and youth at both national and regional levels will be an important element of the Pacific RIP. During the identification and formulation phases, attention will be paid to specific activities aimed at mainstreaming these issues into the priority areas 1 and 2.

Environmental sustainability is a key goal of the second priority area (Sustainable Management of Natural Resources and the Environment and Management of Waste). The RAO will adopt guidelines and processes for assessment of environmental impacts and the sustainability of Pacific RIP supported interventions and, where deemed appropriate or required by national environmental impact assessment regulations, institute environmental and climate resilience assessments.

In terms of good governance, the programme will engage with counterparts at all levels of government and will include Civil Society Organisations. This will require a high level of commitment to the actions proposed in the region. Improved institutional arrangements as well as inclusive consultations will be promoted.

Gender equality is a cross-cutting regional value in the FPR and is recognised as a critical issue to address in achieving sustainable development outcomes for the region. Frameworks for achieving gender equality in the Pacific region include the Pacific Leaders Gender Equality Declaration and the Pacific Platform for Action for the Advancement of Women, which emphasise the need for strengthening governance through gender responsive policies, programmes and increased participation of women in all aspects of development. This is consistent with the Pacific RIP focus, which acknowledges and ensures that gender and other social dimensions are adequately integrated into the first and second priority areas of support. Resources will be channelled to help monitor developments in the region and provide support to ensure that all regional and national initiatives in this area will address gender and related social inclusion dimensions.

The rights of indigenous peoples and the rights of persons belonging to minorities are central to EU's development agenda as being not only cross-cutting issues for mainstreaming but also objectives in themselves.

There is also a commitment within the Pacific region to support the inclusion of persons with disabilities. This commitment of Pacific Leaders is reflected by the PRSD: 2011-2015, the Incheon Strategy to "make the right real" for persons with disabilities¹⁰ in Asia and the Pacific, and most significantly by the increasing number of Pacific ACP countries that have recently signed and ratified the CRPD.¹¹ This resonates with the EU and its Members States' ratification of the CRPD, and more potently the EU's commitment to ensure that all its international cooperation has to be accessible to and inclusive of persons with disabilities¹². The inclusion of persons with disabilities will be a consideration in all initiatives that will be designed and developed for both the first and second priority areas.

The three priority areas of the Pacific RIP align with the following priority development outcomes of the PYDF: more young people secure decent employment; governance structures empower young people to increase their influence in decision making; and environmental action is increasingly led and influenced by young people. Each of these should be used to guide development of policies and programmes aimed at youth development when mainstreaming this throughout the Pacific RIP.

Meaningful employment and/or entrepreneurship is significant for young people because it increases their life chances. It enables them to contribute to their families and communities, and to address intergenerational

¹⁰ http://www.unescap.org/resources/incheon_strategy "make the right real"

¹¹ Signed but not Ratified: Fiji, Federated States of Micronesia, Niue, Republic of the Marshall Islands, Solomon Islands, Tonga.

¹² <http://www.pacificdisability.org/About Us/Disability in the Pacific.aspx>.

disadvantage. Employed and productive young people show a gradual willingness to contribute to civic and social cohesion. It is becoming increasingly evident that policies and programmes for young people increase their effectiveness and impact when they are actively involved, when they can influence the shape and nature of initiatives, and when they learn and develop important skills through the process of engagement.¹³ Strengthening representative structures and development processes within governments and regional organisations in the Pacific in ways that lead to more women, young people and persons with disabilities participating in these structures as well as civil society and the private sector being engaged more effectively will have significant positive impacts on accountability, governance and organisational effectiveness across the Pacific.

Strengthening CSO participation

The third priority area will also focus on the empowerment and the strengthening of the capacity of civil society organisations (CSOs) to participate effectively in regional policy making processes and to influence the development and maintenance of inclusive and accountable governance. By extension, it will also cover initiatives which advance the participation of women, youth, persons with disabilities, and community-based organisations in the scope of the first and second priority areas.

Technical Assistance to the RAO and Monitoring & Evaluation

This third priority area will also accommodate technical assistance to the RAO supported by two consecutive Technical Cooperation Facilities. In addition, funds will be set aside to strengthen the RAO's monitoring function to assess progress towards achievement of the Overall Objective and Specific Objectives of the Pacific RIP and individual projects, and the Pacific RIP's contribution to the achievement of the strategic objectives of the FPR. This will also include a larger support function for the communication and dissemination of project information to member countries, stakeholders, civil society and to the public at large.

Likely interventions under the three priority areas are detailed in the Intervention Framework attached in Annex 1.

Financial instruments supporting the Pacific RIP

Other financial instruments will complement the Pacific RIP, including on-going and future programmes financed through the 'Global Alliance on Climate Change' (GCCA and GCCA+). Country-specific needs may be financed from NIPs and EDF intra-ACP funds, such as the new EUR 20 million programme 'Building Resilience in Pacific ACP countries', and can contribute to cross-cutting initiatives.

The European Investment Bank (EIB) can supplement efforts on private sector development. Global initiatives may also provide additional resources. EU Member States may contribute bilateral funds, notably in support of collective commitments to developing countries and donor coordination led by Pacific partners can maximize aid effectiveness.

¹³ Pacific Youth Development Framework (2014)

II. FINANCIAL OVERVIEW

The Pacific RIP is based on the indicative allocation for Pacific ACP states amounting to EUR 166 million. The indicative allocation will be distributed as follows:

PRIORITY AREA 1: Regional Economic Integration

For indicative purposes, approximately **EUR 50 million** shall be reserved for this area. In priority area 1, the following specific objectives shall be pursued:

Specific objective 1.1: Strengthening the regional trade and business enabling environment

Approximately **EUR 30 million** shall be reserved to contribute to this objective, including:

- Support to improvement of Sanitary and Phytosanitary Services (SPS), also in the field of Technical Barriers to Trade (TBT);
- Customs harmonisation and trade facilitation;
- Develop and strengthen the enabling environment for commerce and trade (improving investment climate, market analysis and development, regional value chains etc.);
- Support the development of trade policy and regulatory frameworks;
- Relevant economic and trade-enabling infrastructure, especially supporting private sector development.

Guiding principles and policies to be taken into consideration:

- Endeavour to identify programmes combining support at regional level with actions to be implemented at national level;
- EU agenda for change;
- Recommendations 10, 11, 12 and 13 of the Evaluation of the European Union's cooperation with the Pacific Region (2006-2012);
- Adoption and establishment of processes required to support the Framework for Pacific Regionalism;
- Aid-for-Trade Strategy 2014-2017;
- Pacific Leaders Gender Equality Declaration 30 August 2012;
- Waiheke Declaration August 2011;
- Framework for Action on ICT Development in the Pacific 2010.

The main expected results to be achieved are:

- Increased intra-regional and international trade

Results and Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 – Intervention Framework.

Activities undertaken to achieve the specific objective will allow the mainstreaming of crosscutting issues including, inter alia, youth, gender, indigenous peoples and minorities, persons with disabilities, environment and climate change in all initiatives, and where appropriate to promote innovative approaches. Adequate indicators will be monitored to ensure implementation

Specific objective 1.2: Increased participation of the private sector in economic integration

Approximately **EUR 20 million** shall be reserved to contribute to this objective, aiming to:

- Promote private sector investment and enhance competitiveness, in particular, in priority RIP sectors, in a sustainable manner that also takes into account the economic, social and environmental aspects of the Pacific region;
- Promote entrepreneurship and business development through private sector support services, including development of the services sector;
- Enable and facilitate private sector access to finance and venture capital, in particular, in RIP priority sectors, taking into account the private sector's responsibility in relation to priority area 2;
- Promote public-private partnerships (PPP), including notably those that have a positive impact on priority area 2;

- Develop and implement capacity building programmes supporting business and private sector development at tertiary, technical/vocational, undergraduate and graduate level;
- Support the intra-regional exchange and movement of skilled Pacific ACP trade people and professionals.

Guiding principles and policies to be taken into consideration:

- Endeavour to identify programmes combining support at regional level with actions to be implemented at national level;
- Adoption and establishment of the processes required to support the Framework for Pacific Regionalism;
- Aid-for-Trade Strategy 2014-2017;
- Forum Fisheries Agency Strategy Plan 2014-2020;
- Waiheke Declaration August 2011;
- Pacific Regional Tourism Strategy 2015-2019;
- Regional Culture Strategy: Investing in Pacific Cultures 2010-2020;
- European Commission Communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries".

The main expected results to be achieved are:

- Increased participation of the private sector in economic integration.

Results and Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 - Intervention Framework

Activities undertaken to achieve the specific objective will allow the mainstreaming of crosscutting issues including, inter alia, youth, gender, indigenous peoples and minorities, persons with disabilities, environment and climate change in all initiatives, and where appropriate to promote innovative approaches. Adequate indicators will be monitored to ensure implementation.

PRIORITY AREA 2: Sustainable Management of Natural Resources and the Environment and the Management of Waste

For indicative purposes, approximately **EUR 52 million** shall be reserved for this area. In priority area 2, the following specific objective shall be pursued:

Specific objective 2.1: Improved economic, social and environmental benefits from sustainable management of oceanic and coastal natural resources with due regard for the conservation of native biodiversity and climate change adaptation requirements.

Approximately **EUR 35 million** shall be reserved to contribute to this objective and the major operations may include:

- Support the sustainable development, use and management of living and non-living oceanic and coastal resources, in line with international rules (e.g. RFMO rules in fisheries) and taking into account modern management principles;
- Contribute to the implementation of comprehensive monitoring, control and surveillance strategies to prevent, deter and eliminate Illegal, Unreported and Unregulated (IUU) fishing – including regional operations and aerial surveillance – to ensure the sustainable exploitation of oceanic and coastal resources and the traceability of fisheries products from the sea to the plate;
- Promote ecosystem-based approaches for adaptation to climate change, integrated oceanic and coastal resource management, emphasizing ecological, social and economic linkages;
- Support initiatives promoting community-based management of oceanic and coastal resources to improve food security and small-scale livelihoods;
- Support the establishment and management of marine protected areas for the conservation of biodiversity;
- Support sustainable commercial and subsistence initiatives in fisheries and aquaculture, and sustainable tourism with due regard to conservation of native biodiversity;

- Promote tools for market intelligence aimed at better understanding and forecasting seafood market evolution and dynamics;
- Develop and implement policies and regulations focused on integrating economic activities with biodiversity conservation and development and sustainable management of oceanic and coastal resources;
- Assess extinction risk and encourage conservation of endemic species in oceanic and coastal areas under or designated for development;
- Support a regional approach to biosecurity;
- Improve the collection, availability, analysis, dissemination and use of quality data and information required for the sustainable management of natural resources and the environment, in particular in areas of fisheries (e.g. compliance with RFMO rules), aquaculture and biodiversity conservation;
- Strengthen domestic capacity (including human resources) of Pacific ACP countries for the sustainable management of living and non-living marine resources, including through promoting regional cooperation.

Specific objective 2.2: Improved economic, social and environmental benefits from sustainable management of waste with due regard for the conservation of native biodiversity and climate change adaptation requirements

Approximately **EUR 17 million** shall be reserved to contribute to this objective and the major operations may include:

- Support regional initiatives to address waste and pollution issues at policy and regulatory levels
- Develop and promote sustainable 'best practice' waste management at national and regional level
- Enhance private sector engagement in the management of waste, including its responsibility and involvement in an integrated approach to financing.
- Improve the production, availability, analysis, dissemination and use of quality data and information on outcomes and experiences in waste management and technologies, for better decision making
- Improve dissemination of outcomes and experiences in waste management and technologies to civil society and the general public
- Strengthen human resources capacity in waste management

Guiding principles and policies to be taken into consideration:

- Forum Fisheries Agency Strategic Plan 2014-2020;
- Future of Pacific Fisheries Report 2010;
- The Vava'u Declaration on Pacific Fisheries Resources 2007;
- Regional Tuna Management and Development Strategy;
- The Pacific Islands Regional Coastal Fisheries Management Policy (Apia Policy);
- Pacific Regional Solid Waste Management Strategy 2010-2015 and of the future 2016-2020 Strategy;
- Agreement on Strengthening Implementation of Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the Pacific Region;
- Shipping Related Introduced Marine Pests Pacific (SRIMPAC);
- Pacific Islands Regional Marine Species Action Plan 2013-2017;
- Convention on Biological Diversity Strategic Plan for Biodiversity 2011-2020 including Aichi targets;
- Framework for Nature Conservation and Protected Areas in the Pacific Islands region 2014-2020;
- National Biodiversity Strategies and Action Plans;
- Framework for a Pacific Oceanscape 2010;
- UNEP Governing Council decision 27/12 and UNEA resolution 1/5, in particular in relation to the implementation of an integrated approach to financing for the sound management of chemicals and waste;
- FAO International Plan of Action to prevent, deter and eliminate IUU fishing (IPEA-IUU);
- FAO International Plan of Action for Conservation and Management of Sharks ;
- FAO International Plan of Action for Reducing Incidental Catch of Seabirds in Longline Fisheries;
- Conservation and management measures adopted by relevant regional fisheries management organisations (WCPFC, IATTC, SPRFMO etc);
- Recommendation 15 of the Evaluation of the European Union's cooperation with the Pacific Region;
- Endeavour to further increase results and sustainable impact of actions in these areas by developing,

where relevant and feasible, synergy and linkages with the Pacific OCT Regional Programme

The main expected results to be achieved are:

- Increased or sustained economic and social returns from sustainably managed oceanic and coastal resources
- Improved sustainable management of waste and reduced pollution
- Capacity of PACP countries to responsibly and accountably manage their natural resources and waste strengthened

Results and Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 - Intervention Framework

Activities undertaken to achieve the specific objective will allow the mainstreaming of crosscutting issues including, inter alia, youth, gender, indigenous peoples and minorities, persons with disabilities, environment and climate change adaptation in all initiatives, and where appropriate to promote innovative approaches. Adequate indicators will be monitored to ensure implementation.

Support for regional investment projects

For the purpose of implementing objectives and increasing sustainable impact in Priority Areas 1 and 2 of the Pacific Regional Indicative Programme, the EU will cooperate with financial institutions and other development partners to promote investment projects with a regional approach in economic and social sectors, notably in trade, private sector development, sustainable fisheries and waste management.

An indicative amount of **EUR 46 million** will be available in the 11th RIP for supporting regional investment projects in these two areas. This is expected to be complemented by intra-ACP cooperation resources aimed at supporting ACP private sector related investment projects. As the macro-economic and debt stress situation may prevent some national governments from assuming new investment loans, support for investment projects from the 11th RIP will be provided through two modalities, with the following indicative envelopes. Indicative envelopes may be adjusted following the Mid-Term Review in function of implementation progress and demand.

(i) The Investment Facility for the Pacific (IFP) will support investment projects in partner countries presented by eligible financial institutions on the basis of blending IFP grants with loans and/or other financial instruments. Selection and financing of investment projects shall follow the EU established governance arrangements for investment facilities. Indicative budget: EUR 20 million.

(ii) The Investment Co-financing Programme for the Pacific (ICPP) will co-finance grant-financed investment projects presented by eligible financial institutions and/or development partners in agreement with partner countries. Criteria for accessing and allocating ICPP-finance will be established by the DMRO in agreement with the RIP Steering Committee and be guided, among others, by the IMF's Debt Sustainability Analysis (DSA) and/or other reliable debt and macro-economic related information sources. Indicative budget: EUR 26 million.

Coordination with initiatives to promote investments from other development partners and financial institutions in the region will be assured, notably with the Pacific Region Infrastructure Facility (PRIF).

PRIORITY AREA 3: Inclusive and Accountable Governance

For indicative purposes, approximately **EUR 18 million** shall be reserved for this area. In priority area 3, the following specific objective shall be pursued:

Specific objective 3.1: Transparent and Effective Policies and Public Finance Management, Data and Statistics

Approximately **EUR 6 million** shall be reserved to contribute to this objective. Implementation shall be pursued through a strategic programme combining support at regional level with actions at national level in the following areas:

- Support effective public finance management based on accountable and inclusive principles;
- Support to auditing and scrutiny of public accounts, including the development of anticorruption measures;
- Support better development of economic and social statistics to allow improved policy making;
- Strengthen national and regional data collection, analysis and information sharing systems, particularly in priority RIP sectors;
- Empower CSOs to take on the watchdog role in ensuring accountability and fighting corruption.

The main expected result to be achieved is:

- Inclusive and accountable governance improved at the national and regional level, with adequate incorporation of relevant cross-cutting issues, particularly in Priority Areas 1 and 2.

Results and Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 - Intervention Framework

Specific objective 3.2: Promote and protect Human Rights for all and Progress in Gender equality and Civil Society engagement in governance practices

Approximately **EUR 7 million** shall be reserved to contribute to this objective. Implementation shall be pursued through a strategic programme combining support at regional level with actions at national level in the following areas:

- In compliance with the Paris Principles, enhance equal access to judicial and Human Rights protection and monitoring mechanisms and strengthen the overall regional support for the national implementation of International Human Rights instruments such as, inter alia, the Convention on the Rights of Persons with disabilities, including through awareness raising and capacity building. Promote and protect the rights of indigenous peoples and persons belonging to minorities;
- Enhance women and girls participation in decision making processes;
- Strengthen expertise on gender issues in the Pacific to provide analysis, advice and technical support to Pacific islands countries' capacity to mainstream gender into national policies and planning and improve governance practices;
- Foster active engagement of civil society in national and regional policy formulation, implementation and monitoring;
- Support capacity development of civil society to influence and monitor policy development.

The main expected result to be achieved is:

- Governance practices in the Pacific are improved through progress in Human Rights observance and protection, gender equality and enhanced civil society engagement.

Results and Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 - Intervention Framework

Specific objective 3.3: Strengthening of Regional Organisations in relation to 11th EDF implementation

Approximately **EUR 2 million** shall be reserved to contribute to this objective and the major operations foreseen are:

- Strengthen and build capacity of governmental and non-governmental stakeholders in priority RIP sectors
- Promote transparent decision making processes in priority RIP sectors
- Monitor the economic, social and environmental impact of the overall RIP
- Strengthen development cooperation/coordination in the programme's priority areas.

The main expected result to be achieved is:

- Improved efficiency of the 11th EDF Regional Indicative Programme implementation Results and

Performance Indicators agreed between PIFS and the EU are:

- Refer to Annex 1 - Intervention Framework

Guiding principles and policies to be taken into consideration for specific objective 3.1, 3.2 and 3.3 include:

- Adoption and establishment of the new processes required to support the new Framework for Pacific Regionalism;
- Forum principles of good leadership and accountability;
- Pacific Regional Strategy on Disability 2010-2015;
- Pacific Leaders Gender Equality Declaration 30 August 2012;
- Pacific Youth Development Framework 2014-2023;
- Forum Compact on Strengthening Development Coordination in the Pacific;
- Recommendation 4, p. 92 of the Evaluation of the European Union's cooperation with the Pacific Region 2006-2012.

Activities undertaken to achieve the specific objective will allow the mainstreaming of crosscutting issues including, inter alia, youth, gender, indigenous peoples and minorities, persons with disabilities, environment and climate change in all initiatives, and where appropriate to promote innovative approaches. Adequate indicators will be monitored to ensure implementation.

Technical Cooperation Facility

An indicative amount of **EUR 3 million** is reserved for necessary technical assistance support to the RAOs for overall programme implementation and coordination, including with respect to the Investment Facility and the Investment Co-financing Programme for the Pacific.

III. DULY MANDATED REGIONAL ORGANISATION AND REGIONAL AUTHORISING OFFICER(s)

For the purpose of endorsing, and later on amending, this Indicative Programme, the Duly Mandated Regional Organisation (DMRO) is PIFS.

The Secretary-General of PIFS will sign Financing Agreements, as Regional Authorising Officer, except in the case other institutions/agencies are designated. In the case of multi-country programmes, National Authorising Officers of Pacific ACP States or agencies designated by them may sign Financing Agreements.

The function of Regional Authorising Officer is defined by analogy to the description of the function of National Authorising Officer in the Cotonou Agreement (Annex IV, Articles 14.3 and 35). PIFS as the DMRO and the EU will jointly oversee the implementation of the RIP in close consultation with the Pacific Regional Programme Steering Committee, co-chaired by PIFS and EU and comprising the NAO's of all Pacific ACP.

IV. ANNEXES

The following annexes are included:

ANNEX 1: Intervention framework for each priority area

ANNEX 2: Timetable for indicative 11th EDF commitments and disbursements

ANNEX 1: PACIFIC RIP INTERVENTION FRAMEWORK¹⁴

Expected Results	Indicators	Sources of Verification	Assumptions
Overarching Objective: Contribute to Pacific Leaders' vision for a region of peace, harmony, security, social inclusion, and prosperity, so that all Pacific people can lead free, healthy and productive lives			
Programme Objective: To improve the economic, social and environmental benefits for PACP states arising from stronger regional economic integration and the sustainable management of natural resources and the environment.			
Priority Area 1: REGIONAL ECONOMIC INTEGRATION (REI)			
Specific Objective 1.1: Strengthening the regional trade and business enabling environment			
Result 1.1: Increased intra-regional and international trade			
<ul style="list-style-type: none"> • Support the improvement of Sanitary and Phytosanitary (SPS) Services, also in the field of Technical Barriers to Trade (TBT) • Improve customs harmonisation and trade facilitation • Develop and strengthen the enabling environment for commerce and trade • Support the development of trade policy and regulatory frameworks • Improve relevant economic and trade-enabling infrastructure especially supporting private sector development 	<ul style="list-style-type: none"> • Number of PACP countries fully implementing the SPS and TBT WTO Agreements • Average "Trading Across Borders" rank for PACP countries • Average overall "Ease of Doing Business" rank for PACP countries • Number of PACP countries which have set up trade consultation committees, involving private sector representatives and meeting at least twice per year. • Trade in Goods (sum of merchandise exports and imports as % of GDP) 	<ul style="list-style-type: none"> • National trade statistics • Framework for Pacific Regionalism monitoring and progress reports • RAO RIP Monitoring Reports • External monitoring and Evaluation reports • Progress reports from implementing and beneficiary organisations • Annual and national economic reports and updates • UN, ADB, IMF (Article IV) and World Bank bi-annual reviews • Government reports • Donor agencies reporting • Pacific Leaders Gender Equality reports • Gender disaggregated 	<ul style="list-style-type: none"> • Framework for Pacific Regionalism formally adopted by Pacific Leaders • Continued political commitment to progress with regional economic integration • Commitment from private sector to engage with government on trade issues • Continued cooperation between regional and sub-regional partners and stakeholders • Economic and political stability of region's trading partners

¹⁴ The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

Expected Results	Indicators	Sources of Verification	Assumptions
		data on mobility/access to services	
Specific Objective 1.2: Private sector involvement in economic integration strengthened			
Result 1.2: Increased participation of the private sector in economic integration			
<ul style="list-style-type: none"> Facilitate private sector investment and enhance competitiveness, in particular, in areas indicated under the Pacific RIP in line with economic, social and environmental development needs of the PACPs. 	<ul style="list-style-type: none"> Number of MSME's supported through the provision of business development services Number of MSME's facilitated 	<ul style="list-style-type: none"> National trade statistics Framework for Pacific Regionalism monitoring and progress reports 	<ul style="list-style-type: none"> Framework for Pacific Regionalism formally adopted by Pacific Leaders
<ul style="list-style-type: none"> Promote entrepreneurship and business development through private sector support services including the development of the services sector Enable and facilitate private sector access to finance and venture capital in particular to RIP priority sectors Promote public-private partnerships (PPP), particularly in areas indicated under priority area 2. 	<ul style="list-style-type: none"> Number of new business registered/ created per PACP country Average "Starting a Business" rank for PACP countries Volume of FDI per PACP country Total number of PPP projects facilitated 	<ul style="list-style-type: none"> RAO RIP Monitoring Reports External monitoring and Evaluation reports Progress reports from implementing and beneficiary organisations Business registration records Annual and national economic reports and updates UN, ADB, IMF (Article IV) and World Bank bi-annual reviews Government reports Donor agencies reporting Pacific Leaders Gender Equality reports 	<ul style="list-style-type: none"> Continued political commitment to progress with regional economic integration Commitment from private sector to engage with government in PPPs Continued cooperation between regional and sub-regional partners and stakeholders, and private sector entities Economic and political stability of region's trading partners
<ul style="list-style-type: none"> Develop and implement capacity building programmes supporting business and private sector development at tertiary, technical/vocational, undergraduate and graduate levels 	<ul style="list-style-type: none"> Number of students completing courses in entrepreneurship (business plan development, etc.) 		<ul style="list-style-type: none"> Financial liquidity adequate to support private sector development

Expected Results	Indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> Support the intra-regional movement of skilled PACP trade people and professionals 	<ul style="list-style-type: none"> Number of qualifications recognized in other countries across the region 		<ul style="list-style-type: none"> PACP governments remain committed to the implementation of intra-regional schemes for professional and skilled migrants
Priority Area 2: SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND THE ENVIRONMENT AND THE MANAGEMENT OF WASTE			
Specific Objective 2.1: Improved economic, social and environmental benefits from sustainable management of oceanic and coastal natural resources with due regard for the conservation of native biodiversity and climate change adaptation requirements			
<ul style="list-style-type: none"> Contribute to the implementation of comprehensive monitoring, control and surveillance strategies and the sustainable exploitation of oceanic and coastal resources Support the sustainable development, use and management of living and non-living oceanic and coastal resources Promote ecosystem-based approaches for integrated oceanic and coastal resource management, emphasizing ecological, social and economic linkages 	<ul style="list-style-type: none"> Number of fishing vessels inspected at sea and in harbours Percentage of vessels in infraction Value of harvest from the coastal and oceanic resources sector at national and regional level Number of activities promoting ecosystem-based approaches 	<ul style="list-style-type: none"> National statistics Framework for Pacific Regionalism monitoring and progress reports External monitoring and evaluation reports RAO RIP Monitoring Reports Progress reports from implementing and beneficiary organisations Annual and national sector reports and updates UN, ADB, IMF (Article IV) and World Bank bi-annual reviews Government reports Independent research reports Donor agency reporting Pacific Leaders Gender Equality Declaration 	<ul style="list-style-type: none"> Framework for Pacific Regionalism formally adopted by Pacific Leaders Enabled government structures, policies and regulations Commitment from private sector to engage with government in PPPs Continued cooperation between regional and sub-regional partners and stakeholders Economic and political stability of region's trading partners Support from resource owning communities and other beneficiaries and stakeholders
<ul style="list-style-type: none"> Support initiatives promoting community-based management of oceanic and coastal resources to improve food security and small-scale livelihoods Support the establishment and management of marine protected areas for the conservation of biodiversity 	<ul style="list-style-type: none"> Number of community-based management initiatives supported in PACP countries Number of effectively managed marine protected areas supported 		

Expected Results	Indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • Support sustainable commercial and subsistence initiatives in fisheries and aquaculture with due regard to conservation of native biodiversity • Promote tools for market intelligence aimed at better understanding and forecasting seafood market evolution and dynamics • Develop and implement policies and regulations focused on integrating economic activities with biodiversity conservation and development and sustainable management of oceanic and coastal resources • Assess extinction risk and encourage conservation of endemic species in oceanic and coastal areas under or designated • Support a regional approach to aquatic biosecurity • Improve the production, availability, analysis, dissemination and use of quality data and information on sustainable management of natural resources and the environment, for better decision making • Strengthen human resources capacity in the development and management of living and non-living oceanic and coastal resources • Increased capacity of national experts • Enhanced participation in regional fisheries 	<ul style="list-style-type: none"> • Information on key economic parameters (prices, imports/exports, etc.) • Number of species in PACP-controlled waters that are exploited on the basis of scientific advice and at sustainable levels • Status of key endemic species • Existence of decisions made on a regional approach to biosecurity • Number of male and female students graduating from tertiary and technical / vocational courses in fisheries and marine conservation • Level of financial resources by government to sustaining integrated oceanic and coastal natural resources 		

Expected Results	Indicators	Sources of Verification	Assumptions
management organisations and better enforcement of and compliance with RFMOs rules	<ul style="list-style-type: none"> • Number of staff and performance of government human resources allocated to sustaining oceanic, coastal natural resources (staff performance indicator) 		
Specific Objective 2.2: Improved economic, social and environmental benefits from sustainable management of waste with due regard for the conservation of native biodiversity and climate change adaptation requirements			
<ul style="list-style-type: none"> • Support regional initiatives to address waste and pollution issues at policy and regulatory levels • Develop and promote sustainable 'best practice' waste management at national and regional level • Enhance private sector engagement in the management of waste, including its responsibility and involvement in an integrated approach to financing • Improve the production, availability, analysis and use of quality data and information on outcomes and experiences in waste management and technologies, for better decision making • Improve dissemination of outcomes and experiences in waste management and technologies to civil society and the general public • Strengthen human resources capacity in sustainable waste management 	<ul style="list-style-type: none"> • Number of new sustainable waste management systems and mechanism (legal, technological, financial) developed and promoted in PACP countries • Private and Government investment in sustainable waste management technologies • Number of cases where appropriate environmental protocols (eg. EIAs) are followed for development of waste management initiatives • Level of financial resources by governments to sustaining waste management • Number of staff and performance of government human resources allocated to sustainable management of waste (staff performance indicator) 	<ul style="list-style-type: none"> • Framework for Pacific Regionalism monitoring and progress reports • RAO RIP Monitoring Reports • External monitoring and evaluation reports • Progress reports from implementing and beneficiary organisations • Annual and national environment sector reports and updates • UN, ADB, IMF (Article IV) and World Bank bi-annual reviews • Government reports • Independent research reports • Donor agency reporting 	<ul style="list-style-type: none"> • Framework for Pacific Regionalism formally adopted by Pacific Leaders • Enabled government structures, policies and regulations • Commitment from private sector to engage with government in PPPs • Continued cooperation between regional and sub-regional partners and stakeholders • Support from communities and other beneficiaries and stakeholders

Priority Area 3:

INCLUSIVE AND ACCOUNTABLE GOVERNANCE

Specific objective 3.1: Transparent and Effective Policies and Public Finance Management, Data and Statistics.

Specific objective 3.2: Promote and protect Human Rights for all and Progress in Gender equality and Civil Society engagement in governance practices

Specific objective 3.3: Strengthening of regional organisations in relation to 11th EDF implementation

<ul style="list-style-type: none"> • Support effective public finance management based on accountable and inclusive principles • Support to auditing and scrutiny of public accounts, including the development of anticorruption measures. • Support better development of economic and social statistics to allow improved policy making. 	<ul style="list-style-type: none"> • Progress in PEFA assessments and implementation of budget reform processes • Enhance transparency and accountability of PFM • Number of improved systems for national and regional data collection and analysis • Number of centralized monitoring systems, particularly relating to the programme's priority areas strengthened 	<ul style="list-style-type: none"> • PEFA assessment reports for 16 P-ACPs • Pacific Leaders' Gender Equality Declaration progress reports • Pacific Youth Development Framework 2014-2023 progress reports • Pacific Regional Strategy on Disability 2010-2015 progress reports. • Incheon strategy for rights of persons with disabilities progress reports • CRPD national monitoring reports • National and regional statistics • Framework for Pacific Regionalism monitoring and progress reports • RAO RIP Monitoring Reports • External monitoring and evaluation reports • Progress reports from implementing and beneficiary organisations • Annual and national reports and updates • UN, ADB, IMF (Article IV) and World Bank bi-annual reviews 	<ul style="list-style-type: none"> • Framework for Pacific Regionalism will be formally adopted by Pacific Leaders • Government commitment to mainstreaming inclusive and accountable governance at all levels • Enabled national and regional CSO structures • Enabled government structures, policies and regulations • Continued cooperation between regional and sub-regional partners and stakeholders • Support from communities and other beneficiaries and stakeholders
<ul style="list-style-type: none"> • Strengthen national and regional data collection, analysis, reporting and information sharing systems, particularly in priority RIP sectors • Enhance equal access to judicial and human rights protection and monitoring mechanisms and strengthen the overall regional support for the national implementation of International Human Rights instruments such as inter alia the Convention on the Rights of Persons with disabilities, including through awareness raising and capacity building. 	<ul style="list-style-type: none"> • Number of women and girls participating in decision making and in leadership roles at national and community based levels • Number of countries with Gender mainstreamed into National development strategies • Number of services available to provide support to Women and vulnerable groups to access judiciary and human rights protection 		
<ul style="list-style-type: none"> • Foster active engagement of 	<ul style="list-style-type: none"> • Number of engagements, 		

<p>civil society in national and regional policy formulation, implementation and monitoring.</p> <ul style="list-style-type: none"> • Support capacity development of civil society to influence and monitor policy development • Improve accessibility of infrastructures and services for persons with disabilities 	<p>submissions and impacts on policy development by civil society</p> <ul style="list-style-type: none"> • Number of youth, women, persons with disabilities and CSO's participating in decision making process • Number of youth, women, persons with disabilities and CSOs participating in economic environmental management and socio economic activities • Inclusion of accessibility requirements for persons with disabilities in technical specifications of procurements and grant that relate to goods, services and infrastructures 	<ul style="list-style-type: none"> • Labour force and Household Income Expenditure surveys disaggregated by gender, youth and persons with disabilities • Government reports • Independent research reports • Forum peer reviews • Donor agency reporting 	
---	---	--	--

ANNEX 2: Indicative amounts and timetable for Commitments and Disbursements (in million EUR)¹⁵

Areas of concentration and indicative allocation	2015	2016	2017	2018	2019	2020	2021	2022	2023
Priority Area 1: Regional Economic Integration – EUR 50 million									
Specific objective 1.1: Productive capacity for trade increased (Aid-for-Trade) - EUR 30 million									
Comm.									
Disb.									
Specific objective 1.2: Increased participation of the private sector in economic integration - EUR 20 million									
Comm.									
Disb.									
Priority Area 2: Sustainable management of natural resources and the environment and the management of waste – EUR 52 million									
Specific Objective 2.1: Improved economic, social and environmental benefits from sustainable management of oceanic and coastal natural resources with due regard for the conservation of native biodiversity and CCA requirements – EUR 35 million									
Comm.									
Disb.									
Specific Objective 2.2: Improved economic, social and environmental benefits from sustainable management of waste with due regard for the conservation of native biodiversity and climate change adaptation requirements – EUR 17 million									
Comm.									
Disb.									
Regional investment projects in Priority areas 1 and 2 – EUR 46 million									
(i) The Investment Facility for the Pacific (IFP) – EUR 20 million									
(ii) The Investment Co-financing Programme for the Pacific (ICPP) – EUR 26 million									
Comm.									
Disb.									
Priority Area 3: Inclusive and Accountable Governance and respect for Human Rights - EUR 18 million									
Specific objective 3.1: Transparent and Effective Policies and Public Finance Management - EUR 6 million									
Comm.									
Disb.									
Specific objective 3.2: Promote and protect Human Rights for all and Progress in Gender equality and Civil Society engagement in governance practices – EUR 7 million									
Comm.									
Disb.									
Specific objective 3.3: Strengthening of Regional Organisations in relation to 11th EDF implementation – EUR 2 million									
Comm.									
Disb.									
Technical cooperation Facility – EUR 3 million									
Comm.									
Disb.									
TOTAL EDF 11 – EUR 166 million									
Comm.	0.5	49	21	0	33.5	54	8	0	0
Disb.	0.1	9.9	14.1	14.1	20.8	26.5	28.3	19.1	33.1

¹⁵ The breakdown of Commitments will be discussed and revised at the Regional Steering Committees.