

Joint Annual Report 2007

Tuvalu European Commission

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Executive Summary

The last general election was held on 3 August 2006. Only seven out of 15 MPs were re-elected to parliament, the other eight consisting largely of political newcomers. The elections were deemed free and fair by external observers. In Parliament's August 2007 session two opposition MPs (Hons. Natano and Pitoi) joined the majority government as ministers with portfolios. This required a constitutional amendment increasing the number of Cabinet ministers from five to seven, which prompted some portfolio reshuffling among ministries to accommodate the two new MPs.

Tuvalu's recent rate of economic growth has been and remains relatively slow and unstable. In 2007, there were few new employment-generating activities, and with a declining income from seafarer remittances, a reduction in public capital expenditure and continued budget tightening economic growth was constrained in 2007.

In 2007, total budgetary expenditure was A\$25.8 million (this excludes externally-funded expenditure, e.g., aid). This was slightly more than budget estimates predicted (A\$25.2 million). Total 2007 revenue was A\$22.1 million, about A\$500,000 more than estimated (A\$21.5 million). The balance led to a budget deficit of A\$3.7 million, about equal to the budget estimate, but over a A\$1 million less than 2006, meaning deficit spending was held in check. In 2008, the underlying recurrent deficit is projected to drop 60% to A\$1.47 million.

To date, 99% of the 9th EDF has been utilised, with the operational element concluding on 9 September 2007, 46 months after commencing in December 2003. The only remaining tasks to close the 9th EDF are the external audit of the PE3 Extension, expected in April 2008, processing the final Payment Order (estimated at A\$884,617, pending the audit), the final evaluation of the 9th EDF, expected not later than mid 2008, and the final transfer of funds into the TTF in respect of the 9th EDF.

The PE3 Extension was consistent with the 9th EDF National Indicative Programme. The Extension financed activities via national government budget lines for 'social sector support' in the two main areas of concentration: education and environment (there was no funded items in the third area, water, in the 2007 national budget). The NSA component of the 9th EDF was completed in 2007, as a result of operational and project-related grants assigned to the 2004 AWP (PE1), PE2 (2005), PE3 (2006), and the PE3 Extension (2007), worth a total value of just over A\$600,000.

In December 2007, the government transferred **A\$1,021,891** to the Tuvalu Trust Fund in respect of PE No. 2 (2005) and PE3 (2006). The final contribution to the TTF (pending) is **A\$1,077,812** (est.). This is based on 50% of actual/audited expenditures under PE3 Rider No. 1 (Repatriation of Tuvaluans from Nauru), and 50% of actual expenditures under the 2007 PE3 Extension (Rider No. 3, covering expenditures through 09/09/07). The 2008 National Budget allocates A\$1.1 million, as a contribution to the TTF in respect of PE3 Riders No. 1 and 3. The funding transfer to the TTF is expected in mid-late 2008.

The external audit of PE3 (2006) by BDO Zarin Ali (Suva, Fiji) was successfully conducted in August 2007. Of the \$855,083 in total PE3 expenditures, the audit uncovered \$852.50 of unauthorised expenditure. This amount was deducted from the final payment due, which totalled \$231,121.50. The external audit of the PE3 Extension is expected in Mar-Apr 2008.

Tuvalu has joined a regional approach to utilise B-envelope funding. A Financing Decision for a "Regional Programme in Disaster Preparedness/Risk Management" was made by the

European Commission in Brussels in May 2007. A Contribution Agreement with SOPAC as the implementing agency was signed at the beginning of 2008. The programme is geared toward expanding nationally both residential and municipal rainwater catchment and storage, which will complement the proposed 10th EDF CSP Response Strategy. In-country programme implementation is expected to commence in mid 2008.

Collectively, the EU's "Pacific Strategy", the Forum's "Pacific Plan", as well as Tuvalu's own "National Strategy for Sustainable Development", put a high priority on water, sanitation and waste management, for which the EU has made a 10th EDF indicative allocation of €5.0 million. The draft 10th EDF CSP/NIP was submitted in November 2006 for EC review in Brussels. It was endorsed by the Interservice Quality Support Group in March 2007, calling for only minor additions and amendments. The 10th CSP/NIP was signed by Tuvalu and the European Commission in Tonga, in October 2007. The 10th EDF Response Strategy will concentrate on water and sanitation (including waste management) as the focal sector. NSAs are expected to directly participate in outer island water projects, and possibly awareness-raising on waste reduction, and in other yet-to-be-determined activities.

Efforts continue to harmonise intervention strategies between the EU, Australia, New Zealand and Japan (Tuvalu's principal bilateral donors, not including the Republic of China), and the Asian Development Bank through donor round-table meetings and seminars. In July 2007, the Tuvalu Government hosted a Round Table Meeting in Funafuti, where a wide range of donors, UN agencies, regional and international organisations, the European Commission, and EU Member States were consulted on *Te Kakeega II*, Tuvalu's "National Strategy for Sustainable Development", principally to review and update the Kakeega Matrix, a development planning tool. The updated 2007 Matrix evolved through extensive consultations with government and non-government officials, and incorporated the findings and views of the 2007 RTM, including those of donors. The 2007 Matrix presents an up-to-date account of what Tuvalu's development needs are in the *Kakeega's* eight strategic areas of development, where each donor is currently engaged, intends to engage, or might engage in the future.

The EC Delegation is in regular, often daily contact with Tuvalu Government officials through exchanges of emails, faxes and phone calls, through periodic visits by EC officials to Tuvalu, through meetings attended by Tuvalu leaders and officials at regional and international meetings, and through periodic visits by Tuvalu leaders and officials to the EC Delegation. In coordination with other donors the EU has been raising governance issues at various donor round tables with the Tuvalu Government, and during regular country visits by EC officials. At present there are no major human rights, rule of law, illegal immigration, corruption, or human trafficking issues in Tuvalu, nor have there been in the past.

Throughout the 9th EDF and during preparation of the 10th CSP/NIP Cabinet MPs were regularly briefed, consulted with, and commented on the status of Tuvalu-EU cooperation, and were the final authority on the future direction of Tuvalu-EU cooperation. Tuvalu-EU cooperation, in its various forms, is a regular agenda item in most sessions of Parliament.

Officials of the European Commission, together with local authorities, are in regular dialogue with the NSA community in Tuvalu, principally through the Tuvalu Association for Non-Government Organisations (TANGO). NSAs were regularly consulted during the implementation of the 9th EDF, which facilitated NSAs to fully utilise their 10% allocation of the A-envelope. During the preparation of the 10th EDF CSP/NIP, NSAs were consulted, and they will be active partners in the implementation of the 10th EDF.

1. Update on the Political, Economic and Social Situation

1.1 Update on the political situation

The last general election was held on 3 August 2006. Only seven out of 15 MPs were re-elected to parliament, the other eight consisting largely of political newcomers. The elections were deemed free and fair by external observers and were generally seen in the Region as an example of a vibrant parliamentary democracy.

In the August 2007 session of Parliament, with approval of their respective island constituencies, two opposition MPs (Hons. Natano and Pitoi) joined the majority government as ministers with portfolios. This required a constitutional amendment increasing the number of Cabinet ministers from five to seven. (The first and second reading of the bill occurred, respectively in the March and August sessions.) This prompted some portfolio reshuffling among ministries to accommodate the two new MPs, as reflected in Table 1.1 below, which shows the current majority government line-up.

Table 1.1
Current line-up of government MPs

Prime Minister	Hon. Apisai Ielemia (MP, Vaitupu)
Deputy Prime Minister	Hon. Tavau Teii (MP, Niutao)
Minister of Natural Resources	
Minister of Finance and Economic Planning¹	Hon. Lotoala Metia (MP, Nukufetau)
Minister of Education, Youth and Sports²	Hon. Falesa Pitoi (MP, Nanumaga) ³
Minister of Health	Hon. Iakoba Italeli Taeaia (MP, Nui) ⁴
Minister of Public Utilities and Industry⁵	Hon. Kausea Natano (MP, Funafuti) ⁶
Minister of Communications and Transport	Hon. Taukelina Finikaso (MP, Vaitupu) ⁷
Minister of Home Affairs and Rural Development	Hon. Willy Telavi (MP, Nanumea)
Speaker of Parliament	Hon. Kamuta Latasi (MP, Funafuti)
Backbencher without Cabinet portfolio	Hon. Toomu Sione (MP, Niutao) ⁸

¹ Formerly Ministry of Finance, Economic Planning and Industries.

² Formerly Ministry of Education and Sports

³ Former opposition MP.

⁴ Held former dual portfolios of Education and Sports, and Health.

⁵ Formerly Ministry of Works and Energy.

⁶ Former opposition MP.

⁷ Held former dual portfolios of Works and Energy, and Communications and Transport.

⁸ Hon. Sione also fills the role of Acting or Roving Minister when one or more Cabinet ministers are out of the country, a backbencher role newly established by the current government.

The five-member opposition in Parliament is led by former Prime Minister (2004-06), Hon. Maatia Toafa (MP, Nanumea); and comprised of former House Speaker, Hon. Otinielu Tausi (MP, Nanumaga); Hon. Elisala Pita (MP, Nukufetau); Hon. Seluka Seluka (MP, Nui); and Hon. Namoliki S. Neemia (MP, Nukulaelae).¹

Since the 2002 general election, and following the 2006 general election – deemed free and fair by external observers – the political situation in Tuvalu has been stable operating under

¹ Two women, standing for Funafuti and the northern island of Nanumea, were among the 32 candidates standing for office in the August 2006 elections. Neither was elected, although the Nanumea candidate had a relatively strong showing as a first time candidate. Only one woman has ever been elected to Parliament, serving one term from 1989 to 1994, holding the Cabinet post of Health Minister.

well established, constitutionally sound democratic institutions. As reported in the 2006 JAR, the current government led by the Hon. Apisai Ielemia seems firmly entrenched. This view remains unchanged. The probability of a change in government or a return to some form of political instability in the near term (as experienced between 1994 and 2002) is – or would appear to be – relatively low.

1.2 Update on the economic situation

General

No detailed economic analysis has been undertaken on the Tuvalu economy in 2007, either internally or by donors. However, in broad terms, the salient features of the economy and the activities within it remain largely unchanged from year-to-year. The key points below describing recent economic performance [and other issues] through 2006 – the last year the economy was systematically analysed – translate well for 2007. As indicated in Table 2.3, no macroeconomic data has been compiled since 2002.

Tuvalu's recent rate of economic growth has been and remains relatively slow and unstable. In 2006, there was little new employment-generating activity, some forms of remittance income fell (see below), and public capital expenditure continued to decline in response to lower levels of government revenue and continued budget tightening; the latter it's assumed continues to be a drag on economic growth. To remedy this situation, the government continued with its structural reforms in the public sector, including attempts at efficiency improvements, further cost cutting, and focusing on those activities that are core-functions and which could generate higher rates of return. These efforts continued in 2007. These key strategies are likely to remain (and should remain) in place through the short to medium-term.

On balance, the government continued to set (to the extent possible or practicable) budget allocations based on a mostly clear set of priorities, which offer potentially high rates of return nationally, or at least higher rates than on expenditures of a lesser priority. The government cut back on some less essential services, or on lower expenditure priorities, with savings held in reserve, spent on areas identified as having a higher priority, or debt repayment (see below for more discussion).

In 2007 and for the foreseeable future national budgetary expenditure, capital aid flows, and remittance income will remain the driving forces behind Tuvalu's economic growth. Any large reduction in revenues and consequently expenditure (without deficit financing to maintain or increase expenditure) would, in all likelihood, have a negative impact on the domestic economy. With little to drive the non-government economy the outlook is for continued low rates of growth in the short to medium term unless major public sector investment, which occurred in recent years and was funded either domestically or by external aid, is increased and the private sector can somehow significantly increase its share of GDP.

Partial economic indicators point to economic contraction in 2005, perhaps extending into 2006. Weakening economic activity is consistent with the completion of the last of a series of major public construction projects in mid-2003 (new Princess Margaret Hospital) and mid-2004 (new government building), which may have led to a rise in the recent unemployment rate in the late 2004 to 2005 period, as some estimates suggest. (In 2006, Japan funded the construction of the new Funafuti power station. As yet there is no data available on the possible economic impact of this A\$14 million infrastructure investment. No significant new infrastructure investment occurred in 2007.)

Despite an apparent weakening in growth, some partial indicators suggest that aggregate demand has remained firm. The most likely explanations for this firmness is a lag from the years of high activity (2001-2004) and a relaxation of lending practices by the domestic finance industry, principally the National Bank of Tuvalu (NBT) and Development Bank of Tuvalu (DBT). Although the number of Tuvaluans living in Nauru has dropped to nearly zero with the mid 2006 repatriation of all Tuvalu citizens (funded by the 9th EDF), as well as declining numbers living in Kiribati, remittances from the rising number of Tuvaluans living in Australia and especially New Zealand has probably offset some economic decline.

Seafarer remittances

According to industry sources there are around 1,200 Tuvaluan seafarers on the “active” list with approximately 331 serving on ships in 2006. The number working offshore fell quite sharply in early 2006 as a result of discipline problems (the number fell in a similar fashion in late 2003 but recovered quickly). The number has since risen in 2007 to about 360. This compares to an annual average of nearly 450 for the previous six-year period (2000-2006).

On average seafarers earn about US\$730 per month and directly remit about 85% of that, or US\$620 each month. The remaining balance of US\$120 per month is brought back in cash upon discharge, sent back separately, or remitted in other material ways. At the macro-level remittances are estimated to have been equivalent to just under 8% of GDP for 2006, down from an average of 17% of GDP (for example) in 1998-99. This decline in remittances reflects both the strength of the Australian dollar over the period, especially in the last three years,² as well as the drop in the number of seafarers and those employed in Nauru.³

2007-2008 National Budgets

Total budgetary expenditure in 2007 (A\$25.8 million, excludes externally-funded expenditure, e.g., aid) was slightly more than budget estimates predicted (A\$25.2 million). Total revenue in 2007 was A\$22.1 million, about A\$500,000 more than estimated (A\$21.5 million). The balance led to a budget deficit of A\$3.7 million, about equal to the originally forecasted budget estimate, meaning deficit spending was held in check.

As shown in Table 2.2, revenue receipts across the board generally met or exceeded budget estimates. The biggest sources remained taxation (A\$5.81 million), and revenue/income earned on government charges (A\$9.99 million). Among them was another strong year for fish licensing revenue (A\$4.1 million) and the Marine Department (A\$1.2 million), of which over A\$800,000 was earned from Tuvalu’s ship registry based in Singapore. However, revenue earned from both the ship registry and Tuvalu’s licensing agreement to management and market its ccTLD, ‘.tv’, would have been higher if not for the continued weakening of the US dollar.

Aid grants totalled A\$15.53 million, led by the Republic of China (A\$6.05 million) and EU (A\$1.04 million), though both are inadvertently under-reported in the government’s multi-year budget framework shown in Table 1.2. (Also omitted is Japan’s Fuel Grant of

² The US\$-A\$ exchange rate fell by more than 30% between 2002 and 2006, and continued falling through 2007, thus families in Tuvalu have been receiving considerably less in domestic currency for the same amount of US\$.

³ Tuvaluans previously employed in Nauru and repatriated in mid-2006 under EU sponsorship is discussed in more detail in Section 2.3 of the 2006 JAR, and more extensively in the report: “Repatriation of Tuvaluans from Nauru: Background, Accounting, Results, Impacts” (March 2007), prepared for the European Commission.

A\$954,202.) Budgetary expenditures in 2007 held fairly close estimated expenditure, with the exception of nearly A\$1.1 million in over-expenditure on maintenance, though this was partly offset by under-expenditure on other items, such as the public service wage bill and scholarships.

Table 1.2
Multi-year budget framework 2006-2009 (A\$)*

	2006	2007	2007	2008	2008	2009
	Actual	Estimate	Revised	Framework	Proposed	Forecast
Revenue and Regular Grants						
Taxation	5,141,947	5,709,375	5,804,924	5,576,043	6,772,300	876,617
Income tax	1,974,749	2,008,500	1,972,136	2,008,500	2,008,500	2,038,626
Company tax	476,030	725,000	900,000	700,000	1,054,350	1,054,350
Sales tax	327,918	360,000	352,207	360,000	380,000	387,600
Import duties	2,161,294	2,357,500	2,300,000	2,244,000	2,900,000	2,958,000
Other taxes	201,957	258,375	281,579	263,543	429,450	438,039
Interest and dividends	48,504	150,000	91,140	150,000	150,000	150,000
Government charges	10,938,059	9,698,445	9,989,648	10,820,612	9,867,580	9,932,357
Fish licences	5,232,030	3,120,000	4,100,000	4,239,295	4,100,000	4,100,000
Marine Department	1,645,329	1,345,700	1,274,682	1,372,614	1,819,387	1,855,775
Telecom licences						
Other charges	1,154,765	2,592,745	2,284,699	2,644,600	1,419,457	1,447,846
iv	2,905,934	2,640,000	2,330,267	2,564,103	2,528,736	2,528,736
Grants	12,443,134	19,751,354	15,525,261	21,129,535	28,567,342	4,717,647
EU	2,064,678	2,241,609	800,000	2,200,000	2,200,000	
ROC	4,488,052	2,666,667	70,591	4,545,455	4,216,867	4,117,647
Japan (fuel grant)	800,978	259,000			900,438	
ADB (ADB grant)					2,461,000	
Other grants (AusAID)		800,000	870,591	600,000	600,000	600,000
Donor unspecified (XB)	7,331,097	13,784,078	13,784,078	13,784,078	20,389,037	
Total Revenue and Grants	28,571,645	35,309,173	35,833,520	37,676,188	45,357,223	21,811,830
Expenditure	25,435,260	22,080,227	22,728,236	23,860,327	24,341,261	23,626,385
Staff	9,972,288	10,079,973	9,806,852	10,130,444	10,469,231	10,838,795
Travel and communications	1,075,961	932,672	819,932	915,304	955,800	955,800
Maintenance	930,294	1,147,271	2,538,997	996,176	1,453,196	1,453,196
Goods and services	5,995,470	2,226,608	2,246,801	4,625,118	3,458,403	3,485,403
Grants and subsidies	1,141,927	1,489,345	1,557,883	1,847,954	1,719,345	1,719,345
Scholarships	2,574,596	2,771,172	2,555,231	2,840,451	2,524,851	2,524,851
Other expenses	2,027,498	1,541,185	1,714,631	767,893	2,061,164	2,061,164
Capital	184,217	147,000	91,018	126,748	100,831	100,381
Loan repayment	300,000	375,000	375,000	510,539	514,000	514,000
OISDSP payment to the TTF	1,233,009	1,100,000	1,021,891	1,100,000	1,084,440	
SDE	1,140,971	3,117,487	3,019,163	1,500,000	2,195,986	1,500,000
XB	6,931,668	13,784,078	13,784,078	13,784,078	20,389,037	
Total Expenditure	33,507,899	38,981,792	39,531,477	39,144,405	46,926,284	24,966,206
Underlying recurrent surplus/(deficit)	(4,936,255)	(3,672,619)	(3,697,958)	(1,468,217)	(1,569,061)	(3,289,586)
TTF sustainable distribution (4% of TTF Maintained Value)	6,369,850	3,841,640	3,841,640	3,877,552	3,989,786	4,069,581
Adjusted recurrent surplus/(deficit)	1,433,595	169,021	143,682	2,409,335	2,420,725	779,996
Balance of TTF distribution	5,058,150	3,095,360	3,095,360	5,137,948	4,511,794	4,517,014
Final surplus/(deficit)	6,491,746	3,264,381	3,239,042	8,547,283	6,932,519	5,297,010
Automatic distribution to CIF	11,428,000	6,937,000	6,937,000	7,006,370	8,501,580	8,586,596

Source: 2008 National Budget (Tuvalu Government)

* Omitted: 2010 budget forecast.

Overall, total 2007 budgetary expenditures strengthened the gains made in 2006 to control spending and increase revenue, and remained a marked improvement over 2005 when the government was facing major revenue shortfalls and had yet to properly control spending. Two straight years (2006-07) of strong revenue earnings from fishing licensing (A\$5.2 and A\$4.1 million, respectively) and the distribution from the Tuvalu Trust Fund (A\$11.4 and A\$6.9 million, respectively) have helped ease the government's once precarious financial position. It has also allowed the government to claw back a modest surplus in the event

lower revenue flows return in 2008, and apply part of the surplus to reducing its accumulated (and outstanding) domestic debt.

The budget outlook for 2008 is promising. Although a full budget analysis is outside the scope of the JAR, the projected underlying budget deficit is A\$1.47 million, 60% below the revised/actual 2007 level of A\$3.70 million, and 70% below the 2006 level of A\$4.94 million. If the 2008 forecast holds, it will further strengthen Tuvalu's financial position, assuming revenue and income don't decline, or decline significantly.

Tuvalu Trust Fund and 9th EDF

In the OISDSP Financing Agreement as amended on 14 November 2005 Tuvalu commits to transfer the equivalent of 50% of all expenditure under each AWP/PE to the Tuvalu Trust Fund (TTF):

'The TTF was established to help underpin financial self-sufficiency. The Tuvalu Government's transfer of sums that are equal to at least 50% of the expenditures under each AWP (i.e. the budgetary savings generated by the AWP) into the TTF, raises the capital value of the Fund, which aids economic stability and sustains Tuvalu.'

In this way, the EU has made an indirect contribution to the TTF under EDF9 of half the A-envelope under the National Indicative Programme.

The Tuvalu Trust Fund has now been in operation for 20 years. It was established in 1987 to provide a source of recurrent revenue to the Government of Tuvalu which has extremely limited alternative sources of revenue at its disposal when it achieved independence in 1978. Tuvalu started developing a case for a Trust Fund with its donor partners in 1982. After undergoing a series of negotiations with donors and further refinements of the proposed Fund, an agreement (The International Trust Fund Agreement) was signed on 16 June 1987 by Tuvalu, New Zealand, Australia and the United Kingdom as the original parties. The Fund itself was invested on 21 August 1987, with an initial value of A\$27.1 million of which A\$1.6 million contributed by Tuvalu, A\$8 million by Australia, A\$8.3 million by New Zealand, \$8.5 million by United Kingdom, A\$0.7 million by Japan and A\$31,000 by South Korea.

The Maintained Value of the TTF as at 30 September 2007 was **A\$99,744,643**. This compared to a TTF Market Value on the same date of **A\$108,246, 223**, a difference of +8.5%. As reported in the 2006 JAR, the latest Maintained Value of the TTF includes the August 2006 transfer (i.e., investment) of **A\$1,233,009** from the government's internal Consolidated Investment Fund to the TTF. This transfer was made in respect of the 2003 and 2004 Annual Work Programmes (the latter also referred to as Programme Estimate No. 1, or PE1).⁴ A subsequent contribution to the TTF, in respect of PE2 (2005) and PE3 (2006), was made in December 2007, on authority of the NAO, on whose authorization funds due were transferred from the government's General Revenue Account held with the National Bank of Tuvalu (NBT) to the TTF Account, also held with NBT. On the instructions of the TTF Secretariat, these funds were subsequently transferred to the relevant Fund Managers for

⁴ The amount of the transfer was calculated as follows: audited and approved expenditure under the 2003 AWP was A\$680,920 and under AWP/PE1 (2004) audited and approved expenditures totalled A\$1,785,098. For both years the total is A\$2,468,018. In accordance with Addendum No. 1 to the 9th EDF Financing Agreement dated 14/11/05 (see Annex B: Sustainability), 50% of this total was transferred into the TTF, i.e., A\$1,233,009. The transfer made in respect of the 9th EDF OISDSP was confirmed in the 2006 Annual Report of the Tuvalu Trust Fund Advisory Committee (October), pp. 8-10.

investment in the Tuvalu Trust Fund. As indicated in the “Final Report: Extension of Programme Estimate No. 3 (2007)”, the amount of the contribution (**A\$1,021,891**) is based on 50% of actual and audited expenditures as indicated below:

- PE2 = A\$574,338 (actual/audited)
- PE3 = A\$447,553 (actual/audited)
- **Total: \$1,021,891**

The final contribution to the TTF (pending) under the 9th EDF is in the amount of **A\$1,077,812**. This is based on 50% of actual/audited expenditures under PE3 Rider No. 1 (Repatriation of Tuvaluans from Nauru), and 50% of actual (audit pending) expenditures under the 2007 PE3 Extension (Rider No. 3, covering expenditures through 09/09/07), as indicated below:

- PE3 Rider No. 1 = \$231,098 (actual/audited)
- PE3 Rider No. 3 (Ext.) = A\$846,714 (est. pending external audit in April 2008).
- **Total: \$1,077,812 (est.)**

The government’s 2008 National Budget allocates A\$1.1 million, approved by Parliament in November 2007, as a contribution to the TTF in respect of budgetary expenditures funded under PE3 Riders No. 1 and 3. The transfer of funds to the TTF is expected in mid-late 2008 following the findings of the external audit

1.3 Update on the poverty and social situation

In Table 1.3 are a select list of the most current macro indicators on population, income, health, education and water. The Table has been revised, updated, and slightly expanded to include data on population and literacy rates (ages 15-24). The data itself is generally consistent, but accuracy varies between sources. Contrary to published reports, it is worth noting these qualifications and (or) clarifications:

- **Children under age five (or a few years older):** Roughly 5-10% are probably malnourished by western standards, if not by volume intake, then by vitamin and/or mineral deficiencies.
- **Primary completion rate:** Between 98-100% is a slightly broader but probably more reliable rate. Even though primary school enrolment is compulsory, it is not unlikely that a few children— for whatever reason — are withheld from the system. This indicator does not assess the quality of education that is being received.
- **Literacy rate:** The MDG report and other sources (domestic and donor prepared) report the literacy rate is 99%, this is possible but should not imply that ‘quality’ of literacy is universally high.
- **Access to safe drinking water:** Although the exact rate is unknown it is probably in the 85-95% range — possibly even higher. The primary issue in Tuvalu is not necessarily access to safe drinking water, but regular and reliable access to large volumes of freshwater for drinking, bathing, washing, etc.

While some of the data is sketchy, most social indicators suggest that levels of income and health are generally improving, and access to education remains more or less universal and largely gender neutral. The latest results on Tuvalu’s progress toward the Millennium

Development Goals, which present a wide array of social indicators and a broad-based picture of Tuvalu's current social situation, are briefly discussed in Section 2.3.1 and summarized in Annex 8. Section 2.3.1 also presents a number of key issues and concerns as they relate to the MDGs.

Millennium Development Goals

Attached in the Annex are the eight MDG goals and 18 MDG targets and the progress Tuvalu has made against each target, as of September 2005, which is the latest MDG-related information available.⁵ Tuvalu has made significant progress on some MDGs, but less so on others. Overall, Tuvalu is some distance away from reaching many MDG targets. Below are some broad but key issues, concerns and responses if Tuvalu is to reach all the MDG targets, and achieve those targets and sustain them over the long term.

- The unique development challenges of Tuvalu do not necessarily fit easily within the MDGs.
- Some MDG indicators do not work (or work well) statistically in small populations such as Tuvalu.
- There remains a pressing need for new overseas development assistance through grants and direct funding sources from the international community to ensure MDG sustainability, highlighted by Tuvalu's special status as an LDC and Small Island Developing State (SIDS).
- The need for a full and effective implementation of the Brussels Programme of Action (POA) for LDCs and the Mauritius Strategy to help Tuvalu as an LDC and SIDS to achieve the MDG targets over the long term.
- Capacity building, lack of infrastructure, and lack of financial resources are some of the special vulnerabilities Tuvalu faces as an LDC and SIDS in trying to meet its MDG targets.
- Environmental sustainability is crucial to meeting most if not all of the MDG targets, which in particular will require additional funding and technical assistance to adapt to the impacts of climate change and sea level rise.
- Medium and long-term MDG trends could suddenly change due to climate events, which in turn could rapidly trigger severe shortages of food, water and shelter and a high vulnerability to disease—which are hallmarks of poverty.

Table 1.3
Select macro indicators: population, income, health, mortality, education

Indicator	2000	2001	2002	2003	2004	2005	2006	2007
1. Total population (enumerated) ¹	na	na	9,561	na	na	na	na	9,681
- Funafuti	na	na	4,492	na	na	na	na	na
- Outer islands	na	na	5,069	na	na	na	na	na
1. GDP (market prices, A\$'000)	24.04	26.41	27.79	na	na	na	na	na
2. GDP per capita (market prices, A\$)	2,116	2,529	2,875	na	na	na	na	na
3. Prevalence of underweight children (under age five)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4. Life expectancy (M/F)	62/65 ²	62/65	62/66	62/66	62/66	na	na	na
5. Infant mortality rate (per 1,000 live births)	34.6	25.4	25.3 ³	21.0	42.3	17.4	23.4	na
6. Primary school enrolment ⁴	1,965	1,798	1,693	1,955	2,032	2,010	2,068	2,049
7. Primary completion rate	100%	100%	100%	100%	100%	100%	100%	100%

⁵ Adapted in highly abbreviated form from the "Tuvalu: Millennium Development Goals Report 2006", prepared by the Secretariat of the Pacific Community (SPC), UNDP and Tuvalu Government, and released in July 2007.

8. Ratio of females to males in:								
- Primary education	.88:1	.92:1	.92:1	.93:1	.94:1	.92:1	.88:1	.91:1
- Secondary education ⁵	.89:1	.93:1	.96:1	1.06:1	.91:1	na	1.32:1	1.19:1
- Tertiary education ⁶	1.1:1	.86:1	na	.46:1	.92:1	.69:1	1.36:1	1.33:1
9. Literacy rate (age 15-24)	99%	99%	99%	99%	99%	99%	99%	99%
10. Birth rate attended by skilled health personnel	100%	100%	100%	100%	100%	100%	100%	100%
11. Immunization coverage rate against tuberculosis and hepatitis B	100%	100%	100%	100%	100%	100%	100%	100%
12. New HIV/AIDS cases reported ⁷	0	2	7	0	0	0	1	0
13. Population access rate to safe drinking water.	90%	90%	91%	91%	92%	92%	93%	93%

Source: Statistics Division, Ministry of Finance; Department of Education, Ministry of Education, Youth and Sports; Department of Personnel and Training, Office of the Prime Minister; Department of Health, Ministry of Health; Asian Development Bank (ADB).

¹ 2002 National Census (2007=est.). Total population is up from 9,043 in 1991, representing an annual growth rate of 0.5%. Funafuti's population is up from 3,839 in 1991 (+17.0%), while the outer islands population is down from 5,204 in 1991 (-2.6%).

² Up from 57/60 for males and females, respectively, in 1990.

³ Down from 43.5 per 1,000 live births in 1990.

⁴ 2003-2005 figures include approx. 160 students enrolled at the SDA primary school.

⁵ 2003-2004 figures include, respectively, 99 and 183 students enrolled at Fetuvalu Hugh School.

⁶ Based on Tuvalu Government 'In-Service Scholarships' awarded between 2000-05. 2006-07 ratios include AusAID and NZAID-funded scholarships. 2003-2004 estimates are incomplete.

⁷ Of the ten cases reported, nine are male and one female. Three have died.

2. Overview of Past and Ongoing Co-operation⁶

Under the 9th EDF, covering the years 2003-07, the 9th EDF indicative financial allocation for Tuvalu was €3.3 million, plus the remaining balance of €665,136 from the 6th and 7th EDF added to the A-envelope, and €0.7 million under the B-envelope. The focal area of EC-Tuvalu co-operation was the social development of the outer islands delivered through the Outer Island Social Development Support Programme (OISDSP), which covers the entire National Indicative Programme. Based on the conclusions of the 2004 Mid-Term Review, the European Community agreed to increase the A-envelope by €500,000. This raised the A-envelope indicative allocation to €4,465,136.

The principal administrative and management features of the 9th EDF OISDSP include, but are not restricted to:

- Routine accounting, management and administrative functions of the OISDSP are spread across the government.
- Responsible staff include, but are not limited to, permanent secretaries, department heads, and executive officers.
- The Tuvalu Trust Fund Board, TTF Advisory Committee, and TTF Secretariat – the latter of which overlaps the functions of the NAO – indirectly support the OISDSP.
- The primary function of the NAO and his staff is to monitor rates of OISDSP-assigned expenditure, and stimulate expenditure (or try to) if expenditure is lagging.
- The NAO, as Secretary to Finance, also monitors and directs the formulation of the annual budget, in this case specific appropriations that may relate to the Programme Estimate.

⁶ For a summary of pre-9th EDF development co-operation see Annex 5. Tuvalu acceded to the Lome I Convention in 1979, though it became eligible for European Development Fund (EDF) resources under the 4th EDF in 1975. Tuvalu acceded to each successive Lome Convention through the revised Lome IV Convention (8th EDF), which it ratified in December 1998. Tuvalu signed the Cotonou Agreement in June 2000 in Cotonou, Benin, and signed the Instrument of Ratification in July 2001.

- The NAOs influence, however, to appropriate potential OISDSP-assigned items, with so many varied and competing claims on national revenue, is somewhat limited.

Actual year-end expenditures often differ from money actually approved by public appropriation, a common feature of public budgets. If variations occur they are, by-and-large, controlled by Tuvalu's Public Finance Act, and outside the operational control of a given Programme Estimate. In the past such variations – in most cases this means over-expenditure – have been identified and acquitted in PE Final Reports and may be approved by the EC if justified. Under the PE3 Extension, seven budget items were over-spent, which appear justifiable and were most often the result of underestimating the required budget. Any expenditure outside the operational scope of the PE3 Extension but not detected during the acquittal, will be identified and examined during the external audit. Other key features (some atypical), controls, and built-in efficiencies include:

- The PE3 Extension is not typical of most EDF-funded projects because it is subject to the forces that influence and control budgetary operations throughout the national government.
- Design, planning, preparation and internal control of the national budget are to a large extent outside the scope, intent and operational capability of the OISDSP in general and PE3 in particular.
- The PE3 Extension operated 'above' the national budget, not by controlling it internally.
- PE3 Extension-assigned expenditure was regulated mainly through the Department of Treasury, with Treasury using its own internal public accounting and control procedures.
- Expenditures falling outside the scope of PE3 Extension, detected either through routine oversight, during the acquittal, or by external audit, will be not reimbursed by the government to the EDF.
- Expenditures that fall outside the scope of PE3 Extension do not automatically signify financial mismanagement or accounting irregularities, but, as in the past, have most often been the result of normal budgetary operations.

2.1 Focal Sectors

As foreseen in the 9th EDF Financing Agreement the OISDSP was a very efficient method to target EDF budgetary support. The result has been a relatively high rate of EDF commitment and utilisation of EU funding assistance. To date, 99% of the 9th EDF has been utilised, with the operational element concluding on 9 September 2007. (*Note:* the operational phase of the 9th EDF began in December 2003, which means funding was fully utilised – including that of the Mid-Term Review increase – in just under four years (i.e., 46 months), which is sooner than originally projected.) The only remaining administrative tasks are the external audit of the PE3 Extension, expected in April 2008, processing the final Payment Order (estimated at \$884,617, pending the audit), the final independent evaluation of the 9th EDF (following completion of the audit), which is expected not later than mid-year, and the final transfer of funds into the TTF in respect of the 9th EDF (see 2.2.4 above).

The PE3 Extension was consistent with the 9th EDF National Indicative Programme. The Extension financed activities via national government budget lines for 'social sector support' in the two main areas of concentration: education and environment (there was no funded items in the third area, water, in the 2007 national budget). The NSA component of the 9th EDF (10% of the initial A-envelope and Mid-Term increase) was completed in 2007, as a result of budgeted operational and project-related grants assigned to the 2004 AWP (PE1), PE2 (2005), PE3 (2006), and the PE3 Extension (2007), worth a total value of just over

A\$600,000 (€380,000), depending upon A\$/€ exchange rates. Projects have been implemented in both the outer islands and Funafuti.

There is a well-designed (and intentional) continuity between the PE3 Extension and previous PEs and AWP, including AWP under the 8th EDF. Both the DSP (8th EDF) and OISDSP underwrite support to budget lines in essentially the same sectors: education and environment, although the sectors are fewer and more narrowly defined in the OISDSP. The OISDSP also attempts to specifically target more budgetary support for the outer islands, whereas DSP funding was spread more generally.

Many of the same capital budget lines (e.g., primary school construction, waste management) are carryovers from the 2003 AWP (9th EDF), even from the 8th EDF, as are the smaller budget lines such as school supplies. Budget support for teacher salaries introduced in the 2003 AWP, recurred in the 2004 AWP/PE1 and PE2, though not a carry-over from the 8th EDF, were withdrawn from EDF support under PE3.

The PE3 Extension, and the 9th EDF NIP overall, has a direct linkage with investment in the Tuvalu Trust Fund, as did the OISDSP's two predecessors the DSP (8th EDF) and FIP (7th EDF). Although, as noted elsewhere in this report, Tuvalu's matching contributions to the TTF have been lowered to 50% of actual expenditures rates under the 2003 and 2004 AWP, and the forthcoming contributions assigned to PE2 (2005), PE3 (2006), and the PE3 Extension (2007), as a result of government financial constraints.

The external audit of PE3 by BDO Zarin Ali (Suva, Fiji) was successfully conducted in August 2007, with the Audit Report issued in September 2007. Of the \$855,083 in total PE3 expenditures, the audit uncovered \$852.50 of unauthorised expenditure. This amount was deducted from the final payment due under PE3, which totalled \$231,121.50. The external audit of the PE3 Extension is expected in April 2008.

Preliminary assessment of performance indicators

This section attempts a broad preliminary assessment of the 'short-term results' and 'long-term impacts' of EDF expenditure under the OISDSP. The 9th EDF OISDSP Financing Agreement (signed in August 2003) foresaw five long-term results:

1. Complete new building programme for primary schools (begun under the 8th EDF);
2. New teacher housing (begun under the 8th EDF);
3. Provide new school equipment, supplies and teaching aids;
4. Expand water supplies and related facilities in the outer islands; and
5. Extend waste management to the outer islands.

Short-term results

The short-term results of the OISDSP were assessed using the criteria set out in the Tuvalu-EC 9th EDF Financing Agreement. The bullet points below (in bold) represent each of the criteria; results are in italics (updated and adapted from: *Joint Annual Report 2006: Tuvalu-European Commission* (December 2007), *PE3 Final Report* (July 2007), and *Final Report: Extension of Programme Estimate No. 3* (December 2007). (*Note:* Some results and other

information cited below extend beyond the strictly defined assessment criteria.⁷ Some information appears elsewhere in this report.)

- **Primary school construction has been completed.**

Primary school construction has been completed on four of five outer islands: Nukulaelae and Nanumaga in 2005, and Nui and Niutao in 2006, as intended in the 9th EDF Financing Agreement. Construction of the fifth and final outer island primary school, to be funded under the 9th EDF, on the central island of Vaitupu began in April 2007, partially funded (about 65-70%) by the 9th EDF, with completion expected in March 2008. The Vaitupu school is also the largest outer island primary school constructed to date.

- **Teacher housing construction has been completed.**

Due to Tuvalu's ongoing national budgetary constraints (i.e., large revenue shortfalls which led to expenditure cutbacks) during the period of 9th EDF operations and other issues bearing on appropriated annual expenditures, no new teacher housing was constructed under the OISDSP as was originally foreseen. However, government plans remain in place to construct new teacher housing once new domestic and (or) external funding has been secured.

- **Primary school equipment and supplies have been delivered.**

In each year of the 9th EDF's operation (beginning in 2003 through September 2007) the OISDSP has delivered primary school supplies and equipment. Such supplies and equipment include: 1) textbooks; 2) notebooks, paper, pencils, etc.; and 3) the complete fit-out of the new primary school classrooms (in Nukulaelae, Nanumaga, Nui, and Niutao) with student and teacher desks, chairs, cabinets, bookshelves, etc. (The existing Nauti Primary School in Funafuti was similarly outfitted.) Although primary school supplies were under-funded in the national budget from 2003 to 2005, beginning in 2006 budgetary support for primary school supplies, including funding for textbooks, significantly increased to levels that more accurately reflect actual school needs. Note: school supplies and equipment were also supplied to Motufoua Secondary School during the operational phase of the OISDSP (through September 2007).

- **Methods of waste collection and disposal are in place.**

Waste collection and disposal systems are in place in Funafuti, and in general are working satisfactorily in ways foreseen at the inception of the 9th EDF OISDSP. Efforts to extend waste management activities to at least a few outer islands were unsuccessful due to budgetary constraints faced by the Tuvalu Government at the time. Not unexpectedly, there has been some slippage in the quality of waste management services, mainly due to a shortfall in budgetary appropriations brought on by declines in government revenue (and a range of other issues). Nonetheless, all waste management systems remain operational. Current shortcomings in waste management will be addressed under the 10th EDF. This will include:

⁷ The short-term results described here were obtained from Tuvalu's Public Works Department, Department of Education, Waste Management Unit, on-site verification, government reports and records, discussions with relevant Tuvalu Government personnel, previous JARs, other 9th EDF project documents, other donor-funded studies and technical reports, and information reported by the TA to NAO.

- 1) *improving and expanding all waste management activities in Funafuti; and*
- 2) *introducing waste management services in the outer islands, specifically modeled on the relative success of the waste management programme in Funafuti.*⁸

- **Waste management equipment has been delivered.**

Some waste management equipment was delivered, though most heavy equipment on-site was procured during the 1999-2002 inception phase of waste management operations. It was deemed more economical to refurbish and repair existing equipment rather than purchase new machinery with the defunct equipment in need of safe disposal which would in itself be a challenge. Most 9th EDF funding was hence used to finance service operations and maintain existing equipment, though this was under-funded resulting in extended breakdown of some equipment. Overall there was insufficient government budgetary support to undertake large-scale procurement of new equipment, or to expand (or strengthen) waste management activities, which illustrates the need for 10th EDF assistance.⁹ The precarious state of public finance and dwindling revenue will require external assistance in waste management for many years to come. The Government is simply unable to allocate sufficient funds towards maintenance of equipment and expansion of services.

- **Waste management procedures have been developed.**

Waste management procedures were developed and refined during the operational phase of the 9th EDF (2003-present and ongoing through September 2007). New procedures continue to be explored and new waste management techniques identified, both which will require external funding to implement. Drafting and enacting waste management legislation has been identified as a priority issue to establish formal regulatory guidelines and legal backing for enforcement of all aspects of waste management in Tuvalu. Drafting and enacting a comprehensive waste management act will be undertaken under the 10th EDF.

- **Water storage capacity has been repaired, renovated and (or) constructed.**

See below.

- **Household and municipal water storage capacity has increased.**

Household water storage capacity has significantly increased on the outer island of Nui. A Non-State-Actor designed and managed project successfully installed nearly 110 plastic household water tanks with a 6,000 ltr. Capacity each, roughly doubling the islands rainwater storage capacity and significantly increasing the utilisation of rainwater catchment where it already existed (e.g., household rooftops) but previously under-utilised. Where households had no previous water storage capacity (relying solely on community water cisterns), rainwater catchments were put to use. Plans are to extend this project to the other seven outer islands in Tuvalu under the 10th EDF. With exceptions (see below), there was no new municipal water storage constructed under the 9th EDF, but plans call for funding large-scale new municipal water catchment and storage capacity under the 10th EDF, and through utilisation of the 9th EDF B-envelope, for which the financing agreement was endorsed by the EC in 2007.

⁸ See 10th EDF Country Strategy Paper and National Indicative Programme (October 2007).

⁹ In 2002, AusAID ended further involvement in waste management in Tuvalu AusAID, wrongly assuming the evolving waste management situation in Funafuti had been resolved.

To the extent that new primary school water catchment and storage capacity can be tapped into by each of the five outer island communities (Nukulaetae, Nanumaga, Nui, Niutao, and Vaitupu), this capacity represents new municipal water supplies constructed under the 9th EDF.

- **Water catchment areas have expanded.**

See above.

- **Water catchment and storage at Motufoua chapel has been constructed.**

The rainwater catchments and storage systems at Motufoua Secondary School were partly repaired and renovated under the 9th EDF. Motufoua Chapel was constructed and roof rainwater catchment was connected by underground piping to existing Motufoua water storage facilities. Though the additional rainwater catchment and the volume of rainfall it captures is presently unknown, the volume is considered to be significant. Additional funding through the national budget was not made available for other more extensive water-related works at Motufoua Secondary School.

Long-term impacts

Long-term impacts of the OISDSP have been assessed using the criteria below, as defined in the 9th EDF Financing Agreement (bullet points in bold represent the criteria; impacts are in italics).¹⁰ However, it is somewhat premature to accurately quantify or otherwise assess the ‘long-term’ impacts of the OISDSP, especially in education, since the sectors are not yet at a long-term remove from the bulk of 9th EDF expenditure, which occurred in only the last 2-3 years and is currently ongoing through September 2007. Nevertheless, it is possible to make some general but realistic observations now, as well as clarify what needs to be assessed in the future, probably in 2008 after 9th EDF assistance to fund the OISDSP has ended and the findings of the external technical evaluation are known – still not ‘long-term’ in the technical sense but sufficient enough time to draw some useful observations and conclusions. (*Note:* Some impacts and other information cited below extend beyond the strictly defined assessment criteria. Some information appears elsewhere in this report.)

- **Examination results for primary school children have improved.**

It is still too early to accurately assess or establish a clear causal link between 9th EDF expenditures and better examination results. Certainly, primary school infrastructure and facilities have greatly improved with the construction and fit-out of four new primary schools, with construction of a fifth new primary school expected to be completed in early-mid 2008. Over time it is reasonable to assume this should lead to improved primary student performance, if the positive effects of new infrastructure and facilities are not offset by a decline in standards elsewhere in the overall provision of primary school education nationally (e.g., a decline in teacher quality/performance). In any event a detailed examination of these issues is outside the scope of this report, but will be undertaken as part of the comprehensive external evaluation of the OISDSP, to be carried in 2008.

¹⁰ The long-term impacts described here are based on information obtained from the Department of Education Public Works Department, Waste Management Unit, on-site verification, government reports and records, discussions with relevant Tuvalu Government personnel, previous JARs, other 9th EDF project documents, other donor-funded studies and technical reports, and information reported by the TA to NAO.

- **Turnover rates for primary school teachers have dropped.**

It is not presently known if turnover rates for primary school teachers have dropped as a direct result of 9th EDF expenditure in the education sector. What is known, however, is that current primary teachers on the four outer islands where new schools have been constructed and outfitted (Nukulaelae, Nanumaga, Nui, and Niutao) have vastly improved education facilities in which to teach. One could reasonably assume that this acts as an incentive to retain existing teachers, and an inducement to attract new teachers to the profession (see below). Head teachers consulted have indicated that the new schools offer a more conducive learning environment, the increased number of classrooms has reduced overcrowding, and overall created a more attractive and productive setting to teach in. Similar results and findings could be expected when the Vaitupu Primary School (Tolise) is completed in 2008.

- **Recruitment of motivated primary school teachers is easier.**

See above.

- **Waste management systems put in place have remained in operation.**

All waste management systems funded under the 9th EDF remain in operation, but there is considerable scope to strengthen and expand these systems. When 9th EDF budgetary support for waste management ends the government has committed to retaining annual budgetary support for waste management, at not less than the current level of A\$110-120,000/year (previous average allocations) as a permanent budgetary appropriation.¹¹

In the 2008 budget the government has in fact increased the budget allocation for waste management in Funafuti to \$151,609, and for the first allocated funding (\$65,544) to extend waste management operations to the outer islands, in this case the northern island of Nanumea.

- **Waste management systems have visibly improved the local environment.**

The condition of the local Funafuti landscape has markedly improved with the introduction of regular waste management services, especially compared to the pre-1999 lack of systematic residential waste collection and disposal. In addition, the separation, collection and municipal-scale composting of organic waste has yielded a renewed interest in and shift toward much more home and commercial vegetable gardening, which likely has had some public health benefits – though to what degree is presently unmeasured and unknown.

- **Waste management has improved public sanitation, thus improving public health.**

No formal study has thus far been undertaken to correlate the effects of improved waste management and the effects it has had on the general public's health. It is probably safe to assume, however, that the vastly improved system of regularly collecting and properly disposing of household waste relative to the previous systematic lack of such services has to some degree improved public health, and will continue to do so as long as waste management services exist.

- **Water facilities have increased the volume of water available per person, per day.**

¹¹ See 10th EDF Country Strategy Paper and National Indicative Programme (October 2007).

Water catchment and storage capacity has not increased the volume of potable water available per person, per day to the extent foreseen in the Financing Agreement, except on the outer island of Nui where the successful installation of nearly 110 6,000 litre household water tanks has roughly doubled the volume of rainwater storage available to island residents (an increase of nearly 650,000 ltr.). In addition, there is the water catchment and storage capacity constructed at each of the new primary schools on Nukulaelae, Nanumaga, Nui, and Niutao, which if necessary can be accessed by the general public (Vaitupu as well when that school is completed in 2008). Nevertheless, to achieve this long-term impact on a national scale was arguably an over-expectation of the 9th EDF FA, based on the indicative allocation of only €594,000 (about 14% of the €3.96 million total allocation).

- **Water facilities have expanded public access to freshwater.**

See above.

2.2 Utilisation of Envelope B

Tuvalu has joined a regional approach to utilise B-envelope funding. The programme combines eight Pacific ACP NIP B-envelopes in a multi-country programme. The programme is being managed by SOPAC and entails setting up or completing Strategic National Action Plans for each Pacific ACP involved in the programme and the implementation of a first priority activity that emerges from each national plan. In Tuvalu, installation of additional solar-powered water pumps to extract potable groundwater on the four islands that possess a freshwater lens, as well as expanding nationally both residential and municipal rainwater catchment and storage will form part of the B-envelope project.

2.3 Other Instruments

Emphasis has been laid by EIB upon making funds available as widely as possible in the Pacific region through lines of credit to local financial institutions. Additional regional funding instruments possibly also targeting smaller operations in Tuvalu are currently being developed by the EIB. A special focus will be on the renewable and environmental sector.

In 2002, the EIB approved the second line of credit with the Development Bank of Tuvalu under the Cotonou Convention aimed at financing smaller operations. As with previous line of credit operations, the funds will be on-lend by the development bank to final beneficiaries in the private and commercially run public sector.

The 9th EDF Pacific **Regional Indicative Programme** is funding a number of projects in the Pacific ACP countries, including Tonga. These consist of:

Pacific ACP Regional Economic Integration Programme (PACREIP)

Development of Sustainable Agriculture in the Pacific (DSAP)

Pacific Regional and OCT Fisheries Programme (PROCFISH)

Plant Protection Programme (PPP)

Pacific Regional Initiatives for the Development of (basic) Education (PRIDE)

Reducing Vulnerability in PACP States – SOPAC

Development of Fisheries in the Pacific (DEVFISH)

Pacific Environmental Information Network (PEIN)

Additionally, Tonga has benefited from EPA related technical assistance under a FORSEC implemented intra-ACP funded programme.

3. Policy Coherence for Development (PCD)

As the 9th EDF OISDSP focused on living conditions in outer islands with the objective to raise standards in social service delivery, the programme touches upon the broader areas of employment and decent work. To a certain extent, migration to the main island and further to New Zealand and Australia puts a strain on scarce human resources, in particular in social service delivery. However, migration to European countries is not an issue for Tuvalu.

Climate change is an important cross-cutting issue, in particular for the Pacific region and major regional initiatives are being considered in the context of the RIP. In the design of the 9th EDF funded multi-country ‘Disaster Preparedness Project’, special attention will be paid to fittings’ standards to resist climate change related effects such as tidal waves and frequent cyclones. Equally, in the identification and design of interventions under the 10th EDF, some specific issues should be borne in mind with regard to reinforcing adaptation efforts when addressing water and sanitation.

Prudent management of the Tuvalu’s fishery is considered vital, with support being delivered through a number of programmes funded under the RIP as well as by other donors.

4. EU Strategy for the Pacific

During the discussion in the programming process for the 10th EDF, key strategic directions contained in the EU Pacific Strategy have been taken into account while agreeing on the development response strategy for the European Community support. In this framework, the

EU Strategy's focus on the sustainable management of natural resources in the Pacific provides a clear, result-oriented opportunity for the Tuvalu - EU development cooperation under the 10th EDF with the focal area of water and energy (water and sanitation in particular).

The EU has made an indicative allocation of €5.0 million under the 10th EDF. The 10th CSP/NIP was signed by Tuvalu and endorsed by the European Commission in Tonga, in October 2007.

The 10th EDF Response Strategy in Tuvalu will concentrate on water and sanitation (including waste management) as the focal sector. The collection and storage of fresh water on Funafuti, as well as in the outer islands, has been and continues to be problematic, with far too little rainwater catchment and not enough water storage capacity nationwide. There is no underground fresh water lens on Funafuti, where nearly 50% of the population live, and only four of eight outer islands possess potable sources of underground water. Rainfall can be infrequent and there are regular periods of drought that can last months.

On Funafuti, to provide sufficient water supplies to cover the lengthiest periods of drought (usually 1-2 months) residential and municipal water catchment and storage capacity needs to increase by a minimum factor of three and a maximum of five. The solution to water shortages in the outer islands lies primarily in increasing individual rainwater catchment and storage capacity through the procurement of household water tanks for every outer island household. *Note:* The outer island of has already benefited from such an approach under the 9th EDF through an NSA project that supplied and installed 110 household water tanks. NSAs have expressed a strong interest in continuing their involvement in this area should the supply of household water tanks be expanded to include every other outer island under the 10th EDF.

Improper disposal of household refuse in the form of solid and (to a lesser extent) organic waste poses a direct threat to the sanitary and environmental balance on every island, especially Funafuti where the problems are greatest. On those islands where there is potable underground water there is a growing danger of contamination. In the absence of other donors in this sector, this warranted a response to the various waste management/pollution issues confronting Tuvalu in order to improve overall public health and sanitation.

Lacking appropriate legislation a first key element will be to draft an Environment Management Bill or a separate Waste Management Bill. As part of Annex 3B of the CSP, Tuvalu is committed to enacting waste management legislation, which includes a waste reduction component, either as part of a comprehensive Environmental Management Act or as a separate Waste Management Act.

Enactment by Parliament would be important for funding operational waste management activities under the 10th EDF.¹² Supplementary activities in awareness raising on waste reduction could be implemented by NSAs.

¹² The 9th EDF funded the Tuvalu Government's waste management operations. Residential and commercial waste collection was established, and most but not all organic waste was separated out of the waste stream, which generated municipal-scale composting for home gardening. Given the relatively large waste management problems that remain, especially on Funafuti where half the population is concentrated, EDF assistance is uniquely positioned to continue to improve waste management in Tuvalu. The Government is committed to retaining operational funding, including salaries for waste management personnel. Tentative plans for the 10th EDF are to expand and intensify waste management activities on Funafuti, including greening exhausted land fills, shredding and composting more organic waste, and introducing more vigorous waste reduction strategies. In addition is extending waste management activities to the outer

5. Donor coordination and harmonisation

EC-based officials attend regular donor round-table meetings and seminars. A consistent effort has been and continues to be made to harmonise intervention strategies between the EU, Australia, New Zealand and Japan (Tuvalu's principal bilateral donors, not including the Republic of China), and the Asian Development Bank.

Tuvalu welcomes efforts aimed at donor harmonisation to improve the efficiency and effectiveness of aid delivery, to avoid duplication of aid-based assistance, and to help ensure that each donor is aware of what other donors are doing. In July 2007, the Tuvalu Government hosted a Round Table Meeting in Funafuti, where a wide range of donors, UN agencies (e.g. UNDP, WHO, UNFPA, UNESCO), other regional and international organisations, the European Commission and EU Member States were consulted on *Te Kakeega II*, Tuvalu's "National Strategy for Sustainable Development". (The first Round Table Meeting of this kind was held in May 2006, in Suva, Fiji, also hosted by the government.)

A product of the first RTM was the *Kakeega* Matrix, a comprehensive planning matrix of government and donor development initiatives and activities. The 2007 *Kakeega* Matrix, evolved significantly from the 2006 version, was updated for the 2007 RTM through extensive consultations with government and non-government officials, and revised again to incorporate the findings and views of the 2007 RTM, including those of the full complement of donors who attended the meeting. The Matrix, as was intended, is the RTM's official record, was reviewed and endorsed by the Development Coordinating Committee (or DCC, made up of permanent secretaries and department heads) and Cabinet prior to wide internal and external distribution to government ministries, departments, donors, SOEs, NGOs and others, including every donor who attended the 2007 RTM. Insofar as possible, the 2007 Matrix presents an accurate, up-to-date account of what Tuvalu's development needs are in the *Kakeega*'s eight strategic areas of development,¹³ where each donor is currently engaged, intends to engage, or might engage in the future. Importantly, as a development planning tool, the Matrix highlights specific areas, projects and (or) activities where Tuvalu lacks experience, technical expertise, or the financial resources to do what needs to be done.

Activities under the 9th EDF focal sector programme were regularly coordinated with other donors active in the education sector in Tuvalu including AusAID, NZAID and Japan. The EU, in cooperation with NZAID and AusAID, employed a local in-country coordinator who (primarily) helped coordinate donor-funded activities in education.

It should be emphasized, however, that Tuvalu's capacity to play a leading role in donor harmonisation efforts is somewhat limited. This is chiefly because there are dozens of aid donors and regional and international aid agencies at work in Tuvalu, but almost none of whom have a permanent presence in the country.

islands, such as introducing similar waste collection methods as Funafuti, procuring industrial shredders for composting organic waste (in the outer islands this accounts for about 70% of household refuse) for home gardens and to boost/encourage larger-scale agricultural production.

¹³ These are: 1) Good Governance; 2) The Economy: Growth and Stability; 3) Social Development (Health, Youth, Housing, Gender, Sports); 4) Local Government and Outer Islands; 5) Private Sector and Employment; 6) Education and Human Resources; 7) Natural Resources (Agriculture, Fisheries, Tourism, Environment, Land); and Infrastructure and Support Services (Public Works, Energy, Communications; Transport).

6. Dialogue in country with the NSAs, local authorities and the national Parliaments

The Delegation is in regular, often daily contact with Tuvalu Government officials through exchanges of emails, faxes and phone calls, through periodic visits by EC officials to Tuvalu, through meetings attended by Tuvalu leaders and officials at regional and international meetings, and through periodic visits by Tuvalu leaders and officials to the EC Delegation in Suva. The Tuvalu High Commission in Suva, the Ministry of Finance headquarters in Funafuti, and Tuvalu's Ministry of Foreign Affairs facilitate this dialogue.

In coordination with other donors the EU has been raising governance issues at various donor round tables with the Tuvalu Government, and during regular country visits by EC officials. However, at present there are no major human rights, rule of law, illegal immigration, corruption, or human trafficking issues in Tuvalu, nor have there been in the past.

Throughout the 9th EDF and preparation of the 10th CSP/NIP Cabinet MPs were regularly briefed, consulted with, and commented on the status of Tuvalu-EU cooperation, and were the final authority on the future direction of Tuvalu-EU cooperation under the 10th EDF. Tuvalu-EU cooperation, in its various forms, is a regular agenda item in most sessions of Parliament, in particular as it relates to annual EU-funding and future Tuvalu-EU cooperation.

Suva-based officials of the European Commission, together with local authorities, are in regular dialogue with the NSA community in Tuvalu, principally through the Tuvalu Association for Non-Government Organisations (TANGO). NSA were regularly consulted during the implementation of the 9th EDF, which facilitated the NSAs full utilisation of their 10% allocation of the A-envelope. During the preparation of the 10th CSP/NIP, NSAs were regularly consulted and they will be active partners in the implementation of the 10th EDF. A number of Tuvalu NSAs have both the capacity and experience to participate in, and meaningfully contribute to, activities in the agreed sectors of water and waste management. One outer island has already benefited from such an approach under the 9th EDF through an NSA project that supplied and installed 110 household water tanks on the island of Nui. NSAs have expressed a strong interest in continuing their involvement in this area should the supply of household water tanks be expanded to include every other outer island under the 10th EDF focal sector. Supplementary waste management activities such as raising awareness about waste reduction could be implemented by NSAs, and the Tuvalu NSA community has already indicated an interest in managing such activities.

7. Conclusions

The last general election was held on 3 August 2006. Only seven out of 15 MPs were re-elected to parliament, the other eight consisting largely of political newcomers. In Parliament's August 2007 session two opposition MPs joined the majority government as ministers. This required a constitutional amendment increasing the number of Cabinet ministers from five to seven, which prompted some portfolio reshuffling among ministries to accommodate the two new MPs.

Tuvalu's recent rate of economic growth has been and remains relatively slow and unstable. 2007 saw very few new employment-generating activities, income from seafarer remittances fell further, and public capital expenditure continued to decline in response to continued budget tightening.

In 2007, total budgetary expenditure was A\$25.8 million (this excludes externally-funded expenditure, e.g., aid). This was slightly more than budget estimates predicted (A\$25.2 million). Total 2007 revenue was A\$22.1 million, about A\$500,000 more than estimated (A\$21.5 million). Deficit spending was held in check and in 2008, the underlying recurrent deficit is projected to drop 60% to A\$1.47 million.

To date, 99% of the 9th EDF has been utilised, with the operational element concluding on 9 September 2007, 46 months after commencing in December 2003. The only remaining tasks to close down the 9th EDF are the external audit of the PE3 Extension, expected in April 2008, processing the final Payment Order, the final evaluation of the 9th EDF, expected not later than mid 2008, and the final transfer of funds into the TTF in respect of the 9th EDF.

Tuvalu has joined a regional approach to utilise B-envelope funding. After the Financing Decision for a "Regional Programme in Disaster Preparedness/Risk Management" in May 2007 a Contribution Agreement with SOPAC as the implementing agency was signed at the beginning of 2008. The programme is geared toward expanding nationally both residential and municipal rainwater catchment and storage, which will complement the proposed 10th EDF CSP Response Strategy. In-country programme implementation is expected to commence in mid 2008.

Collectively, the EU's "Pacific Strategy", the Forum's "Pacific Plan", as well as Tuvalu's own "National Strategy for Sustainable Development", put a high priority on water, sanitation and waste management, for which the EU has made a 10th EDF indicative allocation of €5.0 million. The draft 10th EDF CSP/NIP was submitted in November 2006 for EC review in Brussels. It was endorsed by the Interservice Quality Support Group in March 2007, calling for only minor additions and amendments. The 10th CSP/NIP was signed by Tuvalu and the European Commission in Tonga, in October 2007. The 10th EDF Response Strategy will concentrate on water and sanitation (including waste management) as the focal sector. NSAs and are expected to directly participate in outer island water projects, and possibly awareness-raising on waste reduction, and in other yet-to-be-determined activities.

Efforts continue to harmonise intervention strategies between the EU, Australia, New Zealand and Japan (Tuvalu's principal bilateral donors, not including the Republic of China), and the Asian Development Bank through donor round-table meetings and seminars. In July 2007, the Tuvalu Government hosted a Round Table Meeting in Funafuti, where a wide range of donors, UN agencies, regional and international organisations, the European Commission, and EU Member States were consulted on *Te Kakeega II*, Tuvalu's "National Strategy for Sustainable Development", principally to review and update the Kakeega Matrix, a development planning tool.

The EC Delegation is in regular, often daily contact with Tuvalu Government officials through exchanges of emails, faxes and phone calls, through periodic visits by EC officials to Tuvalu, through meetings attended by Tuvalu leaders and officials at regional and international meetings, and through periodic visits by Tuvalu leaders and officials to the EC Delegation.

At present there are no major human rights, rule of law, illegal immigration, corruption, or human trafficking issues in Tuvalu, nor have there been in the past.

Officials of the European Commission, together with local authorities, are in regular dialogue with the NSA community in Tuvalu, principally through the Tuvalu Association of Non-Government Organisations (TANGO). NSAs were regularly consulted during the

implementation of the 9th EDF, and with a 10% NSA allocation of the A-envelope NSA actively participated in implementing community projects. During the preparation of the 10th EDF CSP/NIP, NSAs were consulted, and they are intended to be active partners in the implementation of the 10th EDF.

While some of the data is sketchy, most social indicators suggest that levels of income and health are generally improving, and access to education remains more or less universal and largely gender neutral. Tuvalu has made significant progress on some MDGs, but less so on others. Overall, Tuvalu is some distance away from reaching many MDG targets. There remains a pressing need for new overseas development assistance through grants and direct funding sources from the international community to ensure MDG sustainability, highlighted by Tuvalu's special status as an LDC and Small Island Developing State (SIDS). The need for a full and effective implementation of the Brussels Programme of Action (POA) for LDCs and the Mauritius Strategy to help Tuvalu as an LDC and SIDS to achieve the MDG targets over the long term. Capacity building, lack of infrastructure, and lack of financial resources are some of the special vulnerabilities Tuvalu faces as an LDC and SIDS in trying to meet its MDG targets. Environmental sustainability is crucial to meeting most if not all of the MDG targets, which in particular will require additional funding and technical assistance to adapt to the impacts of climate change and sea level rise

SIGNATURES

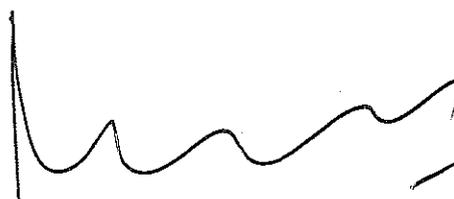
The National Authorising Officer

The Head of Delegation



Aunese M Simati
Secretary of Finance
and National Authorising Officer

27 JUNE 2008



Wiepke van der Goot
Head of Delegation
EC Delegation for the Pacific

30/6/08

ANNEXES

a) General Annexes:

Country at a glance:

A.

Select macro indicators: population, income, health, mortality, education

Indicator	2000	2001	2002	2003	2004	2005	2006	2007
1. Total population (enumerated) ¹	na	na	9,561	na	na	na	na	9,681
- Funafuti	na	na	4,492	na	na	na	na	na
- Outer islands	na	na	5,069	na	na	na	na	na
1. GDP (market prices, A\$'000)	24.04	26.41	27.79	na	na	na	na	na
2. GDP per capita (market prices, A\$)	2,116	2,529	2,875	na	na	na	na	na
3. Prevalence of underweight children (under age five)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4. Life expectancy (M/F)	62/65 ²	62/65	62/66	62/66	62/66	na	na	na
5. Infant mortality rate (per 1,000 live births)	34.6	25.4	25.3 ³	21.0	42.3	17.4	23.4	na
6. Primary school enrolment ⁴	1,965	1,798	1,693	1,955	2,032	2,010	2,068	2,049
8. Primary completion rate	100%	100%	100%	100%	100%	100%	100%	100%
8. Ratio of females to males in:								
- Primary education	.88:1	.92:1	.92:1	.93:1	.94:1	.92:1	.88:1	.91:1
- Secondary education ⁵	.89:1	.93:1	.96:1	1.06:1	.91:1	na	1.32:1	1.19:1
- Tertiary education ⁶	1.1:1	.86:1	na	.46:1	.92:1	.69:1	1.36:1	1.33:1
9. Literacy rate (age 15-24)	99%	99%	99%	99%	99%	99%	99%	99%
10. Birth rate attended by skilled health personnel	100%	100%	100%	100%	100%	100%	100%	100%
11. Immunization coverage rate against tuberculosis and hepatitis B	100%	100%	100%	100%	100%	100%	100%	100%
12. New HIV/AIDS cases reported ⁷	0	2	7	0	0	0	1	0
13. Population access rate to safe drinking water.	90%	90%	91%	91%	92%	92%	93%	93%

Source: Statistics Division, Ministry of Finance; Department of Education, Ministry of Education, Youth and Sports; Department of Personnel and Training, Office of the Prime Minister; Department of Health, Ministry of Health; Asian Development Bank (ADB).

¹ 2002 National Census (2007=est.). Total population is up from 9,043 in 1991, representing an annual growth rate of 0.5%. Funafuti's population is up from 3,839 in 1991 (+17.0%), while the outer islands population is down from 5,204 in 1991 (-2.6%).

² Up from 57/60 for males and females, respectively, in 1990.

³ Down from 43.5 per 1,000 live births in 1990.

⁴ 2003-2005 figures include approx. 160 students enrolled at the SDA primary school.

⁵ 2003-2004 figures include, respectively, 99 and 183 students enrolled at Fetuvalu Hugh School.

⁶ Based on Tuvalu Government 'In-Service Scholarships' awarded between 2000-05. 2006-07 ratios include AusAID and NZAID-funded scholarships. 2003-2004 estimates are incomplete.

⁷ Of the ten cases reported, nine are male and one female. Three have died.

B. Key MDG indicators

Millennium Development Goals: Targets 1-18 and Progress To Date

GOAL 1: Eradicate Extreme Poverty and Hunger

Target 1: Halve between 1990 and 2015, the proportion of people living in poverty.

Progress: To be determined.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Progress: There is no information on this target, but available evidence suggests that malnutrition is not widespread. But there is some risk to 'food security' in the outer islands as populations decline.

GOAL 2: Achieve Universal Primary Education

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Progress: Tuvalu is consistently in the upper end in regional comparisons of literacy, with 95% of its population literate. Tuvalu has achieved the MDG target in net enrolment in primary education, achieved the MDG target of equality of opportunity at primary and secondary levels for boys and girls, and balance has all but been achieved at tertiary level too.

GOAL 3: Promote Gender Equality and Empower Women

Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

Progress: The ratio of girls to boys in primary, secondary and tertiary education is about equal. Tuvalu has met and will continue to meet the MDG target. The share of women in wage employment in non-agricultural sector jobs is growing and now stands at 44% of the labour market (2002), with some qualifications. Apart from one ministerial seat held by a woman in the late '80s and early '90s, no women have been elected to parliament, though several have stood for election.

GOAL 4: Reduce Child Mortality

Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Progress: The under-five mortality rate dropped from 59 in 1991 to 32 in 2003, and the infant mortality rate decreased from 41 to 21, indicating Tuvalu is on its way to achieving the MDG target. Immunisation coverage for one-year olds is almost 100%.

GOAL 5: Improve Maternal Health

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate.

Progress: Tuvalu has achieved the lowest possible level of maternal mortality and nearly 100% of births are attended by health personnel, reaching the MDG target.

GOAL 6: Combat HIV/AIDS, Malaria and Other Diseases

Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

Progress: Based on current health practices, public awareness and action, Tuvalu should be able to achieve the MDG target combating the spread HIV/AIDS.

Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

Progress: Malaria does not exist in Tuvalu. The rate of new tuberculosis cases is decreasing, and 92% of new cases are successfully treated, but the rate of new infections is still high, and much progress remains before the MGD target is reached. Coverage for Rubella vaccinations is 95-100%, to be reached in 2005.

GOAL 7: Ensure Environmental Sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

Progress: Although almost half of Tuvalu is covered by forest, an assessment of the forest area will provide an indication of the relative importance of forests, and if the natural forest coverage is being maintained or declining over time. The area of 'official' protected reserves is very small; but this excludes community managed conservation areas or marine reserves. A comprehensive 'stock take' of community reserves is required to accurately measure this target.¹⁴

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. **Progress:** Tuvalu is well on track to achieve the target for access to safe drinking water. Tuvalu is well on track to achieve the target for access to sanitation, although progress has been slower in the outer islands than on Funafuti.

Target 11: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Progress: Although the concept of 'slum' does not apply, in Funafuti temporary squatter-type housing is increasing, and the continuing urbanisation of Funafuti raises many serious issues for government in respect of urban planning and management, land and waste management, and overall urban health.

GOAL 8: Develop a Global Partnership for Development

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

Progress: No progress to date.

Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.

Progress: No progress to date.

Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications. **Progress:** Access to information communication services have expanded over the last ten years. Internet access (in Funafuti only) was established in 1998, with significant service upgrades in 2001 and 2004, which will continue on a regular basis as the domestic network is upgraded. Wireless Internet access was established in 2003, as was the government computer network. Mobile telecommunications was also introduced in 2004.

¹⁴ The definition of 'forest' used by the UN is not particularly suitable for Tuvalu since the number of forest types and land uses that are of significant importance (such as mangroves, coconuts, and agroforestry) are not included.

b) Annexes with a retrospective character: financial situation for:

- *9th EDF and any previous EDFs as per closure of the financial year 2007*

Project title	Secondary Commitments	Disbursed	Status
Outer Islands Social Development Support Programme € 3.96 million	3,93	3,91	Closed
Disaster risk reduction (B-envelope) € 0.7 million	0	0	Ongoing

Below is a brief summary of EDF assistance in Tuvalu, from 1975 to the present:

- **Lome I Convention (1975):** 4th EDF. A grant of €600,000 – most of which was used to build a diesel power station on Funafuti. The remaining funding was used to build copra sheds and water tanks.
- **Lome II Convention (1980):** 5th EDF. A grant of €1 million was used to build additional copra sheds, water tanks, expand the power supply in Funafuti (namely the distribution network), and for coastal protection throughout the country. (A two-phase regional project also provided household solar lighting kits to outer island residents).
- **Lome III Convention (1985):** 6th EDF. A grant of €2 million was used to finance the second phase of coastal protection, a further major upgrade and expansion of the power supply in Funafuti, and for additional household solar lighting kits to the outer islands.
- **Lome IV Convention (1990):** 7th EDF. A grant of €1.3 million was used to fund the Fuel Import Programme (€900,000), a budgetary support mechanism in the focal sectors of health and education, as a means of supporting the Tuvalu Trust Fund. The remainder of funding was used to construct two outer island primary school buildings (on Nukufetau and Nanumea).
- **Lome IV Second Financial Protocol (1995):** 8th EDF. A grant of €1.9 million was used to finance the Development Support Programme (DSP), a budgetary support mechanism in the focal sectors of HRD and environment, as a means of supporting the Tuvalu Trust Fund.
- **STABEX:** Tuvalu has received approximately 15 Stabex transfers since 1975, totalling nearly €400,000, all in respect of copra exports. In 1993, the European Commission provided emergency aid to Tuvalu following Cyclone Nina. Tuvalu has also benefited from various EC Pacific Regional Programmes, Budget Line and Intra-ACP projects.

Regional projects

1. “Reducing Vulnerability in the Pacific – 8.ACP.RPA.03

Implementing Agency: SOPAC
Budget: € 7 million
Financing Agreement Signed: March 2002
Duration: 4.5 years
Project Closure: December 31st 2007. Request to extend till
December 31st 2008

The Project addresses vulnerability reduction in the Pacific ACP States through the development of an integrated planning and management system in the sectors impacting on hazards, aggregates and water and sanitation. The Project addresses problems such as: unavailability of accurate, sound, and timely data; weak human resource base; limited resources (money and infrastructure); and lack of appropriate management plans, policies and regulatory frameworks to deal with these three focal areas.

Total audited amount spent so far is € 2,761,167. A Mid-Term review of the project was carried out by MWH Europe in November 2005 and their recommendations are as follows:

- That this EDF8 Project be granted a time extension in to 31st December 2007 to coincide with the contract completion date of the EDF 9 Project.
- That progress on both the EDF 8 and EDF 9 Projects be reviewed together early in 2007 to ensure outputs in accordance with the Logframe can be achieved.
- That the Work Plan be urgently revised with a budgeted and programmed activity plan to be developed in association with stakeholders for the balance of the Project
- That the SOPAC Directorate, together with the Member Country Representatives, provide the necessary leadership in the promotion of the original Project purpose, by ensuring better coherence of the Project outputs and associated integration of the Project into respective Government plans
- That consideration be given to the definition and introduction of 3 roles into the project, namely a Peer Reviewer, Technical Editor, and Map Server Product Developer to process the backlog of Project reports and format outputs to be posted with the respective Country Data Resource Centres
- That the multi-Stakeholder Steering Committees be urgently convened to review progress to date against the Logframe and participate in the preparation of the revised Work Plan
- That SOPAC develop a transparent policy on selection criteria for Project fellowships
- That Data Resource Centres be redesigned to ensure SOPAC strengthen the Capacity Building programme with a focus on sustainability of the Project
- That SOPAC Directorate strengthen their capacity to self monitor against EU/FORSEC performance measures
- That the SWATH mapping programme be revised and the budget be reallocated to consolidate outputs from activities to date
- That project communication between SOPAC and the Stakeholders be improved in line with verifiable indicators in the Project Logframe as follows:
 - Five information brochures published per year
 - Regular (monthly/bi-monthly) press releases written
 - Email news released fortnightly
 - National workshops/training convened with at least 20 participants per country per year
 - Two National stakeholder meetings convened per year
- Mechanisms need to be urgently put in place by the SOPAC Directorate to ensure project communications between SOPAC and the Stakeholders are improved in line with the verifiable indicators in the Project Logframe.

2. Plant Protection in the Pacific (PPP) – 8.ACP.RPA.08 + 8PTF REG 3

Implementing Agency:	SPC
Budget:	€ 4,300,000
Financing Agreement Signed:	December 2001
Duration:	5.5 years
Project Closure:	30 September 2007

The total budget is € 5.181million of which € 4.3 million is sourced from the EDF. Given the importance of agriculture for Pacific Island countries, the threat to agriculture posed by plant pests, which reduces yields and quality of agricultural commodities, likewise poses a substantial threat to regional economies. The project is designed as the second phase of the Pacific Plant Protection Services project, aimed at facilitating sustainable production and trade of agricultural produce, by minimizing pests in the new age of free trade, global quarantine standards and increased economic integration.

Since the commencement of the project training has been undertaken in participating countries on risks associated with imports, quarantine border operations and trade facilitation workshops have been undertaken. Several pest surveys have also been carried out. Emergency Response Plans were also drafted together with harmonised model quarantine laws. Publications have been produced and awareness campaigns have been carried out.

Total audited amount used so far is €2,872,891. A Mid-Term review of the project was carried out in May 2005 by Eco-Consultants, where they recommended the following:

1. Quarantine development should be continued and planned in such a way that countries will become as self-sufficient as possible, with due consideration to cost-recovery and 'user-pays' systems. Countries should be encouraged to use fees charged for quarantine and quality inspection services for maintenance of the services and not disappear in consolidated funding, without further reference to a quarantine budget.
2. On-going IPM activities should concentrate on initiating and introducing participatory methods and making extension staff ready to promote and foster farmers' empowerment. Topics on hand should be prioritised and work on problems that cannot be solved within the last project year should be reduced or stopped. Similarly, work on rhinoceros beetle control should cease for reasons explained earlier.
3. Weed and pest surveys and control activities should be continued until all participating PICTs have been covered and data included in the PLD. However, the building of national capacity to continue such surveillance in the future should be given very high priority.
4. Promotion of reduction in pesticide use, production of labels in local languages and improved pesticide legislation should be accelerated.
5. Continue work on provision of information (including national training) and completion of the PLD to PICTs, as well as stimulate more use of other plant protection databases, expert systems and assistance to NGOs.
6. Promotion of the IPM school/college curriculum in more PICTs could have a long-term impact on attitudes of farmers and the general public, and should intensify during this last phase.
7. SPC should continue to facilitate the delivery of training in basic pest diagnostics to NPPSs. Whilst SPC appears to strictly adhere to international pest identification procedures, new technologies become available or are updated continuously and should therefore be taken into account when developing and providing training on pest diagnostics and identification. Examples of expert systems that could be considered in this are those operated by CABI, EcoPort and PestNet.
8. Countries that currently lack a strong NPPS should be encouraged to set up a small unit for plant protection activities including IPM development attached to the quarantine service (as done in Vanuatu). If research capacity is present in the country, good linking structures need to be developed between these units to maximise benefits from cooperation, rather than the two competing with each other. SPC-PPP should take on a facilitating role in this process.

3. Development of Sustainable Agriculture in the Pacific – 8.ACP.RPA.10 +8RPA 10 +PTF REG 4 +7RPR 782

Implementing Agency: SPC
Budget: € 6226,000 m4
Financing Agreement Signed: November 2002
Duration: 4 years
Project Closure: December 31st 2007. Request for extension till
31.12.2008

The purpose of the project is to increase sustainable agricultural production of targeted farm families in participating countries. This is to be accomplished through the participatory approach with farmers and rural communities in the identification and adoption of technologies.

The project builds on the foundation of PRAP 1 and PRAP 6 and attempts to address problems faced during implementation of these projects. In the atolls, the approach will be problem identification and testing of technologies with farmers, to improve the traditional tree crop-based multi-storey agricultural systems, including better integration of livestock into this system. In the low lands, the emphasis will move from research, to identification and promotion of potential technologies: improved crop varieties, pest and disease management, land conservation and agro-forestry technologies.

Total audited amount used so far is €1,309,728. A Mid-Term review of the project has been carried out by Eco-Consultants and the 2nd draft report received in January is still being reviewed. Some of the recommendations within this draft report are stated below:

- The project should promote simple, eco-friendly technologies, using local, inexpensive or freely available materials whenever possible.
- Comprehensive trials need to be carried out to develop sustainable farming systems for steep land, where this can improve the livelihood of existing impoverished communities, through the incorporation of permanent crops to avoid frequent tillage is strongly advised.
- Consideration should be given to establishing regular schedules for voice communication by satellite between the participating countries, for technical advice, information and informal discussions.
- The project should give closer technical support in nursery techniques, management, plant quality and sales of produce for all DSAP sponsored nurseries.

4. USP Human Resource Development Project – 8.ACP.RPA.09

Implementing Agency: USP
Budget: € 5 million
Financing Agreement Signed: March 2002
Duration: 5 years
Project Closure: 31st May 2007. Closed

The main goal of this project is to increase human capital through skills enhancement in the three key areas of tourism, public sector management and labour & employment studies.

Tourism sector - An important constraint on tourism development relates to the lack of an adequately educated workforce in the public and private sectors, especially at middle and upper management levels. In particular, there is an acute shortage of professional tourism planners in the region. This component of the project will deliver hospitality and tourism management at the degree and postgraduate level including the establishment of a tourism center of excellence.

Management and Development - Training will focus on the broad themes of good governance and corporate governance. This component will focus on topics ranging from public sector reform, private

sector development, accountability and transparency. The target group will be ministers, politicians and senior civil servants.

Labour Studies - Policymakers recognise the importance of the private and informal sector in employment absorption and economic growth, but the linkages of the state to private and informal sectors is poorly understood. Consequently, labour market policies and interventions have focused excessively on a narrow base of public sector wage/salaried employment. This component will develop and participate in a 5-year research programme looking at information on labour market processes and institutions in the Pacific-ACP states.

Total audited amount used so far is €1,757,997. A Mid-Term review of the project was carried out by Proman Consultants in October 2004. The recommendations that emerged are stated below:

- USP's contribution to project costs is itemized by component as part of the annual budget and that expenditure against budget is monitored.
- The functioning and membership of the PSC be reviewed.
- The University continues to build the managerial capacity to strengthen and support the efficient and effective implementation of projects and academic activities generally.

5. Fiji School of Medicine Project – 8.ACP.RPA.06

Implementing Agency: NAO, Government of Fiji
Budget: € 7.5 million
Financing Agreement Signed: March 2002
Duration: 3 years. Closed 16/01/2007.

The total project budget is € 10.25 million, with € 7.5 million from the EDF. The origins of the Fiji School of Medicine date from the early colonial period. The Fiji School of Medicine has for many years served the training needs of health professionals throughout the Pacific ACP region. Small island states in particular are dependent upon the school for training. Regional countries have shortages of medical personnel and need to train more local health staff. The present facilities used by the school date from 1970s and are considered to be inadequate for current and future demand.

The objective of this project is to develop human resources and capacity in the health sector in order to provide the skills needed for long-term development of the PACP countries. This is an infrastructure project that will expand the physical capacity, teaching facilities and student accommodation at the Fiji School of Medicine.

The Fiji School of Medicine building has been completed and will be opened by the end of March 2006. Total amount spent as of January 2006: € 7,376,000.

6. Pacific Regional Oceanic and Coastal Fisheries Programme – 8.ACP.RPA.04 + 8PTF REG2

Implementing Agency: SPC, Noumea
Budget: € 8.1 million (RPA.04) 2.4 m (8PTF REG 2).
Total= 10.5 m
Financing Agreement Signed: December 2001
Commencement: March 2002
Duration: 5 years
Project Closure: 1 March 2009

Tuna stocks are the most important renewable natural resource for Pacific Island countries (PICs) with annual catches estimated at around 1.4 million tonnes, with a landed value of around € 1.5 billion. The long-term sustainable management of the region's key renewable natural resource is thus of vital importance. Of equal importance are domestic reef resources, which underpin current livelihoods and continued food security for the vast majority of Pacific Islanders. This programme

aims to address the information gaps in both areas and, in so doing, will specifically strengthen the long-term sustainable management of the fisheries resources of the Western and Central Pacific Ocean (WCPO).

The oceanic component, will build upon the work undertaken in the main tuna species of the 7th EDF assisted South Pacific Regional Tuna Research and Monitoring Programme (SPR TRAMP) programme, extending this to include the need for detailed analysis and monitoring of 'bigeye' tuna and by-catch species. This programme will run for three years at which time it is planned to continue as a core activity under the regional organisation that emerges from the Multilateral High-level Consultations (MHLC).

The coastal component of the programme will run for five years and will involve a comprehensive comparative assessment of reef fisheries in the Pacific Islands region. This will be groundbreaking research as no comparable activity of this kind has ever been undertaken in the Pacific Islands region. The results of both components will provide invaluable scientific advice to the governments and agencies responsible for the sustainable management of the region's fisheries resources.

Total audited amount used so far is € 4,938,190. A Mid-Term review of the project was carried out by Marine Resources Assessment Group LTD in March 2005. Some of their recommendations from the review carried out are stated below:

- The steering committee should develop an up-to-date logical framework to reflect more accurately what the project is doing while ensuring the project activities and results remain within those laid out in the financing agreement.
- The Oceanic Fisheries Programme (OFP) scientists should consider reporting the state of the fishery in terms of changes of variables such as catch rates, which give greater relevance to the fishing industry.
- The Scientific Committee (under the new Commission) should be encouraged to develop and review future projects in more detail rather than simply developing wish lists.
- Port sampling training should continue as it is currently conducted, developing along the same lines as planned for the observer training, with greater emphasis on developing competency in key skills.
- The project should continue its focus on key ACP coastal states, to consolidate data collection systems and continue to increase localization of data management skills.

7. Technical Assistance Support to the RAO – 7.RPR.648

Implementing Agency:	Pacific Islands Forum Secretariat (PIFS)
Budget:	€ 1,320,000
Financing Agreement Signed:	March 2003
Duration:	4.5 years
Project Closure:	31 December 2007

The project is located at the PIFS under the Development and Economic Policy Division. The objective of the project is to provide technical assistance to the Regional Authorising Officer (Secretary General, PIFS) to ensure the efficient coordination and implementation of the regional indicative programme in accordance with the Lomé and Cotonou Agreements. The project funds the position of two professional staff and two divisional assistants.

Since its inception in 1997 the project has been involved in supporting the RAO in the programming and design of projects under the 8th EDF regional programme, implementation and closure of projects under the 6th and 7th EDF and programming for the 9th EDF. A major achievement of the 8th EDF regional programme is that all projects, with the exception of those approved under a DAG, are now implemented through Grant Agreements with the CROP implementing agencies.

Support was also given to the six new Pacific ACP countries (Cook Islands, Federated States of Micronesia, Marshall Islands, Nauru, Niue and Palau) accede to the Cotonou Agreement. An important milestone was the adoption of the Regional Strategy Paper signed in October 2002.

The audited amount that has been used by the project so far is € 206,564.

8. Regional Economic Integration Project (PACREIP) – 9.ACP.RPA.06

Implementing Agency: Pacific Islands Forum Secretariat, SPTO, SPC
Budget: € 11.2million
Financing Agreement Signed: February 2004
Duration: 5 years
Project Closure: June 2009

Confronted with the phenomenon of globalisation, the Pacific ACP countries have accepted that integration into the world economy is a vital element in the strategy to achieve sustainable economic growth. They have further accepted that an integrated regional approach is the most effective strategy. Regional economic integration thus becomes an important objective of the region, reflected in its adoption as a focal area in the 9th EDF Pacific Regional Indicative Programme. Integration of the region's trade is in turn an essential element of regional economic integration.

This programme will support regional economic integration of the Pacific ACP countries in two important ways. First, consolidation of the Pacific ACP countries as an integrated regional unit through the support to the establishment of a free trade area covering the Pacific ACP countries. And second, the assistance in the engagement of the Pacific ACP countries as a regional unit in the wider regional and global processes, including the negotiation and subsequent operation of trade with developed country partners such as the European Union, and also in multilateral negotiations at the WTO.

The programme is estimated to cost € 14,270,000 of which € 9,200,000 if funded by the EDF. The audited amount used by the project so far is € 213,277. A Mid-Term review of this project should take place at the end of 2006.

9. Extension of the Plant Protection in the Pacific to 6 New Countries ADDPIC(PPP) – 9.ACP.RPA.03

Implementing Agency: SPC
Budget: € 1,512,000
Financing Agreement Signed: February 2004
Duration: 3 years
Project Closure: December 2007

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

The total amount used by this project so far is € 71,738. Recommendations made by the visiting monitoring team from the EU are stated below:

- EC Services, RAO: Consider the possibility of longer term programme financing to support SPC and the countries
- SPC, RAO, EC Del.: Significantly intensify efforts to increase the level of achievement as well as the visibility of the project purpose. Introduce the issue of wider impact into the project management and stakeholders thinking.

- RAO, SPC: Adjust the project design as necessary and feasible and put it in harmony with the Strategic Plan of the LRD.
- SPC: Keep sustainability aspects continuously on the management's agenda, and investigate them at every action and report of the project.
- EC Del., RAO: Consider modifying requirements regarding work planning and reporting to enable comparison with both the plans and the project performance in the previous periods.

**10. Development of Sustainable Agriculture in the Pacific (DSAP II) –
9.ACP.RPA.02**

Implementing Agency: SPC
 Budget: € 1,981000
 Financing Agreement Signed: February 2004
 Duration: 4 years
 Project Closure: December 2008

This project complements the work commenced under the 7 and 8th EDF supported 'Development of Sustainable Agriculture in the Pacific' to the six new Pacific ACP States of Cook Islands, Federated States of Micronesia, Marshall Islands, Nauru, Niue and Palau.

The purpose of this project is to increase the farming households' production and productivity by:

1. Identifying farmers' specific production problems and solutions.
2. Identifying appropriate technologies and verify them through on farm demonstrations
3. Upgrade farmer participatory extension methods and technical skills for farmers, NARES and NGOs staff
4. Promote appropriate technologies and enhance capability in extension communications
5. Ensure an appropriate and monitoring of DSAP project at national and regional levels.

The audited amount that the project has used so far is € 35,826. Recommendations made by the visiting monitoring team from the EU are stated below:

- EC Del., RAO, SPC: Specify the project purpose and overall objective and their indicators for both regional and national levels and introduce and utilize these categories in both project management and thinking of the leading stakeholders.
- SPC: Analyze the overall standing level of the project and take corrective measures. Speed up the project implementation and the delivery of results.
- RAO, SPC: The logical framework should be updated as regards realistic formulation of the overall objectives and the project purpose.

**11. Pacific Regional Coastal Fisheries Development Programme (COFISH) –
9.ACP.RPA.04**

Implementing Agency: SPC
 Budget: € 1997476m
 Financing Agreement Signed: February 2004
 Duration: 4 years
 Project Closure: 31st December 2007

Pacific ACP countries have a combined Exclusive Economic Zone (EEZ) of some 20 million km², a total land area just over half a million km² and a total population of about 7 million. The Region attaches particular importance to the sustainable development of Fisheries as this sector is considered to have the most potential for revenue generation and sustainable economic growth. Whilst tuna fisheries underpin the region's main hope for future economic self-sufficiency, it is the coastal fisheries which underpin current livelihoods and continued food security.

Coastal fishery is the main source of cash and subsistence for many rural communities. Coral reef fisheries in particular are characterised both by their strong influence on the everyday lives of

ordinary women and men, and by the lack of hard information necessary for governments and communities to make decisions about the management of reef fisheries. The Secretariat of the Pacific Community (SPC) has inter alia the region's mandate for fisheries research and stock monitoring, including both oceanic and coastal components. Findings are used to promote the economic and social development of the region.

The audited amount used by this project so far is € 40,024. A mid-term review of this project is currently in progress

12. Reducing Vulnerability of Pacific ACP States through Island Systems Management – 9.ACP.RPA.05

Implementing Agency: SOPAC
Budget: € 2.5m
Financing Agreement Signed: December 2003
Duration: 2 years
Project Closure: 30 June 2007

This project will permit to cover the extension of the existing regional project (8 ACP RPA 007) to the 6 new ACP Pacific Islands countries. This project addresses vulnerability reduction in the 6 Pacific ACP States through the development of an integrated planning and management system (Island Systems Management) in the sectors impacting on hazards, aggregates and water and sanitation. The Project strengthens integrated development in Pacific ACP States by concentrating on three major and essential focal areas in the island system: hazard mitigation and risk assessment; aggregates for construction; and water resources supply and sanitation.

The Project will address problems such as: unavailability of accurate, sound, and timely data; weak human resource base; limited resources (money and infrastructure); and lack of appropriate management plans, policies and regulatory frameworks to deal with these three focal areas.

Spread through six Pacific ACP States, field surveys in selected onshore areas and coastal harbours, lagoons, bays and shallow waters will form the basis of the extension. User-friendly spatial databases will be developed from these surveys areas (together with up-to-date air photos and satellite images) through application of Geographic Positioning Systems (GPS), and Geographic Information Systems/Remote Sensing (GIS/RS) tools. Access for all stakeholders to these common spatial databases via effective communications networks will be established.

The audited amount used by this project so far is € 133,636. An extension of the programme to December 2007 is under consideration.

13. Pacific Regional Initiatives for the Delivery of Basic Education – 9.ACP.RPA.01

Implementing Agency: University of the South Pacific
Budget: € 8 Million
Financing Agreement Signed: November 2003
Duration: 5 years
Project Closure: 31st December 2009

Pacific ACP countries (PACP's) place high priority on education, spending large proportion of budget and receiving significant donor assistance in order to meet growing demands. While some PACPs have almost achieved universal access to primary education, the larger Melanesian countries are a long way from attaining this goal.

Weakness in the planning process in both the formal and informal education sectors has been identified as a key constraint. This Project will improve the quality of basic education strengthening the education planning and implementation process in each PACP. In doing so it will enhance the capacity of Pacific education agencies to effectively plan and deliver quality basic education through formal or non-formal means, providing children and youth a foundation for further education, training, personal development and employment activities in the formal or in-formal sectors.

A fundamental principle of the project is flexibility, as countries will be able to determine their own needs within it. The development of an on-line resource centre will encourage sharing of best-practice and experience among PACPs and will provide back-up for other areas of the project.

The audited amount used by this project so far is € 783,458. Recommendations made by the monitoring team from the EU to USP and the RAO are to:

- Ensure the integration of the PRIDE project within the Institute of Education.
- Invest in and provide project management support
- Continue to support the National Project Coordinators and develop structural solutions to build capacity at the Ministries to implement the PRIDE tasks.
- Review the proposal procedure for in-country subprojects and find ways to make it easier for the National Project Coordinators to submit proposals.
- Set up a monitoring system that will indicate the efficiency, effectiveness and impact of the results achieved.

A mid-term review of PRIDE was conducted in August/September 2006.

14. Development of Tuna Fisheries in the Pacific ACP Countries – 9.ACP.RPA.08

Implementing Agency: FFA & SPC

Budget: 3 Million Euro

Financing Agreement Signed: December 2004

Duration: 4 years

Project Closure: 31st December 2008

Overall objective of this project is to increase the contribution from the sustainable use of marine resources to the poverty alleviation in Pacific ACPs. The project will contribute to this objective through a focus on the sustainable development of highly migratory oceanic living resources, particularly tuna fisheries.

The purpose of the intervention is to contribute to the establishment of a concerted policy and economic environment conducive to the further development of Pacific ACPs owned fishing and processing operations and to an increased contribution of foreign fleets to the economic development of these countries.

The project is designed to support regional thinking and national action. At present the economic contribution of the fisheries sector is poorly measured; the only performance measures available are catches or values of catches and fish trade data from existing national and regional reporting systems. These indicators are inadequate to measure the benefits received by P-ACPs at the level of the project objective and purpose. The project will build on the existing data, improve them with new indicators and regional workshops will be held to strengthen the capacity of national statistical administrations to improve measurement of benefits from tuna fisheries.

15. Pacific Environmental Information Network (PEIN II) - 9.ACP.RPA.09

Implementing Agency: South Pacific Regional Environment Programme

Budget: € 560,000

Financing Agreement Signed: December 2004

Duration: 3 years
Project Closure: December 2007 . Request for extension up
until 31st.12.2009

This project builds on the achievements of the earlier project [8th EDF PEIN project], consolidates the environment libraries created in the original eight states and broadens and extends PEIN to the six new Pacific ACP countries (Cook Islands, Niue, Palau, Federated States of Micronesia, Republic of the Marshall Islands and Nauru).

In this way the PEIN II project will provide assistance to all 14 Pacific ACP countries and improve the national capacity for environmental management and sustainable development of the Pacific Island countries. The project will produce a significant improvement in access to environmental information within member countries, by strengthening the capacity of national environment agencies to identify, collect, organise and disseminate environmental information. The PEIN II will service and link National Environment Libraries (NEL) who in turn will have established National Environmental Networks (NEN).

16. Support to the Energy Sector in 5 ACP Pacific Islands - REG/7001/000

Implementing Agency: IT Power
Budget: € 1.8million
Financing Agreement Signed: July 2005
Duration: 4 years
Project Closure: 31st December 2009

This initiative can actually be more accurately described as a sub-regional programme than a regional one. Consistent with the promotion of economic and social development, the Governments of the Federated States of Micronesia (FSM), Nauru, Niue, Palau and the Republic of the Marshall Islands (RMI), in consultation with civil society, have targeted the energy sector, especially the identification and use of new and renewable sources of energy, as the area of concentration for the 9th EDF funding. The focus on renewable energy is also in line with EIB's strategy to give support to renewable energy schemes in the Pacific region and might open a window for cooperation. The National Authorising Officers have therefore delegated their role for the implementation of this programme to the Regional Authorising Officer, the Secretary General of the Pacific Islands Forum Secretariat.

The five Pacific States targeted in this programme are all characterized as Small Island Developing States (SIDS). Their development challenges are particular, compared to other developing countries, given their very small population (from 1,200 in Niue to 116,000 in FSM), their isolation in the South Pacific Ocean, their relatively small GDP per capita (from €1,100 in RMI to € 6,157 in Palau) and their fragile environment. While FSM, RMI and Palau have numerous outer islands, Nauru and Niue are single-island states.

The tender for the PMU was launched in June 2005 and contract awarded to IT Power Ltd (UK). PMU offices are currently being established in Suva and FSM. The first Project Steering Committee meeting was held in Suva in March 2006.

- *EIB projects*

Emphasis has been laid by EIB upon making funds available as widely as possible in the Pacific region through lines of credit to local financial institutions. Additional regional funding instruments possibly also targeting smaller operations in Tuvalu are currently being developed by the EIB. A special focus will be on the renewable and environmental sector.

In 2002, the EIB approved the second line of credit with the Development Bank of Tuvalu under the Cotonou Convention aimed at financing smaller operations. As with previous line of credit operations, the funds will be on-lend by the development bank to final beneficiaries in the private and commercially run public sector.

c) Annexes with a prospective character:

- *Indicative time table for disbursements of 9th EDF and any previous EDFs (from 2008 onwards)*

Project title	2008	2009
Outer Islands Social Development Support Programme € 3.96 million		
- Individual Commitments	0.027	
- Disbursements	0.027	
10 th EDF Technical Cooperation Facility €0.6 m		
- Individual Commitments	0.22	0.21
- Disbursements	0.176	0.21
Disaster risk reduction (B-envelope) € 1.1 million		
- Individual Commitments	0.696	
- Disbursements	0.051	0.190

d) Annexes on aid effectiveness

- completed EAMR aid effectiveness questionnaire (EAMR deadline 31/01/08)

Most Member States withdrew their bilateral development assistance from Tuvalu over a decade ago, and the bilateral assistance that remains is generally small and spotty. The UK, through the British High Commission in Suva, has a small regional allocation, which covers small grants for various ad-hoc projects in Tuvalu and other PICs. France, through the French Embassy in Suva, has a similar Small Grants Scheme for PICs including Tuvalu. France did, however, fund the first- and second-phase double-story school wings at the Nauti Primary School in Funafuti between. Germany, through its embassy in Wellington, New Zealand occasionally funds a project, such as the Public Works Department's small double story training centre in 2005.

The Canada Fund is currently funding more than 15 small projects in Tuvalu valued at approximately A\$250,000. New Zealand has a separate bilateral aid programme in Tuvalu, focussing mainly on education, including overseas scholarships, but includes TA in budget and financial management, funding for shipping services, health activities, and small-scale gender support for activities in women in development. Australia focuses mainly on overseas scholarships, but also funds TA in budget and financial management, and supports a range of activities in the health sector.

Other major donors include the Republic of China on Taiwan and Japan. The former providing annual budgetary grants, infrastructure, private sector support, ICT, agricultural assistance, sports funding, scholarships and training, while the later funds mainly large-scale infrastructure projects (currently a new Funafuti power station), but is also active in the health sector and a range of activities through its Small Grants Scheme.

- donor matrices on current and future donor roles

See separate EXCEL Table

1. Strategic Area: Good Governance

Priority Kakeega II Strategies: 2006 - 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Improve public service delivery.</p>	<p>1. Realign the role and size of the public service. (OPM)</p>	<p>2006: TA Supernumery (GOT). 2007: TA has prepared reports on 1) contracting out Secretary positions; 2) employing the PSC on full-time basis (approved by the last government. TA is designing (in consultation with Personnel and Training) a job evaluation form/questionnaire to determine positions which are underemployed. 2008: 1) Contracting out Secretary positions is still under review; 2) Employing PSC on fulltime basis also is still under review; 3) TA sought to review the public service salary structure (Supernumery to be TA's local counterpart) - the Job Evaluation will now form part of that review.</p>	<p>2006: Service-wide review, including 'fact finding' tours to Samoa and Fiji (to form the basis of a proposal for donors). 2007: Public service reform (ADB possible). 2008: Funding for TA to undertake public service reform (see 1.2,3 left).</p>
	<p>2. Identify departments (if any) that can be reorganised for commercialization. (OPM/MFEP)</p>	<p>2006: No funding source identified. 2007: GOT: Reports by TA: 1) Review of PWD (2006) with recommendations to privatise some services; 2) Report on Shipping Services (with MFEP); 3) Report on Cleaning Services (submitted to SG); 4) Paper on standardising SOE's GM terms/conditions (with SFEP); 5) Review of Augmented Foundation Programme; 6) Report on merger of TPB/PO (with MFEP); 7) Proposed lease out O&M of VLH; and 8) Bill to repeal the TMC Act. <i>Note:</i> AusAID to fund regional project on media structures, operations and management. 2008: 1) With SG; 2) Report on shipping services is ongoing; 3) With SG; 4) Paper on standardising SOE's GM terms/conditions is being reviewed; 5) Review of AFP is ongoing; 6) Awaiting decision of MFEP; 7) No action; 8) TMC decorporatised by act of parliament - no further action required.</p>	<p>2006: Service reorganization review, including recruitment of legal expertise to review Public Service Act. 2008: Review of Public Service Act is ongoing.</p>
<p>2. Strengthen fiscal management.</p>	<p>1. Set strict compliance to fiscal target, guidelines, and with Public Finance Act and Financial Instructions. (MFEP)</p>	<p>2006: GOT: Setting benchmarks for fiscal targets; AusAID: Budget Advisor. 2007: Benchmarks have been set and jointly agreed to by GOT, ADB, AusAID, and NZAID. 2008: AusAID Budget TA has been recruited.</p>	<p>2007: See Strategic Area 2: The Economy: Growth and Stability. 2008: 1) Technical assistance for IT in Customs and Taxation; 2) TA required for Trade.</p>
	<p>2. Formulate medium-term fiscal policy framework (including a multi-year budget framework) to guide budgetary performance and to attain balanced budgets. (MFEP)</p>	<p>2006: GOT; AusAID: Budget Advisor. 2007: Medium-term fiscal framework has been formulated. 2008: MTFP formulated through 2010.</p>	

1. Strategic Area: Good Governance

Priority Kakeega II Strategies: 2006 - 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	3. Establish a Macroeconomic Policy Committee (MPC) to monitor economic performance and recommend policy adjustments. (MFEP)	2006: GOT; AusAID: Budget Advisor. 2007: MPC was formally established in early 2007. 2008: Generally, MPC active only during annual budget rounds - keys off anyalsis of the TTFAC.	
	4. Restructure tax and tariff regimes to comply with PICTA and PACER agreements. (MFEP)	2006: PFTAC: Review of Tuvalu Tax and Tariff Regime. 2007: An ADB-funded project to restructure tax and tariff regimes to comply with PICTA and PACER is currently underway. 2008: 1) ADB project ongoing; 2) EU funding PACREIP; 3) Ongoing UNCTAD/EIF assistance; 4) PICTA ratified April 2008. Steering committee of tax/PICTA in place. First reading of revised Tax Act in June Parliament Session.	
3. Strengthen political stability and oversight of public administration.	1. Establish Leadership Code. (OPM)	2006: PIFS: Leadership Code Legislation. 2007: Leadership Code Legislation was enacted in 2006. 2008: No operational progress to date.	2007: No funding to implement: Possibly 2008 national budget. 2008: TA funding required to 'operationalise' Leadership Code.
	2. Establish Office of the Ombudsman. (OPM)	2006: PIFS: Establish Ombudsman Office. 2007: No progress to date; no funding source identified. 2008: No enactment/enforcement progress to date.	2006: Capacity building: Train local staff to work in proposed Ombudsman's Office. 2008: TA funding required to establish Ombudsman's Office.
	3. Strengthen the Office of the Auditor General. (AGO)	2006: AusAID: TA to OAG (in progress); GOT: Provision of long and short-term training for OAG staff. 2007: AusAID-funded 2-year TA began in March 2007. 2008: TA to complete contract in 2009. Short-term NZ training for AG began in early 2008. 2007: Review of Audit Act completed, now with the Attorney General's Office. 2008: Second reading of audit bill in June Parliament Session - enactment expected. 2007: Audit officer Code of Conduct and Ethics completed/implemented. 2008: Code is currently being enforced.	2006: Capacity building: Formal qualifications in accounting and auditing, economics, administration, short-term courses; in-country workshops on accounting and auditing standards; overseas attachments. 2008: NZAID currently sponsoring short term audit training (STTA). 2006: Review the Audit Act to strengthen the functions of the Office of the Auditor General. 2008: Funding required for implementation. 2006: Establish appropriate code of conduct and ethics for audit officers. 2008: No donor assistance required.

1. Strategic Area: Good Governance

Priority Kakeega II Strategies: 2006 - 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
		<p>2007: Contractual terms of KPMG reviewed/ revised, currently under review by KPMG. 2008: Review is complete.</p>	<p>2006: Review contractual terms for engaging accounting firms. 2008: No donor assistance required.</p>
	<p>4. Revise Laws of Tuvalu to meet our changing environment. (AGO)</p>	<p>2006: GOT: Laws of Tuvalu revision (Phase I). 2007: An Australian consultant has been engaged to revise the Laws of Tuvalu. Phase 1: compilation of LoT and subsidiary legislation completed. Phase 2: drafting is underway (2-3 years). 2008: Laws of Tuvalu are in final phase of revision.</p>	<p>2006: Revise the Laws of Tuvalu (Phase 2). 2007: Funding for Phase 3 (training) required. 2008: Donor assistance required to complete final phase of the review.</p>
	<p>5. Strengthen the effectiveness of Parliamentary Committee System, including Public Accounts Committee (PAC). (OPM/Speaker's Office)</p>	<p>2006: CPA: Training programmemes. 2007: No substantial progress to date. However, 1) Commonwealth Fund of Australia has agreed to fund the establishment of a Parliament Library. An Aust. librarian is scheduled to arrive end July '07. 2) Parliament Australia has agreed to supply office equipment for the Parliament office extension used by private MPs. 3) UNDP will fund Induction Seminar for MPs and local leaders. 2008: 1) Library has been set up. Librarian from the State Parliament of New South Wales was recruited, funded under Commonwealth Parliament of Australia Trust Fund Programme; 2) Library equipment has been received; 3) Phase I: UNDP funded induction seminar took place; Phase II: a Legislative Needs assessment</p>	<p>2006: Strengthening various Parliamentary Committees, in particular PAC. 2007: Funding required for full-time PAC Secretariat. 2008: 1) Donor funding for a full-time librarian. 2) Technical assistance is required. (UNDP).</p>
	<p>6. Promote fair, impartial and independent media. (OPM)</p>	<p>2006: GOT. 2007: 1) TA Supernumery/SG currently working to ensure a more independent TMC after decorporatisation. 2) <i>Note:</i> Aust. designing a new Pacific media strategy and related programme(s), under the Demand for Better Governance Initiative. Will possibly support improving media content (e.g., training journalists, editors); management, organisational, financial structures and processes; possible investment in communications infrastructure. Design to be finalised by end 2007. Scale or reach, but likely limited in scope. 2008: 1) Tuvalu Media decorporatised. Now under OPM. 2) Japan is currently funding AM/FM projects.</p>	<p>2006: Examine options/viability of divesting the Tuvalu Media Corporation.</p>

TE KAKEEGA II

National Strategy for Sustainable Development: 2005 - 2015

1. Strategic Area: Good Governance

Priority Kakeega II Strategies: 2006 - 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
4. Improve governance and management of public enterprises.	1. Assess the viability of privatising selected public enterprises. (OPM/MFEP)	2006: GOT: TA Supernumery (e.g., Travel Office). 2007: Report to privatise VLH has been prepared. No progress to date on privatising the Travel Office. 2008: 1) No progress on privatising VLH; 2) Tourism Office moved to MCTT; 3) Privatising the Travel Office is still under consideration.	2006: Assistance required with assessing options for privatisation. 2007: Possible ADB assistance under Tax Reform programme.
	2. Clearly define, cost out, and better target government subsidies. (MFEP)	2006: No progress to date. 2007: Report on review of GOT subsidies and grants (prepared by the Planning Dept.) is pending endorsement. 2008: 1) Report on proceeds of FTF to fund OIS projects of \$60K or less still pending cabinet endorsement; 2) Report on GOT subsidies and grants pending cabinet endorsement.	2006: Identify, cost, and provision of Community Service Obligations (CSOs). 2008: TA required.
	3. Establish clear guidelines on the roles and responsibilities of Ministers, the Board, and Management of SOEs. (MFEP)	2006: GOT: TA Supernumery. 2007: Report on the TORs of GMs of SOEs is currently with the OPM/MFEP. 2008: On hold, no further action to date. Awaiting cabinet decision and direction.	2006: Develop Charter of Good Governance/Code of Ethics for directors of SOEs.
	4. Produce annual reports and audited accounts in accordance with the relevant legislation, with both made available to the Public. (AGO)	2006: GOT: engagement of KPMG to audit GOT accounts. 2007: Annual reports and audited accounts are with the Parliament Accounts Committee, to be tabled in Parliament before releasing to the general public. 2008: Ongoing.	2006: None.
	5. Ensure timely submission of financial accounts for all clients and to authorize OAG to make reports and accounts available to the public. (OAG)	2006: GOT: AGO, SOEs and Kaupules. 2007: Some problems remain. To date most SOE accounts are current, except TEC (2005/06), NaFICOT (1999), PB (2003), and Kaupule accounts, which are weak (most recent updated accounts are '04). 2006 GOT accounts to be ready for the Audit Office in Jun/Jul '07. 2008: 1) 2006 audit reports completed for all SOEs; 2) Awaiting completion of 2007 Government Accounts Report; 3) Audit Act to be finalised.	2006: Review Audit Act.

2. Strategic Area: The Economy: Growth and Stability

Priority Kakeega II Strategies: 2007- 2009	Benchmarks, Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Strengthen macro-economic management.</p>	<p>1. National budget deficits not to exceed sustainable levels of 2-3% of GDP. (MFEP)</p>	<p>2006: GOT/ADB. 2007: AusAID: TA Budget Advisor (to be extended). TTFAC. GOT/AusAID/NZAID benchmarks. 2008: 1) 2007 budget benchmarks partially achieved; 2) NZAID to make pro-rated benchmark payment; 3) AusAID decision on benchmark payment pending; 4) AusAID Budget Adviser has been recruited. 5) Japan: A\$1m grant for fuel purchasing (2006-08).</p>	<p>2006: 1) Long term financial management and accountancy support. 2) Recruit chartered accountant(s) to support DoT, with on-the-job training of local staff. 3) Improve Treasury staff skills in the use of ACCPAC accounting system. 4) Overcome weaknesses in GOT's financial management and accounting systems. 5) Corporate planning (PIFS). 6) Legal support for tax reform (PFTAC). 7) Improve national statistics. 8) Draft private sector policy. 9) Improve business registration act. 10) Review/amend Financial Instructions. 11) Introduce user-pays (e.g., health, edu). 12) Improve business and savings ethics. 2007: Long-term DoT TA to update accounts more quickly, in support of Public Accounts Committee (possibly supported under ADB taxation TA). 2008: 1) Donor technical assistance still required for items 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, & 12 above; 2) Financial and technical assistance required to update 2003-2007 national accounts.</p>
	<p>2. Subsidies to public enterprises not to exceed 5% of GDP. (MFEP)</p>	<p>2006: GOT. 2007: AusAID: TA Budget Advisor. TTFAC. GOT/AusAID/NZAID: Macro benchmarks. 2008: AusAID Budget TA recruited.</p>	
	<p>3. Budget expenditure priorities: primary education, primary health care; and employment-oriented technical and vocational education. (MFEP)</p>	<p>2006: GOT/PIFS-Kakeega Matrix. AusAID: TA Budget Advisor. 2007: GOT/PIFS: Kakeega Matrix and Corporate Planning. 2008: 1) AusAID Budget TA recruited (see 1.1 above); Kakeega Matrix updated.</p>	
	<p>4. Implement structural changes, promote innovation, and initiate economic reforms. (MFEP)</p>	<p>2006: GOT; ADB; AusAID; NZAID. 2007: Ongoing. 1) AusAID to confirm continued support for TA support for Budget Management. 2) ADB confirmed TA to assist on financial systems (e.g., payroll systems to improve SOEs). 2008: AusAID Budget TA recruited (see 1.1 above).</p>	

3. Strategic Area: Social Development (Health)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Provide high quality and cost effective management of health services.</p>	<p>1. Reform the health system by developing relevant health policies, plans, and medium-term budget framework (Health Master Plan and Health Corporate Plan). (MOH)</p>	<p>2006: No funding source identified. 2007: Funding for short-term WHO consultant secured. Ongoing. 2008: AusAID funding approved (A\$150,000) for TAs provided by WHO; consultations, workshops, and local consultants.</p>	<p>2006: Health Planner TA to develop 'Health Master Plan' and 'Health Corporate Plan'. 2007: Additional funding required to implement HMP and HCP. 2008: Reform TA project to commence in 2008.</p>
	<p>2. Maintenance of PMH, TMTI, OI clinics and Motufoua. (MOH)</p>	<p>2006: GOT: Meet annual maintenance requirements. 2007: Vaitupu Clinic (Japan-funded). Project proposal completed, to be submitted to Japan Embassy for Grass Roots Grant (GRG) funding. 2008: 1) Japan: Funding approved (A\$90,000), material procured/in-country to upgrade Vaitupu clinic; 2) MOU signed by GOT-Vaitupu Kaupule; 3) Japan: GRG funding approved for 2009-10 to upgrade remaining OI clinics; 4) Japan-funded hospital waste incineration equipment in storage at PMH, incineration site approved by Funafuti landowners, located at the southern end of Fogafale, next to sea cucumber processing facility - needs to be re-sited; 5) Japan: Ongoing repair/maintenance of PMH; 6) AusAID PIP staff repaired/maintained PMH equipment in Jun '08.</p>	<p>2006: Outer Islands Medical Facilities (JICA). 2008: 1) Additional funding still sought for maintenance of PMH and TMTI. 2) New medical infrastructure sought. 3) Japan-funded medical waste incinerator in-country (to replace the 1999-2002 AusAID-funded medical incinerator now abandoned). 4) Infrastructure funding required to house the Japan-funded incinerator and ancillary equipment.</p>
	<p>3. Staffing of clinics and providing health services. (MOH)</p>	<p>2006: GOT; ROC visiting medical/dental teams; AusAID (Pacific Islands Project): Eye, ENT, Diabetic, and Orthopedic Teams; and ICEE. 2007: 1) ROC/AusAID projects ongoing. 2) ROC Mobile Medical Team visited May '07, expected again Oct '07. 3) Awaiting ROC volunteers/exchange programme for health professionals to staff PMH. 4) AusAID stopped funding diabetic and orthopedic teams. 5) AusAID to fund PMH maintenance. 2008: 1) ROC Mobile Medical Team visited May '08, revisit expected in Oct/Nov '08. 2) AusAID PIP medical agreement expired this year: Talks underway to extend agreement another four years. 3) Cuban-funded Medical Health Programme approved. Cuba to provide five doctors: surgeon, anesthetist, OBGYN, and consultant physician and pediatrician. Expected on PMH staff in mid-2008.</p>	<p>2006: Staffing of PMH in specialised areas (surgeon, anesthetist, physician - when local MDs are training overseas), and providing health services. 2008: New donor-funded PMH staffing partially complete; donor funding still required for training local health staff.</p>

3. Strategic Area: Social Development (Health)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	4. Review salaries/working conditions of doctors and nurses to provide appropriate motivation for more local qualified staff to remain in Tuvalu. (MOH)	2006: GOT. 2007: Discussions ongoing. 2008: Discussions intensified in 2008 - to be resolved by the findings/recommendations of AusAID-funded health reform project (see Funded Activities under Section 1.1 above).	2006: Review of salaries and working conditions for doctors and nurses. 2008: AusAID funding secured under Health Reform Review (see Funded Activities under Section 1.1 above).
2. Improve the quality and cost effectiveness of medical services for curative communicable and non-communicable diseases, and other medical services.	1. Purchase and maintain life saving capital equipment for all specialised health units at each health facility. (MOH)	2006: No funding source identified. 2007: No progress to date. 1) Funding/assistance sought from ROC but not yet secured. 2) Possible AusAID funding using benchmark incentive grants (with Cabinet endorsement), but only if GOT achieves its financial performance benchmarks. 2008: 1) ROC/AusAID funding not yet secured; 2) Awaiting response to a proposal sent to India, through Suva High Commission; 3) Japan: Ongoing repair/maintenance of PMH, including equipment (see Funded Activities 1.2 above).	2006: Life saving equipment: biochemistry analyser; cardiocotograph; portable x-ray machine; sigmoidoscope (plus utilities), oxygen concentrators; table counter; blood gas analyser; ventilator; infusion pump; and kidney dialysis machine. 2008: To date no donor support or funding secured.
	2. Improve medical stock-taking system, procure, distribute and store adequate supply of medicine and other supplies. (MOH)	2006: NZAID (pending). 2007: 1) WHO funding secured for short-term consultant to assist in improving pharmacy procurement system. 2) Possible AusAID funding under Pacific Regional Health Initiatives. 2008: See Section 2.3 below.	2006: Regular supply of essential drugs, such as antibiotics, and other essential expendable items, such as ECG strips, sugar testing strips, etc.
	3. Actively participate in the Regional Pharmaceutical Bulk Purchasing Scheme under the Pacific Plan. (MOH)	2006: WHO (pending). 2007: 1) WHO no longer a funding source. 2) Possible AusAID funding using benchmark incentive grants (with Cabinet endorsement), but only if GOT achieves its financial benchmarks. This can be considered if MOH provides AusAID with a concept note outlining costs. 3) Possible NZAID funding support. Note: High Priority under the Pacific Plan. 2008: Forum Secretariat has tasked ADB to investigate a bulk purchasing scheme (among other Pacific Plan initiatives). ADB consultants visited Tuvalu in May 2008 - report pending.	2006: Incorporate Tuvalu's Medicines and Supplies Purchasing System into the Regional Bulk Purchasing System under the Pacific Plan. 2008: Awaiting outcome/findings of ADB-Forum Secretariat regional study.
	4. Strengthen reproductive health services at PMH and outer island clinics. (MOH)	2006: GOT: PMH reproductive health staff; UNFPA; UNICEF; SPC. 2007: UNFPA, UNICEF, and SPC still providing assistance. 2008: UNFPA to assist in cervical cancer screening and drafting reproductive health policy.	2008: Donor funding assistance ongoing, or pending.

3. Strategic Area: Social Development (Health)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	<p>5. Review the operation and cost-effectiveness of the overseas medical treatment, both TMTS and NZMTS. (MOH)</p>	<p>2006: GOT: MoH; NZ. 2007: 1) TMTS procedures revised/updated and endorsed by the DCC, Cabinet endorsement pending following wider discussions with general public. 2) GOT: MEDU Scheme (TNPf) under discussion. 3) Possible NZAID TA (\$75K) to review/assist development of MEDU. AusAID also prepared to assist with MEDU development. 2008: Cabinet has put implementation of internal TMTS policy and recommendations on hold pending 1) completion of the AusAID-funded review of the entire health system (see Funded Activities under Section 1.1 above) and 2) more OI community consultations.</p>	<p>2006: Review the operation and cost-effectiveness of overseas medical treatment. 2008: Funding approved by AusAID (see Funded Activities under Section 1.1 above).</p>
	<p>6. Explore the possibility of adopting a user-pay principle to provide quality curative services. (MOH)</p>	<p>2006: No funding source identified. 2007: 1) GOT: Under discussion but no substantive progress to date. 2) MOH to consult with general public on user-pay system, new revenue initiatives. 3) AusAID prepared to fund TA. 2008: User pay policy adopted in Jan '08 for issuing medical reports for overseas training, etc. and all medical treatment for non-Tuvalu citizens.</p>	<p>2006: Explore the possibility of adopting a user-pays principle for the providing quality curative services. 2007: External TA funding required.</p>
<p>3. Promote health education and nutrition awareness for healthy lifestyles.</p>	<p>1. Health education and awareness programmes to promote healthy lifestyles and better nutrition. (MOH)</p>	<p>2006: WHO: Various programmes; SPC. 2007: Ongoing. 2008: SPC/WHO-funded support for food base dietary guidelines (FBDG) and Information, Education and Communication (IEC) materials. GOT-funded TA for measurement of amputees for prosthetic limbs completed, awaiting manufacture of limbs.</p>	<p>2006: Health education on maternal and child health care and disadvantaged elderly, disabled, or otherwise disadvantaged. 2007: GOT-funded TA to measure amputees for prosthetic limbs. 2008: Donor funding is needed for the manufacture of prosthetic limbs.</p>
	<p>2. Health education and awareness programmes to address the threats of HIV/AIDS and NCDs. (MOH)</p>	<p>2006: SPC (Global Fund); AusAID: PRHP (TANGO); EU Intra-ACP, IPPF (TUFHA); WHO. 2007: Ongoing, but EU project funding nearing its end. 2008: 1) SPC (Global Fund) support for HIV/AIDS and TB programmes extended through mid 2013; 2) AusAID-funded Pacific Regional HIV Project (PRHP), executed through TANGO, to be run by SPC starting in Sep '08.</p>	<p>2006: Health education and awareness programmes to address the threats of HIV/AIDS and NCDs. 2008: Donor assistance secured (AusAID & SPC).</p>
	<p>3. Capacity training of health professional staff. (MOH)</p>	<p>2006: GOT/various donors: Inservice short- and long-term training. 2007: Ongoing, but more donor funding required. 2008: 1) GOT/various donors: ongoing in-service short- and long-term training; 2) WHO funding Health Open Learning Centre.</p>	<p>2006: Health Open Learning Center. 2007: More external scholarship funding required. 2008: More external scholarship funding required.</p>

3. Strategic Area: Social Development (Youth)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Strengthen National Youth Policy.	1. Incorporation of youth issues in all areas of government. (MFEP)	2006: UNICEF/SPC: Formulation of Youth Policy. 2007: Youth Policy endorsed by Parliament (previous govt). Youth Corporate Plan: 1st draft completed for review and consultations with local partners (e.g., TUFHA, TANGO, etc.). 2008: Review of Youth Corporate Plan is ongoing.	2006: Development of a youth corporate plan. 2008: Donor assistance required to complete review of Youth Corporate Plan.
	2. Formulation of Youth Strategic Plan.	2006: TANGO. 2007: First draft complete. Dept. to consult with key stakeholders to finalise plan and begin implementation. 2008: First draft with Commonwealth Youth Programme, Solomon Islands. Finalising of draft ongoing.	2008: Donor assistance required to finalise and implement Youth Strategic Plan.
	3. Youth Internship Programme. (DoY)	2006: No funding source identified. 2007: No progress to date. 2008: No funding source identified.	2006: Youth Internship Programme. 2007: Donor support is needed to move this programme forward. 2008: Donor assistance/funding required commence programme.
	4. Disseminate information about public services, employment opportunities, and access to NGO services relevant to youth. (DoY)	2006: GOT: Intergrate Youth Dept. activities with island youth activities. 2007: Information has been disseminated to youth on how to access assistance of any kind from both the GOT and NGOs. Dept will also hold consultations with youths upon final completion of Corporate Plan/Strategic Plan. 2008: Ongoing (see 1.1 and 1.2 above).	2006: 1) Strengthen information dissemination about GOT services, employment opportunities, and access to NGO services relevant to youth; and 2) strengthen National Youth Council. 2008: Donor assistance required to strengthen information dissemination.
2. Improve the welfare and opportunities for young people.	1. Youth capacity development in communication and healthy lifestyles, the threat of HIV/AIDS and traditional knowledge/skills through workshop training. (DoY)	2006: SPC: SIS Funding Programme; UNICEF: Pacific STARS Life Skills; TuFHA: EU-Intra ACP. 2007: 1) Most HIV/AIDS-related work transferred to MOH/DoH. 2) DoY continues to conduct youth workshops/training to increase knowledge and skills. 3) EU-Intra ACP funding nearing its end, needs to be extended. 4) Regional HIV/AIDS project funded by ADB through SPC. 5) AusAID/NZAID Regional Assistance funding available. 2008: 1) Ongoing work on HIV/AIDS awareness. 2) Life skills transferred to MOH. 3) Work now being undertaken by the International Planned Parenthood Federation (IPPF). 4) Ongoing. 5) Ongoing.	2007: DoY is awaiting funds from UNESCO for a homegardening project for youth. Donor funding is needed to conducting awareness workshops on the threat posed by HIV/AIDS. 2008: Assistance for Youth and Environment Project and Youth Forum Project (UNESCO). TuFHA: Donor technical and financial assistance required to implement activities on peer education, clinical services, community outreach, livelihood programme, and drama.

3. Strategic Area: Social Development (Youth)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	<p>2. Youth employment opportunity, access to credit, and work in small businesses. (MFEP/MHARD)</p>	<p>2006: South Pacific Regional Commonwealth Youth Programme. 2007: 1) Consultations in progress with SPRCYP for possible US\$100K for youth access to credit for small business start-ups to generate income/increase employment. 2) Training and workshop funding: GOT Business Centre, Small Business Fund (ROC). 2008: 1) CYP to conduct pilot study; 2) Submission of proposals to MPUI.</p>	<p>2006: Youth entrepreneurial training; micro credit; and work internships. 2007: Donor support required if SPRCYP funding is not approved. 2008: Donor funding required for youth entrepreneurial training.</p>
	<p>3. Increase the role of NGOs and churches in addressing youth-related issues. (Church/TANGO)</p>	<p>2006: UNDP: Social Development Policy Programme; TuFHA drama group. 2007: Current activities funded by EU, assisted by some NGOs. 2008: Ongoing work on character education - counseling component is now with the Church.</p>	<p>2008: 1) Donor assistance required to train counselors at the local level; 2) Donor-funded training required to conduct workshops on character education.</p>
<p>3. Increase youth involvement in local level decision-making.</p>	<p>1. Provide a greater role for youth in the Falekaupule decision-making process. (Kaupule)</p>	<p>2006: Forum Secretariat: SIS Funding Programme. 2007: Three leadership programmes have taken place: two funded by SPC and one by UNESCO. 2008: Training was conducted in Sep. 2007 on some outer islands.</p>	<p>2006: Youth leaders training programme.</p>

3. Strategic Area: Social Development (Housing)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Improve housing standards.	1. Implement and enforce National Building Code. (MPUI)	2006: GOT: Building code submitted to Cabinet for endorsement. 2007: Building Code submitted to cabinet (previous government). MWE/PWD reviewing the Building Code for re-submission to Cabinet. 2008: Building code approved.	2006: Long-term TA for implementation and enforcement of a building code on Funafuti (at least). 2008: Donor funding required to conduct awareness programmes on new Building Code.
	2. Make Kaupule by-laws and national legislation on housing and land issues consistent. (MHARD)	2006: GOT. 2008: Pending full implementation of new Building Code.	2007/2008: Donor funded TA needed to move this programme forward.
	3. Improve the availability of housing for government employees. (PWD)	2006: GOT: Housing subsidy scheme. 2007: 100% increase for housing subsidies in the 2007 National Budget. 2008: 1) Housing subsidies remain in place - ongoing.; 2) Sale of government housing contemplated - report to be prepared by MFEP.	2006: Assess the need to establish a Housing Authority. 2007: Donor-funded TA required to address this issue. Donor funding required for maintenance of GOT housing. (<i>Note:</i> Both issues should not be addressed until govt. decides whether or not to sell/auction off government houses).
		2007: MFEP/PWD is researching the issue. Working Group to be established and report prepared in 2007. 2008: Work is ongoing (see 1.3 above). 2007: No progress to date.	2006: Assess the option of selling off all GOT-owned houses. 2006: Review land leases under the 1980's home ownership scheme.
2. Improve urban management on Funafuti.	1. Urban management plan for Funafuti. (DoLS/various GOT depts.)	2006: No funding source identified. 2007: No progress to date. Possible Volunteer Planner recruited through Australian Youth Ambassadors for Development (AYAD), assigned to the Dept. of Lands and Survey. 2008: Work is ongoing.	2006/2008: Donor assistance required to develop an urban management plan for Funafuti that creates land for residential/commercial development.

3. Strategic Area: Social Development (Gender)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Promote gender considerations in all areas of development.</p>	<p>1. Integrate the role of women, and the issue of gender and development in implementing Kakeega II strategies and budget process. (MFEP)</p>	<p>2006: UNDP: Gender Support Facility; GOT: Subsidy to TNCW; AusAID: TNCW Coordinator's salary. 2007: 1) Gender mainstreaming training at the policy level for public servants is being by UNDP Gender Support Facility and GOT grant to TNCW. 2) Possible AusAID extension of TNCW Coordinator's salary. 2008: 1) Completed in 2007; 2) Currently, there is no funding for TNCW salary.</p>	<p>2007: 1) Gender mainstreaming training for OI communities (possible ext. of UNDP GSF). 2) TA to hold consultation/awareness workshop with stakeholders on Gender Responsive Budgeting, and develop a paper on the integration of GRB into the GOT's budget process. 2008: Donor funding required TNCW Coordinator's salary, and ongoing gender training for communities.</p>
	<p>2. Encourage women representation in key decision-making process within Government and Kaupule. (MHARD/Kaupule)</p>	<p>2006: No funding source identified. 2007: 1) Young Women Leadership Training conducted by DoWA, with TNCW. 2) Possible Aust. funding under Pacific Leadership Program being developed under Building Demand for Better Governance Initiative. Likely start: early 2008. Key element: fostering more women in leadership roles, including in Parliament. 2008: 1) Ongoing (SPC); 2) Ongoing - training of 2 participants (SPC).</p>	<p>2006: Leadership training and gender promotional training. 2007: Young men and women leadership training, promotional and awareness programmes on the role of gender in development. 2008: Donor funding required for leadership Training for women on Funafuti and outer-islands.</p>
<p>2. Expand the role of women in development.</p>	<p>1. Women' training in small business and entrepreneurial activities and provide access to appropriate credit facilities for those who show appropriate aptitude for business. (DoW/TNCW)</p>	<p>2006: NZAID: Credit Scheme (through TNCW); Japan: Renovation and upgrade of Women's Handicraft Centre. 2007: Proposal for business management training for women is with the Business Centre (ROC grant). 2008: GOT, in partnership with SPC/CETC to provide in-country training on Business Training and Entrepreneurship (Training of Trainers).</p> <p>2006: UNIFEM: CEDAW Report Writing. 2007: Minor amendments, to be completed and submitted. 2008: CEDAW report to be submitted.</p>	<p>2006: 1) Training of women in micro enterprise, and small-medium term business development and marketing. 2) Establish a marketplace for women to sell their produce in Funafuti. 2007: Micro enterprise business management training for young men and women, in Funafuti and the outer islands. 2008: Donor assistance required for business training for women on the outer-islands.</p> <p>2007: Awareness programmes on CEDAW Report for all stakeholders. 2008: CEDAW awareness programs on radio and quarterly newsletter.</p>

3. Strategic Area: Social Development (Gender)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	<p>2. Review laws governing the distribution of land and the custodial rights of women. (AGO/Kaupule)</p>	<p>2006: UNDP: Local Governance Support (Legal); RRRC: Legal Advisor program. 2007: No progress to date. 2008: No progress to date.</p>	<p>2006: Enhance awareness on Domestic Violence and VAW. 2007: 1) Possible UNIFEM funding. 2) TA to assist AGO to review Employment Act to reflect EEO practices. 3) TA to assist AGO to review laws on land/custodial rights of women. 2008: TA to assist AGO to review laws on land/custodial rights of women.</p>
<p>3. Gender differentiated national statistics.</p>	<p>1. Establish gender-based national statistics. (CSD)</p>	<p>2006: No funding source identified. 2007: Database on gender disaggregated data has been developed by the CSD, in consultation with DWA. 2008: No progress to date.</p>	<p>2006: TA to establish gender differentiated national statistics to monitor performance against national development goals and MDGs. 2007: TA required for training workshops for information managers in line Ministries on the collection/analysis of gender disaggregated data. 2008: TA still required (as noted in 2007 above).</p>

3. Strategic Area: Social Development (Sports)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Increase opportunities for participation in sports, nationally and internationally, by implementing the National Sports Policy.</p>	<p>1. Improve sports and athletic facilities, including sports fields and gymnasiums, and equipment in schools and communities. (MEYS)</p>	<p>2006: ROC/AusAID/GOT: Tuvalu Sports Ground (TSG); GOT: Grant to TASA. 2007: 1) US\$100K ROC grant for general maintenance, fence and lighting system for TSG. Materials for the security fence purchased and in-country. MES is working with PWD to contract out construction work. 2) MES has approached AusAID to fund general maintenance of the TSG (response pending). 3) Probable EU/10th EDF assistance to fund municipal-scale water storage facilities like at TSG (Item 10 right), combined with and beneath a western grandstand addition (Item 11 right). 4) Probable EU/10th EDF funding to build additional water storage facilities, combined with and beneath new multi- purpose volleyball, basketball and tennis courts north of the existing field. 5) Possible IOC funding, including Tuvalu IOC Office facilities. 2008: 1) ROC-funded project for Sports Ground pending consultations with PWD to contract out construction work. 2) Probable EU-funded projects (items 3 and 4 above) may enter design phase pending release 10th EDF resources.</p>	<p>2006: Upgrade National Sports Ground: 1) all-weather 400m synthetic track; 2) triple/long jump runway and landing pit; 3) high jump/pole vault area; 4) all-weather outdoor field/bleacher lighting system; 5) refill of sports field topsoil; 6) all-weather public address system; 7) security fencing; 8) ticketing gates; 9) public toilets; 10) water storage tanks; 11) 60m western grandstand addition; 12) locker rooms w/changing facilities and toilets; 13) office facilities and storage; and 14) 9m high earth embankment. 2007: Additional donor funding needed for other TSG facilities listed but not currently funded by ROC or the EU (forthcoming beginning in 2008). Priorities: Public toilets, shelters and locker rooms. 2008: Financial assistance required to carry out works not funded by either the ROC or EU).</p>
	<p>2. Provide national physical fitness and health programmes in primary and secondary schools and island communities. (MEYS)</p>	<p>2006: GOT; Other funding sources needed. 2007: Little progress to date. Most outer island communities were not reached due to a lack of funding to assist MES to organise and tour the outer islands. 2008: Physical fitness is a component of the Education Department's HPS Health Promoting Schools programme, launched April 2008 (SPC-funded).</p>	<p>2007: Donor funding required to implement these programmes nationwide. 2008: Donor funding still required for full implementation of programme.</p>
	<p>3. Provide free sports coaching and referee clinics/workshops on all islands. (MEYS)</p>	<p>2006: ITF coaching of young athletes; Other funding sources needed. 2007: No progress to date. Possible IOC funding for TA. 2008: Ongoing funding under IOC for young athletes to compete in the Olympic Games. Coaching and referee clinics/workshops conducted in the outer islands.</p>	<p>2007: Donor funding required to implement these activities. 2008: Donor funding required, and other additional assistance for training at all levels, including coaches and referees.</p>

4. Strategic Area: Falekaupule and Outer Islands

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Increase outer island autonomy, and improve involvement of Kaupule in the outer island development issues, as articulated in the Falekaupule Act.</p>	<p>1. Undertake public awareness programmes/workshops on the Falekaupule Act, Act translation, and role of Kuapule in outer island development efforts. (MHARD)</p>	<p>2006: UNDP: Support to Local Government Programmeme (Financial/Legal). 2007: Commonwelath Local Government Forum: Training for Local Elected Leaders; NZ Training Needs Analysis. 2008: 1) Phase I of Community Awareness Workshops on Good Local Governance, Falekaupule Act, Financial Management & Community Project Management completed. 2) Phase I of Local Elected Leaders Training (LEL) completed. 3) Translation of Falekaupule Act 1997 completed/distributed to all Kaupule and Falekaupule. 4) Translation of Kaupule Staff Guidelines, Kaupule Financial Guidelines and Falekaupule Act Primer in progress.</p>	<p>2006: Capacity development of Kuapule in good governance principles of accountability and transparency and in financial management. 2008: 1) Phase I of UNDP's SLGP is currently being evaluated. 2) Design of Phase II of UNDP's SLGP will follow. 3) MHARD, NZAID and UNDP are considering coordinating their training programmes for local communities and Falekaupule.</p>
	<p>2. Reconcile/integrate traditional and modern governance institutions and structures. (MHARD/Kaupule)</p>	<p>2006: GOT/UNDP: Support to Local Government Programmeme (Financial/Legal). 2007: UNDP assistance ends in 2007. 2008: 1) Develop workplan through Commonwealth Local Government Forum (CLGF); 2) USP research and site visits.</p>	<p>2006: Develop hybrid national institutions that reconcile and integrate traditional and modern decision-making processes. 2007: Extend UNDP's Strengthening Local Governance Programme (SLGP) by 2 years (2008-2010). 2008: Funding under CLGF.</p>
	<p>3. Decentralise decision-making and the provision of services where this is practical and cost effective. (MHARD)</p>	<p>2006: GOT/island communities;UNDP: Kaupule/Falekaupule programme; Falekaupule Trust Fund (FTF). 2007: UNDP assistance ends 2007. 2008: Evaluation of projects completed in March this year. Phase II to commence this year.</p>	<p>2007: Extend NZAID annual contribution to the TTF (NZ\$300,000) beyond 2007. 2008: Funding under UNDP for Phase II of the project.</p>
	<p>4. Increase stakeholder participation in outer island development process. (MHARD/Kaupule)</p>	<p>2006: GOT/island communities; UNDP: Kaupule/Falekaupule programme; FTF. 2007: Ongoing. 2008: 1) Drafting of Policy on Outer Island Development Projects in progress; 2) Drafting of Kaupule Model Standing Orders in progress; 3) Drafting of Manual on Financial Management for Kaupule in progress.</p>	<p>2008: Donor assistance is required re: updating of island profiles and drafting of local development plans for all islands. Funding under CLGF, UNDP, NZAID.</p>

4. Strategic Area: Falekaupule and Outer Islands

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>2. Raise quality of basic public service delivery to outer islands through wide participation in the island development processes and improved local level decision-making.</p>	<p>1. Provide better infrastructure (water storage, roads, jetties, causeways, bridges, seawalls, airfields, power and other infrastructure, including renewable energy technologies, communications/internet, and sanitation. (MPUI/Kaupule)</p>	<p>2006: UNDP: Support to Local Government (civil engineer); EU: Primary school projects; NZAID: Ship-to-Shore project. GOT/ROC: ICT to all islands; TTC: SKY Pacific. 2007: 1) 4 of 5 EU/9th EDF primary schools built; 2) Construction of Vaitupu primary school (<i>Tolise</i>) to start (partly EU-funded); 3) 9th EDF Water Project (Nui); 4) 9th EDF preschool playgrounds (all OIs); 5) NZAID Ship-to-Shore in early stages; 6) ICT to OIs: no progress to date; 7) TTC upgrade: A\$1.2m in '07 budget; 8) Sky Pacific started in Mar '06; 9) OI water tanks, funded by 10th EDF, to start in '09; and 10) 10th EDF to extend waste management to OIs. 2008: 1) Item 1 above completed; 2) Item 2 ongoing, <i>Tolise</i> construction to be completed this year (co-funded by EU/9th EDF); 3) Items 3 & 4 completed; 4) Item 5 awaiting progress; 5) Item 6 under Tuvalu-SPC Joint Country Strategy; 6) Item 7 to be completed this year (GOT/TTC-funded); 7) Item 8 ongoing; 8) EU-funded item 9 to start this year; 9) EU-funded item 10 to start following drafting and enactment of comprehensive waste management legislation, expected this year.</p>	<p>2006: 1) All areas of civil infrastructure. 2) Identify the push and pull factors of urban drift to Funafuti from outer islands. 3) Telecom upgrades including ICT. 4) Public awareness programmes on negative aspects of access to internet services and increased TV services. 2008: Donor funding for additional infrastructure development outlined in Section 2.1 (left) is still required.</p>
	<p>2. Designs for water cisterns.</p>	<p>2006: No funding sources identified. 2007: Probable funding available under the water component of the EU/10th EDF beginning in 2008 and/or the 9th EDF B-envelope. 2008: 1) 10th EDF projects to construct/deliver/install OI household water tanks to commence in second half of 2008; 2) 9th EDF B-envelope water projects to commence (SOPAC).</p>	
	<p>3. Planting mangroves on shores.</p>	<p>2007: No progress to date. 2008: Funafala project ongoing (Alofa Tuvalu). Nanumea and Nukulaelae projects also ongoing.</p>	<p>2007: Donor funding required. 2008: Additional donor funding required.</p>
	<p>4. Ensure that health facilities and schools are adequately supplied and equipped. (DoE/DoH/Kaupule)</p>	<p>2006: GOT/FTF: Grant to Kaupule/Falekaupule halls; science labs; and water catchments. 2007: JICA (Grassroots Grants) to fund upgrade of outer island health clinics. 2008: Japan funding approved (A\$90,000); material procured/in-country to upgrade Vaitupu clinic; MOU signed by GOT-Vaitupu Kaupule; GRG funding approved for 2009-10 to upgrade remaining OI clinics.</p>	<p>2008: Health facilities funded by Japan.</p>

4. Strategic Area: Falekaupule and Outer Islands

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
3. Promote private sector and business development and other opportunities for employment.	1. Identify and encourage revenue-generating activities such as agriculture. (MFEP/Kaupule)	2006: ROC: Small Medium Enterprises Loan Scheme. 2007: Revolving funds (NZAID/FTF). GOT: Local produce for Ships. FAO: Kete ote kaiga (DoA). 2008: Transferred to Department of Agriculture. 2006: GOT/ROC: DBT/TNCC/Business Training Unit support. 2007: GOT/ROC: Business Loans and Training. TNP/FAO: Local market and Food Security Project. 2008: Transferred to DoA and MPUI. 2006: NBT. 2007: Establishment of outer island branches to be completed in 2007. 2008: Establishment of banking agencies in OIs completed.	2006: Education in household budgeting, advantages of savings, and better banking services on outer islands. 2006: Investigate viability of extending CFCs to also cater for the marketing of agricultural products. 2006: NBT branches in the outer islands.
	2. Increase business advisory services and establish micro-credit schemes. (MFEP/Kaupule)	2006: GOT/ROC: DBT/TNCC/Business Training Unit support. 2007: GOT/ROC: Business Training and Loan Scheme. NBT: Outer island branches. 2008: Business incubator commenced this year (ROC).	2006: None, but with qualification.
	3. Increase access to maritime training and employment. (DoE/Kaupule)	2006: GOT/ADB loan. 2007: GOT/ADB Upgrade of TMTI. 2008: 1) GOT/ADB upgrade of TMTI ongoing; 2) Expanding TMTI to offer courses other than seafarering; 2) Revive CTCs.	2006: None, but with qualification. 2008: 1) Support the franchising and accreditation of courses from overseas institutions such as FIT. 2) Scholarships to train top graduates from TMTI at overseas institutions.
4. Better management of urbanization of Funafuti.	1. Urban planning for effective and controlled management of Funafuti. (MHARD)	2006: No funding source identified. 2007: Commonwealth LGF (urbanisation) - pending. 2008: Ongoing - pending assessment of changing/expanding the Funafuti Kaupule structure.	2006: Urban planning for effective and controlled management of Funafuti. 2008: Technical assistance is required to carry out Funafuti Kaupule assessment.

4. Strategic Area: Falekaupule and Outer Islands

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>5. Promote and protect traditional knowledge and culture as a source of national pride as well as potential income.</p>	<p>1. Revive, promote and protect traditional skills and knowledge and culture to strengthen national pride as well as generate income. (DoC/Kaupule)</p>	<p>2006: GOT/UNESCO: Culture Policy. 2007: Some progress made. Ongoing, but more efforts/funding required. 2008: Preparations for the Pacific Festival of Arts (UNDP-funded).</p>	<p>2006: 1) Document traditional skills and knowledge. 2) Museum/Archives/Cultural Centre. 3) Draft Intellectual Property Rights legislation to protect traditional knowledge and culture. 2007: Donor assistance to design/implement Museum/Archives/Cultural Centre project. 2008: See 2006/2007 immediately above for additional donor funding required.</p>

5. Strategic Area: Private Sector and Employment

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Improve enabling environment for private sector development.	1. Actively support foreign direct investment, as well as domestic investment in job creating private enterprise. (MFEP/DBT)	2006: GOT: Foreign Investment Facilitation Board (FIFB); DBT (EIB) loan. 2007: Business Training and Loans Scheme (ROC); CMIC Consultations (ROC). 2008: 1) PIFS funded TA to draft private sector development framework; 2) EIF programme to commence in July this year.	2006: TA to develop framework for private sector development. 2007: TNCC: TA/other assistance to develop the private sector. 2008: Technical assistance for the development of private sector framework. (PIFS).
	2. Ensure compliance with PICTA and PACER. (MFEP)	2006: GOT: PICTA and PACER National Task Force. 2007: 1) GOT and EU/PACREIP/PIFS facilitation; 2) Trade related Workshops; 3) TA Taxation (ADB); 4) National Trade Facilitation Committee; 5) Intergrated Framework Programme (WTO); 6) <i>Note:</i> Initial planning and feasibility work underway by PIFS on establishment of a regional customs service, consistent with the Pacific Plan, to be presented at July '07 FEMM. 2008: 1) National Stakeholders Consultations on proposed PICTA Trade In Services and TMNP structure. 2) Negotiations amongst FICs on the extension of PICTA to PICTA Trade In Services (regional), PICTA TIS to be finalised by October 2008. 3) Commencement of informal talks on PACER between FICs and Aust/NZ 4) Ongoing ADB TA (see 1.3 below).	2006: Modernisation of Customs. 2008: Funding for Legal Adviser required.
	3. Tax and tariff reform. (MFEP)	2006: PIFTAC/GOT (review of tax and tariff regime). 2007: 1) Taxation Reforms (ADB/PACREIP); 2) Review of tax legislation (PIFTAC, with possible ADB support). 2008: Items 1 and 2 remain ongoing (ADB-funded).	2007: 1) TA for tax and tariff compliance and enforcement. 2) Information systems support for Customs and Taxation Department. 2008: Technical support in IT for Customs, Taxation and Trade.
	4. Provide resources needed for TMTI to remain on the IMO 'White List'. (DoE/MCTT)	2006: GOT; ADB loan. 2007: Upgrade of TMTI (GOT/ADB); Renewable Energy (Alofa Tuvalu). 2008: Renovation of TMTI is expected to be completed in June this year (ADB/GOT).	2008: Areas of additional donor support not presently identified.

5. Strategic Area: Private Sector and Employment

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
2. Promote small to medium business development.	1. Facilitate business and management training for local entrepreneurs. (MFEP)	2006: GOT/ROC: Business Centre management training. 2007: 1) GOT/ROC: SYB/IYB; 2) consultations (CMIC); 3) Trade-related training. 4) Domestic trade/flea markets (ROC). Note: Aust. finalising A\$10m Scholarship Fund to attend Australia-Pacific Technical College. For students from SIS, e.g., in areas of tourism, hospitality and the trades. A regional awareness-raising roadshow on APTC and the Fund is planned in Aug/Sep '07. 2008: ROC and Aust. funded programmes remain ongoing.	2007: Marketing TA to help establish export markets for locally produced goods. 2008: Technical assistance required.
	2. Increase the range of potential business opportunities to develop the private sector (new Matrix item).	2008: GOT/ROC: Set up of New Business Incubator to assist in reducing business failures, create employment, and stimulate economic development.	2008: Funding secured.
3. Introduce consumer protection measures.	1. Strengthen consumer protection by establishing a Consumer Protection Council to monitor product and service standards. (MFEP)	2006: GOT; Other funding sources needed. 2007: Price Control Board/Price Inspector (GOT). 2008: Ongoing, but progress is slow.	2006: Recruitment of a Price Inspector to work with existing Price Control Board. 2007: TA to establish consumer protection policies. 2008: Donor financial and technical assistance required (PIFS/PACREIP).

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>1. Establish a National Curriculum Framework and develop guidelines for Early Childhood Education, Primary, Junior Secondary School, Secondary and post-Secondary.</p>	<p>Review existintg curriculum and develop curriculum framework for Early Childhood Education, Primary, Junior Secondary School, Secondary and post-Secondary (i.e., National Curriculum Framework - NCF). (DoE)</p>	<p>2006: PRIDE. 2007: 1) National ECE Policy developed, to be endorsed by Cabinet in 2007. 2) DoE to secure a consultant to work with DoE supervisors to review curriculum for ECE, Primary, JSS (Year 8), MSS, and AFP. 2008: 1) ECCE Policy to be implemented in 2009; 2) Concept paper with PIFS - implementation to commence in 2009 (AusAID funded).</p>	<p>2006: Review existing curriculum and develop curriculum framework for Early Childhood Education, Primary, Junior Secondary School, Secondary and Post-Secondary. 2007: TA to assist CO with the development of NCF. Funding for 3 new line positions within DoE for: 1) ECCE Officer; 2) Assistant Curriculum Officer; (3) TVET Officer to increase DoE capacity to review DoE activities. 2008: ECCE Completed. Funding required for ECCE Officer, support for a TVET Officer, and for ACO. 2006: Stakeholder consultation/TA to undertake this review on areas of ECE, Primary, JSS, Secondary and post-secondary education. Develop/implement special interim curriculum for Year-8 repeaters. 2008: To be implemented Jul '08. 2007: Stakeholder workshop for ECE, Primary, JSS, SSS to revise curriculum framework to reflect objectives of TESP and lifeskills topics (e.g. environment, health); PRIDE/PIFS TA needed. Funding to develop teacher training resource kits. 2008: 1) Funding for teacher training resource kits; 2) Support for teacher training in the 7 NCPF learning areas.</p>
	<p>2. Implement Curriculum Framework nationwide and conduct stakeholders workshops about the Curriculum Framework. (DoE/Kaupule)</p>	<p>2006: No funding source identified. 2007: Still no donor funding identified. Presently funded under the DoE recurrent budget. 2008: NCPF Project submitted to be funded under PRIDE. To commence in July 2008.</p>	
	<p>3. Conduct in-service training for teachers in the National Curriculum Framework. (DoE)</p>	<p>2006: No funding source identified. 2007: Still no donor funding identified. Presently funded under the DoE recurrent budget. 2008: Ongoing - national workshop to be funded by UNESCO.</p>	
<p>2. Integrate life skill subject matter in the curriculum at all levels.</p>	<p>1. Introduce curriculum material on life skills subjects across all levels covering topics such as: ICT; HIV/AIDS; Environment; Health Promotion School; Entrepreneurship Education; Human rights (CRC); Vernacular languages; Values Education; Inclusive Education. (DoE)</p>	<p>2006: UNESCO: Associated Schools Project. 2007: No progress to date. 2008: 1) Project proposals submitted to UNESCO on the development of 'values education'; 2) Family life education to commence in Sep. (UNFPA-funded); 3) Health promotion teaching currently funded by WHO (with assiatnce from SPC).</p>	<p>2007: Develop all level school guidelines to include lifeskills topics on values, environment and health. Capacity Building: traning and short term attachments for reference groups and media personnel. Equipment for resource development. 2008: Ongoing support is needed for teacher training, the new integrated curriculum, and for community awareness programmes.</p>

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
3. Develop a national bi-lingual education policy and programme.	1. Review and revise existing policy on language and investigate application of bi-lingual education program. (DoE)	2006: No funding source identified. 2007: No funding; no progress to date; not a priority in 2008. 2008: Development of a bi-lingual dictionary for primary schools in math and science (UNESCO-funded).	2007: Feasibility study on a bi-lingual education program for 2009. 2008: Funding for development of bi-lingual education programme.
	2. Introduce and develop early language development diagnosis and pilot reading recovery programme. (DoE)	2006: No funding source identified. 2007: No funding; no progress to date, but 2008 priority. 2008: No funding source identified.	2006: Capacity building: Reintroduction of in-country TEFL course for primary school teachers. 2007: Tailor made programmes in TEFL, similar to parts of TAESP (AusAID). 2008: Support for policy development.
	3. Following in-service training of teachers, fully implement bi-lingual education programme and reintroduce in-country TEFL course for primary teachers. (DoE)	2006: No funding source identified. 2007: Ongoing priority activity. 2008: Ongoing priority activity.	2006: Capacity building: Intensive language course training through short-term attachments (e.g., Dip TESL programme at VUW, Wellington); summer schools with USP. 2008: Support for capacity building (same as in 2006).
4. Improve school based student assessment and develop National Qualification Framework (NQF) for secondary schools.	1. Review current student assessment policy, and design and pilot test school-based student assessment system. (DoE)	2006: SPBEA. 2007: Development of Standardised Test for Class 4 and 6 (TUSTA 1 and TUSTA 2) on literacy and numeracy; baselines set for literacy and numeracy for Class 4 and Class 6 (SPBEA). 2008: 1) TUSTA 1 & 2 completed and implemented; 2) SPBEA to fund the development of National Assessment Policy (NAP).	2006: For year 9 and 10, review current student assessment policy and practice, and design and pilot test a school-based student assessment system. 2007: TA to assist development of a National Assessment Policy (NAP). 2008: Implementation of National assessment policy.
	2. Develop a national system of school-based student assessment, and further refine current student assessment instruments. (DoE)	2006: No funding source identified. 2007: Some progress to date. TUSTA 1 & 2 nationalised (GOT funded). 2008: TUSTA 1 & 2 nationalised. Currently working towards a Tuvalu version.	2006: Develop a national strategy on school-based system of student assessment and further refine current student assessment instruments. 2008: Support for teacher capacity building.
	3. Investigate regional initiatives on RQR for possible adaptation to Tuvalu. (DoE)	2006: No funding source identified. 2007: DoE working on it using funding in the National Budget. 2008: Development of national qualifications register (NQR) is ongoing.	2008: Keep and maintain of NQR to align with R(Regional)QR.

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
5. Expand and improve vocational and technical education.	1. Assess the suitability of Community Training Centre and National Technical and Vocational Training Centre. (DoE)	2006: No funding source identified. 2007: No donor funding identified; no progress to date. 2008: 1) PRIDE-funded training of 2 senior officers to undertake study tour for re-establishment of CTCs; 2) Franchising of courses.	2006: Conduct a TVET training needs assessment, including skills in demand, in partnership with private sector and NGOs, and, where relevant, develop school curriculum to reflect these (market-based school curriculum development). 2007: 2008 priority activities: assess the feasibility of re-introducing TVET, targeting training needs to school leavers. 2008: Ongoing support for TVET.
	2. Develop appropriate curriculum, identify suitable management, and necessary teacher training for vocational and technical training. (DoE)	2006: No funding source identified. 2007: No progress to date; not a priority in 2008. 2008: No progress to date.	2006: 1) Identify suitable management and teacher training for vocational and technical training. 2) Assess the suitability of Community Training Centre and National Technical and Vocational Training Facility/Centre. 2007: Intended in 2009. 2008: Intended in 2009.
6. Reintroduce distance learning.	1. Re-establish school radio broadcasting program. (DoE)	2006: No funding source identified. 2007: 1) Currently running programs on ECE, funded by GOT. 2) Funding assistance to continue with radio broadcasting programme (JICA). 3) Virtual University for the Small States of the Commonwealth (VUSSC) initiative. 2008: 1) Procurement of media equipment funded by Commonwealth of Learning (COL); 2) Fee for radio broadcast funded under recurrent	2006: Re-establish school radio broadcasting programme and other forms of distance learning. 2007/2008: Capacity building: 1) train personnel for radio broadcasts; 2) short-term training attachment required; 3) set up Media Unit within DoE.
7. Increase number and quality of teachers and school inspectors.	1. Develop national policy and development plan for professional development of principals, teachers and school inspectors. (DoE)	2006: No funding source identified. 2007: No donor funding identified; no progress to date. Donor-funded TA required to draft policy. 2008/2009: 1) National Teacher Development Policy (NTDP) to be developed (Recurrent budget + TA support to be sourced); 2) Capacity building for school principals and headteachers (UNESCO & SPBEA).	2007: Internal consultations with stakeholders. TA to draft policy. 2008: 1) TA support for the development of NTDP; 2) Development of Teacher Appraisal System (PMS).
	2. Develop and implement Performance Management System (PMS) for teachers (Staff Development Program). (DoE)	2006: No funding source identified. 2007: No progress to date; not a priority in 2008. 2008: To be included in the NTDP (see above).	

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
8. Upgrade and maintain school facilities.	1. Assess need to establish JSS, and if appropriate establish JSS system. (DoE)	2006: No funding source identified. 2007: No progress to date; priority in 2009. 2008: 1) PRIDE-funded Mid-Term Review of TESP; 2) UNESCO TA support.	2006/2008: Assess the relevance and viability of Junior Secondary Schools, and, if needed, establish JSS.
	2. Assess the needs of Motufoua Secondary School and upgrade, as appropriate, physical infrastructure and professional programs. (DoE)	2006: No funding source identified. 2007: No progress to date; subject to the JSS feasibility study options; priority in 2009. 2008: Project proposal for Motufoua Secondary School Phase II (Japan).	2006/2008: Assess the needs of Motufoua Secondary School and upgrade, as may be needed, physical infrastructure and professional programmes.
	3. Develop Maintenance Plan (MP) meet maintain minimum standards and where necessary develop upgrade school facilities. (DoE)	2006: GOT/EU: Preschools, all outer island primary schools, Motufoua Secondary School, including classroom equipment.. 2007: 1) Four OI primary schools constructed (EU); a fifth (Vaitupu) underway. 2) MOE to design maintenance plan, with PWD. 2008: MOE to design maintenance plan, with PWD.	
9. Provide adequate classroom equipment and materials to support the curriculum, including libraries and text books.	1. Provide basic teaching and learning materials to all schools, including science kits in primary schools, science, home economics and industrial arts equipment in secondary school. (DoE)	2006: GOT/EU: Primary and secondary school supplies. 2007: Beginning in 2008 EU/10th EDF will no longer fund the purchases of school supplies. 2008: 1) SDE budget for industrial arts equipment for Motufoua Secondary School; 2) SPC-funded One Laptop Per Child project to commence in October this year.	2006: Provide basic teaching and learning materials to all schools, including computers and science kits in primary schools, science, home economics, industrial arts equipment, and computers in secondary schools. 2007/2008: 1) Donor funding needed to augment national budget appropriations for computers and science kits in primary schools. 2) Provision of library resources including reference books; reading books etc.
	2. Upgrade library books and reference materials in all levels of schools. (DoE)		
10. Provide special needs education for preschoolers, disabled and handicapped in partnership with non-government organisations.	1. Develop an Inclusive Education Policy. (DoE)	2006: No Funding Sources Identified. 2007: No progress to date; no funding source identified; not a priority until 2009. 2008: In-service training for one 'Special Needs' teacher.	2006/2008: Technical assistance required to develop an inclusive education policy.
	2. Identify appropriate diagnostic tools to identify students with learning needs to assist with their special needs. (DoE)		2006: Identify appropriate diagnostic tools to identify students with learning needs and assist them with their special learning needs. 2007/2008: Priority in 2010.
	3. Develop model pre-school centres. (DoE)		2006: Develop model pre-school centres. 2007/2008: Priority in 2010.

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	4. Professional development of teachers to enable them to identify and support students with special needs. (DoE)		2006: Professional development of teachers to enable them to identify and support students with special needs. 2007/2008: Priority in 2009.
11. Provide bridging courses for students likely to pursue tertiary courses.	1. Provide special assistance to pre-service students.	2006: GOT/ROC: Pre-Service Training, 2007: Paper presented to DCC; priority in 2008. 2008: Pre-service requirement submitted to DoE Pre-Service Department.	2007: TVET Scholarship for the private sector. 2008: TVET Scholarships.
12. Strengthen administrative aspects of the Department of Education.	1. Review Education Act and the role of Education Advisory Committee. (DoE/AG)	2006: No Funding Sources Identified. 2007: No funding identified; no progress to date; but priority in 2008. 2008: 1) No progress to date; 2) Awaiting Cabinet decision; 3) Leadership and capacity building for school principals.	2006/2008: Professional development for primary school management, policy development, planning and budgeting.
	2. Review the administrative structure of the DoE to reflect key outcome / critical task areas/ responsibility areas. (DoE)		
	3. Capacity development in school management, planning and budgeting. (DoE)		
13. Strengthen Monitoring and Evaluation systems.	1. Upgrade EMIS database to include ECE and secondary components. (DoE)	2006: No funding source identified. 2007: EMIS database needs upgrading; no progress to date. 2008: No progress to date.	2006/2008: Upgrade EMIS database to include examination data, and education financial management.
	2. Professional development for the management of EMIS. (DoE)	2006: No funding source identified. 2007: No progress to date. 2008: UNESS/UNESCO.	2006: Professional development for the management of EMIS, including monitoring and reporting on national development goals and MDGs on education. 2007/2008: Priority activities: develop/maintain a single reporting system to measure against TKII goals and other regional and international commitments (e.g., Education for All (EFA), Forum Basic Education, Pacific Plan, and MDGs).

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	3. Implement annual review process for all levels of education system. (DoE)	2006: SPBEA. 2007: No progress to date. 2008: Pending development of minimum education standards.	
	4. Develop and maintain minimum education standards for all levels. (DoE)	2006: SPBEA. 2007: No progress to date. 2008: No progress to date.	2008: Develop national teacher standards.
	5. Publish DoE Annual Statistics Digest. (DoE)	2006: No funding source identified. 2007: No progress to date; priority in 2008. 2008: Statistical digest to be published	2007/2008: TA/training on data collection and analysis.

6. Strategic Area: Education and Human Resources

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>14. Strengthen partnerships with national, regional and international non-governmental organizations to assist in realizing Tuvalu's education goals.</p>	<p>1. Government-Kaupule Partnerships to cost effectively supply selected education services (Kaupule programme of assistance). (DoE)</p> <p>2. In partnership with the private sector and NGOs identify skills and training needs, and where relevant develop school curriculum to reflect these (market-based school curriculum development). (DoE/TNCC)</p> <p>3. Utilise expertise within the community to promote and support learning (e.g., parent-teacher based programmes). (DoE)</p> <p>4. Participate in regional education initiatives and take advantage of services relevant to Tuvalu provided by SPBEA, USP, etc. under the Pacific Plan. (DoE)</p> <p>5. Participate in international fora to advocate Tuvalu's needs and leverage resources to develop Tuvalu's education system. (DoE)</p>	<p>2006: No funding source identified. 2007: 1) No progress to date (1,3,4); 2) SYB and IYB ongoing (2); GOT regularly attends international meetings and workshops, and has held separate RTMs with donors (5). EU/9th EDF-funded NGO Learning and Resource Centre (A\$207,600) under construction. 2008: 1) Kaupule's Maintenance Plan (1); 2) EU/9th EDF-funded NGO Learning and Resource Centre to be completed (2); 3) Revive CTCs, pending decision on ownership (3); 4) Strengthening regional partnerships (4); 5) Ongoing (5). Japan: Japanese-sponsored NGO scholarship funding for two high school students.</p>	<p>2008: Financial assistance for awareness programmes on re-establishment of CTCs.</p>
<p><i>Note (2007 RTM):</i> After constructive discussions with MOE prior to the '07 RTM, in which MOE stressed the key priorities in education, Australia and New Zealand indicated the task now is for donors to define how to support MOE priorities with the resources available, and explore what practical options there are for donor coordination. This was particularly important to Australia, with education programming new to its country program strategy. Australia indicated MOE's priorities would be considered in the context of regional initiatives currently being explored and/or developed by Australia (e.g., World Bank's "Fast Track Initiative"; SPBEA's "Regional Qualifications Framework"; and the ADB-Australia "Teacher Effectiveness Study". It may be possible to identify discrete "early win" priorities (e.g., ECE; National Curriculum Framework). Australia cited the recent release of its Education Policy for aid, "Better Education", which focuses on strengthening national education systems and improving delivery of services.</p>			

7. Strategic Area: Natural Resources (Agriculture)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Activities	Funded	Where Donor Support and Action is Needed
<p>1. Introduce farming to increase local food production, increase the diversify of crops, and increase income generating opportunities.</p>	<p>1. Intercropping of pulaka with other root crops in abandoned pits. (DoA)</p>	<p>2006: EU/SPC: Development of Sustainable Agriculture in the Pacific (DSAP). 2007: 1) No progress to date; 2) yams have not arrived from Fiji; 3) pulaka pit behind NBT remains uncleared (awaiting Kaupule/landowner OK); 4) external TA to be identified; (SSC Technicians from FAO RPFS could carry out TA duties thru 2007; 5) EU-funded DSAP will develop a detailed extension program by mid-'07; 6) no DSAP funding available to address pulaka pit land issue and lease agreement; 7) DoA is looking at alternative local plants, e.g., "tamu" (swamp cabbage) instead of yams. 2008: 1) Yam has been established at the DSAP temp garden on Funafuti, but very low yielding. 2) Pulaka pit behind NBT not in use - continuing landowner issues, this activity may be transferred to Vaitupu Ag. Station. 3) Under new DSAP program, pulaka pit rehabilitation program to start pilot project this year. 4) DSAP TA to assess financial/other benefits of intercropping pulaka with other root crops in abandoned pits.</p>		<p>2006: TA to assess the financial and other benefits of intercropping of pulaka with other root crops in abandoned pits. Develop and implement a detailed extension programme. 2008: Develop and implement a detailed extension programme.</p>
	<p>2. Home Gardening using composted organic waste: Use of composted organic wastes (organic domestic wastes, animal wastes, etc.) for home gardens. (DoA)</p>	<p>2006: EU/SPC: DSAP ('Kete ate kaiga' project); ROC: Funafuti Demonstration Farm, Taiwan Technical Mission. 2007: 1) No progress to date; 2) DoA to work w/CSD/ROC Technical Mission to develop data collection from ROC commercial garden/home gardeners, mainly on Funafuti; 3) FAO/SPC may fund TA; 4) FAO RPFS and DSAP developed extension training pamphlets for home gardeners; 5) EU/10th EDF to expand municipal waste composting in Funafuti, to introduce practice in the OIs (2009). 2008: DSAP ('Kete ate kaiga' project, EU/SPC) and ROC Demonstartion Farm ongoing. 1) Little progress to date; 2) DoA/ ROC collecting data from ROC commercial garden/home gardeners; 3) FAO RPFS/DSAP have developed extension training pamphlets for local home gardeners using compost; 4) SPC-LRD to mass produce the pamphlets; 5) EU/10th EDF to fund expansion of municipal organic waste composting in Funafuti and introduce the practice in the OIs, to start in 2009.</p>		<p>2006: 1) TA to assess the financial and other benefits gained from the current (relatively) large-scale the use of composted organic wastes in home and commercial gardening. 2) Prepare extension material, and develop and implement a detailed extension programme. 2007: 1) Funding sought from FAO RPFS and DSAP projects to mass produce the pamphlets; 2) No external TA identified to conduct assessment 2008: External TA needed to conduct assessment.</p>

7. Strategic Area: Natural Resources (Agriculture)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Activities	Funded	Where Donor Support and Action is Needed
	<p>3. Importation of and introduction of plant genetic material. (DoA)</p>	<p>2006: GOT; EU/SPC: DSAP; Trade Office. 2007: 1) No TA identified; 2) DoA, partnered with the Trade Office and TCTC, with TA from SPC IMPEXTEC is assessing the potential of brown and green coconuts for export to NZ, following endorsement of biosecurity authorities in NZ; 3) assessment work to be carried out with TCTC to develop a strategy to collect, package, and transport coconuts from the OIs to Funafuti; 4) SPC has will develop a 'commodity pathway' to export coconuts. 2008: Shipment of new, exotic food crops from overseas, e.g., banana varieties (SPC project, FAO funded).</p>		<p>2006: 1) TA to assess profitability of alternative food crops. 2) Promote agriculture as an income generating activity. 3) Prepare extension material.</p>
	<p>4. Improvement and distribution of local breeds of livestock for increased meat production. (DoA)</p>	<p>2006: FAO: Food Security. 2007: Project underway, new piggery facility at the Elisefou agricultural station established (FAO RPFS). Extension materials associated with this project will be developed with assistance from FAO. 2008: New pig breeds at newly completed piggery at Elisefou serviced in April '08, expected to produce first litter (minimum of 140 piglets) for sale/ distribution in Oct/Nov this year.</p>		<p>2006: TA to assess (relative) profitability of improved breeds of pigs and poultry, prepare extension material, and develop and implement a detailed extension programme. 2008: SPC/FAO assistance to improve breeding of pigs and poultry.</p>
	<p>5. Assess profitability of alternative food crops and promote agriculture as alternative income generating activity. (DoA)</p>	<p>2006: No funding source identified. 2007: 1) No progress to date, no TA identified; 2) pilot project to be developed at Elisefou with DSAP and FAO funding, to be implemented before end 2007. 2008: DoA developing a proposal for DSAP funding to look at diversified cropping system of cassava, sweet potatoes, taro and vegetables at Elisefou Ag Station .</p>		<p>2006: TA to assess profitability and other benefits of new diversified cropping systems.</p>
	<p>6. Promote introduction of new crops suitable to Tuvalu:</p>	<p>2006: GOT/SPC; Other funding sources needed. 2007: No progress to date. DoA, with assistance from DSAP, has requested assistance from SPC. 2008: FAO to fund production of new exotic highly productive banana varieties (see 1.3 above). Project sites to be developed on each OI, TMTI (Amatuku), Motufoua Secondary School, PMH, prison garden (Funafuti). Remaining banana planting materials to be distributed to interested individuals with a set planting/tending criteria.</p>		

7. Strategic Area: Natural Resources (Agriculture)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Activities	Funded	Where Donor Support and Action is Needed
	i) to diversify and sustain local food crop production; and ii) to promote food crops with appropriate farming systems that have high potential for income generating opportunities. (DoA)	2007: Project underway through the FAO RPFS Homegardening Project, to be completed before end 2007. 2008: 1) ROC Home gardening competition on Funafuti; 2) Regular supply of seedlings from the new nurseries on outer islands (FAO funded) for distribution to farmers; 3) Supply of planting materials (ROC); 4) Imported seeds (FAO); 5) Tissue culture (SPC). 2007: No progress to date, but some planning has been done. FAO to be consulted on accessing TCP funding. 2008: Green, brown and germinated coconuts for NZ export is currently under development by DoA and TCTC, with assistance from SPC-LRD and Biosecurity-NZ authorities (two TAs).		
2. Prevent the introduction of alien species of plant and animal origin through increased regional cooperation and better quarantine services.	1. Develop and implement Pests and Diseases Border Control Programme. (DoA)	2006: SPC/FAO. 2007: Underway with assistance from SPC under the Regional Trade and Facilitation Program, mainly for training of quarantine staff. 2008: Ongoing assistance under the Regional Trade Facilitation Program of PIFS. Biosecurity Information Facility (BIF) training to begin this year, with assistance from SPC.	2006: Develop/disseminate information sheet on PRA exports requirements into Aust. and NZ for coconuts, breadfruit, bananas, and establish necessary quarantine certification system. 2008: TA to continue to develop/disseminate information sheet on PRA export requirements into Aust./NZ for coconuts, breadfruit, bananas, and establish necessary quarantine certification system. SPC assistance on BIF training.	
	2. Develop and implement Biosecurity Legislation. (AGO/DoA)	2007: Project underway. A model Biosecurity Law is being reviewed and modified to reflect local circumstances, with assistance from AGO before submission to the DCC and Cabinet for approval, and eventual parliament enactment. 2008: New Biosecurity Bill in draft, to be tabled in parliament this year.	2006: Review Plants Act and other biosecurity-related legislation. 2008: TA to assist local authorities drafting the Biosecurity Bill, and related regulations.	

7. Strategic Area: Natural Resources (Fisheries)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Make NaFICOT commercially viable and sustainable.	1. Assess the financial and operational viability of current and alternative management options for NaFICOT, such as joint ventures, privatise, or close. (DoF)	2006: GOT: Independent review of CFCs. 2007: No progress to date, but expected in 2008 following approval of Tuna Commission resolution allowing GOT Joint Venture to operate two vessels. 2008: Questionnaire completed.	2006: External TA. 2008: TA required.
	2. Improve production of Tuvalu's two long-line vessels. (DoF)	2006: No funding source identified. 2007: A survey has been conducted on the seaworthiness of both vessels; cost estimates on maintenance/repair work to be done are pending. 2008: Maintenance tender has closed.	2006: Maintain and rehabilitate fishing gear, fish storage, and navigational aids on two fishing vessels. 2008: TA to review tender submissions.
	3. Improve fisheries onshore infrastructure (DoF)	2006: No funding source identified. 2007: Upgrading the Fisheries jetty has been incorporated in wharf upgrading project, to be funded by Japan. 2008: Construction work started in early 2008.	2006: Improve and expand existing Fisheries jetty.
2. Implement the recommendations of the CFC Review Report.	1. Transfer of CFCs' Ownership to Island Communities. (DoF)	2006: GOT: Independent review of CFCs. 2007: OFCF (Japan): Proposed start 2008, with two components: 1) FESAP: assistance for extension services (e.g., TA); and 2) FIDABIN: equipment maintenance and repair. 2008: Maintenance of Nukulaelae CFC complete (Japan-OCFC).	2006: Improve CFC facilities and equipment.
	2. Delegate operations and management of CFCs to Kaupule. (DoF)	2006: GOT: Independent review of CFCs. 2007: CFC Review Committee submitted its report to restructure CFC management systems. Currently under review. 2008: Still under review. Niutao CFC operations being surveyed.	2006: External TA. 2008: TA required.
	3. Provide technical services as required. (DoF)	2006: GOT: Fisheries Dept. 2007: DoF's Extension and Development Section continues providing technical services to all CFCs and local fishermen. 2008: OFCF FESAP Project and DoF's Extension & Development continue assistance to all CFCs.	2008: OFCF assistance.
	4. Capacity development: Kaupule CFC management, strengthen Kaupule CFC-related technical skills. (DoF)	2006: GOT: Long term inservice training for Kaupule staff. 2007: To be run by DoF's Extension and Development Section. No progress to date. 2008: OFCF FESAP.	2006: TA to build key skills for CFC-related operations and management (e.g., basic accounting, fish processing, mechanical and refrigeration skills).

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7. Strategic Area: Natural Resources (Fisheries)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
3. Develop coastal marine resources management system for Tuvalu.	1. Undertake marine stock assessment. (DoF)	2006: SPC. 2007: No progress to date. Await the outcome of the EU-funded PROCFish Project before developing a monitoring system. 2008: No progress to date.	2006: Develop, implement and maintain a monitoring system for the status of coastal fisheries resources. 2008: SPC assistance required.
	2. Develop community based management plan. (DoF)	2006: GOT/SPC. 2007: SPC has completed a Nukulaelae plan. No other progress to date but plans for the remaining outer islands are expected to completed by end 2007. 2008: Awaiting confirmation from Vaitupu as to availability.	2006: Develop Kaupule-based marine resource management framework. 2008: SPC assistance required.
	3. Develop coastal fisheries legislation. (DoF/AGO)	2006: No funding source identified. 2007: No progress to date. Awaiting completion of a survey and study of coastal biodiversity. Not yet underway. 2008: No progress to date.	2006: Develop coastal fisheries management legislation. 2008: SPC assistance required.
4. Develop and maintain coastal fisheries as a source of food and income.	1. Develop financially viable domestic tuna fisheries development program. (DoF)	2006: No funding source identified. 2007: Project underway; completion date unknown. 2008: Work ongoing.	2006: Identify financially viable domestic tuna fisheries development programmes. 2008: SPC/FFA assistance required.
	2. Promote financially viable aquaculture industry. (DoF)	2006: GOT/SPC. 2007: Trials of giant clam and pearl oyster farming to begin in 2007. Trials of milkfish fish farming to begin on Vaitupu in 2007. 2008: Work ongoing.	2006: Identify financially viable aquaculture products. 2008: Taiwan ICDF assistance required.
	3. Promote restocking of key species. (DoF)	2006: GOT/SPC. 2007: No progress to date. 2008: No progress to date.	2006: Restocking of endangered species. 2008: SPC assistance.
5. Manage the offshore tuna fisheries using the regional and national tuna fisheries management frameworks.	1. Bilateral and multilateral Tuna fisheries license negotiation. (DoF)	2006: GOT/FFA. 2007: No Progress to date. 2008: Awaitng FFA consulting report.	
	2. Formulation of Tuna Fisheries Management and Development Plan. (DoF)	2006: FFA. 2007: FFA is providing TA to member countries on tuna management plans. No progress to date. 2008: No progress to date.	2006: Technical Assistance for the formulation of the Tuvalu Tuna Fisheries Management and Development Plan. 2008: SPC/FFA assistance required.
6. Develop new offshore fisheries resource options.	1. Identify financially viable new fisheries, such as deep water snapper fisheries. (DoF)	2006: USA. 2007: No progress to date. 2008: No progress to date.	2006: Identify financially viable new fisheries, such as deep water snapper fisheries. 2008: TA required.
7. Strengthen fisheries statistics database, including coastal fisheries information.	1. Strengthen tuna fisheries statistics. (DoF)	2006: FFA/SPC. 2007: Ongoing programme. DoF is working with FFA and SPC on fish stock data, to be updated annually. 2008: Work ongoing.	2006: Capacity training for Dept. of Fisheries staff

7. Strategic Area: Natural Resources (Fisheries)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	2. Develop a coastal fisheries data base and establish a system of data collection, storage, access and analysis. (DoF)	2006: No funding source identified. 2007: Data collected and database created through the PROCFish Project; data not yet released to SPC. 2008: Work ongoing.	2006: Develop a coastal fisheries data base and establish a system of data collection, storage, access and analysis. 2008: TA required. (SPC)

7. Strategic Area: Natural Resources (Tourism)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Develop a viable and sustainable tourism industry for Tuvalu.	1. Review the past Tourism development plan. (DoT)	2006: No funding sources identified 2007: \$10,000 SDE budget line (ROC). DoT will hold consultations with stakeholders to formulate new medium-term tourism plan. 2008: 1) Consultation with stakeholders complete; 2) New medium-term tourism plan is in final drafting stage (DoT & SPTO).	2006: Review the draft tourism development plan and, in consultation with key stakeholders, re-assess the medium- to long-term potential for tourism development in Tuvalu. 2007: TA assist in drafting medium-term development plan. 2008: TA and other support to implement of the Plan.
	2. Reassess the medium- to long-term potential for tourism development in Tuvalu and draft a realistic development plan, including niche marketing. (DoT)	2006: No funding sources identified. 2007: No progress to date; no funding source identified. 2008: See above 1.1 above.	2006: Develop a realistic development plan, including niche marketing. 2007: DoT will consult on and develop a plan to niche market Tuvalu to eco-tourists. 2008: See 1.1 above.
2. Encourage private sector involvement in the development of Tourism activities, amenities and facilities.	1. Lease out or privatise management of the Vaiaku Lagi Hotel (VLH). (MFEP)	2006: No funding sources identified. 2007: No progress to date; GOT has yet to endorse a proposal. 2008: No progress to date.	2006: 1) Renovation and expansion of Vaiaku Lagi Hotel. 2) TA to finalise a GOT decision to lease out or privatise VLH operations and management (or not). 2008: TA required to carry study on the option of outsourcing VLH management, hotel lease out, or sale of VLH.
	2. Provide training to current hotel, lodges, and restaurant staff in basic skills in quality tourism and customer services. (DoT)	2006: No funding sources identified 2007: 1) GOT scholarships; 2) ICDF volunteer training (ROC); 3) AusAID offers 632 scholarships in tourism-related fields; and 4) timelesstuvalu.com/pacifictoolkit.org/widescene photography (SPTO). 2008: Ongoing GOT scholarships and online SPTO training resources.	2006: Basic training to current hotel, lodges, and restaurant staff in basic skills in quality customer services. 2007: 1) ICDF volunteer expected (Aug/Sep '07) to train hotel/lodge/restuarant staff. 2) DoT to increase its advice to clients on the importance of the various websites developed by SPTO. 3) Donor funding needed for overseas attachments by local hotel, lodge, and restaurant staff. 2008: Donor assistance for tourism training.

7. Strategic Area: Natural Resources (Environment)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Develop Environment Act to provide a framework for environmental conservation, protection and management, including climate change adaptation and mitigation, environment impact assessment, biodiversity conservation, and management of solid, liquid and chemical wastes.	1. Draft Environment Bill. (DoE/AGO)	2006: No funding source identified. 2007: Draft bill in preparation (SPREP-funded). Probable funding source (if needed): TA financed under the EU/10th EDF, combined with drafting of waste management legislation. 2008: 1) Draft Environment Protection Bill and the draft Ozone Layer Depleting Substance Bill passed a first reading in Parliament (Dec. '07). Extensive national consultations anticipated before draft bills are tabled for final reading in Parliament. 2) Draft Environment Impact Assessment (EIA) Regulation has been formulated.	2006: Draft Environment Act to legislate environmental conservation protection and management, including climate change adaptation and mitigation, environmental impact assessment, biodiversity conservation, and management of solid, liquid and chemical wastes. 2008: Technical and financial assistance required for public awareness and enforcement pertaining to the Environment Protection Act (SPREP has consulted with MNR).
2. Develop and implement solid waste management plan to reduce, reuse, recycle and responsibly dispose of residual wastes.	1. Develop solid waste management plan for Funafuti for collection and composting and disposal services. (DoE) 2. Waste management services in Funafuti. (DoE)	2006: GOT/EU: On-going waste management project; Other funding sources needed. 2007: Waste management plan (funded by ADB) to be fully funded by EU/10th EDF, to start in 2008. Funafuti waste management services to be strengthened, expanded, and extended to the outer islands, including land rehabilitation at existing dump sites. 2008: (Transferred to MHARD) 1) Waste management services to the public remain operational but need to be strengthened/improved. 2) Technical and financial assistance from the EU/10th EDF expected to commence in 2008. 3) Drafting and enactment of Waste Management Act to be funded under the EU's 10th EDF. 4) ROC funding a DoE supported consultancy to undertake a feasibility study on options to reduce, recycle and re-use waste.	2006: 1) Feasibility study to examine financial and other methods to encourage individuals to reduce, re-use, recycle and/or dispose of waste. 2) Expand Funafuti waste management services. 3) Extend waste management services to OIs. 4) Feasibility study to examine making importers responsible for recycling and (or) removing solid waste off the islands. 5) Rehabilitate the current land fill sites to an acceptable standard and prevent pollution of coastal areas.
3. Promote sustainable use of natural resources and protection of biodiversity.	1. Develop National Biodiversity Strategy and Action Plan. (DoE) 2. Establish more marine/terrestrial protected areas. (DoE)	2006: UNDP/GEF. 2007: 1) Some progress made to date. Proposal with UNDP, possibly funded under the next phase of GEF financing. 2) Some work undertaken by DoE with local NGOs (possible GEF financing). 2008: 1) The project Document Proposal for the NBSAP has been technically and financially approved. 2) No progress to date (left).	2007: donor-funded TA required to conduct research on existing and potential conservation areas. 2008: Technical and financial assistance required to establish additional marine/terrestrial protected areas.

7. Strategic Area: Natural Resources (Environment)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
<p>4. Develop and implement specific management policies and institutional governance arrangements for key environmental issues including EIAs. Specifically:</p> <p>i) land degradation;</p> <p>ii) pollution causing chemical substances - ozone depleting substances (ODS); and</p> <p>iii) pollution causing chemical substances - persistent organic pesticides (POPS).</p>	<p>1. Develop and Implement Environment Impact Assessment (EIA) policies. (DoE)</p> <p>2. Utilise MSP (Medium-Sized Project) to address land degradation and drought. (DoE)</p> <p>3. Implement National Implementation Plan (policies, strategies, and institutional governance) for ODS. (DoE)</p> <p>4. Public environment awareness focusing on human health and environmental effects of poor wastewater management. (DoE)</p>	<p>2006: No funding source identified. 2007: 1) No progress to date. Should form part of proposed Environment Act legislation. EIAs being carried out by DoE, including in the outer islands, but EIA process needs to be strenghtened. 2008: EIA Policy not yet drafted - some elements of an EIA Policy incorporated into EIA Regulations.</p> <p>2006: UNDP/GEF. 2007: 2) Some progress made to date on GEF proposal. Draft completed, to be submitted to UNDP for review. 2008: Project Document has been technically and financially approved by GEF. Await signature from Government and implementing agency (Ministry concerned).</p> <p>2006: No funding source identified. 2007: 3) Cabinet paper prepared to establish order banning the import of NIP/ODS, to form part of Environment Act (in draft). MFEPI/Customs to consider restricting imports products with ODS. 2008: No progress to date.</p> <p>2006: UNDP/GEF. 2007: No NIP/POPS plan in draft. POPS to form part of environmental legislation. 2008: Project Identification Form sent to GEF under the project on "Global Program on Capacity Building for POPS Analaysis to Support the Global Monitoring Plan of POPS For Effective Evaluation of the Stockholm Conference".</p> <p>2006: GOT; Other funding sources needed. 2007: Ongoing jointly with Waste Management Unit. More activities required. Funding available under the EU/10th EDF, to start in 2008. 2008: (Transferred to MHARD.) DoE - ongoing awarness programmes. (e.g., Environment Day).</p>	<p>2006: Develop and implement Environment Impact Assessment (EIA) policies, institutional governance arrangements, and decision-making processes. 2008: Financial assistance is required for awarness programmes (see 4.1 left). Technical assistance required (4.2 left). Technical and financial assistance required (4.3 left). Financial assistance for raising awarness on environmental programmes (4.4 left).</p>

7. Strategic Area: Natural Resources (Environment)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
5. Develop climate change adaptation and mitigation policies.	1. Implement NAPA project. (DoE)	2006: UNDP/GEF. 2007: 1) Paper awaiting cabinet submission (expected later in 2007). 2008: 1) Tuvalu NAPA endorsed by cabinet and submitted to UNFCCC Secretariat. 2) Project Profile No. 1 under NAPA "Increasing resilience of coastal areas and climate change": Japan to fund study of methods for coastal protection.	2006: Identify and assess economic and practical feasibility of alternative adaptation strategies against climate change effects. 2008: Technical and financial assistance required for successful project implementation.
	2. Develop climate change policies. (DoE)	2006: No funding source identified. 2007: 2) Climate change polices developed and endorsed by cabinet. 2008: (Transferred to Department of Energy.) 1) Ongoing WWF funding of international climate change policies (e.g., negotiation training), otherwise no progress to date. 2) Climate Change TA funded by GOT.	2006: Assess economic viability of alternative climate change adaptation/mitigation strategies (e.g., renewable energy; efficient vehicles). 2008: TA and financial assistance required.
6. Develop and implement natural disaster risk reduction and disaster management plan.	1. Prepare National Disaster Risk Reduction and Disaster Management Plan. (DMO)	2006: No funding source identified. 2007: 1) GOT: Work on Natural Disaster Management Plan ongoing. 2) SOPAC/SPC are currently operating disaster risk management programmes. 3) Aust. is launching a new \$93.2m 4-yr initiative in its 2007-08 aid budget: "Enhanced Australian Emergency and Humanitarian Response Capacity". Elements of the initiative is to improve the capabilities of PIC DMOs, support NGOs, and make local communities more prepared/resilient. 2008: 1) Ongoing - Natural Disaster Management Bill enacted Nov. '07; 2) Ongoing; 3) EAEHRC progress in Tuvalu unknown.	2006: Develop and implement a national action plan against disaster risk reduction and disaster management (using the guiding principles and strategies articulated in the regional disaster risk reduction and disaster management framework). 2008: Financial and technical assistance required to develop and implement National Action Plan for natural disasters.
7. Establish a monitoring system for the environment.	1. Establish Environment Information System (EIS) and provide training in collecting, storing, accessing and analyzing statistical/other information. (DoE)	1. 2006: No funding sources identified. 2007: 1) No progress to date (lack of funding). However, Pacific Environment Information Network (PEIN) has been established (SPREP-funded). 2) No progress to date (lack of funding). 2008: 1) No progress to date; 2) No progress to date.	2006: Link EIS to the national statistics database. Provide training in collecting, storing, accessing and analyzing environmental statistics, and other information. 2008: TA and financial assistance required to establish an EIS, including training in data collection, storage, and analysis.
	2. State of Environment Report. (DoE)		2006: TA to draft new State of Environment Report. 2008: Financial and technical assistance required

7. Strategic Area: Natural Resources (Land)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Confirm Tuvalu's maritime boundary.	1. Finalisation of negotiation of Tuvalu's Maritime Boundary with neighboring countries. (Kiribati, Fiji, France). (DoL)	2006: GOT; Other funding sources needed. 2007: Technical Report completed in 2006. Negotiation training is needed; negotiation team not yet identified. 2008: Funds needed to obtain geo-reference maps for Wallis & Futuna (France), Rotuma (Fiji) and southern Kiribati islands to determine median lines with Tuvalu.	2006: TA (technical and legal) to assist development of a strategic plan on maritime boundary negotiation. 2008: TA to compute baselines for Wallis & Futuna, Rotuma and south Kiribati group followed by negotiation strategic training of negotiating team (Lands, AGs & FA).
2. Clarify and or confirm land ownership and land boundaries using GPS and GIS tools.	1. Land Boundaries Confirmation: Finalisation of land ownership and boundaries utilising cadastral maps. (DoL)	2006: GOT; Other funding sources needed. 2007: Parliament approved Cadastral maps. Focus now on application of GPS on boundary determination. 2008: No progress to date.	2006: Land ownership and boundary confirmation (i.e. land lease review): formalization of land titles. 2008: TA required.
3. Develop an appropriate land use and management plan, including land rent assessment.	1. Land Valuation System: Market and (or) negotiation based valuation system. (DoL)	2006: No funding source identified. 2007: No progress to date. 1) Possible UNDP/GEF project. 2) PIFS project on land management complements AusAID's regional approach to land management (in: Report to the Forum Security Meeting). Note: New AusAID initiative being developed for 2008-09 Aid Budget: "Pacific Land Program". Phase 1: case studies on different or innovative approaches to land management across PICs (in progress, case study reports to be circulated later in 2007); Phase 2: Australia to fund PIC requests to support reform efforts that improve land management, which promote economic growth. 2008: No progress to date.	2006: Develop an appropriate land use and management system, including land rent assessment. 2008: TA required.
4. Develop and maintain GIS-based Land Information System to ensure transparent and accountable Land Court decisions.	1. Develop and maintain GIS Land Information System. (DoL)	2006: GOT; Other funding sources needed. 2007: No progress to date. 2008: Ongoing and progressing well - will also identify links and support from SLM Project.	1. 2006: Strengthen current GIS with MWE and incorporate land tenure information, including updated land tenure boundaries and ownership information. 2007: Donor TA required to support Land Courts. 2008: TA required to upgrade GIS (see 4.1 left).
	2. Greater judiciary support for the Land Courts. (DoL)	2006: No funding source identified. 2007: No progress to date. 2008: No progress to date.	

8. Strategic Area: Infrastructure and Support Services (Public Works and Energy)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
1. Meet basic water needs by providing water to households when demand exceeds their own supply.	1. Desalination of sea water. (PWD)	2006: GOT/Japan: Desalination plants (Funafuti - Japan, Nanumaga, Vaitupu). 2007: Ongoing. 2008: Ongoing - except for Funafuti, Nanumaga and Vaitupu where desalinators are installed.	2006: Procurement of desalination plants. 2008: Supply of desalinators spare parts.
	2. Government water tanks: increased storage. (PWD)	2006: GOT/Italy: Water tanks and water distribution truck. 2007: No progress to date. To be funded by EU/10th EDF and 9th EDF B-envelope starting in 2008. 2008: 1) Distribution of 300 AusAID-funded water tanks (10,000 ltr capacity) began in Oct. '07. 2) Operation of water tanker has also commenced. 3) Production of 9th EDF B-envelope funded 10,000 ltr tanks (€0.5 million received under SOPAC, total package = €0.7 million scheduled to commence by mid-year. 4) Production start of approx. 1,000 tanks for OIs under the 10th EDF expected in second half of '08.	
2. Provide quality water to the Government offices and vessels.	1. Water quality monitoring. (DoH)	2006: GOT: On-going monitoring of GOT water supplies. 2007: Little progress to date. Potential source of funding: EU/10th EDF and/or 9th EDF B-envelope, to start in 2008. 2008: (Transferred to MoH) Integrated Water & Sanitation Committee (IWSC).	2006: Procurement of water testing kits. In-country training: Monitoring of water quality.
3. Promote private households to increase their water storage volume through changes to building code.	1. Private water tanks and building codes. (PWD)	2006: GOT: Endorsement of building code. 2007: 1) Water tanks to be funded by EU/10th EDF and 9th EDF B-envelope (start in 2008). 2) PWD water tank proposal submitted to AusAID. Proposal being assessed, with possible funding from "Pacific Regional Vulnerability and Adaptation Initiative". 2008: 1) AusAID-funded water tanks are currently being distributed to FOT and private housing; 2) 9th EDF B-envelope and 10th EDF water tank production/distribution scheduled to begin this year (see Funded Activities under 1.2 above).	1. 2006: Finance new residential/community rainwater catchment, and water tank/cistern storage capacity. 2008: 1) Assistance with Building Code awareness programmes.
	2. Implement and enforce building codes. (PWD)	2006: No funding source identified. 2007: Cabinet endorsed (previous government). PWD/MPUI revising building code for re-submission to Cabinet. TA required to assist PWD with revising the Building Code. 2008: Work is ongoing.	

8. Strategic Area: Infrastructure and Support Services (Public Works and Energy)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
4. Adopt demand side management for water, through education, appropriate building design, and full cost recovery pricing.	1. Water Conservation Education Programme. (PWD)	2006: No funding source identified. 2007: No progress to date, but funding secured under the EU/10th EDF to start in 2008. 2008: Funding required. No progress to date. Funding maybe available under the water component of the 10th EDF.	2006: Devise educational programme on water conservation appropriate to Tuvalu's situation. 2008: Funding required.
	2. Full cost recovery for government-supplied water (desalinated or other source). (PWD)	2006: No funding source identified. 2007: No progress to date, but possible TA funding available under the EU/10th EDF to start in 2008. Also possible 10th EDF TA funding to draft and enact water legislation. 2008: No progress to date.	2006: TA to explore the possibility of full cost recovery water charges. 2008: TA required.
5. Develop Integrated Water and Sanitation Management Plan to effectively manage water/human liquid wastes.	1. Integrated Water and Sanitation Management Plan. (PWD)	2006: No funding source identified. 2007: No progress to date. TA funding available under the EU/10th EDF, to start in 2008. 2008: IWSC will work on this with TA from SOPAC and funding under the EU/10th EDF.	2006: TA to assist in formulation of a national integrated water and sanitation management plan.
6. Develop animal waste management plan.	1. Composting of pig wastes and vegetable gardening. (PWD/DoA)	2006: ROC: Vegetable garden and pig wastes composting. 2007: Ongoing. 2008: Work ongoing.	2008: Funding required for piggery maintenance.
7. Improve management, operation and maintenance of infrastructure and support services.	1. Maintenance of Government buildings and schools. (PWD)	2006: GOT/Kaupule: Annual maintenance grant to Kaupule. 2007: Ongoing. 2008: Work ongoing.	2008: No donor assistance required.
	2. Maintain Government housing, offices, and Motufoua Secondary School. (PWD)	2006: GOT: Provision of annual maintenance. 2007: Some maintenance occurring but overall budgets are under-funded. 2008: Situation remains unchanged.	2006: TA to assess annual maintenance requirements for existing infrastructure and support services. 2008: Financial assistance required.
	3. Roads and airport maintenance and improvement. (PWD)	2006: GOT: Provision of annual maintenance. 2007: 1) Road maintenance ongoing but under-funded; 2) airport maintenance: no progress to date. 2008: Limited GOT funding for roads, but select maintenance ongoing.	2008: Financial assistance for additional road maintenance required.
	4. Technical and architectural services. (PWD)	2006: GOT: Provision of architectural services for GOT projects. 2007: Shortage in technical and qualified architectural staff. External TA required. 2008: No progress to date.	2006: Skills upgrading for PWD staff and private sector; refresher courses for carpentry, plumbing, electrical work, guttering, etc. 2007: Donor funded TA required to recruit staff. 2008: Technical and financial assistance required.

8. Strategic Area: Infrastructure and Support Services (Public Works and Energy)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
8. Seek alternative private sector providers of infrastructures and utilities.	1. Privatisation of PWD Services. (MFEP/MPUI)	2006: GOT: Contracting out PWD services. 2007: TA supernumerary has prepared a report on privatisation of PWD services, with PWD input. 2008: Status currently unknown. Awaiting outcome of TA report.	2006: TA to assess financial viability and operational feasibility of privatization of certain PWD services.
9. Develop and implement National Energy Action Plan.	1. Develop National Energy Policy using guiding principles and strategies included in the Pacific Regional Energy Plan. (DoE)	2007: Project underway; draft in the final stage of completion. 2008: SOPAC preparing final draft of National Energy Policy.	2006: Develop National Energy Action Plan using guiding principles and strategies included in the Pacific Regional Energy Plan. 2008: Financial and technical assistance required to implement the National Energy Policy.
10. Secure cost effective and reliable supply of acceptable quality fossil fuel.	1. Long term fuel contract: Develop formal contract with a reliable supplier of fuel to provide cost effective and reliable supply of fossil fuel of acceptable quality to last at least three months (Long term Fuel Supply Contract). (MPUI)	2006: No funding source identified. 2007: 1) No progress to date. 2) PIFS advised that at the recent Pacific Energy Ministers Meeting decisions were taken to pursue bulk fuel purchasing options, in line with pooled resource approaches under the Pacific Plan. 2008: No progress to date.	2006: TA to assist in developing long term fuel supply contract. 2008: Financial and technical assistance required due to Air BP's withdrawal from service by June '08.
11. Reduce reliance on fossil fuel by promoting energy conservation and use of renewable energy sources.	1. Energy Conservation Education and Awareness. (DoE)	2006: No funding source identified. 2007: No progress to date. 2008: UNDP-funded, awaiting finalization of document brief that will enable funding release..	2006: Promote gender sensitive education and awareness programme on energy conservation.
	2. Promote use of Renewable Energy. (DoE)	2006: No funding Sources identified. 2007: Solar PV and biogas demonstration project installed at TMTI; wind monitoring device installed at TEC. 2008: 1) Installation of a grid-connected solar PV power system completed in 2007. Located atop the National Sports Field grandstand. Funded by the e8 Group of international electric utilities (Japan is a member). System capacity: 40 kW (about 5% of peak demand). 2) Japan proposing to fund grid-connected solar PV systems in OIs. 3) Italy-funded US\$800,000 solar PV project approved in May '08. Project system design (grid-connected, stand-alone, or both) under discussion.	2006: Identify/promote financially viable alternative sources of renewable energy including biogas, biofuel, wind and solar. 2008: Technical and financial assistance required for Renewable Energy (RE) projects, RE awareness and RE demonstration programmes.

8. Strategic Area: Infrastructure and Support Services (Public Works and Energy)

Priority Kakeega II Strategies: 2007- 2009	Projects and Programmes	Funded Activities	Where Donor Support and Action is Needed
	3. Transport fuel efficiency and taxation policy. (MFEP)	2006: No funding Sources identified. 2007: No progress to date. 2008: No progress to date. ADB-funded taxation reforms still being reviewed.	2006/2008: Devise taxation policy to encourage fuel efficient land transport.
	4. Review electricity pricing policy. (MFEP/MPUI)	2006: No funding source identified. 2007: No progress to date. SPC funded TA to carry out work later in 2007 (expected). 2008: New tariffs now in place.	2006: TA to review electricity tariff, and set economic cost tariff.
	5. Tariff review for cost recovery pricing. (MFEP)		
12. Ensure appropriate disposal measures are used for waste engine oils and other waste fuels.	1. Develop Corporate Social Responsibility Policy. (DoE)	2006: No funding source identified. 2007: No progress to date. 2008: Contained in the Environment Bill passed in '07..	2006/2008: TA draft legislation on corporate social responsibility for waste oil collection and disposal.
	2. Develop Waste Disposal Environmental Regulation (DoE)	2006: No funding source identified. 2007: 1) Covered as a policy issue in the draft National Energy Policy; 2) EU/10th EDF to fund TA to draft Waste Management Act in 2008. 2008: 1) Partly addressed in the Environment Bill passed in '07; 2) EU/10th EDF is ongoing. EU/10th EDF to fund TA to draft Waste Management Act in 2008, including all waste management regulations.	2006/2008: TA to develop an appropriate regulatory mechanism for safe disposal of domestic waste oil (see EU/10th EDF project left).
13. Monitor and manage use of fossil fuel and renewable energy.	1. Energy Database: linked to National Data Information System. 2. Establish/maintain a database disaggregated by gender. (DoE)	2006: GOT; Other funding sources needed. 2007: Energy database established (work in progress); no progress disaggregating data by gender. 2008: Work in progress.	2006: Establish a national energy database. 2008: TA for training on data collection and analysis.
14. Human resource development in the energy sector.	1. Develop a plan for human resources development in target technical skills. (MPUI/PSC)	2006: No funding source identified. 2007: No progress to date; SOPAC has been approached for TA. 2008: GOT department submission submissions to undergo in-service training must follow the standard approval process through the Dept. of Personnel and Training.	2006/2008: TA to assist in the development of a human resource development plan for the energy sector.