

AGREEMENT BETWEEN
THE UNITED NATIONS OFFICE FOR PROJECT SERVICES
AND THE
UNITED NATIONS DEVELOPMENT PROGRAMME
FOR THE
EIF TUVALU TIER 1 PROJECT

With reference to the agreement between the United Nations Office for Project Services (hereinafter referred to as “UNOPS”) and the United Nations Development Programme (hereinafter referred to as “UNDP”) for the *Tuvalu Trade Capacity Development and Institutional Strengthening Project* (hereinafter referred to as “Project”), signed on 3 January 2013, to be funded by the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (hereinafter referred to as “EIF”) through its Trust Fund (hereinafter referred to as “EIF TF”).

UNDP and UNOPS, as specified in paragraph 24, wish to amend the agreement as follows:

Annexes I and II (amended as attached) to include documentation on the DTISU.

All other terms and conditions of the agreement, except as amended herein, shall remain unchanged and continue in full force and effect.

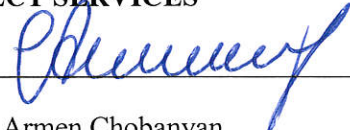
For the **UNITED NATIONS
DEVELOPMENT PROGRAMME**

Name: Osnat Lubrani

Title: Resident Representative, UNDP

Date: _____

For the **UNITED NATIONS OFFICE FOR
PROJECT SERVICES**

_____ 

Name: Armen Chobanyan

Title: Head of Programme, Geneva

Date: 26.05.15



EIF-TIER1-TUV-001-A

**AGREEMENT BETWEEN
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AMENDMENT 1

ANNEX I: DTISU Project Proposal [as approved by the EIF Board]

9 pages (including cover sheet)

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**ENHANCED INTEGRATED FRAMEWORK FOR TRADE-RELATED
TECHNICAL ASSISTANCE TO LEAST DEVELOPED COUNTRIES
Update of the Diagnostic Trade Integration Study for Tuvalu**

Terms of Reference

Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour

Government of Tuvalu

May 2015

1. CONTEXT AND JUSTIFICATION

Context

The Enhanced Integrated Framework (EIF) for Trade-Related Technical Assistance (TRTA) to Least Developed Countries (LDCs) is a multi-agency, multi-donor initiative which assists LDCs to expand their participation in the multilateral trading system. The EIF in Tuvalu began in 2008 with the undertaking of the Diagnostic Trade Integration Study (DTIS). The objective of the EIF is to use trade as a contributor to poverty alleviation and human development.

The EIF process has four major objectives:

- i. Mainstream trade into national development strategies;
- ii. Set up structures needed to coordinate the delivery of TRTA in response to trade capacity gaps and supply-side constraints;
- iii. Build capacity to trade, which also includes addressing critical supply-side constraints;
- iv. Support donor coordination and resource mobilisation in the EIF country.

In 2010, Tuvalu conducted a comprehensive DTIS and its accompanying Action Matrix (AM) were endorsed at a DTIS validation workshop held in December 2010. The DTIS identified key constraints hindering the country's integration in the multilateral trading system and the global economy.

In January 2013, a Tier 1 project to support national implementation arrangements, "Capacity Building and Institution Strengthening Project for Tuvalu", was launched. The main implementing entity (MIE) of the Tier 1 is the United Nations Development Programme (UNDP), through the Department of Trade in the Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour (MFATTEL). The expected outcomes of the Tier 1 project include the following:

- i. Sufficient institutional and management capacity built in Tuvalu to formulate and implement trade related strategies and implementation plans;
- ii. Tuvalu mainstreams trade into national development strategies and plans;
- iii. Coordinated delivery of trade-related resources (funding, technical assistance, etc.) by donors and implementing agencies to implement country priorities following adoption of the DTIS Action Matrix;
- iv. Tuvalu secures resources in support of initiatives that address DTIS Action Matrix priorities.

In line with the work plan approved by the EIF Board, a DTIS Update (DTISU) ought to be undertaken so as to provide insights on current issues affecting trade policy and trends in Tuvalu. The DTISU should in particular take into account the ongoing development of a Trade Policy Framework (TPF) that began in 2013. A draft of this document was initially prepared by a consultancy made available by the Pacific Islands Forum Secretariat (PFIS). Ongoing formulation of the TPF is expected to provide

comprehensive policy and regulatory guidelines on Tuvalu's national trade and development strategy. The TPF will provide a measure of consistency and predictability in policymaking.

The preparation of the Terms of Reference for the DTIS update included consultations with various stakeholders, including the public and private sectors, civil society, and development partners. These stakeholders proposed a variety of suggestions on what the DTISU ought to focus on. The Government of Tuvalu (GoT) is mindful of duplication of efforts and upon further consultations has prioritised the areas and coverage of the DTISU.

Therefore, a review of the previous AM, studies, reports, and consultations will be undertaken by the consultant(s) to determine the implementation status of various TRTA initiatives and hone in additional priorities..

UNDP has been asked to support GoT in conducting the DTIS update, in coordination with the EIF agencies and interested donors. Funding for the revision of the DTIS is provided by the EIF Trust Fund managed by UNOPS on behalf of contributing donors. The study will be prepared by a team of national and international experts.

Justification

Tuvalu is a Small Island Developing State (SIDS) and an LDC facing challenges due to climate change and geographic isolation. Rising sea levels have diminished soil fertility due to salt water intrusion and coastal erosion. Limited connectivity and high transportation costs have contributed to Tuvalu's elevated cost of living and business, contributing to acute social and economic hardship. Tuvalu's narrow economic base includes remittances and fishing. Additional resources include Tuvalu's internet domain (.tv) and foreign assistance. The GoT seeks to diversify the economy and reduce the trade deficit through tourism and expanding the production of import substitutes such as fresh fruits, livestock and poultry for the domestic and export markets. Tuvalu faces additional constraints including infrastructure gaps and labour shortages.

The DTISU will articulate these challenges and present a blueprint for development partners, potential investors, and other stakeholders.

The timing of the DTISU coincides with a review of Tuvalu's five-year national development plan, [Te Kakeega II – National Strategy for Sustainable Development 2010 – 2015](#). This provides a timely opportunity to incorporate the recommendations of the DTISU and accompanying AM in national development planning processes.

2. OBJECTIVE

The objective of the DTISU is to take stock of progress made since the last DTIS, and identify outstanding issues and new priorities in order to better respond to trade opportunities. The DTISU team in consultation with other stakeholders will evaluate what needs to be updated from among the following topics:

- The macroeconomic environment
- Trade policy and institutions
- Trade agreements and market access
- Trade-related poverty reduction and sustainable development
- The business environment and institutional framework for trade and investment
- Trade Facilitation
- Standards and quality infrastructure
- Sectoral issues
- In-country EIF implementation arrangements

Expected Outcomes

The DTISU process is expected to generate a number of outcomes:

- The scope and content of the proposed study is clearly articulated based on consultations with the Government authorities, agencies, donors, private sector and civil society.
- The report builds on as much as possible, without duplicating, existing work and identifies new insights and national priorities, particularly supply-side constraints and barriers to trade and investment, for the attention of the Government and other stakeholders.
- A bilateral or multilateral donor is identified as a Co-Donor Facilitator to complement the current Lead Donor Facilitator (UNDP) to enhance donor coordination and resource mobilisation efforts.

3. INSTITUTIONAL ARRANGEMENTS FOR DTIS UPDATE IMPLEMENTATION

UNDP has been designated by the GoT as MIE in order to facilitate the DTISU. The formulation of the report should take into account preparations of Tuvalu's five-year national development plan to ensure complementarity with upcoming public sector documents and mainstreaming efforts.

UNDP will engage a team of national and international consultants to prepare the report. A Team leader will work with UNDP's Multi-Country Office in Fiji, ensuring overall quality and coherence of the DTISU.

Qualifications of the Team leader are presented in Annex 1.

The National Trade Steering Committee (NSC) will provide oversight in the preparation of the DTISU and contribute with relevant material. The EIF Focal Point (FP) in Tuvalu will provide additional support.

4. METHODOLOGY

The DTISU will be conducted through a participatory and inclusive process that includes the public and private sectors as well as civil society actors.

The report should take into account existing analytical work in relevant areas in order to avoid duplication. The report should also take into account sectoral strategies and plans as key inputs. The DTISU should review progress of the DTIS AM in 2010 and identify gaps in implementation, as well as review institutional capacity issues towards promoting successful implementation of priority actions.

The EIF National Trade Steering Committee (NSC) will be consulted throughout the DTISU process. These consultations ought to include meetings organized with the assistance of UNDP and the Team Leader at the launching of the process (pre-DTISU mission) and during the main mission (see details below under deliverables and timeline).

5. DELIVERABLES AND TIMELINES

UNDP will be responsible for the following deliverables and timelines.

MILESTONE	TENTATIVE TIMELINE
Preliminary mission	June 2015
Concept note	July 2015
Concept note for EIF Board comments	July 2015

Main DTISU mission	August 2015
Preliminary draft DTISU, inclusive of executive summary and Action Matrix	October 2015
Preliminary draft DTISU, inclusive of executive summary and Action Matrix, for Board comments	November 2015
National validation workshop	December 2015
Final DTISU report	January 2016

6. BUDGET (see Excel spreadsheet)

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ANNEX 1 - TEAM LEADER QUALIFICATIONS AND COMPETENCIES

EXPECTED RESULTS AND ACHIEVEMENTS

i. Preliminary DTISU mission

The purpose of the mission is to lay the ground work for the main DTISU mission. This involves allowing the Team Leader to establish contact with national stakeholders, including the EIF Focal Point. The preliminary mission will:

- Discuss the scope and content of the proposed study with the Government authorities, agencies, donors, private sector and civil society.
- Establish a clear work plan to include timing of the main DTISU mission, national workshop and the domestic review process, and timing/objectives with respect to existing poverty reduction strategy documents or reports and development partner meetings.
- Establish close contact with the EIF Focal Point. Ensure that the Ministries of Finance and Trade, as well as other relevant ministries, internalize and own the EIF process and objectives.
- Initiate relationships with the private sector, research partners and other stakeholders and create mechanisms for keeping partners in the field informed. Visit key research institutions and think tanks to explore possibilities for collaboration during the EIF exercise.
- Contact relevant international development partners (UNDP, Australia, New Zealand, Taiwan, JICA, etc.) and any other EIF core agency representatives that may be in Tuvalu, or the project managers of ongoing projects supported by non-resident EIF agencies, and other interested donors. Arrange a briefing to the local or Fiji-based UN Heads of Agencies during the preliminary and main missions.
- In consultation with the Government, explore interest among development partners present in the country or otherwise to play the role of Co-Donor Facilitator to complement the current Lead Donor Facilitator (UNDP), as the case may be. UNDP will work closely with the Government in the preparation of the DTISU and follow-up phases.
- Assess existing work on trade and TRTA in the country and gather trade-related research and related materials on technical assistance. Ensure that previous work is not duplicated. A bibliography of studies and key policy documents will be provided by the EIF Focal point, and the report should build as much as possible on existing work.
- Initiate the process of identification of appropriate national consultants for the DTISU study. The Team Leader identifies the other consultants according to UNDP rules and regulations.

ii. Concept note

The Team Leader will draft the concept note with the inputs drawn from the preliminary DTISU mission. The document is shared with national stakeholders including GoT, the private sector, civil society, etc. The concept note should identify the issues to be discussed in the DTISU as well as note the lessons learned from the previous EIF program and implementation status of the Action Matrix, and be endorsed by GoT and UNDP. The document is shared with the EIF Board for comments.

The concept note should specify the following:

- Country interests in trade-related analysis as a basis for country-specific TOR of the DTISU.¹
- Working arrangements agreed with GoT EIF Focal Point, as well as EIF focal points in the UNDP office and EIF Donor facilitator.

¹ The DTIS update may include all or some of the sections contained in the DTIS template (see <http://enhancedif.org>), where applicable and depending on the priorities set by the Government.

- Proposed timing of main mission and detailed schedule of other EIF related activities, including national workshop.
- Budget of the study.
- Any immediate assistance required to help the authorities engage in the DTISU and DTISU follow-up process.
- Working arrangements with the Government, private sector and possible civil society stakeholders (National Trade Steering Committee, main mission counterparts for each area of the DTISU to cover, consultative process, etc.).
- National consultants /local counterparts (research institutions and think tanks) who could participate in the work.
- Agreed on objectives for the EIF process, including where possible general benchmarks to monitor progress.

iii. **Main mission**

A mission comprising the Team Leader and other experts/consultants involved in the DTISU is organized by the Team Leader. The DTISU team meets all relevant stakeholders with a view to gathering all the necessary information to draft the report. The Team Leader works closely with the EIF Focal Point to schedule meetings and facilitate access to existing analytical work, data, etc.

At the end of the main mission, an updated concept note summarizing discussions held with the Government and stakeholders and sketching out the DTISU report outline will be shared with GoT. A brief report including the updated concept note and outline discussed with the Government will be submitted to UNDP.

iv. **Drafting of the DTISU**

The Team Leader will coordinate the production of the DTISU chapters by all team members in line with the DTISU outline shared with GoT. The Team Leader may also draft specific chapters as necessary, and the Executive Summary and Action Matrix.

v. **Validation workshop**

The Team Leader will organize the presentation of the DTISU in a national workshop involving all stakeholders. The Team Leader will revise the study based on inputs received during the national workshop and submit a final DTISU to GoT and UNDP.

QUALIFICATIONS AND COMPETENCIES

i. **Competencies**

- Effective communication skills and proven leadership capacity
- Ability to work in multi-cultural, multi-disciplinary environments
- Demonstrated project management skills and ability to coordinate and manage cooperative research undertakings
- Ability to work under tight deadlines
- Sound negotiation and representational skills

ii. **Required skills and experience**

- Appropriate post-graduate qualifications in any of the following areas: economics, business management, international economics, development or other relevant field
- At least 10 years of relevant working experience
- Research experience and publication record of a high professional standard in the fields of trade and development
- Excellent writing and oral skills in English
- Strong analytical skills
- Ability to interpret results and make recommendations
- Strong understanding of the trade-related development challenges and relevant sectoral issues, especially in the context of LDCs
- Experience in trade-related international cooperation, including the EIF, would be an asset

BUDGET DETAILS PER CATEGORY

Country: TUVALU
 Project Title: Diagnostic Trade Integration Study Update
 Starting Date and Duration: 200,000.00
 Total Project Budget US Dollars: 200,000.00

Category	Description	Unit	Unit cost	Total		Year 1		Comments
				Units	Total Cost	Units	Total Cost	
1. Staff								
	Sub total							
2. Consultants	Team Leader	day	700	80.00	56,000.00	80.00	56,000.00	
	National Consultants	day	300	105.00	31,500.00	300.00	31,500.00	3 consultants
	International Consultants	day	700	70.00	49,000.00	70.00	49,000.00	2 intr. consultants
	Travel and other mission costs of consultants	lumpsum			18,822.00		18,822.00	
	Sub total				155,322.00		155,322.00	travel includes DSA, ETC.
3. Missions/Travels (UNDP Gva)	Pre DTIS Mission	voyage	3770	1.00	3,770.00	1.00	3,770.00	
	Sub total				3,770.00		3,770.00	
4. Service Contracts								
	Sub total							
5. Equipment								
	Sub total							
	Sub total							
6. Operating Costs	Transport costs	day	40	25.00	9,000.00	25.00	9,000.00	
	Contingency and miscellaneous	lumpsum			1,313.19		1,313.19	
	Editing, design and printing of report	# of reports			10,280.00	100.00	10,280.00	
	Sub total				20,593.19		20,593.19	
7. Conferences/Workshops	Meetings/workshop - pre-DTIS mission	per person	50	50.00	2,500.00	50.00	2,500.00	includes the costs of venue
	Validation Workshop	per person	50	60.00	3,000.00	60.00	3,000.00	includes the costs of venue
	Sub total				5,500.00		5,500.00	
8. UNDP Administrative Fee:					14,814.82		14,814.82	
	Grand Total				200,000.01		200,000.01	

This is an estimate given the probable need for inter-island travel by the consultants. The budget may change following the pre-DTIS visit by the team leader.

	Fees	Travel and other mission costs
Team leader	56,000	10,348
National consultants	31,500	8,474
International consultants	49,000	18,822
	136,500	18,822



EIF-TIER1-TUV-001-A

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AMENDMENT 1

ANNEX II: EIF Board Approval Letter for DTISU Component

4 pages (including cover sheet)

Handwritten signature



WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
ORGANIZACIÓN MUNDIAL DEL COMERCIO
ENHANCED INTEGRATED FRAMEWORK

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Mr Bernhard Schlachter
Executive Officer
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11-13 Chemin des Anémones
1219 Châtelaine

BernhardS@unops.org

Div. Reference: Ltr instructing TFM_MOU_UNDP
Reg. Reference:

Geneva, 18 May 2015

Dear Mr Schlachter,

I am pleased to inform you that the Tuvalu DTIS Update, according to Guidelines of the Compendium of EIF Documents is approved.

The Government of Tuvalu has opted for the agency execution modality with UNDP playing the lead role. UNDP has accepted this cooperation request. The Terms of Reference for the DTIS Update were reviewed by the Executive Secretariat for the EIF and the EIF Trust Fund Manager (TFM) and found to be fully satisfactory.

On behalf of the EIF Board, I therefore instruct UNOPS as TFM to enter into the relevant arrangements with UNDP appointed by the Government of Tuvalu as the Main Implementing Entity for the DTIS Update.

The project will become effective upon signature of the relevant arrangements by both Parties, following which the first disbursement should be made to the bank account to be provided by UNDP.

Yours sincerely,

Ratnakar Adhikari
Executive Director
Executive Secretariat for the EIF
at the WTO

cc: H.E. Ms Ms. Yvette Stevens Ambassador, Chairman of the EIF Board, ystevens@sierraleonegeneva.ch
Mr Fakasoa Tealei, EIF Focal Point, Assistant Secretary, Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour, ftealei@gmail.com
Mr George Vann Temuaniti, Tuvalu EIF Project Officer, Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour grgvann@gmail.com
Mr Ameir Mbonde, International Trade Adviser, Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour, ameir.mbonde@gmail.com
Ms Luisa Bernal, Policy Specialist, UNDP, luisa.bernal@undp.org
Mr Patrick Tuimalealiifano, Programme Analyst, UNDP, patrick.tuimalealiifano@undp.org

ENHANCED INTEGRATED FRAMEWORK (EIF)

SUBMISSION OF DTIS UPDATE PROJECT TO THE EIF BOARD FOR APPROVAL

TUVALU

I. BRIEF PROJECT DESCRIPTION

Project document: Government of Tuvalu

Project category: DTIS Update (DTISU)

Title: Update of the Diagnostic Trade Integration Study for Tuvalu

Duration: Eight months

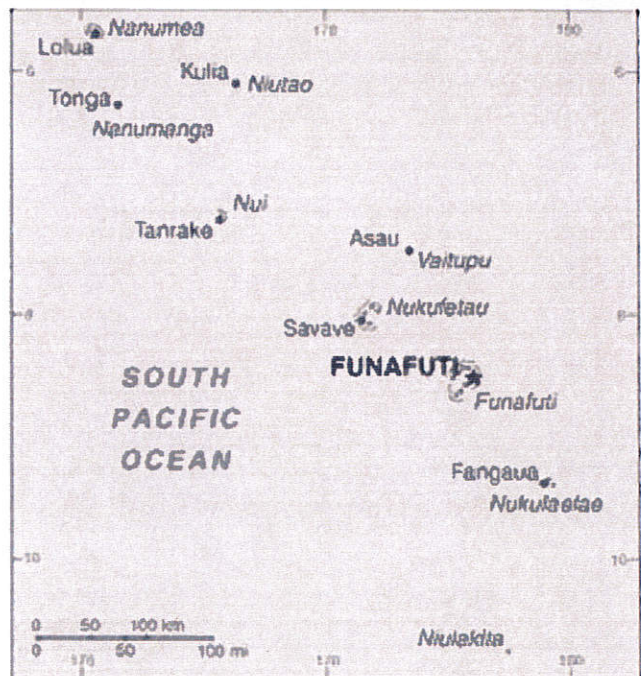
Foreseen starting date: June 2015

EIF contribution: US\$200,000

Government contribution: As part of the Tier 1 project

Main Implementing Entity: UNDP

Project proposal supported by: Government of Tuvalu and UNDP



Project objectives: The DTISU seeks to stake stock of progress made since the last DTIS (validated in December 2010) and identify outstanding issues and new priorities in order to better respond to trade opportunities.

Results statement: The DTISU is expected to generate the following outcomes: (1) the scope and content of the proposed study is clearly articulated based on consultations with the Government authorities, agencies, donors, the private sector and civil society; (2) the report builds as much as possible, without duplicating, on existing work and identifies new insights and national priorities, particularly supply-side constraints and barriers to trade and investment, for the attention of the Government and other stakeholders, and (3) a bilateral or multilateral donor is identified as a co-EIF Donor Facilitator (DF) to complement the current lead DF (UNDP) to enhance donor coordination and resource mobilization efforts.

II. TRADE CAPACITY ASSESSMENT BY THE EXECUTIVE SECRETARIAT FOR THE EIF (ES)

Recommendations

The ES has provided support in the development of the Terms of Reference and finds the Tuvalu DTISU acceptable.

ALH

Requirements (if any)

III. FIDUCIARY CAPACITY ASSESSMENT BY THE EIF TRUST FUND MANAGER (TFM)

Recommendations

The TFM finds the Tuvalu DTISU acceptable and recommends its approval by the Executive Director of the ES, on the basis of the authority delegated to him by the EIF Board.

Requirements (if any)

IV. SIGNATURES AND DATES

By the EIF Executive Secretariat

Signed



Title: Executive Director

Place and Date: Geneva, 18 May 2015

By the EIF Trust Fund Manager

Signed



Title: Executive Officer

Place and Date: Geneva, 18 May 2015

Ach