



PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION 2009 ANNUAL REPORT

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acronyms

ACP	African Caribbean and Pacific Group of Countries
ADB	Asian Development Bank
AfT	Aid for Trade
AGM	Annual General Meeting
AusAID	Australian Government's Overseas Aid Programme
BizClim	ACP Business Climate Facility
BMNZ	Business Mentors New Zealand
CEO	Chief Executive Officer
CMOs	Collective Management Organizations
COMESA	Common Market for Eastern and Southern Africa
ComSec	Commonwealth Secretariat
ECOWAS	Economic Community of West African States
EO	Executive Officer
EPA	Economic Partnership Agreement
EU	European Union
FICs	Forum Island Countries
HR	Human Resources
IDTP	Industrial Development Training Program
ITC	International Trade Centre
LEP	Legal Empowerment of the Poor
MSME	Micro Small Medium Enterprise
MBA	Masters in Business Administration
MSF	Marketing Support Fund
NGO	Non-Government Organization
NPSO	National Private Sector Organisation
NZAID	New Zealand Government's Overseas Aid Programme
PACER Plus	Pacific Agreement on Closer Economic Relations
PACREIP	Pacific Regional Economic Integration Programme
PCPA	Pacific Countries Ports Conference
PICTA	Pacific Island Countries Trade Agreement
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation
PITIC	Pacific Islands Trade & Investment Commission
PLP	AusAID Pacific Leadership Program
PNG	Papua New Guinea
PPA	Pacific Power Association
PPD	Public Private Dialogue
PPP	Public Private Partnership
ProInvest	An EU-ACP partnership programme for the promotion of investment and technology flows in the ACP countries
PTDF	Pacific Trade and Development Facility
SME	Small Medium Enterprise
TCCI	Tonga Chamber of Commerce & Industry
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
WIPO	World Intellectual Property Organization

PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION
PIPSO

VISION A region of opportunities for all people to grow and prosper.

MISSION To be a pivotal partner in harnessing resources to bring about real growth and prosperity for the region.

STRATEGIC GOALS

Capacity Building

- To promote and facilitate greater cooperation among members;
- To improve the capacity of members to engage in dialogue with Governments;
- To improve the capacity of members to engage with development partners;
- To strengthen a sustainable and effective Secretariat.

Partnerships

- To establish a complementary relationship with PIFS in which PIPSO implements policies and programmes that impact on PSD;
- To provide advice and guidance to PIFS on the development of private sector policies;
- To assist members to formulate national private sector strategies and policies;
- To advocate the interests of the private sector at regional and international fora.

Technical Support

- To provide or facilitate technical advice and guidance on business development in the Pacific;
- To identify the priority needs of members and provide appropriate assistance;
- Strengthen the capacity of members to develop strategic policies.

CURRENT BOARD MEMBERS



Mr. James Movick (Chair)
Federated States of Micronesia



Mr. Hafiz Khan (Vice - Chair)
Fiji Islands



Mr. Sala Epa Tuioti
Samoa



Mrs. Teresa Manarangi - Trott
Cook Islands

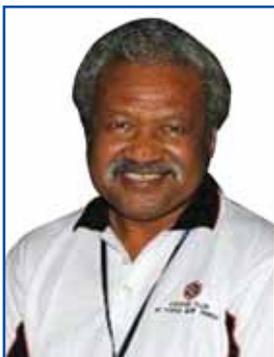


Mr. Martin Tofinga
Kiribati



Mr. John Leahy
Papua New Guinea

Alternate Board Members



The Late Mr. Henry Kila
Papua New Guinea

Siotame Tom Nakao
Tonga



Mr. Hafiz Khan ACTING CHAIR'S REPORT

I am pleased to present the 2009 annual report of the Pacific Islands Private Sector Organization (PIPSO). This is the first time PIPSO has produced a printed annual report since its establishment in 2007. As the support for PIPSO increases and similarly with its responsibilities, it is only appropriate that PIPSO is transparent and accountable to its members, development partners, donor agencies and to the public at large.

The year 2009 was a challenging one, both in terms of the business environment in the Pacific islands and PIPSO's operations. As the effects of the global economic crisis reverberated around the world, the Pacific islands economies experienced different level of effects, some more direct than others. Those that deal with the exports markets certainly would have experienced these effects and from importers side, prices would have escalated.

For PIPSO like any other regional organization, there is always the challenge of funding to support its operations and service to its membership. Funding support from our development partners like the Aus Aid Pacific Leadership Program, have indeed played an important part in PIPSO undertaking projects that have definitely benefitted the private sector for the fourteen (14) Pacific island countries. Despite the Secretariat having two staff to manage the entire operations, PIPSO was able to complete majority of its activities from its work plan for the year.

Amongst other significant achievements during the year, the National Private Sector Organization

survey of the 14 Pacific islands countries was completed. This is the first ever survey to be conducted on private sector organizations. The survey provided a wealth of information on the structure and membership of the organization, its roles, the existence of private and public dialogue and the capacity of the NPSO. In addition priority issues on matters relating to capacity building, technical support and partnership were identified for each NPSO. These issues will continue to dominate PIPSO's annual work plan in the coming years. PIPSO will work together with all the NPSO to attend to the issues highlighted.

The transfer of the Marketing Support Fund (MSF) and Industrial Development Training Program (IDTP) funding from the Pacific Islands Forum Secretariat (PIFS) to PIPSO highlighted the significance of PIPSO's work in the private sector of the Pacific Island countries. The funding schemes which are aimed at Small and Medium Enterprises is crucial to boosting private sector development at the grass-root levels.

PIPSO coordinated and facilitated training programs for the private sector which included representation at seminars organized by ComSec in various Commonwealth countries. The region's private sector through PIPSO was represented at various Pacific ACP cross participation meetings.

PIPSO was engaged in high level dialogues following PIFS' invitation to PIPSO to be represented at both the Pacific ACP and Forum Trade Ministers Meetings, and the 2nd Aid-for-

Trade (AFT) & Pacific Trade and Development Facility (PTDF) Roundtable in Apia, Samoa.

Several Private-Public dialogues with the Government and NPSOs took place in some small island states which were initiated by PIPSO to raise the awareness of the importance of private sector contribution on policy making process.

PIPSO has now transpired from its infancy stage and is thus on its way to being a recognized private sector organization. Addressing challenges faced by the Pacific Islands private sector that are compounded by the global financial crisis will be a challenge and one of the many growing areas of PIPSO's work in the years to come. PIPSO will continue to work with NPSOs on opportunities for policy dialogue and add value to the development of the region's private sector.

We look forward to building on the solid results achieved in 2009 with the support and collaboration of our donors and partners. The private sector is of great importance to our Pacific people and its economies and will continue to be pursued as a core value of the organization. We are fully committed to working with our development partners, NPSOs, Governments, civil society and regional organizations within and beyond the Pacific region. This is to achieve the common goal of advancing the region's private sector and achieving sustainable development for all.

I would like to express my deep gratitude and appreciation to our development partners like the UNDP Pacific Centre, AusAID Pacific Leadership Program, the Japanese Government, European Union and the Pacific Islands Forum Secretariat for their financial and technical support. I also thank the National Private Sector Organizations (NPSOs) for their cooperation and support during the year.

I would also like to record my deepest

appreciation to my fellow Board Members for their tremendous support, especially to Mr. James Movick our Chair, who despite his busy schedule still manages to provide the help where needed. My sincerest thank you to the Executive Officer, Mr. Henry Sanday and Ms Marina Pene for their hard work and dedication throughout the year.



Mr. Henry Sandy

EXECUTIVE OFFICER'S REVIEW

The year, 2009, was a monumental one in PIPSO's short history. Our achievements were significant, yet a lot remains to be done as we are still a young organisation. Unexpected challenges also came our way in the form of the Global Financial Crisis and natural disasters, which had adverse impacts on our members. However, the strong resolve of the region's private sector to move on with business as usual helped us to maintain our focus on building up the institutional capacity of PIPSO and its member NPSOs.

We express our deepest gratitude to our founding partners - PIFS, UNDP Pacific Centre and EU/PACREIP - who were instrumental in establishing a temporary Secretariat for PIPSO in 2007. The partnership forged last year with AusAID Pacific Leadership Program (PLP) was far reaching as it enabled us to visit and consult with each of our 14 members, thus providing the opportunity to identify and subsequently address their priority needs. PLP was also particularly supportive in strengthening governance practices within the organisation. Assistance from key institutions including our Caribbean counterparts - CAIC, ComSec, NZAID, ADB, Forum Trade Offices, EU, UN and CROP agencies is testament to the growing recognition and credibility of PIPSO. It allowed our representation at events in Australia, Belgium, Ghana, India, St Kitts, Swaziland, the US and here in the Pacific. New ideas, networks and experiences from these commitments were disseminated to members.

PIPSO delegations were graciously received by Leaders and Ministers during country visits which were ably organised by our member NPSOs. This,

together with our presence at the Pacific ACP and Forum Trade Ministerial Meetings in Samoa, enabled policy dialogues on key private sector issues at the highest levels. A major Ministerial decision that was implemented almost immediately was the transfer of private sector support schemes from the Pacific Islands Forum Secretariat (PIFS) to PIPSO. We introduced a new cost-sharing approach for the schemes that was welcomed by members, who consequently benefited from training, marketing and product development opportunities both within and outside of the region. Intra-regional initiatives were extensive. Tuvaluan and i-Kiribati enterprises gained from attachments in Fiji and Solomon Islands, respectively. Business negotiations between Fiji and Cook Islands delegations as well as regional participation at the Pasifiki Trade Fair in Tonga were facilitated. The traditional post-AGM workshops drew strong interest as they zeroed in on the topical issues of PICTA, PACER Plus, the Financial Crisis and Business Mentoring. Information sharing through these events, Newsletters and Internet continued.

The support of the Board and NPSOs is appreciated and it would be remiss of us not to acknowledge the services of our founding Administrative Officer, Ms Marina Pene, who left in September. Our strategic priorities for the remaining two years of the 2008-11 Business Plan, with emphasis on Capacity Building, Partnerships and Technical Support, will remain. The Secretariat's relocation to a fully fledged office and recruitment of new staff in November would augur well for the implementation of the 2010 Work Programme. We look forward to your continued support so solid results that would tangibly benefit our members can be the hallmark of PIPSO's yet again in the new year.

2009

Activities Reports

Capacity Building

As part of PIPSO's capacity building program, it promotes and facilitates greater cooperation among members, improve capacity of members to engage in dialogue with Governments, improve capacity of members to engage with developments partners and strengthen the sustainable of the Secretariat itself.

During the year, in late January, representatives of the region's tourism industry, private and public sectors met in Sydney, Australia to discuss a long-

term tourism programme for the Pacific which is to assist and overcome some of the key issues which continued to constrain the growth of tourism in the region. The 'Validating the ProInvest Long-term Tourism Program for the South Pacific Workshop' had participants exchanging ideas, reviewing the proposed two-year programme, confirming their suitability and endorsing a proposal to ProInvest that covers the key areas of Access, Marketing, Investment, Cross Sectoral Linkages and Sustainability. PIPSO was involved in the Linkages component of the programme that seeks to strengthen links between local businesses and the tourism industry.



The impact of the economic crisis on Pacific business

PIPSO was represented at the workshop on *'Current Economic Crises & Its Impact: An Opportunity for Legal Empowerment of the Poor in the Pacific'* which was held on 06 April in Suva. Legal empowerment of the poor (LEP) seeks to make the law work for everyone to provide equal economic opportunities to all. The workshop focused on development that presents a unique focus on key livelihood rights property, labour, entrepreneurial rights and access to justice.

On the invitation of Business Climate Facility (BizClim), the region's private sector through PIPSO, attended various meetings in Africa and the Caribbean. The attendees to these meetings are listed below.

- Martin Tofinga (Kiribati) attended the Fostering the Development of PPP Models in the COMSEA Region which was held in Swaziland on 6-7 May.
- Mrs. Teresa Manarangi-Trott (Cook Islands) and Martin Tofinga (Kiribati) attended the Establishment of a Private ECOWAS Financial Improvement Board in Ghana on 14-15 May.
- Mrs. Sina Retzlaff-Lima (Samoa) attended the Implementation of Mobile Money Transfer held in St. Kitts on 05 June.
- Parvin Krishna (Fiji) and Francis Remengasau (Palau) attended the Eastern Caribbean Credit Climate Validation Workshop in St Kitts on 9-10 June.

Private sector participants together with PIPSO participated in a workshop for the Forum Island Countries (FICs) on Collective Management of Copyright and Related Rights which was held on 4 March 2009 at the Radisson Resort, Nadi, Fiji. The objectives of the workshop were to brief member countries on the general trends and prospects of collective management organizations (CMOs) at the global level and to discuss the study findings on the 'Feasibility on Collective Management in the South Pacific'

that was commissioned in 2004 by WIPO at the request of PIFS.

The Pacific ACP and Forum Trade Ministers Meeting were held in Apia, Samoa on the 15 -16 and 17-18 June respectively. An update by the delegation on PIPSO's activities generated fruitful exchanges with Ministers, who recommended support for the strengthening of PIPSO and NPSO capacities, for private sector engagement in EPA negotiations and other trade policy dialogues, as well as for relevant private sector development programmes. PIPSO was represented by Acting Chair Mr. Hafiz Khan, Board Member Mr. Sala Epa Tuioti and EO Mr. Henry Sanday.

Following the above meeting, the Second Round Table Meeting: Aid-For-Trade & Pacific Trade and Development Facility (PTDF) was also conducted in Apia, Samoa on 19 June and was attended by Acting Chair Mr. Hafiz Khan and Mr. Sala Tuioti. The meeting considered the Draft Pacific AfT, which is aimed at addressing and delivering trade-related assistance to FICs and the PTDF as the proposed mechanism for channeling resources to finance EPA and trade related needs in support of the AfT Strategy.

As part of PIPSO's collaboration with ComSec, PIPSO facilitated the attendance of private sector representatives from Papua New Guinea and Tonga to the Commonwealth Natural Fibres Skills Development Programme which was held in Bangalore, India from 21 – 24 June.

PIPSO again facilitated the attendance of private sector representatives from Kiribati, PNG, Samoa, Solomon Islands and Tonga to participate in the 9th Commonwealth-India Small Business Competitiveness Development Programme aimed at enhancing the competitive capabilities of participants from commonwealth developing countries through a combination of sharing practical experiences and case studies on micro, small and medium enterprise (MSME) development which was held in Bangalore, India on 21 – 26 June 2009.



PIPSO 2009 AGM participants.

The PIPSO Council convened for its 3rd Annual Geeral Meeting in Nadi, Fiji on 22 June. Chaired by PIPSO Acting Chair, the meeting was jointly funded by PIFS through EU/PACREIP, UNDP Pacific Centre and the private sector. The Council accepted the Secretariat's 2008 Annual and Audit Reports and were updated on the progress of its 2009 Work Plan. Key decisions included the appointment of late Mr. Henry Kila (PNG) and Mr. Tom Nakao (Tonga) as Alternate Directors to assist the Board with the overall governance of PIPSO. The By-Laws were also revised to ensure a more balanced regional representation in the Board. Updates on the NPSO surveys, planned transfer of PIFS' technical programmes to PIPSO and work on the

HR Manual were provided. Members also reported on their NPSOs' institutional strengthening and dialogue mechanisms.

The Development Partners Roundtable was held in Nadi, Fiji on 23 June. The meeting was attended by representatives from all 14 FICs. The Acting Chair, Mr. Hafiz Khan highlighted PIPSO's achievement to date and presented the 5 year plan for PIPSO. The development partners expressed their support for PIPSO and the importance of its role in ensuring private sector inclusion at all levels.

The Business Mentoring Workshop was held in Nadi, Fiji on 24 June and was attended by representatives from all 14 PICs. The session was facilitated by Business Mentors New Zealand (BMNZ) with assistance from NZAID who was very keen to work with PIPSO in delivering Business Mentoring in the Pacific islands countries. The participants at the workshop felt that Business Mentoring was an important tool to assist with the development of businesses.

The PACER Plus Awareness Seminar was held in Nadi, Fiji on 25 June and was attended by representatives from all 14 PICs. AusAID and



Participants at the Business Mentoring Workshop



Participants at the Consultants Seminar

NZAID provided assistance for the PACER Plus workshop, which was facilitated by Mr. Shiu Raj of PIFS and consultant Mr. Kaliopate Tavola. The seminar was to help sensitise NPSOs on PACER Plus issues and build their capacity for national consultations in readiness for future negotiations.

A strong regional private sector delegation attended the Global Crisis Conference organized by the Lowy Institute of International Policy in Brisbane, Australia on 02-03 August. The conference was aimed at strengthening international interest in the Pacific region's place in the world and to reinforce understanding in the region of the wider issues of the global debate on the economic crisis. A report prepared on the Conference by Lowy Institute was circulated to all NPSOs to facilitate access and contribution to the ongoing debate, particularly in terms of the crisis' seriousness and consequences on developing economies and how to develop appropriate national responses.

PIPSO successfully co-organized with the Asian Development Bank (ADB) a seminar on the 'Development of National Consultants' in Suva on 16-17 September. Aimed at strengthening the Consultancy Industry, the seminar was attended

by 39 participants from consultancy firms, service providers, academic institutions and Government departments responsible for procurement policy and practices.

In October, PIPSO organized a Pacific Island Countries Trade Agreement (PICTA) Symposium that was held during the Pasifiki Trade Fair in Nuku'alofa, Tonga. Private sector representatives from Fiji, Kiribati, Samoa and Tonga participated in the symposium. The symposium was supported by the EU through PIFS and provided a forum for producers and exporters to gain a better understanding of PICTA.

The review of Phase I of the joint EU-ComSec initiative on *Building the Capacity of ACP Countries in Trade Policy Formulation, Negotiations and Implementation* also known as the Hub & Spokes Project was held in Nadi, Fiji on 10-11 December. PIPSO EO, Mr. Henry, Board Member, Mr. Sala Epa and NPSO representatives from Fiji, Samoa, Solomon Islands and Vanuatu were able to share their views on how the project might be able to assist both Government and private sector in the Pacific ACP States on trade related issues over the coming years.

Partnership

On building partnership PIPSO aims to establish complimentary relationships with regional agencies that implements policies and programs that impacts on private sector development, provide advice and guidance to PIFS on the development of the private sector policies, assist members to formulate national private sector strategies and policies and advocate the interests of the private sector at regional level.

Both PIPSO and private sector representatives attended various workshops, seminars and meeting with various agencies, governments and international organisations during the year. The interests of the Pacific islands private sector were strongly advocated to ensure that the private sector work in partnership with government and organisations for the sustainable development of the island economies. Various agencies and foreign government representatives also visited PIPSO and discuss ways of strengthening their relationship with PIPSO.

In the first quarter of the year, over 100 representatives of the private sector, Government, NGOs and development partners converged onto Tarawa, Kiribati to attend the inaugural Private Sector Seminar organized by the Kiribati Chamber of Commerce & Industry on 18-19 February. The seminar provided an invaluable opportunity for private sector members to dialogue directly with Government



Pacific Leadership Program (PLP) 2nd PLP panel in session, chaired by Sir Rabbie (2nd from right)

officials on key policy issues affecting the business community. PIPSO made a presentation in this dialogue which was well received by the private sector and the Government representatives.

In April, the Chief, Office for Asia & the Pacific, ITC Geneva, Ms Jodie McAlister held discussion with PIPSO on strategies for progressing the proposed Pacific SME Trade Capacities Project.

In the same month, Ms Emma Dunlop-Bennett and Mr. Ponipate Ravula of NZAID paid a courtesy call to PIPSO office to strengthening relations and discussed opportunities for enhancing mutually beneficial collaboration between the two organizations.

In May, Consultants Dr. Hong Tong, Ms Kaye Schofield and Mrs Tina Siniloli of AusAID called into the PIPSO office to discuss labour mobility and TVET issues.

On 7th of May the Executive Officer, Mr. Henry Sanday attended the PLP Advisory Panel Meeting to provide an update on PIPSO's activities. He highlighted PIPSO's progress since the establishment of its partnership with PLP with principal findings from NPSO visits, leadership challenges facing the private sector and strategies for further strengthening the PIPSO-PLP relations.

As part of their review of PITIC Auckland, Mr Jeff Blackburn of Blackburn & Croft Consultants met with PIPSO to discuss the operations of PITIC Auckland on 14 May.

Mr. Juha Pyykkö, Counsellor, of the Embassy of Finland, Canberra met with PIPSO during his brief mission to Suva on 18 May. The discussions focused on assistance available from the Embassy that could support capacity building project proposals from PIPSO members. This funding assistance was disseminated to all NPSOs. Some NPSOs during the year have been successful in their application and are recipients of this assistance.

PIPSO met with Indonesian Embassy and South African High Commission officials to explore opportunities for collaboration on 25 May and 03 June respectively.

Also during the second quarter, Tonga NPSO (TCCI) organized and participated in the Public-Private Dialogues which was also attended by external parties who meet regularly to discuss key issues.

In June a high level delegation from Cook Islands including their Deputy Prime Minister, Finance Secretary and the CEO Business and Trade Investment Board paid a courtesy call to PIPSO during their visit to Suva, Fiji.

PIPSO was represented by EO at the 34th Pacific Countries Ports Conference (PCPA) in Kiribati on 8-10 July. In recognition of the key role that Ports play in regional trade, PIPSO welcomed the opportunity to share with PCPA issues and concerns from the private sector as part of the efforts to improve the region's business environment.

The 18th Pacific Power Association (PPA) Annual Conference was held in American Samoa on 24-28 August. The meeting called for urgent and coordinated action to boost the region's energy efficiency and renewable energy. Also the PPA endorsed the Pacific Islands Forum Leaders' call in Cairns, to develop projects that bring renewable energy solutions to the regions' urgent energy needs. PIPSO was represented in this meeting.

PIPSO was invited to be represented at the USP MBA advisory committee in October. PIPSO appreciated the opportunity for private sector input into the further development of USP's MBA programme.

The Cairns Compact on Strengthening Development Coordination in the Pacific was held on 27 November. The workshop explored, among others, ways to strengthen Public-Private Dialogue (PPD) to support the Forum Leader' recognition, through the Cairns Compact that broad-based, private sector led growth was essential to achieving faster development progress.

Other short meetings PIPSO undertook during the months of November and December were:

- Jean-Michel Salmon a consultant from ADE Landell Mills Development Consultants.
- Stella Tanoi of Pacific Cooperation Foundation discussed the possibility of creating a Pacific Brand.
- Consultant Steve Glovinsky and Jessica Robbins of UNDP Pacific Centre to discuss Knowledge Sharing in the Pacific: Solution Exchange



Kaliopate (right) and Henry with business women at the Vila market during the NPSO visit

PIPSO progressed with one of its principal goals of strengthening private sector unity at the national level by visiting Cook Islands, Kiribati, Nauru, Niue, Samoa and Vanuatu as part of NPSO strengthening. The visits were organized with the NPSO and relevant Government Ministries. The visits were well received and fruitful discussion took place in these meetings.

The first authoritative and professional exhibition regarding China overseas investment was held in China via the China Overseas Investment Fair on 3-4 November in which Fiji and Kiribati attended. The fair aimed to facilitate domestic companies to make overseas investment, and was also an effective and interactive platform for overseas investment cooperation between China and countries all over the world to establish a space for information collection and idea exchange.

Technical Support

A major milestone was achieved when PIFS transferred its technical private sector schemes, the Marketing Support Fund (MSF) and the Industrial Development Training Program (IDTP) to PIPSO in September. In announcing the transfers, PIFS Secretary General stated that PIFS looked forward to a close working relationship with PIPSO to combine their strengths in policy advice and coordination with PIPSO's technical and implementation skills. This cooperative approach will lead to the best outcomes for the regions' private sector.

The MSF and IDTP schemes were administered by PIPSO during the last quarter of 2009. These funding schemes have proved to be of great assistance to businesses and have provided small, medium and micro enterprises the opportunity to acquire knowledge and skills that is of beneficial to the development and enhancement of their businesses.

Business Assisted Under the Marketing Support Fund

1. Ms. Grete Marsters of Turama Pacific Travel Group, Cook Islands attended the Green Globe Training Workshop in Brisbane, Australia on 4th to 7th August, 2009. The company through the workshop provided by Green Globe has become well equipped with relevant knowledge and skills that has enabled them to change their way of doing business by implementing environmental friendly standards and influence their community. Their goal is that by 2010 tourism properties are to be rated according to a Green rating system. Tourism by far is the largest earner of foreign revenue in the Cook Islands; therefore given that the island is vulnerable to natural disasters, it is crucial that the industry applies "Green" principles to ensure sustainability to its fragile environment.

2. Mr. James Puati of Matutu Brewing Company, Cook Islands undertook a training attachment with Tuatara Brewing Company in New Zealand on 24th August to 7th September, 2009. Since commencing operations in April 2007, the business



Tuatara Brewing Company; photo courtesy of MAARTEN HOLL/Dominion Post

has identified a niche market targeting tourist with their locally brewed alcohol. In undertaking the training attachment, Matutu Brewing Company improved their technical skills to help manage their company better, gained valuable knowledge on how to produce better quality beer and established a strong business relationship with Tuatara Brewery. The company thus has learnt valuable information that will enhance their operations and assist them to achieve their goal of 'producing a world class local beer' and ultimately their vision 'to produce beer that Cook Islanders would be proud to call their own'.

3. Mr. Micheal Savins of Kiricraft, Kiribati attended the Fort Lauderdale Boat Show in Florida, USA on 29th October to 2nd November 2009. The Fort Lauderdale International boat show provided the managing director of KiriCraft an incredible opportunity to see up close the new developments and trends in vessel design. It also provided the opportunity to learn the latest modern joining techniques for moulded vessel construction. KiriCraft continually develops moulded components for boats and hopes to go into fully moulded high volume production style boatbuilding. The Fort Lauderdale International Boat Show provided an incredible opportunity for the management of KiriCraft Central Pacific to acquire the knowledge of modern design and

technological concepts being adopted by leading vessel manufacturers in the world today. Exposure to the world's largest boat show has provided an important opportunity for the company to see developments in the boat building market. Modern design concepts discovered in Fort Lauderdale are being adopted immediately by the company.



Game fishing boats on display at the Fort Lauderdale Boat Show in Florida

Business Assisted Under the Industrial Development Training Program

1. Ms. Meleka Luli of Tuvalu undertook a training attachment with Cake 2000 (Fiji) on 23rd September to 16th October, 2009. Tuvalu has no cake shop, and this provided Meleka Luli with a business opportunity. She applied to Cake 2000 in Fiji for training. The cake training and attachment helped improve Meleka's baking skills and gave her the chance to learn new baking and cake decorating techniques. She also learnt how to design different range of cakes and a variety of other pastries. Meleka who previously worked for a non-government organization, saw her training as an opportunity to share and facilitate training for youths and women on baking varieties of cakes in Tuvalu. The training is in line with the Tuvalu Government's development plan (Kaakega II) under its strategy to create employment and private sector development.



Mel during her training at Cakes 2000

2. Mr. Roderic Evers of Future Forest Fiji attended the Teak Training & Conference in India on 23rd to 25th November 2009. Future Forests Fiji operates teak plantations in Fiji. The company has planted over 10,000 Teak trees in Ra and projected to plant between 100,000 and 200,000 trees annually. Given the extensive capital and technological needs of the company, opportunities such as the training attachment and workshop in India has added value to the efforts of the company to ensure maximum productivity, sustainability and returns from their investment in a forestry resource like teak. The company has developed and expanded its global network of teak growers, traders and researchers. Also the company gained further valuable knowledge and technical skills on teak plantation management, nursery practices, disease control, pest control, mechanization and fertilization best practices.



Teak plantation

PIPSO's role as an intermediary for the private sector resulted in the sponsorship of an intra-regional training attachment of Festus Fagi of Rarasu Restaurant of the Solomon Islands with Hexagon Group of Hotels in Fiji for four weeks under the PIFS Fellowship Scheme.



Festus (right) with Dixon Seeto, Hexagon Group Managing Director and Mary Ali, Hexagon Spa & Duty Manager

Under the same scheme the second intra-regional training attachment was of Ruabou Meetera of TTT Enterprises Limited in Kiribati who undertook an attachment with SA & Sons Enterprise in Solomon Islands in October. The attachment was also funded under the PIFS Fellowship Scheme.



Ruabou (left) with his supervisor, Masae Kwaoga

PIPSO issued bi-monthly newsletters to stakeholders, development partners and NPSOs to share, update, inform and disseminate information on PIPSO activities. The Pasifika Watch provides latest updates on the activities of PIPSO and other relevant information

After a year of conducting the survey on NPSOs, Consultant Mr. Kaliopate Tavola submitted the report which highlighted the current status of the NPSOs and the priority needs. In addition relevant data was obtained for the PIPSO Secretariat's information, database and work programme

Also during the year, PIPSO commissioned Mr Tavola to prepare a Mobilization of Resources Report was also completed in June. The Resource Mobilization Report has enabled PIPSO to identify ways and methods of acquiring resources and to mobilize the regions private sectors towards utilizing their resources to further their goals and simultaneously strengthen their businesses' capacity and deliver tangible benefits to their economies.



PASIFIKA BUSINESS WATCH

Issue 7 – January/February

*A bi-monthly newsletter released by the PIPSO Secretariat
 Support for private sector mechanisms through the Pacific Islands Private Sector Organisation
 ...PIPSO is a regional priority of the Pacific Plan for immediate implementation during 2006-2008*

What's Inside?	Key Achievements for 2008
Towards Private Sector Unity in Tavalu 2	
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High-Level Dialogue Succeeds in Kiribati 2	
Nauru Hosts Visiting PIPSO Team 3	
EU Funded WTO Project Underway 3	<p>Chairman, James Movick, has acknowledged the contributions of members and supporters towards PIPSO's work during 2008. "The tremendous support received enabled PIPSO, in only its second year of operations, to attain outcomes beneficial not just for the private sector but the public sector as well. Dialogue with Governments has strengthened, while information sharing has allowed private sector networks to grow and be informed of relevant developments. These opportunities were hardly available in recent years." James noted that regional cooperation to facilitate private sector development, as articulated under the Pacific Plan, has begun to bear fruits. He admitted however that "more work still needs to be done, particularly on enhancing PIPSO's institutional capacity so the private sector can contribute more meaningfully towards stable and sustainable regional economic growth." James added that this was needed more than ever before in light of the prevailing global financial crisis.</p> <p>The Chairman highlighted the following as PIPSO's top 10 achievements for 2008:</p> <ol style="list-style-type: none"> 1. The Council's adoption of the Constitution, By-Laws, Business Plan, and 2007 Annual and Audit Reports; 2. Renewals of MOUs with PIFS and UNDP to support the PIPSO Secretariat; 3. Signing a Partnership Agreement with AusAID PLP that enabled visits to Fiji, Palau, PNG, Solomon Islands, RMI, Tonga and Tuvalu for NPSO reviews and strengthening and, dialogues with Government; 4. Presenting private sector perspectives during dialogues with regional policy makers at both Ministerial and Official levels; 5. Collaboration with ITC, Geneva and PIFS on the development of a Pacific Islands Trade Capacities Development Programme for implementation in 2009; 6. Organisation of the EU/ACP BizClim-funded Regional SMME Forum in Samoa for public-private dialogue on policy, business developing and matchmaking; 7. Consultations with Tavola's Government and rival private sector bodies that led to their agreement to establish an NPSO for the country; 8. Capacity building partnerships that enabled the participation of PNG, Samoa and Tuvalu representatives in ComSec's SME workshop in India and, of FIC representatives in regional agriculture, diagnostics and IPR workshops; 9. Recognition of PIPSO by institutions including CDE/ProInvest, NZAID, PATA, UN, World Bank, regional organizations and Forum Trade Offices for consultations and collaboration on private sector development; and, 10. Dissemination of information and online interactive dialogues through the website, emails and <i>Pasifika Business Watch</i> newsletters.
Regional Industry Networks Formed 4	
Pacific Tourism Stakeholders Discuss Program 4	
Fruit & Vegetable Strategies Being Developed 4	
Further Negotiations on PICTA Trade in Services 5	
Fiji Attachment for Solomons Restaurant Owner 5	
New Effort to Bank the Unbanked in the Pacific 5	
APIBC elects new President 6	
Partnership Monitoring & Evaluation Takes Place 6	
New Board for Kosrae Chamber 6	
Mena - A home grown success story! 7	

Selected Events for PIPSO in 2009

JANUARY	
28-29	Validating the ProInvest Long-term Tourism Program for the South Pacific Workshop
FEBRUARY	
18-19	Inaugural Private Sector Seminar organized by the Kiribati Chamber of Commerce & Industry
MARCH	
04	WIPO sub-regional workshop for the Forum Island Countries on Collective Management of Copyright and Related Rights
APRIL	
06	Current Economic Crises & Its Impact: An opportunity for Legal Empowerment of the Poor in the Pacific Workshop
22	PIPSO meeting with Jodie McAlister, Chief, Office for Asia & the Pacific, ITC Geneva
28	NZAID courtesy call - strengthening of PIPSO-NZAID relations, PIPSO office
MAY	
01	Consultants Dr. Hong Tong, Ms Kaye Schofield and, Mrs Tina Siniloli of AusAID called into the PIPSO office
6-7	Fostering the Development of PPP Models in the COMSEA Region Meeting, Swaziland
07	PLP Advisory Panel Meeting, Suva, Fiji
12-13	All ACP Agricultural Commodities Programme (AAACP) Mid-term Review (MTR) Workshop
14	Jeff Blackburn of Blackburn & Croft Consultants met with PIPSO
14-15	The Intra-ACP Workshop on "Establishment of a Private ECOWAS Financial Improvement Board", Accra, Ghana
14-15	Establishment of a Private ECOWAS Financial Improvement Board, Ghana
18	Juha Pyykkö, Counsellor, Embassy of Finland, Canberra met with PIPSO
25	PIPSO met with Indonesian Embassy Tonga NPSO (TCCI) - Public-Private Dialogues
JUNE	
03	PIPSO met with South African High Commission officials
05	The BizClim – Implementation of Mobile Money Transfer, St. Kitts
8	Cook Islands Government delegation visit to PIPSO office
9-10	The Intra-ACP Workshop on Eastern Caribbean Credit Climate Validation Workshop, St Kitts
15 – 16	Pacific ACP, Apia, Samoa
17 – 18	Forum Trade Ministers Meeting, Apia, Samoa
19	Second Round Table Meeting: Aid-For-Trade & Pacific Trade and Development Facility, Apia, Samoa
21 – 24	Commonwealth Natural Fibres Skills Development Programme, Bangalore, India
21 – 26	9 th Commonwealth-India Small Business Competitiveness Development Programme
22	3rd PIPSO AGM, Nadi, Fiji
23	The Development Partners Roundtable, Nadi, Fiji
24	Business Mentoring Workshop, Nadi, Fiji
25	PACER Plus Awareness Seminar, Nadi, Fiji
30	PIFS transferred its technical private sector schemes (MSF & IDTP) to PIPSO
JULY	
8 – 10	34 th Pacific Countries Ports Conference (PCPA), Tarawa, Kiribati
29	Issues, Challenges and Opportunities with Private Sector Development in the Pacific – monthly PEGASeS series
AUGUST	
02 – 03	Pacific Islands and the World: the Global Crisis Conference
24 – 28	18 th Pacific Power Association (PPA) Annual Conference, American Samoa
SEPTEMBER	
16 – 17	ADB/PIPSO 'Development of National Consultants' Seminar, Suva, Fiji
OCTOBER	
	USP MBA advisory Committee Meeting
22 – 24	Pacific Island Countries Trade Agreement (PICTA) Symposium, Nuku'alofa, Tonga
NOVEMBER	
2 – 3	Consultant Kaliopate Tavola submitted the NPSOs Survey Report
3 – 4	
27	Cairns Compact on Strengthening Development Coordination in the Pacific Meeting
DECEMBER	
10 – 11	Hub & Spokes Project: Building the Capacity of ACP Countries in Trade Policy Formulation, Negotiations and Implementation, Nadi, Fiji

PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

Financial Statements

31 DECEMBER 2009

Directors' report	1 - 2
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Statement of income and expenses	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 15

DIRECTOR'S REPORT

I

In accordance with a resolution of the Board of Directors, the directors herewith submit the balance sheet of the organisation as at 31 December 2009, and the related statements of income and expenses, cash flows and changes in equity for the year ended on that date and report as follows:

1 DIRECTORS

The following were directors of the organisation at any time during the financial year and up to the date of this report:

James Movick - Chair
 Hafiz ud Dean Khan - Vice Chair
 Teresa Manarangi-Trott
 Martin Tofinga
 John Leahy
 Epa Tuioti
 Henry Kila – Alternate Director
 Siotame Nakao – Alternate Director

2 PRINCIPAL ACTIVITY

The principal activity of the organisation is to be the premiere regional organisation to represent the interests of private enterprises regionally and internationally.

During the year ended 31 December 2009 there has been no material change in the nature of the organisation's activities or in the classes of activities in which the organisation has an interest.

3 OPERATING RESULTS

The deficit in income over expenditure for the year ended 31 December 2009 was \$ 57,629 (2008 surplus: \$95,539).

4 RESERVES

An amount of \$ 1,100 was taken out from Donor Grant Reserve for the implementation of the Pacific Regional Strategy Implementation Plan on HIV.

5 BAD AND DOUBTFUL DEBTS

The directors took reasonable steps before the financial statements were made out, to ascertain that all known bad debts be written off and adequate provision was made for doubtful debts. In 2009, the provision for doubtful debts is \$ 25,499 (2008: \$19,800) and no amount have been written off (2008: \$7,000 related to the membership fee and registration fee was written off).

6 CURRENT ASSETS

The directors took reasonable steps before the financial statements were made out to ascertain that the current assets of the organisation were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of the business. At the date of this report, the directors are not aware of any circumstances, which would render the values attributable to the current assets in the organisation's financial statements misleading.

7 BASIS OF ACCOUNTING

The directors believe the basis of the preparation of financial statements is appropriate and the organisation will be able to continue in operation for at least twelve months from the date of this report. Accordingly the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

The directors believe that at the date of this statement there are reasonable grounds to believe the organisation will be able to pay its debts as and when they fall due.

8 EVENTS SUBSEQUENT TO BALANCE DATE

No charge on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation meet its obligations as and when they fall due.

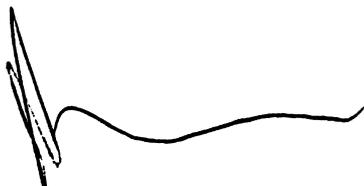
9 OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements, which would render any amounts stated in the financial statements misleading.

10 UNUSUAL TRANSACTIONS

The results of the company's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Signed in accordance with a resolution of the directors this day of April 2010.



DIRECTOR



DIRECTOR

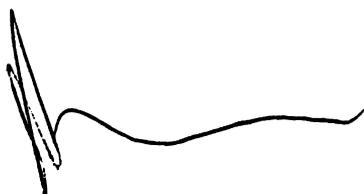
STATEMENT BY DIRECTORS

3

In the opinion of the directors:

- (a) the accompanying statement of income and expenses is drawn up so as to give a true and fair view of the results of the organisation for the year ended 31 December 2009,
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of the organisation's affairs as at 31 December 2009,
- (c) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in shareholders' funds of the organisation for the year ended 31 December 2009, and
- (d) the accompanying cash flow statement is drawn up so as to give a true and fair view of the cash flows of the organisation for the year ended 31 December 2009.

Signed in accordance with a resolution of the directors this day of April 2010.



DIRECTOR



DIRECTOR



INDEPENDENT AUDIT REPORT

To the Board of Directors of the Pacific Islands Private Sector Organisation

PricewaterhouseCoopers

Level 8, Civic Tower
262 Victoria Parade
GPO Box 200
Suva, Fiji Islands
Telephone +679 331 3955
+679 331 5199
Facsimile +679 330 0947
+679 330 0981

We have audited the accompanying financial statements of Pacific Islands Private Sector Organisation which comprise the balance sheet as of 31 December 2009 and the statements of income and expenses, changes in equity and cash flows for the year then ended 31 December 2009 and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 15.

Directors' and Management's Responsibility for the Financial Statements

Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with Fiji Accounting Standards and with the requirements of the Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

This report is made solely to the Board of Directors of the Pacific Islands Private Sector Organisation, as a body. Our audit work has been undertaken so that we might state to the Organisation's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organisation and its Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors and management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Audit Opinion

In our opinion

- (a) proper books of account have been kept by the organisation, so far as it appears from our examination of those books, and
- (b) the accompanying financial statements which have been prepared in accordance with Fiji Accounting Standards:
 - (i) are in agreement with the books of account;
 - (ii) to the best of our information and according to the explanations given to us:
 - a) give a true and fair view of the state of affairs of the organisation as at 31 December 2009 and of its financial performance, changes in equity, and its cash flows for the year ended on that date;
 - b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Suva, Fiji
26 May 2010

PricewaterhouseCoopers
PricewaterhouseCoopers
Chartered Accountants

STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2009

6

	Notes	2009 \$	2008 \$
Income			
Grant	10	361,189	267,365
In-kind contributions – with cash in flow	10	6,236	4,699
In-kind contributions – without cash in flow	11	55,844	126,712
Membership fee net of bad debts and provisions	16	30,286	26,757
Registration fees		19,330	-
Other income		-	3,535
Refund of prior years surplus	13	(31,474)	-
		<u>441,411</u>	<u>429,068</u>
Expenses			
Salaries and wages			
- funded by donors	11	(31,133)	(112,800)
- paid by PIPSO		(100,109)	-
Duty travel	14	(32,473)	(52,941)
Consultancy fees		(97,478)	(34,874)
Meetings and workshops	15	(169,038)	(104,657)
Office expenses		(55,979)	(15,353)
Other operating expenses		(12,830)	(12,904)
		<u>(\$ 499,040)</u>	<u>(\$ 333,529)</u>
Surplus / (deficit) for the year	3	<u>(\$ 57,629)</u> =====	<u>\$ 95,539</u> =====

The statement of income and expenses is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2009**

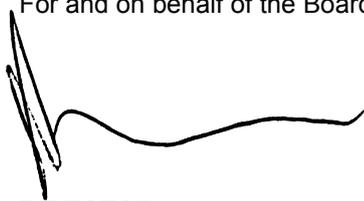
7

	Notes	2009 \$	2008 \$
Current Assets			
Cash on hand and in bank		72,083	107,681
Receivables	4	1,479	6,778
Refundable deposits	5	<u>1,186</u>	<u>-</u>
		<u>74,748</u>	<u>114,459</u>
Non-Current Assets			
Property, plant and equipment	6	<u>6,686</u>	<u>-</u>
TOTAL ASSETS		<u>81,434</u>	<u>114,459</u>
Current Liabilities			
Payables and accruals	7	<u>29,368</u>	<u>3,664</u>
TOTAL LIABILITIES		<u>29,368</u>	<u>3,664</u>
NET ASSETS		52,066	110,795
		=====	=====
EQUITY			
Retained earnings		42,023	99,652
Donor grant reserve	12	<u>10,043</u>	<u>11,143</u>
		\$ 52,066	\$ 110,795
		=====	=====

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

These financial statements are approved in accordance with a resolution of the Board of Directors.

For and on behalf of the Board



DIRECTOR



DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

8

	Note	Retained Earnings	Donor Grant Reserve	Total
		\$	\$	\$
Balance at 31 December 2007		4,113	4,597	8,710
Donor grant received during the year	12	-	6,546	6,546
Net surplus / (deficit) for the year		<u>95,539</u>	<u>-</u>	<u>95,539</u>
Balance at 31 December 2008		99,652	11,143	110,795
Donor grant utilised during the year	12	-	(1,100)	(1,100)
Net surplus / (deficit) for the year		<u>(57,629)</u>	<u>-</u>	<u>(57,629)</u>
Balance at 31 December 2009		<u>\$ 42,023</u>	<u>\$ 10,043</u>	<u>\$ 52,066</u>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

9

	2009 \$	2008 \$
Cash at beginning of year	107,681	7,677
Cash flows from operating activities		
Membership fees	31,524	25,557
Grants:		
Operating	361,189	267,365
Project	(1,100)	6,546
Other income	6,236	3,535
Registration fees	19,330	-
Payments to suppliers	(452,777)	(202,999)
Cash at year end	\$ 72,083 =====	\$ 107,681 =====

The cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

10

1 GENERAL

The principal activity of the organisation is to represent the interests of private enterprises regionally and internationally.

The company is limited by guarantee and not having a share capital, incorporated and domiciled in the Republic of the Fiji Islands and its registered office is located at Ryoichi Jinnai Conference Centre, Pacific Islands Forum Secretariat, Ratu Sukuna Road, Suva.

The financial statements were authorised for issue by the Board of Directors on of April 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the organisation are stated to assist in the general understanding of these financial statements

2.1 Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the Fiji Accounting Standards. The financial statements have been prepared primarily on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

2.3 Receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision is raised for any doubtful debts based on a review of all outstanding amounts. Bad debts are written off during the year in which they are identified.

2.4 Foreign currency

All amounts in foreign currencies at balance date are translated to Fiji dollars at the rates of exchange prevailing at year end. All transactions during the year denominated in foreign currencies are translated at rates ruling at the transaction date.

Exchange differences are brought to account in determining the results for the year.

2.5 Income

Income is recognised when the right to receive payment is established.

Grants are recognised when received or when expenditure, complying with the conditions of the grant, has been incurred and there is certainty that payment will be received from the donor

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

11

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.6 Income tax

The organisation's income is exempt from income tax in accordance with Section 17 (24) of the Income Tax Act.

2.7 Reporting currency

All figures are recorded in Fiji currency.

3 SURPLUS / (DEFICIT) FROM OPERATIONS

The surplus / (deficit) for the year has been determined after charging as expenses:

	2009 \$	2008 \$
Audit fees	3,094	1,500
Bad debts written off	-	7,000
Provision for doubtful debts	5,699	19,800

4 RECEIVABLES

	2009 \$	2008 \$
Subscriptions	25,499	19,800
Less: Provision for doubtful debts for the following		
- Micronesia (FSM)	(3,000)	(2,000)
- Niue	(515)	(800)
- Palau	(3,000)	(2,000)
- Marshall Islands (RMI)	(3,000)	(2,000)
- Vanuatu	(8,000)	(5,000)
- FCCI, FIBC, FMA – Fiji	(5,000)	(5,000)
- Solomon Islands	(2,984)	(3,000)
Net Subscriptions	-	-
Staff advance	1,479	1,502
Contribution in kind	-	4,699
Other debtors	-	577
	<u>\$ 1,479</u>	<u>\$ 6,778</u>
	=====	=====

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

12

5 REFUNDABLE DEPOSITS

	2009 \$	2008 \$
Internet	200	-
Rental bond	<u>986</u>	<u>-</u>
	<u>\$ 1,186</u>	<u>\$ -</u>

6 FIXED ASSETS

	Balance as at 31/12/2008	Additions	Disposals	Balance as at 31/12/2009
Cost				
Office equipment	-	3,799	-	3,799
Office furniture and fittings	<u>-</u>	<u>3,028</u>	<u>-</u>	<u>3,028</u>
	<u>-</u>	<u>6,827</u>	<u>-</u>	<u>6,827</u>
Accumulated depreciation				
Office equipment	-	79	-	79
Office furniture and fittings	<u>-</u>	<u>62</u>	<u>-</u>	<u>62</u>
	<u>-</u>	<u>141</u>	<u>-</u>	<u>141</u>
Net book value	<u>-</u>			<u>6,686</u>

7 PAYABLES AND ACCRUALS

	2009 \$	2008 \$
Payable to PIFS on PICTA symposium	12,834	-
Accruals and other payables	<u>16,534</u>	<u>3,664</u>
	<u>\$ 29,368</u>	<u>\$ 3,664</u>

8 COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 31 December 2009.

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

13

9 EMPLOYEES

	2009	2008
Number of employees	4	2
	=====	=====

10 GRANTS AND IN-KIND CONTRIBUTION

	2009		2008	
	Grants \$	In-kind contributions with cash in-flow \$	Grants \$	In-kind contributions with cash in-flow \$
<i>Australian Agency for International Development</i>				
- Pacific Leadership Program	158,505	-	150,000	-
<i>Pacific Islands Forum Secretariat</i>				
- PACREIP	82,500	-	-	-
- Government of Japan	60,915	-	-	-
- PICTA Symposium	45,565	-	-	-
- Industrial Development Training Program	8,317	-	-	-
- Marketing Support Fund	-	6,236	-	-
- Annual general meeting and Intellectual Property Rights and Traditional Knowledge workshop	-	-	91,401	-
- Resource mobilisation	-	-	15,000	-
- Board sub-committee meeting	-	-	10,964	-
<i>New Zealand Agency for International Development</i>				
- Pacific Agreement on Closer Economic Relations	5,387	-	-	-
<i>European Union</i>				
- Small Medium & Micro Enterprise Forum	-	-	-	4,417
<i>Pacific Asia Travel Association</i>				
- South Pacific Tourism Organisation Intelligent	-	-	-	282
	361,189	6,236	267,365	4,699
	=====	=====	=====	=====

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

14

11 IN-KIND CONTRIBUTIONS WITHOUT CASH IN-FLOW

In-kind contributions without cash in-flow received:

	2009 \$	2008 \$
<i>United Nations Development Programme Pacific Centre (UNDPPC)</i>		
- Salaries and wages	31,133	112,800
<i>Pacific Islands Forum Secretariat (PIFS)</i>		
- Office facilities	<u>24,711</u>	<u>13,912</u>
	<u>\$ 55,844</u>	<u>\$ 126,712</u>

12 DONOR GRANT RESERVE

The movement of donor grant reserve is as follow:

	2009 \$	2008 \$
Balance at the beginning of the year	11,143	4,597
Amount (utilised)/received during the year	(<u>1,100</u>)	<u>6,546</u>
Balance at the end of the year	<u>\$ 10,043</u>	<u>\$ 11,143</u>

13 REFUND OF PRIOR YEAR'S SURPLUS

	2009 \$	2008 \$
PIFS - PACREIP	<u>\$ 31,474</u>	<u>-</u>

14 DUTY TRAVEL

	2009 \$	2008 \$
In country consultations	30,620	48,065
Other meetings	<u>1,853</u>	<u>4,876</u>
	<u>\$ 32,473</u>	<u>\$ 52,941</u>

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

15

15 MEETINGS AND WORKSHOPS

	2009 \$	2008 \$
Annual General Meeting	43,501	92,321
Board meetings	35,081	10,245
Fort Lauderdale International Boat Show	12,472	-
Others	<u>77,984</u>	<u>2,091</u>
	<u>\$ 169,038</u>	<u>\$ 104,657</u>
	=====	=====

16 NET MEMBERSHIP FEE

	2009 \$	2008 \$
Tonga	3,000	3,000
Kiribati	1,000	1,357
Cook Islands	1,000	1,200
Nauru	1,000	1,200
PNG	10,000	10,000
Samoa	3,000	3,000
Tuvalu	1,000	2,000
Niue	1,285	-
FEF, FIHTA - Fiji	5,000	5,000
Solomon Islands	3,015	-
CORP	<u>986</u>	<u>-</u>
Total	<u>\$ 30,286</u>	<u>\$ 26,757</u>
	=====	=====



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