



30 July 2013

Dear Mr. Schlachter,

**Subject: FINANCIAL STATEMENT AS OF 30 June 2013**

Enclosed, please find the Financial Statement for project Tuvalu Trade Capacity and Institution Strengthening, which indicates the expenditure recorded as of 30<sup>th</sup> June 2013.

You will note the following from the statement:

The recorded expenditures funded by the EIF TF total US\$20,880 from the commencement of the project to 30/6/2013.

The contributions received from the EIF TF recorded as of 30<sup>th</sup> January 2013 of USD \$300,000 includes an amount of USD\$ 0.00 representing interest earned from the commencement of the project to 30<sup>th</sup> June 2013.

Project funding totals USD \$300,000 (including interest income) as of 30<sup>th</sup> June 2013.

If you have any questions or comments, please do not hesitate to contact Ms. Ruth Verevukivuki, Programme Associate, UNDP Multi-Country Office in Fiji (email [ruth.verevukivuki@undp.org](mailto:ruth.verevukivuki@undp.org)).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Akiko Fujii', is positioned above the printed name.

Akiko Fujii  
Resident Representative a.i.

Mr. Bernhard Schlachter,  
Executive Officer,  
EIF Trust Fund Manager,  
UNOPS,  
Geneva.



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Akiko Fujii  
Resident Representative a.i.

Mr. Bernhard Schlachter,  
Executive Officer,  
EIF Trust Fund Manager,  
UNOPS,  
Geneva.

RV:rv

Cl: NW, AR  
Handwritten initials 'RV' and 'AR' are present, along with the date '31/07/2013' written below them.

Financial Report Template  
(Semi Annual)



Empowered lives.  
Resilient nations.

**FINANCIAL SUMMARY REPORT AS OF 30<sup>th</sup> June 2013**  
(Semi-Annual)

**Country:** Tuvalu (Fiji Multi-country Office)  
**Project No.:** Project ID: 00084412  
**Project Title:** Tuvalu Trade Capacity Building and Institution Strengthening Project  
**Starting Date:** 01/02/2013  
**Expiry Date:** 31/12/2015  
**Total Project Budget:** USD1,145,000  
**Approved Budget from EIF TF\*:**  
 (\*EIF TF = Enhanced Integrated Framework Trust Fund)

PROJECT FUNDING AS OF 30/06/2013	AMOUNT (USD)
<b>1. EIF TF (see Schedule 1)</b>	<b>1,100,000</b>
<b>1.1 Contributions</b>	<b>300,000</b>
<b>1.2 Interest</b>	
<b>2. Government Contributions</b>	
<b>2.1 Cash Contributions</b>	
<b>2.2 In-Kind Contributions</b>	
<b>3. Other Contributions</b>	
<b>3.1 UNDP</b>	<b>15,000</b>
<b>3.2 [Insert donor]</b>	
<b>3.3 [Insert donor]</b>	
<b>TOTAL AVAILABLE FUNDS</b>	<b>315,000</b>
<b>EXPENDITURES AS OF 30/06/2013</b>	
<b>1. Expenditures funded by EIF (see Schedule 1)</b>	<b>20,880</b>
<b>2. Expenditures funded by Government Cash Contributions</b>	<b>Nil</b>
<b>3. Expenditures funded by Other Contributions</b>	<b>Nil</b>
<b>TOTAL EXPENDITURES</b>	<b>20,880</b>

Financial Report Template  
(Semi Annual)



Empowered lives.  
Resilient nations.

Schedule 1  
**EIF TF FINANCIAL STATEMENTS AS OF 30th June 2013**

Country: Tuvalu (UNDP Fiji Multi-Country Office)  
Project No.: Atlas Project ID: 00084412  
Project Title: Tuvalu Trade Capacity Building and Institution Strengthening  
Starting Date: 1 February 2013  
Expiry Date: 31<sup>st</sup> December 2015  
Approved Budget from EIF TF\*: US\$1,100,000  
(\*EIF TF = Enhanced Integrated Framework Trust Fund)

**A: CONTRIBUTIONS RECEIVED FROM EIF TF**

INCOME DESCRIPTION	RECEIVED DATE	AMOUNT (USD)
1 <sup>st</sup> Tranche	30 <sup>th</sup> January 2013	300,000
2 <sup>nd</sup> Tranche		
3 <sup>rd</sup> Tranche		
<b>Total income</b>		300,000
Interest		
Interest		
Interest		
<b>Total interest</b>		
<b>TOTAL AVAILABLE FUND FROM EIF TF</b>		300,000

**B: EXPENDITURES FUNDED BY EIF TF (including GMS)**

Account	Account Category	Exp Year 1	Exp Year 2	Exp Year 3	Total Expenditures
71200	Int'l Experts	2,500			
71300	Support Staff				
71600	Travel & Missions	5,234			
72200	Equipment & Furniture	4,828			
72400	Comms. Equipment	5,320			
72500	Supplies	2,384			
72800	IT Supplies	481			
74200	Communication	133			
74100	Prof Services				
74500	Sundries				
<b>TOTAL EXPENDITURES</b>		<b>20,880</b>			

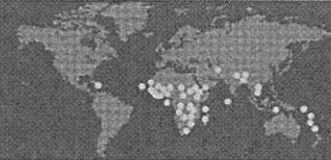
Financial Report Template  
(Semi Annual)



*Empowered lives.  
Resilient nations.*

**C: NET FUND BALANCE**

<b>DESCRIPTON</b>	<b>AMOUNT (USD)</b>
A: TOTAL AVAILABLE FUND FROM EIF TF	1,100,000
B: TOTAL EXPENDITURES	20,880
<b>C: NET FUND BALANCE (C = A - B)</b>	<b>1,079,120</b>



**Sample Annex D**

**Technical/Narrative Report Template**

**Semi-Annual and Annual Consolidated Report**

**Submitted by the National Implementation Unit (NIU) to  
The Executive Secretariat (ES) for the Enhanced Integrated Framework  
and the EIF Trust Fund Manager (TFM)**

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**Tier 1 Project in Tuvalu**

Project title: Tuvalu Trade Capacity Building and Institutional Strengthening Project  
Date of approval by EIF Board: 14<sup>th</sup> December, 2012  
Date of signature of MoU: 3<sup>rd</sup> January 2013  
Starting date: 1<sup>st</sup> February 2013  
Duration of project: 3 years  
Total project budget: USD 1,145,000  
Amount received under this Agreement: (US\$): 1,100,000  
Amount received from other sources of funding US\$45,000  
Contribution of: UNDP TRAC  
Type of report: Semi-annual report  
Time period covered by this report: February to June 2013  
Amount spent during the period (US\$): \$20,879.76

**\*\***

Date: 29<sup>th</sup> July 2013  
Name of person reporting:  
Function of person reporting:  
Name of contact person: Ruth Verevukivuki  
Function of contact person: Programme Associate, UNDP  
Telephone/fax: (679) 3227725  
E-mail address: ruth.verevukivuki@undp.org  
Mailing address: c/- UNDP, Private Mail Bag, Suva, FIJI.

**Akiko Fujii, Resident Representative a.i., 31<sup>st</sup> July 2013**

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**Signature and Stamp:**

## **PART I. SITUATION ANALYSIS AND STATUS**

### **I.1 Overview of the country situation in project implementation**

- Please briefly describe any significant economic, social, political and trade developments that influenced project implementation in the reporting period.

*During the first six months, the Pacific Islands Forum Secretariat (PIFS) hired a consultant to develop a Trade Policy Framework (TPF) for Tuvalu as part of their ongoing assistance to Pacific Island Countries. This framework was based to an extent on the IF funded DTIS, as well as other analyses and consultations, and is currently in draft form. However, this document still requires considerable work and further stakeholder consultation in order to be finalized. PIFS also hired a team of consultants to undertake a review of the Pacific Aid for Trade Strategy and a stocktake of AfT activities in all PICs, including Tuvalu.*

### **I.2 Effects on project objectives**

- Please describe how the above changes affected or will potentially affect the project objectives.

*Both of these activities are very much in line with the intended outcomes of the EIF Tier 1 project and the Tier 1 project will add strength to the work. UNDP has been working very closely with PIFS and other regional bodies to ensure complementarity between the projects. Although PIFS has done the first draft of the TPF, they are working very closely with the EIF International Trade Advisor to provide expertise in finalizing this to the required quality. In addition, work on the AfT regional stocktake will contribute to the country specific database to be set up by the EIF project in conjunction with their national aid coordination processes.*

## **PART II: IMPLEMENTATION UPDATE**

### **II.1 Overview of the results**

*The main activities undertaken during this reporting period include the recruitment of the International Trade Advisor, local recruitment of the EIF Project Officer and EIF Admin/Finance Clerk and setting up of the EIF Office including procurement of furniture and equipment.*

*In addition, a formal launch was undertaken, advocating for the project at the highest level in Tuvalu and also showcasing the DTIS Report.*

### **II.2 M&E and reporting**

- Please describe any M&E work, including reporting to Ministry and other stakeholders, and incorporation of results into Government reporting tools.

*This report will be forwarded to the Aid Coordination Unit of the Ministry of Finance and details will be recorded in the Aid Coordination database*

### **II.3 Training and capacity building**

- Describe any progress made on the development of the capacity-building plan in line with the work plan.

*Nil to date*

- Describe any capacity-building measure that was implemented during the reporting period. Include beneficiaries. –

*Nil to date*

- What were the outcomes (positive or negative) of such measures?

#### II.4 Sustainability and exit strategy

- ❑ Please describe any actions taken towards the integration of the NIU or its functions into the Ministry framework.

*Two NIU staff have been recruited through contracts with the Government of Tuvalu and are based within the Department of Trade Office, part of the Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour. Their contracts are on normal government terms and conditions to allow absorption of the post into the normal Government structure after the EIF project is completed.*

- ❑ Please describe any progress regarding the implementation of the exit strategy for the project while sustaining the dynamics that it has initiated.

#### **No progress to date**

- ❑ Please describe the Government's contribution to the project over time, including in-kind and financial contributions.

*Government has initially contributed office space for the project. The EIF Coordinator is a fully government funded position.*

#### II.5 Communication and dissemination

- ❑ Describe outreach activities that have been undertaken (e.g., publicity, press, digital stakeholder engagement) and what has been the impact.

*The project was officially launched in Tuvalu on 29<sup>th</sup> January during a visit by the UNDP Deputy Resident Representative, Ms. Akiko Fujii. The Tuvalu DTIS was also highlighted and distributed to stakeholders during this function. The event was well attended at the highest level with the Prime Minister, Hon. Willie Telavi heading the list of dignitaries.*



*Tuvalu PM, Hon. Willie Telavi (centre) holding up a copy of the Tuvalu DTIS Report with the UNDP Deputy Resident Representative, Fiji Multi-Country Office, Ms. Akiko Fujii*



**A press release [http://www.undp.org.fj/index.php?option=com\\_news&Itemid=45&task=view&id=349](http://www.undp.org.fj/index.php?option=com_news&Itemid=45&task=view&id=349) was distributed and picked up by Radio Australia, who interviewed the UNDP Resident Representative, Mr. Knut Ostby, resulting in the following stories on Radio Australia (broadcast widely to Australia and the Pacific). These stories were also distributed by the UNDP iComms team on social media (Twitter and Facebook)**

**<http://www.radioaustralia.net.au/international/radio/program/pacific-beat/tuvalu-moves-to-boost-its-trade-capacity/1083938>**

**<http://www.radioaustralia.net.au/pacific/2013-02-05/new-trade-winds-for-tuvalu/1083926>**

- Are there any good practices or lessons learned to share from outreach efforts that have been undertaken during the period?

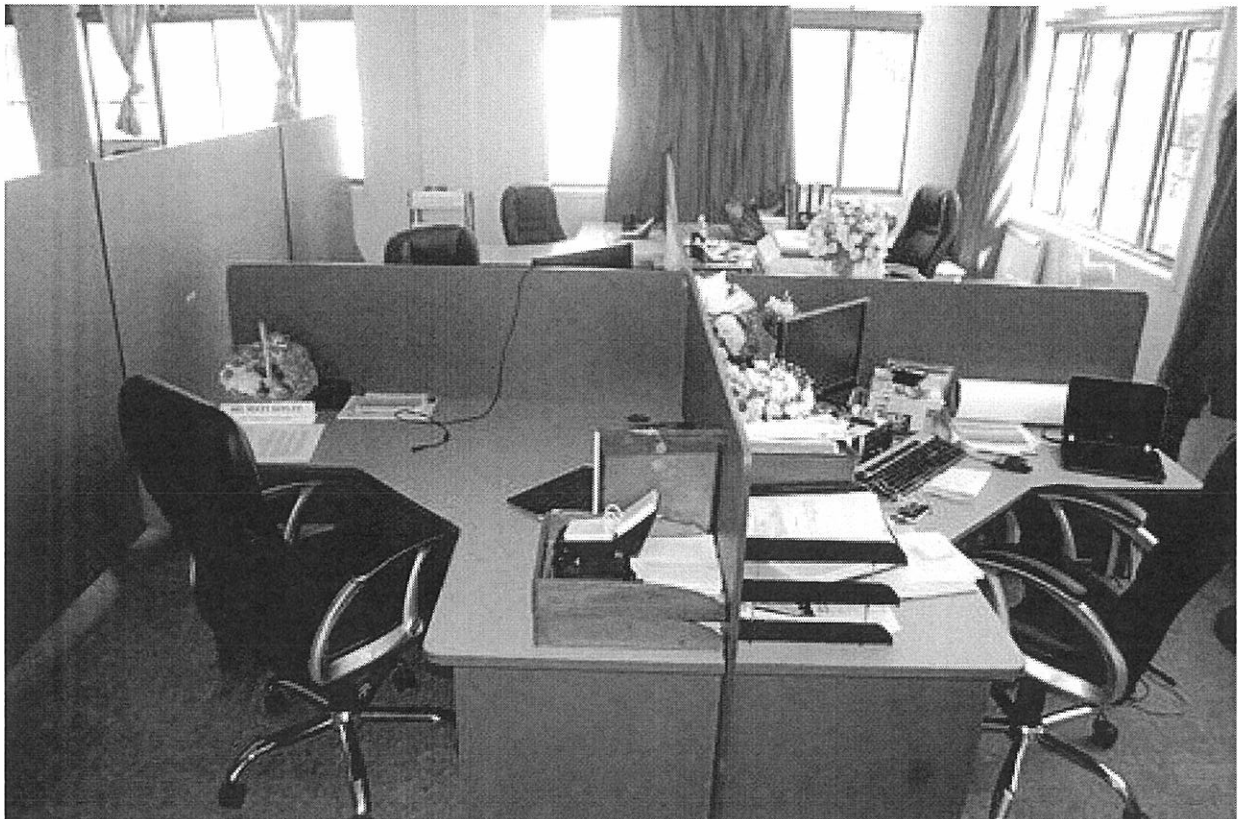
**Not as yet**

### **PART III: FIDUCIARY AND ORGANIZATIONAL ARRANGEMENTS**

#### **III.1 Organization and fiduciary management of the project**

- Please describe and report on any significant procurement activities undertaken by the unit, including problems faced, during the reporting period.

***UNDP has procured office equipment, furniture and supplies on behalf of the project. Difficulties were face in sourcing equipment in Tuvalu and most equipment was purchased in Fiji. Assistance in sourcing these items was received from the EIF Project Coordinator. Delays occurred due to lack of clear specification of items to be purchased, unavailability of requirements in both Tuvalu and Suva, requiring import of computer items and problems with shipping due to lack of space for airfreight and only intermittent shipping services. All items were delivered in Tuvalu by the end of June and the office is now fully operational.***



***UNDP has also procured the services of an International Trade Advisor. As the consultancy value was more than US\$100K, an Open International Competition process was followed. The Procurement notice calling for proposals for the Independent Contractor vacancy was advertised***

*regionally and internationally on 21<sup>st</sup> February, 2013 through the UNDP Procurement website, the UNDP Multi-country Office in Fiji website, the regional eco-consult jobs network and through trade colleagues/networks in the Pacific and through UNDP Geneva. The closing date for applications was 8<sup>th</sup> March 2013. Only two responsive proposals were received and a panel formed to evaluate these. A technical evaluation (desk review) was undertaken, followed by an interview and the panel came to consensus on the score. Following this financial evaluations were undertaken and because the amount of the contract being was in excess of US\$100,000, the reports were submitted to the UNDP Regional Advisory Committee on Procurement (RACP) based in Bangkok. RACP advised reviewed the process. As the financial proposals of both applicants were higher than budget, it was recommended that UNDP Fiji to negotiate the contract price with the applicant who scored the highest technical score. This was done and the contract awarded to Dr. James Gosselin. Documentation relating to the process is attached. Dr. Gosselin accepted the terms of the contract and was available to commence work on the 21<sup>st</sup> June, 2013.*

- Please describe any major organizational or fiduciary management issues that were faced during the reporting period, including efforts made to improve the organization/management of the project.

*No major issues to date, but an inception workshop will be held in the next quarter to ensure smooth flow of organizational processes*

- Please describe personnel and administrative management issues and progress.

*No major issues to date.*

### III.2 Financial management

- Please describe any major financial and accounting management issues that were faced during the reporting period.

*Few problems were faced in this regard, and only minimal funds have been remitted to the Government, with the majority of expenditure by UNDP. Although there was a small problem between the project office (Ministry records) and those of the general ledger in the Ministry of Finance. Differences were due to inaccurate or slow recording of transactions by the Ministry of Finance and these are being addressed.*

- Indicate any financial support/resources received from the Government and other donor sources.

*Government has provided office space for the project*

### III.3 Implementation of past ES/TFM recommendations

- Brief update on the status of the implementation of the ES and TFM recommendations (in the EIF Board approval letter or from previous missions).

Approval Letter Recommendation	Status	Next Step
ES Recommendation 1: Once the full staffing of the NIU is in place the ES in cooperation with UNDP will provide capacity building on EIF M&E framework, within the first six months of Implementation with a view to building in country capacity for monitoring programme progress and reporting on it	International Trade Advisor arrived in Tuvalu on 27 <sup>th</sup> June to take up post.	This will be a priority for the project in Q3. The project, UNDP Fiji, in conjunction with its BDP Geneva and NY office will work with the ES on this
ES Recommendation 2: Within the	As above	Priority for Q3.

<p>first six months of project implementation, a sustainability strategy, including indicators and milestones should be developed by MFATTEL, DoT and the MIE for the three year horizon of the current proposal. The milestone to be reached at the end of the first phase should be determined in view of achieving full sustainability over the five year project horizon of the first and second phases of the Tier 1 project</p>		
<p>ES Recommendation 3: Within the first six months of project implementation the “Plan for Capacity Development/Transfer of Capacities for the fiduciary, Human Resource and Finance Programme management of the Tier 1 Project in Tuvalu” (Annex 3 of the project proposal) should be revised to include capacity development and transfer of capacities for the Programmatic management of the Tier 1 project in Tuvalu. The revised plan should be submitted to the ES and the TFM for approval</p>	<p>As above.</p>	<p>Priority for Q3. UNDP working with the ITA and BDP Trade Specialist to undertake this capacity assessment</p>
<p>ES Recommendation 4: The sustainability strategy mentioned in ES Recom. 1 should be linked with the revised “Plan for Capacity Development/Transfer of Capacities” for the Fiduciary, Human Resource, Financial Programme Management of the Tier 1 Project in Tuvalu” and should also be submitted to the ES and TFM for approval</p>	<p>As above</p>	<p>As above</p>
<p><b>ES Recommendation 5:</b> The ES will monitor the implementation of the sustainability strategy through monitoring of its indicators mentioned in ES Recommendation 2.</p>	<p>As above</p>	<p>UNDP will work on the strategy to develop indicators together with the ES</p>
<p><b>ES Recommendation 6:</b> In the second year of project implementation, a detailed exit strategy for the MIE including transfer of responsibilities should be formulated, linked with the above-mentioned sustainability strategy. The exit strategy should be submitted to the ES and TFM for approval</p>	<p>N/A</p>	
<p><b>ES Recommendation 7:</b> The ES recommends that all recommendations made by the TFM in</p>	<p>Noted. See TFM recommendations below</p>	

its desk review of the Tier 1 Proposal of the Government of Tuvalu be followed during the implementation phase		
<b>ES Recommendation 8:</b> the need for an ITA will be assessed within the context of the discussions of the EIF mid term review as well as a comprehensive support strategy for the Pacific countries	Noted.	
<b>TFM Recommendation 1:</b> The agreement between UNDP and the Government of Tuvalu should be submitted to the ES and the TFM for review before it is signed, within three months of the signature of the legal agreement with UNDP	Agreement was forwarded to TFM for agreement. This was provided by Clara Mathieu Gotch on 23 <sup>rd</sup> February 2013	
<b>TFM Recommendation 2:</b> As agreed with UNDP, the TFM and the ES will take part in the UNDP Project Board, which will provide information on a quarterly basis on the implementation of the project	This was agreed by UNDP Fiji. Due to slow recruitment and procurement processes, this is the first substantive report for the project together with the UNDP QPR will be circulated to all Project Board members for comment	
<b>TFM Recommendation 3:</b> UNDP should provide a transfer of capacities plan within 6 months of the recruitment of the ITA in line with the sustainability and exit strategies	ITA arrived in post on 27 <sup>th</sup> June 2013	This is a priority for Q3
<b>TFM Recommendation 4:</b> The project mid term evaluation should review the sustainability of the project from both administrative and substantive perspectives	Noted	
<b>Past Mission Recommendations</b>		
None		