



**PIPSO**  
Pacific Islands Private Sector Organisation

2016



ANNUAL REPORT





PIPSO ANNUAL REPORT 2016

## VISION, MISSION & GUIDING VALUES

### VISION

Promoting and inspiring the growth of Pacific businesses.

### MISSION

Advocate for and drive private sector driven economic growth for the benefit of our region.







## GUIDING VALUES

The work we do and the way we do it is premised on the following:

### Relevance

We deliver to our members and the wider Pacific business community timely and relevant information, programs and services, that deliver measurable results.

### Innovation

We embrace and encourage new ideas and creative thinking to strive for continuous improvements of organisational operations and programs.

### Integrity

We conduct business with honesty and integrity and making decisions to ensure future stability and sustainability.

### Leadership

We promote and provide leadership that embraces our membership and impacts the direction of the wider Pacific business community.

### Teamwork

We cultivate a culture of teamwork to accomplish goals and objectives and empower staff and partners we work with.

### Outreach

We reach out, be transparent, and communicate our work using the most appropriate communication and information tools and methods.

# STRATEGIC FOCUS

## FOCUS AREA 1 Build Strong and Responsive National Private Sector Organisations (NPSOs)

One of PIPSO's key areas is to work with the NPSO members to strengthen them as institutions so that they can serve their membership in a better coordinated, and strategic way. The NPSO, as a business network and/or local organisation of businesses has a central role to advance the interests of businesses in that community – whether as micro enterprises, SMEs or large corporates.

Objective 1.1: Schedule of capacity building training programmes and associated assistance.

Objective 1.2: Establish Business e-Hub Centre, i.e. development of policy guidelines and templates for NPSO institutional strengthening.

Objective 1.3: Define information clearing house role with support from PIPSO.

## FOCUS AREA 2 Assisting Pacific businesses to enhance their business competitiveness and growth

Whilst not all businesses in a country are affiliated to an NPSO-like body, it is still important for PIPSO to ensure that it calls for and advocates for all Pacific businesses, and particularly MSMEs, when it comes to promoting business competitiveness.

Objective 2.1: Multi-pronged and coordinated industry research and capacity building programmes for Pacific businesses.

Objective 2.2 : Innovative credit and funding schemes.

Objective 2.3: Business networking and counseling support services.

## FOCUS AREA 3 Championing the interests of private sector in the appropriate fora

As a regional organisation a key role for PIPSO is to represent the Pacific private sector in regional and intentional events, and where possible, provide support to local interest groups (eg NPSOs et al) to advocate and lobby for private sector and business development issues.

Objective 3.1: Effective national and regional consultative dialogue processes.

Objective 3.2: Compile and disseminate private sector research, surveys, and advocacy papers.

Objective 3.3: Establish pathways and projects for collaboration under PPPs.

## FOCUS AREA 4 Ensuring the sustainability of PIPSO's resources and enhancing its capabilities

As a regional organisation, PIPSO is reliant on external support to maintain operations – from members' subscriptions, to partners programme and project funding – all these are funds that stem from wider pool of resources such as taxation and membership fees/contributions, and PIPSO is mindful it has to be transparent and account for such funds bestowed to it.

Objective 4.1: Sustainable resource base for PIPSO operations and service delivery to members and private sector.

Objective 4.2: A robust communications, information and outreach platform for PIPSO.

Objective 4.3: Transparent and effective financial, administrative and human resource development policy.

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# ACRONYMS

<b>APTC</b>	Australia-Pacific Technical College
<b>ACP</b>	African, Caribbean and Pacific States
<b>ADB</b>	Asian Development Bank
<b>AGM</b>	Annual General Meeting
<b>AVI</b>	Australia Volunteers International
<b>BRC</b>	British Retail Consortium (reference to food safety standards)
<b>COLEACP</b>	The Europe-Africa-Caribbean-Pacific Liaison Committee
<b>CROP</b>	Council of Regional Organisations in the Pacific
<b>CTA</b>	The Centre for Technical Agricultural and Rural Cooperation
<b>DFAT</b>	Department of Foreign Affairs and Trade (Australia)
<b>EDF</b>	European Development Fund
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organisation
<b>FCEF</b>	Fiji Commerce and Employers Federation
<b>FEMM</b>	Forum Economic Ministers Meeting
<b>FSM</b>	Federated States of Micronesia
<b>GLOBAL G.A.P</b>	Fresh fruits and vegetables standard
<b>HACCP</b>	Hazard Analysis and Critical Control Points (reference to food safety and food supply chain)
<b>IFAD</b>	International Fund for Agricultural Development
<b>IICA</b>	Inter-American Institute for Cooperation on Agriculture
<b>ICT</b>	Information Communication Technology
<b>ILO</b>	International Labour Organisation
<b>KCCI</b>	Kiribati Chamber of Commerce and Industry
<b>MDF</b>	Market Development Facility (An Australian funded programme)
<b>MSME</b>	Micro Small Medium Enterprises
<b>NPSO</b>	National Private Sector Organisation
<b>NSA</b>	Non-State Actors
<b>PACERPlus</b>	Pacific Agreement on Closer Economic Relations Plus
<b>PCF</b>	Pacific Cooperation Foundation
<b>PICs</b>	Pacific Island Countries
<b>PIDF</b>	Pacific Islands Development Forum
<b>PIFS</b>	Pacific Islands Forum Secretariat
<b>PIPSO</b>	Pacific Islands Private Sector Organisation
<b>PITAP</b>	Pacific Integration Technical Assistance Project
<b>PLP</b>	Aus AID Pacific Leadership Program
<b>PNG</b>	Papua New Guinea

# ACRONYMS

<b>PPD</b>	Public Private Dialogue
<b>PPP</b>	Public Private Partnership
<b>PSD</b>	Private Sector Development
<b>RMI</b>	Republic of the Marshall Islands
<b>ROO</b>	Rules of Origin
<b>SICCI</b>	Solomon Islands Chamber of Commerce and Industry
<b>SMEs</b>	Small and Medium Enterprises
<b>SPC</b>	The Pacific Community (formerly The Secretariat of the Pacific Community)
<b>SPEITT</b>	Strengthening Pacific Economic Integration through Trade Programme
<b>SPTO</b>	South Pacific Tourism Organisation
<b>TBT</b>	Technical Barriers to Trade (Programme)
<b>TCCI</b>	Tonga Chamber of Commerce
<b>TOPEX</b>	Top Executives Conference (an annual event hosted by FCEF)
<b>UNDP</b>	United Nations Development Programme (in Fiji)
<b>USP</b>	University of the South Pacific
<b>USP TAFE SQC</b>	Standards and Quality Committee of the USP Pacific Technical and Further Education
<b>UNIDO</b>	United Nations Industrial Development Organisation



# MEMBERS OF THE BOARD



## HOWARD J. POLITINI, CHAIRPERSON (FIJI)

Howard J. Politini is the Chair of PIPSO's Board of Directors appointed by members at the 2016 AGM. He is the Past President of the Fiji Commerce & Employers Federation and the General Manager Human Resources at Bank South Pacific. Alongside his career path in teaching and management in civil aviation security and organisation culture change, Howard has had a parallel career in the Royal Fiji Military Territorial and Regular Forces. His private sector experience has been in human resources and rural banking. Howard has also served on numerous state owned enterprises boards and currently on community and private sector boards and trusts. Howard is also a certified Leadership trainer, coach, mentor and speaker on the John Maxwell Team.



## LORNA A. JOHANSSON, VICE CHAIR (TONGA)

Lorna Aloma Johansson is a past President of the Tonga Chamber of Commerce and Industry, and has served as Vice President and Treasurer for 11 years. She is also the Chair for the Tonga Communications Corporation and the Executive Treasurer for the Tonga Red Cross Society. Aloma is currently a Proprietor/Practitioner for the Public Accountants & Business Consultant. Aloma was one of two founding members of the Youth in Business in Tonga and advocates for initiatives such as Business Licensing reform, Tax reform, Land Commission and the Tonga Energy Road map. She is also notably the first female Executive Director appointed to the Tonga Rugby Union for the Rugby World Cup in 2011. She was also the first Private Sector recipient of the New Zealand Prime Minister Fellowship in 2014 and Co-opted member of USP Council.



## CAROLYN NGIRAIDIS, BOARD MEMBER (PALAU)

A native Palauan, born in Guam and raised in Saipan, Commonwealth of the Northern Mariana Islands for over 30 years. Carolyn lived in Saipan, Guam and was educated at the Chaminade University in Honolulu, Hawaii. She currently serves as the Vice-President/Chief Financial Officer at Dolphins Pacific, Inc which is a partner in the International Coalition for Tourism Partners (ICTP). Carolyn is the current President of the Palau Organic Growers Association (POGA).



## BENSON NABLU, BOARD MEMBER (PAPUA NEW GUINEA)

Benson Nablu hails from Morobe Province in Papua New Guinea, was born and lives there. He is the Managing Director of his own Agro and Real Estate Business. Benson is currently on the Board of the PNG Chamber of Commerce & Industry as Executive Member International Affiliations in which he takes care of International matters including the Confederation of Asia Pacific Chamber of Commerce and Industry (CACCI). He was also an alternate member of PIPSO before he was voted in to be a full member of the board of PIPSO in 2014.



## ESETA NADAKUITAVUKI, BOARD MEMBER (FIJI)

Eseta Nadakuitavuki is the Senior Manager Microfinance and Women's Markets of the Westpac Banking Corporation in Fiji. She is the Chairperson of the Women Entrepreneurs Business Council in Fiji and Financial Literacy Working Group and served as a board member of the Fiji Commerce and Employers Federation. Eseta is currently a member of the National Financial Inclusion Taskforce and has been part of the banking industry over the past 29 years. She was appointed an Alterate Board Member in July 2016.





### **MARK BLUMSKY, BOARD MEMBER (NIUE)**

Mark Blumsky is the Founder of Creative HQ , a start up Incubator. He served as a NZ High Commissioner - Ministry of Foreign Affairs and Trade and is a former Mayor of Wellington and a NZ Member of Parliament. Mark was a Director of Capital Development Agency (CDA) and Retail Sales Manager of 100plus stores with Hannahs(NZ largest footwear chain) then owner of his own Footwear chain(Mischief shoes). He is the current owner and Director of five small businesses on the island of Niue. Mark authored a best selling book - Slippers: (What the Plumber taught the Mayor).



### **SHEREE STEHLIN, BOARD MEMBER (SAMOA)**

Sheree Stehlin is a Co-owner of Samoa Cycling Tours and owns and operates a salon in Samoa. She is a Board Member of the Women in Business Development (WIBD), Samoa.



### **STEPHEN LYON, BOARD MEMBER (COOK ISLANDS)**

Stephen Lyon is a Business owner, Marine and Environmental Scientist and Conservation Advocate. He has been the Managing Director Pacific Divers for the past 12 years and was appointed to the PIPSO Board in July 2016. Stephen has been a member of the Cook Islands Chamber of Commerce as an executive for 5 years and is currently President. Stephen is the Founder and Director of the Pacific Islands Conservation Initiative a Cook Islands based Charitable Trust running several projects focused on both research and conservation



### **KLAUS STUNZNER, IMMEDIATE PAST CHAIR/EX OFFICIO MEMBER (SAMOA)**

Klaus Stunzner is the Immediate Past Chair of PIPSO's Board of Directors. He is the Managing Director of Samoa Spare Parts & Accessories and is an Executive Member of the Samoa Chamber of Commerce & Industry. He has served on a number of statutory Boards and Committees in Samoa, which includes the Central Bank of Samoa, Samoa Institute of Accountants, Samoa Post and Samoa Trust Estates Corporation. He is a Chartered Accountant by profession. In 2006-2007 he was the President of the Samoa Chamber and also at the time was a PIPSO Board Member.



### **MEREIA VOLAVOLA, CEO/EX OFFICIO MEMBER (FIJI)**

Mereia Volavola is the Chief Executive Officer of PIPSO. In 2010, with her vast knowledge and experience in the area of Finance and Banking. Mereia joined PIPSO. Prior, she held the position of CEO of the Capital Markets Development Authority in Fiji. She has also worked for the Reserve Bank of Fiji, HFC Finance Ltd and Housing Authority.

# MEMBERS OF STAFF



**MEREIA VOLAVOALA**  
CHIEF EXECUTIVE OFFICER



**ALISI TUQA**  
PROGRAMME OFFICER



**WINIFRED GAUNA**  
PROGRAMME OFFICER



**FULORI TURAGA**  
COMMUNICATIONS OFFICER



**JONE MANUPAI**  
ADMIN/FINANCE OFFICER



**ANNA GIEBELS**  
VOLUNTEER



**LESLIE MASSEY**  
FINANCE SPECIALIST (AVI)



**BILL BEUMER**  
PRODUCTION SPECIALIST (AVI)

# REPORT FROM THE CHAIRPERSON

It has been a great honour and a privilege for me to serve as PIPSO Chair in 2016. I have been involved with PIPSO since 2013 having served as Board member and deputy chairperson. This experience has given me a deep appreciation of PIPSO's work and the way national private sector organizations from across the 15 Pacific Island countries can come together to speak with one voice on issues that are important to the Pacific business community. I am privileged to be part of an organisation that is focused on making a positive difference in our countries.

During my term as Chair, it was quite a challenging period where a number of donor agencies and partner organization continued with streamlining their operations in view of budgets cuts. PIPSO's funding from the Pacific Leadership Programme (PLP) in 2016 was reduced further compared to the previous year. It has been declining since 2013.

PIPISO however continued with some of its key programmes secured with the Brussels based Technical Centre for agriculture and rural cooperation (CTA). The second Agribusiness Forum was held in Apia, Samoa followed by the agritourism policy setting workshop for Samoa. Much of PIPSO's work centered on agribusiness and agritourism given the key importance's of these industries to many Pacific island countries.

PIPISO continues to be the voice of the private sector for the region and participated at the 2016 Forum Leaders Meeting in Pohnpei at FSM raising pertinent issues regarding the private sector to the Forum Leaders. Through the EDF10th funding for NSA, PIPISO managed to secure some funding to review its Strategic Plan and compile another three year strategic plan with the assistance of its members and development partners.

During the year PIPISO, was able to secure support from ACP TBT programme to undertake a training of trainers programme on Food Safety Protocols for Fiji and Tonga. A total of 15 trainers were trained which involved on-site assessment for selected SMEs exporters.

Also for this year the work relating to disaster resilience and climate change management gained momentum with the formation of the Fiji Disaster Risk Resilience Council. This has laid a good platform for similar councils to be set up in other member countries and a regional network to be established. I'm pleased with this work as it would address the risk management practices for SMEs in the Pacific and the need to have business continuity plans making businesses more resilient.

With the demands put on PIPISO to continue to provide technical advice and support, capacity building and grants to assist businesses for its members, institutional support and sustainability are two important issues. The existence of PIPISO depends on these two things. The Board had reviewed its current financing strategies and has put in place some measures for the Secretariat to undertake.

I express my sincere gratitude to PLP, European Union and Technical Centre for Agricultural and Rural Cooperation (CTA) for the funding support provided to PIPISO for its operations and programmes. Furthermore I also wish to acknowledge the support of the Pacific Community, South Pacific Tourism Organisation (SPTO), United Nations Development Fund (UNDP), Pacific Cooperation Foundation (PCF) and the Pacific Islands Forum Secretariat (PIFS) for their continued support and partnership in various work programmes carried out in the region.

I thank all the Board members and staff of PIPISO for their continued support and hard work during the year.

Howard Politini  
Chairperson



# REPORT FROM THE CEO

2016 proved to be a year of achievements for PIPSO, albeit without some challenges, but all great all the same.

Two key milestones were the launches of our Strategic Plan, and our website.

We launched our 2016-2019 Strategic Plan which articulated our four Strategic Focus Areas for the next 3 – 4 years. This was a refinement of our last Strategic Plan, which members agreed we needed to focus and redefine our strategic position as an organisation. This was done at our Strategic Planning workshop in Nadi, which preceded our AGM.

We also launched our revamped and more interactive website and this is part of the broader development in the Secretariat to enhance our communications and knowledge management platforms.

I would like to especially acknowledge the European Union's 10th European Development Fund "Strengthening Non-State Actors Engagement in Regional Policy Development and Implementation Programme" managed by the Pacific Islands Forum Secretariat who supported our work for the Strategic Plan; and the EU ACP Centre for Technical Agricultural and Rural Cooperation (CTA) in Netherlands for the support toward our website redevelopment.

The year also saw the formation of the CTA-IFAD project team within PIPSO to implement the project in 7 countries promoting nutritious food systems in the Pacific. Whilst the project focuses on 7 countries, there is of course tremendous learning and sharing opportunities across the wider PIPSO membership. This project complements our work in agribusiness and agritourism development, and brings to the fore the need to engage private sector more in the policy development space and other interventions to address agrinutrition.

With the departure of three staff members in 2016, we had to also channel efforts to recruiting a new team and this was done before the end of the year.

A lot of the work we did through the year was in collaboration with many partners and we envisage the same to continue in 2017. Engagement with the private sector and through the NPSOs has been encouraging and we hope that PIPSO can build on this to meet the objectives we have set forth in our Strategic Plan to assist and promote Pacific businesses. Critical to the achievement of the Strategic goals is the institutional support to PIPSO. Over the years this has been the biggest challenge of securing funding to support PIPSO operations.

As we wrap up another year, special thanks and acknowledgements go to the Pacific Leadership Programme (PLP) for support to PIPSO which has enabled us to do what we have done over the year. Their support and counseling have been welcoming in 2016.

To our most avid and longterm supporters and partners, my deepest gratitude for your continued support in working with us to building the trade capacity and competitiveness of the private sector in the Pacific and we look forward to more joint collaborative efforts.

My sincerest appreciation goes to the PIPSO Board for their guidance and counsel throughout the year and to my team members for their commitment and drive in working toward achieving the goals of PIPSO.

We look toward the new year with renewed promise and enthusiasm in fulfilling the new Strategic focus areas and working with Pacific businesses to enhance their growth and development.

Mereia Volavola  
Chief Executive Officer

# PIPSO STRATEGIC FOCUS 1:

## BUILD STRONG AND RESPONSIVE NATIONAL PRIVATE SECTOR ORGANISATIONS



Howard Politini with members of his working group during the Agribusiness forum in Samoa.

### CAPACITY BUILDING FOR THE PIPSO MEMBERS

In 2016, three key activities were undertaken to assist our NPSOs. The first was the capacity building programme that was undertaken during the annual general meeting in July.

The members were briefed on key developments happening in the Pacific and these included the following:

- Various funding envelopes and proposals that were being prepared by PIPSO;
- Sustainable Development Goals by UNDP
- Work and Funding Opportunities for NSAs by Non State Actors (NSA) Unit at PIFS
- Private Sector Dialogue – National Issues versus Regional Issues;
- Trade Negotiations and Update on PACER Plus
- Update on the CTA/IFAD Funding Project
- Trade Pasifika/Women in Business/Financial Programmes- updates by PIPSO Staff
- Capacity Building Programme by Learnfast
- Anti Corruption Code for the Private Sector - United Nations Pacific Regional Anti Corruption (UN PRAC) Project
- Establishment of the Pacific Business Network for Disaster Management - by UNISDR,OCHA,UNDP

Following the capacity building programme, was the 10th Annual General Meeting.

This meeting was followed by the private sector dialogue meeting organised by the Pacific Islands Forum Secretariat to prepare for issues for the upcoming Forum Leaders Meeting.



Food Safety Training working group with Consultant Marta Bentancur (3rd from right)

## TRAINING THE TRAINERS IN FIJI AND TONGA ON FOOD SAFETY PROTOCOLS

The ACP EU TBT project commenced in October 2016 following PIPSO's successful application for funding to improve the capacities of selected agribusiness in the Pacific region to overcome barriers to trade in regional and international markets and take advantage of existing exporting opportunities.

The project was for two pilot countries i.e. Fiji and Tonga and to build the capacity of PIPSO and selected service providers in the field of Export Quality Management Systems and promote the adoption of international standards among export ready regional agribusinesses.

The project was organised in conjunction with the two member NPSOs - Fiji Commerce and Employers Federation and Tonga Chamber of Commerce and Industry. A total of 20 trainers were trained i.e. 15 from Fiji and 5 from Tonga.

## OPPORTUNITY TO DELIVER FINANCIAL TRAINING VIA E-LEARNING

Work commenced in the later part of 2016 to deliver financial training via E-Learning platforms.

The PIPSO Financial Toolkit for Pacific SMEs began development in May 2013 and has been tested at many workshops throughout a range of locations across Fiji as well as other PICs such as Kiribati, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The toolkit has been expanded and updated regularly based on participant feedback at workshops.



## PIPSO STRATEGIC FOCUS 2:

### ASSISTING PACIFIC BUSINESSES TO ENHANCE THEIR BUSINESS COMPETITIVENESS AND GROWTH



Financial Trainer Leslie Massey (right) and training participant Rachna Kumari

#### A. CAPACITY BUILDING Financial Training for SMEs

Leslie Massey, AVI Financial Specialist with PIPSO, conducted 6 Finance Trainings in 2016 which were attended by 116 persons in total, of which 65 were females and 51 were males.

There were three Level 1 courses; two Level 2 courses; and one Level 3.

The Modules in Level 1 promote five themes as follows:

1. Separate business and private activities
2. Record all business cash in and out
3. Forecast cash flow to prevent surprises
4. Manage working capital (debtors, creditors & inventory)
5. Be aware of business regulation

The Modules in Level 2 promote five themes as follows:

1. In the long run, business must generate both profit and cash flow
2. Prepare and use a budget to measure business performance
3. Understand your trading and income statements and balance sheet
4. Understand what financial statements tell you
5. Protect your cash, revenues and assets

The Modules in Level 3 promote five themes as follows:

1. Vision is needed if a business is to grow
2. Know the cost to create a product or service and the price to sell it
3. Plan for the future to know what to do and what not to do
4. Know when to borrow and what a lender expects
5. Know what a business is worth

Whilst PIPSO endeavors to transition the trainings so that participants attend all three levels, what was found however, was that there was a greater need stemming for requests to deliver Levels 1 and 2.

This demonstrated the need to capture the basic finance aspects for SME business development. Les also conducted outreach and technical support to partner agencies such as APTC, as well as specific finance planning and strategic planning services to a handful of Fiji SMEs through and MDF programme. PIPSO provided technical workshop support in cash & general financial planning and management to 10 clients supported through MDF.

USP hosted an Entrepreneurs Week and PIPSO partnered with USP to conduct seminars on campus for students interested in business development and entrepreneurship. There were 113 registrations for the four workshops held.

In terms of longer term sustainability and to promote greater support to communities, PIPSO is intent on building a resource base of pool of trainers and to facilitate this through a Training Of Trainers (TOT) programme founded on the PIPSO Financial Toolkit.

One TOT was held in Suva, Fiji, attended by 6 participants (2 women and 4 men) and this also meant that upon Les's departure, a cadre of trainers could be available for PIPSO to reach out to deliver courses. Unfortunately, funding constraints restricted Les's efforts and ability to run these finance trainings and TOT courses outside of Fiji.

The toolkit that forms the basis of all PIPSO finance trainings is being refined and developed further to be captured as an e-learning module and PIPSO has commenced discussions with partners on this, and to be expanded in 2017.

## Building Pacific Women in Business Capacities in E-Commerce.

In the last quarter of the 2016 year, PIPSO partnered with PCF and UNDP to facilitate a cohort of 12 Pacific women in business to participate in an e-commerce workshop, which included one-on-one mentoring.

An expression of interest was circulated and 30 applications were received.

Following a selection process, 12 candidates were selected – from Fiji, Samoa, Solomon Islands, Tonga and Vanuatu – by the trainer.

This was based this on candidates having the greatest potential to:

- excel through attending the Grow Pacific e-workshop and follow-up mentoring,
- assessing and determining their business and suite of products and
- potential for online sales and activity.

The project went very well with positive feedback from the participants, however some challenges and lessons learned noted:

- Readiness online - a number of the participants were willing to develop their online presence but felt there were other priorities in their businesses first. Proving the value of online selling and investment is needed.
- Communication - due to technology limitations a number of participants were hard to speak or video conference with. The advice was given via email or in the private forum which added to the administrative overhead and was slower to enact.
- Confidence - A handful of participants felt they 'weren't ready' to be coached and while motivated to get helped with their business were reluctant to open up and receive advice.
- Payments - the limitations on making or receiving credit card payments in Pacific nations is punitive. Shopify and Paypal offer alternatives but there are still bureaucratic restrictions on everyone taking advantage of these.

In all the outcomes were positive and tangible outcomes of sales improvement will not be achieved in the short term.

The best measure is to review performance after 12-months since the training was delivered; and for ongoing support.



Les (2nd from right) with clients under the MDF Programme

## B. ENHANCING BUSINESS COMPETITIVENESS Agribusiness Development

In 2016 PIPSO continued its efforts in Agribusiness.

There was a range of interventions and supporting events to strengthen and enhance the business competitiveness of those entrepreneurs, businesses and community enterprises engaged in the diverse agribusiness-agritourism sector (agriculture, food processing, cultural and creative industries, fisheries and aquaculture and tourism).



Trained Chefs receive their certificates during the Agribusiness Forum in Samoa

## AGRIBUSINESS FORUM

The 2nd Pacific Agribusiness Forum was held in Samoa, organised also as part of the strategic partnership between IFAD, CTA and PIPSO and included other partners such as the SPTO, SPC, PCF, IICA, COLEACP, Samoa Chamber of Commerce & Industry, and Samoa Tourism Authority.

This multi-partnership approach was important as a means to ensuring there were cohesive communication and sharing among the agencies, as well as demonstrated partnerships and collaboration in rolling out projects and support and reducing/avoiding duplication of efforts.

The theme of the Forum was Linking the Agrifood sector to the local markets for economic growth and improved food and nutrition security.

More than 100 participants representing private sector, farmers' organisations, policy-makers, research networks, development practitioners, and international organisations discussed in Samoa lessons learned from successful agribusiness models in linking farmers and value chain actors to local, regional and tourism-related markets in the Pacific.

They also reviewed the necessary inputs for realising better organised, integrated and competitive value chains (and broader cluster development) in the agriculture and agribusiness sectors through skills development, finance/investment, data and information services and favorable policies.

Discussions centered around selected successes in value addition in the Pacific, focusing on marketing, branding, labeling to increase demand for higher quality and healthier foods and agricultural products.

Discussions also highlighted that it is well known that small economies cannot compete on volumes or production intensification with big agricultural players.

Therefore, to be exported, Pacific island products either have to be unique or of very high quality. It's acknowledged that national market focus tends to be on price while international markets are driven by quality and certification standards.

There is an urgency to strengthen supply and value chains through technology transfer, business information and finance. Ensuring compliance with quality standards for value-added products is key and compliance with standards should be a prerequisite for the operators.

The increasing consumer demand for organic commodities provides a viable opportunity for PICs farmers and processors to benefit from this growing market. Key opportunities exist in fisheries, fruits and vegetables, root crops, and meat industries.





Noni Samoa Enterprise at the Agribusiness Forum in Samoa

Coastal and inland fisheries and seafood has a lot of potential for tourism markets.

Opportunities also include medicine, nutraceuticals, pharmaceuticals; and cultural goods/handicrafts/creative industries.

On the fringes of the Forum, a number of related activities/events were held and included:

- (i) Launch of the IFAD/CTA/PIPSO Grow Healthy Cultivating Sustainable Food Systems in the Pacific Project;
- (ii) Women in Agribusiness Workshop and Field visits to Women in Business Development (WIBDI) and the Australia-Pacific Technical College (APTC); and
- (iii) Parallel Chefs Training Programme organised by SPTO which culminated with the Chefs for Development Dinner: Contemporary Island Cuisine.

The Pacific Contemporary Dinner cuisine featuring local produce and products.

This was all prepared by the chefs attending the 2 days chefs for development training. The preparation and cooking was under the guidance of Chef Colin Chung and Chef Robert Oliver.

## FEASIBILITY STUDY

Arising from the Agribusiness Forum in July 2015 in Nadi, Fiji it was recommended that, at national level, to encourage the private sector to set-up of collection centers on salads, fruits and vegetables in rural areas.

A private sector business to handle the transportation, marketing and distribution to hotels and supermarkets.

It was also recommended that “a feasibility study, be conducted, of the establishment of collection centers in rural areas with a private sector company to be the buying agents for salads and vegetables for hotels and supermarkets.

The first feasibility study to be conducted in Fiji and a pilot project can be undertaken”.

These recommendations were made with the objective to:

- enhance the local farmers by reducing their costs and increasing their market access
- strengthen the link between the agriculture and tourism sector;
- increase local supply to the local market and export;
- reduce the level of reliance on imported food.

## AGRIBUSINESS DEVELOPMENT TO INFLUENCE HEALTHY FOOD CHOICES

In 2016 PIPSO secured a project with CTA and IFAD known as “Leveraging the Development of Local Food Crops and Fisheries Value Chains for Improved Nutrition and Sustainable Food Systems in the Pacific Islands”.

The main objective of the project is to strengthen the capacity of the Pacific Island governments, farmer and private sector organisations, and sub-regional institutions to develop strategies and programmes, as well as mobilise financing, that can effectively enable poor rural people to increase their access to nutritious and healthy food.

For PIPSO, this project enables us to work with Governments, academe, and civil society to progress the broader agribusiness and agritourism issues, and capturing the impacts and influences to our local health and nutrition.

Given the NCD crisis in the region, PIPSO is of the view that the Pacific private sector can play a greater role in ensuring that there is greater

supply and availability of affordable local produce and products; and where local business can thrive in supporting food security and healthier lifestyle development agendas.

Whilst the target countries are Fiji, Kiribati, Marshall Islands, Samoa, Solomon Islands, Tonga, and Vanuatu, PIPSO will ensure that the learning's from the project is transferred and shared widely amongst all of its members and constituents. The project commences in January 2017.

### Food Safety for exports and local supply

Assisting Pacific businesses to enhance their business competitiveness and growth is a strategic focus area for PIPSO and a great part of the work being undertaken through this TBT project, "Enhance trade capacities of Pacific Agri Business and improve Access to International Markets" is linked to this very strategic area.

This was a pilot project for Fiji and Tonga funded by the ACP-EU TBT Programme (under the 10th EDF), whose main objective is to contribute to improved competitiveness in local, regional and export markets by enhancing the export capacity of economic operators in ACP countries.

Food safety and food management issues and regulations cover diverse areas such as agriculture, animal husbandry practices, food manufacturing, labeling, food handling, etc and whilst seemingly basic in some instances, these are still quite fundamental challenges for Pacific businesses, especially MSMEs.



**Agribusiness partners (from left) Isolina Boto (CTA), Mac Leauanae (PCF) and Ena Harvey (IICA)**

At the planning stage, the project was quite clear with its intentions to:

- Improve ability to meet export requirements of Pacific Islands Small and Medium Enterprises;
- Involve primary producers and distributors to reach the level of quality and safety required for export markets; and
- Meet the requirements of domestic customers, such as retailers, food chain enterprises.

PIPISO can say this has been achieved in most part, and taking into account this was and is a pilot project – for Tonga and Fiji – and time-frame to implement, like most pilots, has been quite tight.

The businesses engaged and the participants have responded very well – unfortunately given the pilot status of the project we could not engage more to participate and this really demonstrated the vast need for this type of work and support – in Fiji and Tonga – and also across the other Pacific island economies.

In terms of results and outputs, the project trained 20 Service-Providers on food safety standards (HACCP, ISO 22000:2005, BRC-7 and GLOBALG.A.P.), 52 specialists have participated in the three sensitisation seminars, with 33 SMEs representatives,



**(From left) Food Safety Consultants Marta Bentancur and Dario Caccamisi, PIPSO CEO Mereia Volavola and Fiji Trainer Apiame Cegumalua**

24 SMEs have been trained on certification and 17 SMEs are accompanied in the certification process.

This has happened through two training sessions, three sensitisation seminars and the implementation of a specific capacity building programme to assist selected agri-processing companies in Fiji and Tonga.

The assisted SMEs worked with the teams of trained Quality Specialists to implement HACCP or GLOBALG.A.P. in various sub-sectors, with large prevalence of horticultural businesses.

The progress toward the adoption of these quality standards are huge and the assisted companies have made significant improvements to their food safety practices during the project assistance.

## CLUSTER DEVELOPMENT FOR PACIFIC BUSINESSES

Following on from the pilot clusters project of 2014, PIPSO has endeavoured to continue work and support to promote and advocate for clustering as a means for businesses to collaborate and work together. Part of this continues to be a learning curve for PIPSO and includes learning from and interacting with cluster experts in the Oceania region.

In 2016, Adelaide was host to the TCI Oceania conference, which the theme was “Driving regional competitiveness through innovative clusters to bolster national prosperity.”

PIPSO attended recognising the opportunity to see first-hand and learn about the role clusters play in driving regional innovation and competitiveness, and drawing on local and international examples and evidence.

The conference was an interactive one and comprised of industry cluster visits which included visits to Adelaide and South Australia’s high performing and emerging clusters – which included the Barossa Valley (wine cluster); Musitec (creative industries cluster); SAHMRI (health cluster); and Aerospace Alliance (aviation cluster).

Discussions/presentations with cluster and economic development practitioners featured prominently on the programme and focused on the collaborative nature of clusters and the innovation leadership they inspire, as key factors in driving higher levels of innovation and competitiveness.

Conference speakers included renowned international thought leaders in cluster development such as Dr Christian Ketels, TCI Network President and Principal Associate, Michael E Porter’s Institute for



PIPSO Programme Officer Alisi Tuqa with Cluster Expert and TCI Network President Dr Christian Ketels in Adelaide, Australia.

Strategy and Competitiveness at Harvard Business School; and Ifor Ffowcs-Williams of Cluster Navigators in NZ (who worked with us on the 2014 PIPSO cluster project).

## Learning journey with Pacific businesses at the Pacific Business Forum

With funding support from the United Nations Development Programme (UNDP) and the Pacific Islands Development Forum (PIDF), the Pacific Islands Private Sector Organisation (PIPSO) was able to take six businesses from Fiji, Samoa, Solomon Islands and Vanuatu to attend and participate at the 2016 Pacific Business Forum, in Noumea, New Caledonia.

PIPSO also acknowledges support from the EDF10 Pacific Integration Technical Assistance Project (PITAP), which enabled the participation of PIPSO Board Member Benson Nablu and Programme Officer Alisi Tuqa.

Fiji	Pacific Ocean Culture, The Hot Bread Kitchen, Waimana Va'a
Samoa	Mailelani Samoa
Solomon Islands	Kokonut Pacific Solomon Islands
Vanuatu	Oils of Paradise



Funding from the UNDP was earmarked for a regional show Trade Pasifika – which did not eventuate in 2016 – and an event like the Pacific Business Forum, captured the essence of what Trade Pasifika endeavoured to do, which is to bring Pacific SMEs to network with the wider business and private sector community.

Both UNDP and PIDF funding targeted SME development recognising that SMEs play a key role in transition and developing countries, and is a key instrument in poverty reduction efforts, to participate.

Funding SMEs to participate in business and networking events is a means to promote the development of the SME sector, and particularly in building their trade, investment, business development capacities so they can become more competitive and productive.

And a great part of this business capacity development is to incorporate gender dimensions and consider ways in which to enhance women SME's capacities and abilities.

The PBF 2016 theme, Bonjour, it's time to meet, is timely for Pacific islands to converge in Noumea, New Caledonia and to:

- Share business development experiences and network amongst other business representatives;
- Develop partnerships and/or trade linkages for your products and services; and
- Encourage Investment in the Region.

PIPSO's selection of businesses noted:

- Need to include diverse businesses;
- Women businesses; and
- And those businesses that could learn and take away from the Noumea event and visits key leading sectors in Noumea (eg bakery/patisseries, cosmetics and beauty products, and aquaculture), to enhance their business.

The last item above was important for PIPSO and PIDF because whilst PBF was being touted as the event to bring Pacific businesses together for export development, the reality was for PIPSO and PIDF is that exports to New Caledonia is exceptionally difficult.

Based on this, PIPSO and PIDF agreed that it was best to select businesses which could go to Noumea to make new contacts/connections and more importantly, learn from New Caledonian businesses and sectors.

A highlight of the conference was the live conference link with

speaker, Jeremy Rifkin, the world renowned economist and social thinker.

The presentation was captivating and one of the turning points of the conference because it was about prompting the attendees as policy makers, business owners et al, to start reassessing how one does business given changing global circumstance with regards to social change, youth engagement, climate change, etc

In the absence of the wider PIPSO led Trade Pasifika event, PIPSO wanted to still capture the Trade Pasifika brand, the delegation to PBF was known as the Trade Pasifika delegation.

With support from the UNDP, the delegation featured an information booklet profiling the businesses in the delegation, and giving all the NPSO and PIPSO members contacts.

This was a bilingual document (English and French) and feedback on the booklet was positive and was appreciated because of the French translation; team T-shirts were also printed and worn on the second day of the event; and PIPSO Communications Consultant was also part of the delegation and PIPSO's outreach and updates were daily on social media.

Post event, PIPSO featured success stories on its website for the six participants funded.



The Pacific Business Forum opened up my mind and pushed me to take a big step in my business life.

Because of this forum, I have met with several new partners here in Noumea who will be selling Oils of

Paradise products in their shops!

I am very touched with the PIPSO team who have chosen me to be part of the Trade Pasifika delegation even if I am just a small business owner.

Tank Yu Tumas PIPSO!

**- Rona Garae, Oils of Paradise**



Trade Pacific delegation at Pacific Business Forum in New Caledonia

Courtesy call by PIPSO Board member Benson Nablu (left) to SPC Director General Dr Colin Tukuitonga in New Caledonia



Philip Samisoni (right) of Hot Bread Kitchen Fiji talks with Matthieu Marcellier of New Caledonia

## PIPSO STRATEGIC FOCUS 3:

### CHAMPIONING THE INTERESTS OF PRIVATE SECTOR IN THE APPROPRIATE FORA



(From right) PIPSO Chairperson Howard Politini, PIDF Secretary General Francois Martel and PIANGO Executive Director Emele Duituturanga

A key role for PIPSO is to champion and advocate the interests of the Pacific private sector. In doing so, PIPSO reaches out to partner agencies and interest groups by attending various meetings, workshops, and forums where there are opportunities for shared learning and consideration for collaboration and cooperation.

PIPSO spent a great part of 2016 attending and representing the organisation at key events where private sector and the broader development agenda was on the forefront of discussions. Some of these included:

- NSA Executive Meetings in PIFS, Fiji; series of meetings held over the year for NSA representatives to meet and dialogue with PIFS Secretary General on various regional development issues.

It was a great platform to share information, provide updates, and get clarity on regional

and international development work being facilitated through PIFS.

- EU and ACP: EU and ACP support to the region for private sector is ongoing and this includes deliberations on the 11th EDF and Regional Focal Point programming, which PIPSO is engaged in.

- PIDF: In February, PIPSO signed the PIDF Charter committing to work in cooperation with other partners to provide an enabling environment for Green Blue Pacific economies and affirming the Pacific spirituality as a foundation of nurturing and building resilience in our Pacific communities.

- CROP Gender Working Group Meeting: discussions on regional gender issues and for PIPSO, our interest and participation in finding ways to garner cohesive support to programmes and partnerships to enhance women's economic empowerment and business development.

- Development Partners Meeting, ADB Office, Sydney: collaboration and updating partners on programmes/projects and interventions pertaining to the broad private sector development agenda. A forum to hear from the partners and donors on strategic interventions including funding support, and where are there potential synergies.

- Private sector representation in the USP SQC: PIPSO continues as a member of the USP TAFE SQC representing private sector in their deliberations with regards to programme planning for courses at USP TAFE.

- Pacific Youth Council: youth entrepreneurs workshop held to promote entrepreneurship and business start-ups

- Developing the Capacity of Employers Organisations in the Pacific: ongoing engagement with with ADB and ILO on NPSO skills development covering training on effective governance and management, improved services to members, better articulation of evidence-based policy positions, effective advocacy of private sector issues, understanding employers' needs, and technical and employability skills.

- TOPEX: participation and supporting one of our NPSOs at their annual event, FCEF hosts the annual TOPEX which brings together CEOs and senior management for roundtables on current and emerging issues facing Fiji's business community.



## SEED Pacific Project Design (20th-21st January 2016, Canberra, Australia)

PIPSO was represented by the CEO to participate at the SEED Pacific Project Design that was organised by DFAT and held in Canberra, Australia.

This initiative was seeking to harness the collective power of business and society to address development challenges in the Pacific.

It was to source, test and scale business ideas that both create value for participants and drive development outcomes.

This project was based on the idea from UK where they have partnered with multiple private sector companies to do supply chains better, sustainable business models or new business opportunities for women.

The design phase discussion stage of the project was a welcome opportunity for the private sector in the Pacific.

PIPSO provided the Pacific perspectives and on-the ground realities to help the project designers' better shape their projects to the needs of the Pacific businesses and properly plan the implementation in view of the challenging environment.

## Pacific Organic Tourism and Hospitality Standard Development Review Workshop (4th – 5th April 2016, Nadi, Fiji)

PIPSO participated at this workshop which brought together different stakeholders in the agribusiness, tourism and organic farming associations to discuss the draft Pacific Organic and Hospitality Standard Development (POHSD).

The POHSD has been developed as an addition to the Pacific Organic Standards (POS) which was released in 2009.

The POS describes the requirements for organic production covering plan production, animal husbandry, bee keeping, collection of wild products and aquaculture, and also the processing and labeling of products derived from these activities.

PIPSO provided the perspectives of the private sector with regards to the standards, its compliance and costs.

The Pacific Organic Tourism and Hospitality standard uses the same aims and principles as well as requirements to provide a standard for tourism and hospitality providers who wished to obtain organic certification for their operations.

The standard however does not cover the procedures for verification, such as inspection or certification of products.

These standards if complied with and use by operators in the tourism industry can provided added benefits and premium prices for their goods.

## USP Entrepreneurial & Careers Fair 2016 (19th – 22nd April 2016, Suva, Fiji)

PIPSO was invited by USP and held a number of workshops at the entrepreneurial and careers Fair 2016. Participants comprised predominantly current USP students attending the fair held on the grounds of USP Laucala Bay campus.

114 certificates of attendance were prepared by USP for distribution to students at the end of the final workshop. The level of participation at PIPSO workshop on each day is highlighted in the table below.

This entrepreneurial workshop is providing insights to students to start thinking of starting business ventures as there is no guarantee of jobs when they complete their studies.

Date	Day	Venue	Attendance
19/4	Tue	Japan Building ICT	70
20/4	Wed	Japan Building ICT	90
21/4	Thu	Japan Building ICT	70
22/4	Fri	Post Graduate Lecture Theatre	50

## Workshop on Policy setting for Improved Linkages Between Agriculture, Trade and Tourism: Strengthening the local Agrifood Sector and Promoting Healthy Food in Agritourism (25-27 May 2016, Port-Vila, Vanuatu)

The first Pacific Agribusiness Forum held on 1-3 July 2015 in Denarau, Fiji, as part of the Pacific Agritourism Week, was organised by PIPSO, SPC, SPTO and the ACP-EU CTA.

It highlighted successes in strengthening links between agriculture and tourism industries in the Pacific region.

A major challenge identified was the lack of favourable policies in place to encourage linkages between agriculture, tourism and trade policies and the need to design and develop Agritourism policies which would facilitate those linkages at national and regional levels.

An added element is cooperation with Health Ministry in order to promote quality products and healthy food as niche markets.

The Forum recommended that the first pilot be launched in Vanuatu with two immediate actions:

(i) A selected group of stakeholders involved in the development of the policy will visit the Caribbean where policies are in place and meet their Caribbean counterparts and learn from the process. This was done at the 2nd Caribbean Agribusiness in October 2015.

(ii) A policy workshop to be held in Vanuatu in 2016 for the launch of the policy design process.

### **NSA Dialogue Workshop on the Pacific Agreement on Closer Economic Relations (PACER) Plus (10th -11th June 2016, Nadi, Fiji)**

NSA Dialogue continued on PACER Plus.

The objective was to build on previous dialogues, provide the NSAs with an update on the status of the PACER Plus Negotiations, facilitate an interactive discussion on the issues covered in the negotiations as well as on the draft impact assessments.

The Private Sector representatives were vocal on their issues.

PIPSO also updated the meeting on its Trade Training conducted in the Pacific island countries in the past years; the absence of Trade Officers during these trainings and the feedback by businesses on the lack of activeness and clarification by their Trade Officers on customs and trade issues.

### **Priorities and Complementary actions defined in the intra-ACP and regional strategies for private sector development, especially under the 11th EDF (25 and 26th October, Brussels, Belgium)**

The ACP Secretariat held a two-day private sector forum at its headquarters in Brussels to discuss the priorities and complementary actions for private sector development in the ACP.

This has been undertaken with regards to the intra funding of £600M to the ACP region.

The organisations that were invited to this Forum included PIPSO and PIFS. Also part of the Forum, were international agencies like ILO, FAO, UNIDO, CTA, ITC, UNDP etc who are involved private sector work in the ACP region.

### **2nd Meeting of the Regional Steering Committee for the Pacific (RSCP) for the 11th European Development Fund (EDF) Pacific Regional Indicative Programme (PRIP) Suva, Fiji -15-16th November 2016)**

The Regional Steering Committee of the Pacific (RSCP) is composed of the European Union representative, the National Authorising Officers (NAOs) of the 15 PACP countries with new PIFS members, New Caledonia and French Polynesia, and is organised by the Regional Authorising Officer (RAO), PIFS.

The RSCP reviews and approves all EDF programmes on an annual basis.

The meeting was co-chaired by Dame Meg Taylor, PIFS Secretary General, and Mr. Jobst von Kirchmann, Head of Unit - Development Coordination, Central Asia, Middle East, Gulf & the Pacific, European Commission (EC).

PIPSO, as a recipient of 10th EDF funding under SPEITT-PITAP and proponent to the EDF 11, along with the CROP agencies, sits as an observer to the RSCP.

### **Samoa Agritourism Policy Setting Forum (13th - 16th December 2016, Apia, Samoa)**

Tourism is the lifeblood of many Pacific economies and agritourism provides a promising avenue for diversification and trade growth.

High quality, nutritious and healthy food, available every day of the year, is critical to hotels, lodges and resorts.



**Student Chef with some of the food that was showcased at the Forum.**

Often the food purchasing bill of a tourism site is large in comparison to the size of the local economy, yet surprisingly little of this is spent locally, even when supplies are available from farmers, fisherfolk and small-scale agribusinesses.

The challenges of shifting food-sourcing to local suppliers are considerable – achieving this in a way that meets commercial needs and customer preferences and meets food and safety requirements would be one way in which tourism operations can significantly increase their contribution to local economic development.

Linkages between agriculture, health and tourism not only potentially increase opportunities for domestic agriculture earnings, new markets and product development and therefore sustainable economic growth, but also offer opportunities to help develop visitor attractions and distinctive tourism destination brands through the creative use and marketing of local produce and production

techniques, and use of local landscapes.

In order to acquire these benefits, the tourism industry needs to be proactive in utilising local, high quality, healthy and niche agricultural products in tourism sites and events.

The workshop aimed to promote sustainable use of local food by the tourism industry through strengthened intersectoral policies.

The specific objectives were:

- To promote linkages between the agri-food sector and the tourism industry to increase sustainable local sourcing through an agritourism policy in Samoa;
- To increase understanding and awareness of the current deficiencies in the supply of produce along the value chain and the actions needed;
- To contribute to the main elements of the Strategy/policy on agritourism validated by the multi-sectoral focus group;

There were 60 participants representing Government from (Agriculture, Trade, Health and Tourism), line ministries, private sector, farmers, chefs and actors from the hospitality sector, civil society and academia, as well as international and regional partners all shared their experience and enthusiasm towards the agritourism agenda.

## Annual Meeting of our Members – PIPSO's 10th AGM

PIPSO's 10th AGM was held on 13 July in Nadi, Fiji. It was preceded by our Strategic Planning workshop and followed by a series on capacity building/information seminar for the NPSOs and other stakeholders.

The AGM also saw the changeover and welcoming of a new Chair and Board representatives:

Board Members: Howard Politini (Chair), Aloma Johansson (Vice Chair), Sheree Stehlin, Carolyn Ngiraidis, Stephen Lyon, Eseta Nadakuitavuki (Fiji Alternate member), Mark Blumsky (Niue Alternate Member), Ex-officios: Klaus Stunzner (Immediate Past Chair), and Mereia Volavola (CEO)



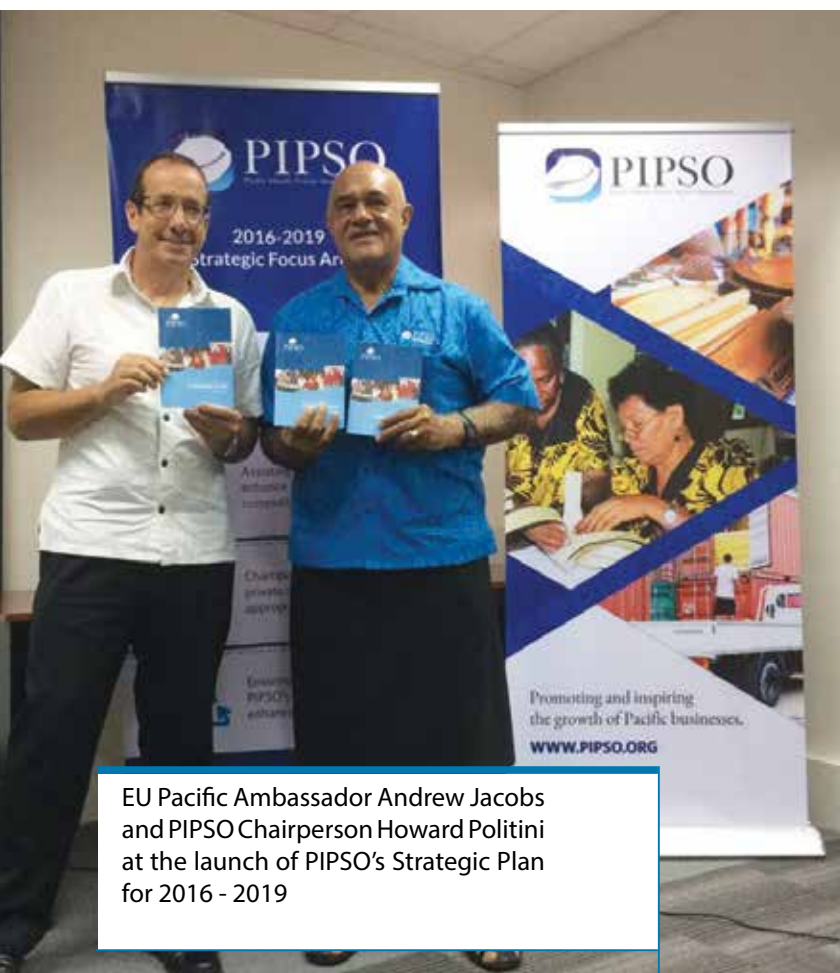
Hon. Minister of Economy,  
Public Enterprises, Civil  
Service and Communications  
Aiyaz Sayed Khayum opens  
the 10th PIPSO AGM



Strategic Planning  
Workshop before the  
PIP SO AGM in Nadi

## PIPSO STRATEGIC FOCUS 4:

### ENSURING THE SUSTAINABILITY OF PIPSO'S RESOURCES AND ENHANCING ITS CAPABILITIES



EU Pacific Ambassador Andrew Jacobs and PIPSO Chairperson Howard Politini at the launch of PIPSO's Strategic Plan for 2016 - 2019

#### PIPSO GUIDING AND REFERENCE DOCUMENT DEVELOPED AND LAUNCHED

PIPSO launched its 2016-2019 Strategic Plan on 29 November 2016, in Suva, Fiji.

It was officially launched by the European Union's Ambassador to the Pacific, His Excellency Andrew Jacobs.

The development of PIPSO's Strategic Plan was made possible through the support of the European Union's 10th European Development Fund "Strengthening Non-State Actors Engagement in Regional Policy Development and

Implementation Programme" managed by the Pacific Islands Forum Secretariat.

With support from the European Union's NSA Fund, PIPSO was able to recruit a consultant and conduct a workshop with members and stakeholders before the 2016 AGM, bringing them together to discuss strategic areas of interventions for PIPSO to pursue issues for the Pacific business and private sector.

Based on this workshop, and further consultations, PIPSO developed its Strategic Plan 2016 - 2019 to guide its interventions to advocate and lobby for the Pacific private sector.

To ensure PIPSO's Strategic Plan was distributed widely and made available, PIPSO received support from the EU PITAP to print hard copies. These copies have been made available and circulated to PIPSO members and networks.

The printing of PIPSO's Strategic Plan is an important exercise as this enables the wider outreach of PIPSO and the work it does; and the Strategic Plan being the organisational planning and advocacy document.

#### STRENGTHENING COMMUNICATIONS AND OUTREACH

As part of the new Strategic Plan development, it was important to gauge key lessons from the last Strategic Plan (2013-2015), and one of the significant lessons for PIPSO was to ensure it strengthened its communications and outreach.

Specifically for PIPSO to strengthen communications and outreach so that more information on PIPSO's work stemming from projects, trainings and events, research and lobbying, is shared and disseminated widely and in a timely manner.

PIPSO to strengthen its information and communications platform such as updated website, newsletter and other literature needed to promote the interests of the Pacific private sector and the work PIPSO does in supporting them.

PIPSO revamped its website with funding support from the EU ACP Centre for Technical Agricultural and Rural Cooperation in Netherlands.

This was done to update the general presentation and navigational





aspects, and ensure content was relevant and updated regularly providing easily accessible, engaging content that website visitors will find useful.

Mr Politini added, "PIPSO acknowledges that the ICT revolution has made information and communication imperative for the organisation as we endeavour to communicate and share widely about the work we do.

"A revamped website and an interactive one, with our members is greatly welcomed, and this is just the beginning of enhancing our communications and knowledge management platforms," he said. Other communications and knowledge management work to support this work from 2016 will continue in 2017.

## INCOME

Total income or funding received for the year ended 31st December 2016 were \$0.942m compared to \$0.657m in 2015. This represented an increase of 70% from the previous year as the project funds negotiated in the previous year are now being received.

With the addition of the off-balance sheet of funding of \$0.119m, this brings

the total funding to \$1.061m for 2016.

This biggest increase in the funding is from CTA and they have been very supportive of agribusiness in the region.

Operating and administration expenditures have been contained and reduced in 2016 from the levels in 2015 however, the level of personnel's expenditure to total income has increased in 2016 compared to 2015.

A number of activities were secured in 2015 compared in 2016 as the Secretariat consolidated its work on the implementation of the CTA/IFAD Project.

It is expected that once the project team is established, the Secretariat Team will then focus on its work and secure more partnerships for its work.



Table 2: Expenditure Expenses to Total Expenditure

	2016 (FJD)	2015 (FJD)
Personnel Exp % of Total Income	30%	21%
Operating Exp % of Total Income	8%	10%
Administration Exp % of Total Income	5%	5%

## EXPENDITURES

Except for personnel expenditures, operating and administration expenditures have been contained, well managed and reduced during the year.

With PIPSO moving office in the last quarter of the year, this required some furniture and fixtures to be purchased.

Table 3: Expenditure Expenses to Total Expenditure

	2016 (FJD)	2015 (FJD)
Personnel Exp % of Total Expenditure	32%	45%
Operating Exp % of Total Expenditure	7%	21%
Administration Exp % of Total Expenditure	4%	10%

## STAFFING

During the year, three PIPSO staff resigned and left for other organisations.

This put a lot of pressure on work of the Secretariat. However, the operation of office continues and was able to recruit the required staff and the project team for the CTA/IFAD Project, to commence in January 2017.

The Secretariat is grateful for the support of AVI for the provision of SMEs Financial Specialist and pilot Production Specialist who have done a tremendous work in the development of the SMEs business training tool kits and technical assistance.

## MEMBERSHIPS AND SUBSCRIPTIONS

The number of NPSOs remains the same at 15. No new membership was added for the year. However, we welcomed Representation Patronale Du Pacifique Sud as an Affiliate member. RPPS is a coalition of the CGPME (Confédération Générale des Petites et Moyennes Entreprises) of New Caledonia and French Polynesia.



(L - R) Programme Officers Winnie Gauna and Alisi Tuqa, Financial Specialist Leslie Massey with PIPSO CEO Mereia Volavola celebrate Fiji's Rio Olympic Games gold medal win

# FINANCIAL STATEMENTS

31 DECEMBER 2016

## DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the balance sheet of the organisation as at 31 December 2016, and the related statements of income and expenses and cash flows 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:

Howard Politini - Chair (Appointed August 2016)  
 Lorna Aloma Johansson - Vice Chair (Appointed August 2016)  
 Klaus Stunzner - Ex-Officio (Appointed August 2016)  
 Benson Nablu - (Appointed August 2016)  
 Mereia Volavola - (Ex-Officio)  
 Sheree Stehlin- (Appointed August 2016)  
 Carolyn Ngiraidis - (Appointed August 2016)  
 Stephen Lyon - (Appointed August 2016)  
 Eseta Nadakuitavuki - (Appointed August 2016)  
 Mark Blumsky - (Appointed August 2016)

### 2. Principal Activity

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

During the year ended 31 December 2016 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 2016 was \$117,559 (2015: deficit of \$19,860).

### 4. Reserves

The directors approved the transfer of donor grant reserves to operating results during the year.

### 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.

## 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 their 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 organisation'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 5th day of June 2017.



.....  
DIRECTOR



.....  
DIRECTOR



## STATEMENT BY DIRECTORS

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 2016,
- (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 2016,
- (c) 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 2016.

Signed in accordance with a resolution of the directors this 5th day of June 2017.

  
.....  
DIRECTOR  
.....  
DIRECTOR



## **Independent Auditor's Report**

To the Board of Directors of Pacific Islands Private Sector Organisation

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of Pacific Islands Private Sector Organisation (the 'Organisation'), which comprise the balance sheet as at 31 December 2016, and the statement of income and expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

#### *Independence*

We are independent of the Organisation in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### *Responsibilities of Directors and Management for the financial statements*

Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and with the requirements of the Fiji Companies Act, 1983, and for such internal control as the Directors and Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Management are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Management either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

The Directors and Management are responsible for overseeing the Organisation's financial reporting process.

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and Management.
- Conclude on the appropriateness of the Directors and Managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors and Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1983, 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 are in agreement with the books of account and to the best of our information and according to the explanations given to us 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.

### **Restriction on Distribution or Use**

This report is made solely to the Board of Directors of the Organisation, as a body, in accordance with Section 165(1) of the Fiji Companies Act 1983. Our audit work has been undertaken so that we might state to the Organisation's 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 the Organisation's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

5 June, 2017  
Suva, Fiji

*PricewaterhouseCoopers*  
**PricewaterhouseCoopers**  
Chartered Accountants

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

## STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Grant revenue	12	863,088	454,362
In-kind contributions – without cash in-flow	13	-	137,588
Other income	14	79,045	66,036
		<u>942,133</u>	<u>657,986</u>
Salaries and wages	10	( 295,192)	( 295,807)
Business development grants		( 16,731)	( 86,192)
Programmes:			
- Annual general meeting and business seminar		( 5,127)	( 36,589)
- Agribusiness - media team		( 9,082)	-
- Agribusiness forum		( 171,616)	-
- Cluster		( 4,094)	( 28,055)
- CTA/IFAD		( 734)	-
- CTA-knowledge management		( 73,241)	-
- Finance and marketing training		-	( 36,451)
- Meetings/workshop attendance		-	( 3,207)
- Non state actors-strategic planning		( 100,083)	-
- NPSO capacity building		( 63,626)	( 45,377)
- Pacific women In business conference		-	( 250)
- Private sector mentoring visits		-	( 1,400)
- Public/Private sector dialogue		( 17,021)	-
- SOGES S.P.A. funding		( 43,620)	-
- Sub-regional / regional workshops		( 1,576)	( 61,709)
- Trade Pasifika-Pacific business forum		( 52,373)	-
- UNDP women in business e-commerce training		( 30,606)	-
- Women entrepreneurs forum		( 39,762)	-
Other expenses		( 135,208)	( 82,809)
		<u>( 1,059,692)</u>	<u>( 677,846)</u>
<b>(Deficit) for the year</b>	11	( 117,559)	( 19,860)
Accumulated surplus at the beginning of the year		220,096	239,956
<b>Accumulated surplus at the end of the year</b>		<u>102,537</u>	<u>220,096</u>

The above 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 16.

PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION  
**BALANCE SHEET AS AT 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b><u>ASSETS</u></b>			
Current Assets			
Cash on hand and in bank	3	84,741	207,761
Refundable deposits	4	4,095	4,095
Receivables	5	73,645	13,251
		<hr/> 162,481	<hr/> 225,107
Non-Current Assets			
Plant and equipment	6	23,248	12,015
<b>TOTAL ASSETS</b>		<hr/> 185,729	<hr/> 237,122
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Payables and accruals	7	83,192	17,026
<b>TOTAL LIABILITIES</b>		<hr/> 83,192	<hr/> 17,026
<b><u>EQUITY</u></b>			
Accumulated surplus		102,537	220,096
<b>TOTAL LIABILITIES AND EQUITY</b>		<hr/> 185,729	<hr/> 237,122

The above 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 16.

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

For and on behalf of the Board:

  
 DIRECTOR

  
 DIRECTOR



## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Membership fees		37,086	51,536
Grants:			
Operating		863,090	607,925
Project		( 620,373)	( 197,865)
Registration fees		11,600	4,060
Business mentoring fees		6,660	-
Project administration fees		11,246	-
Other income		1,539	3,272
Payments to suppliers		( 414,525)	( 341,265)
		<hr/>	<hr/>
Net cash (used in) / generated from operating activities		( 103,677)	127,663
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		( 19,343)	( 1,147)
		<hr/>	<hr/>
Net cash used in investing activities		( 19,343)	( 1,147)
Net (decrease) / increase in cash and cash equivalents		( 123,020)	126,516
Cash and cash equivalents at the beginning of the year		207,761	81,245
<b>Cash and cash equivalents at the end of the year</b>	3	<hr/> 84,741 <hr/>	<hr/> 207,761 <hr/>

The above 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 16.

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016****1 GENERAL**

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

The organisation is limited by guarantee and not having a share capital, incorporated and domiciled in the Republic of Fiji and its registered office is located at Lynica House, 3 Goodenough Street, Suva.

The financial statements were authorised for issue by the Board of Directors on 5th of June 2017.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements prepared by Pacific Islands Private Sector Organisation are in accordance with the 'IFRS for Small and Medium-sized Entities' issued by the International Accounting Standards Board.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of Accounting**

The financial statements of Pacific Islands Private Sector Organisation have been prepared in accordance with the 'IFRS for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention.

**2.2 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalent assets comprise cash on hand and at bank.

**2.3 Receivables**

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

**2.4 Foreign currency**

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Fiji dollars, which is the organisation's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)****2.5 Plant and equipment**

The organisation records all plant and equipment at cost, less subsequent depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably.

All repairs and maintenance expenditures are charged to the statement of income and expenses during the financial year in which they are incurred.

Gains or losses on the disposal of plant and equipment are recognised in the statement of income and expenses. Depreciation is provided on plant and equipment on a straight line basis so as to write off the cost of assets over their expected economic life. The rates currently adopted by the organisation for furniture, fittings and equipment are 25% - 33% per annum.

**2.6 Provisions**

Provisions are recognized when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

**2.7 Revenue recognition**

Revenue for the organisation comprises mostly of grant income and membership fees and they are recognised when the right to receive payment is established.



## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****2.8 Income tax**

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

**2.9 Comparatives**

Where necessary, comparatives have been adjusted to conform to changes in the presentation for the current year.

**3 CASH AND CASH EQUIVALENTS**

For the purpose of the cash flow statement, the cash and cash equivalents comprise the following:

	2016	2015
	\$	\$
PIPSO Main Account	8,753	207,561
Trade Pasifika ANZ Account	12,034	-
CTA Knowledge Management BSP Account	6,650	-
IFAD/CTA BSP Account	23,142	-
IFAD Euro BSP Account	33,962	-
Petty Cash	200	200
	<u>84,741</u>	<u>207,761</u>

**4 REFUNDABLE DEPOSITS**

	2016	2015
	\$	\$
Rental bond	2,995	2,995
Others	1,100	1,100
	<u>4,095</u>	<u>4,095</u>

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016	2015
	\$	\$
<b>5 RECEIVABLES</b>		
Subscriptions	18,323	7,154
Less: Provision for doubtful debts	-	-
	<hr/>	<hr/>
Net subscriptions	18,323	7,154
<b>Grant receivables</b>		
Technical Centre for Agricultural and Rural Cooperation (CTA)	12,179	-
Pacific Island Forum Secretariat	10,000	-
Secretariat Pacific Community	19,101	-
Market Development Facility receivable: mentoring fees	1,620	-
Accountable advance receivables	9,149	-
Prepaid expenses	1,090	-
Other receivables	2,183	6,097
	<hr/>	<hr/>
	73,645	13,251
	<hr/>	<hr/>

**6 PLANT AND EQUIPMENT**

Plant and equipment have been included in the financial statements on the following basis:

	Office equipment	Office furniture and fittings	Total
	\$	\$	\$
<b>Cost</b>	36,054	33,249	69,303
Accumulated depreciation	( 33,131)	( 12,924)	( 46,055)
<b>Carrying Amount</b>	<hr/> 2,923	<hr/> 20,325	<hr/> 23,248
<b>Carrying Amount</b>			
At 31 December 2015	8,058	3,957	12,015
Additions	1,665	17,678	19,343
Depreciation charge	( 6,800)	(1,310)	( 8,110)
Disposals	-	-	-
<b>At 31 December 2016</b>	<hr/> 2,923	<hr/> 20,325	<hr/> 23,248

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

	2016	2015
<b>7 PAYABLES AND ACCRUALS</b>	\$	\$
Membership fees received in advance	278	278
Accruals and other payables	75,381	13,850
Provision for annual leave	7,533	2,898
	<u>83,192</u>	<u>17,026</u>

**8 CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 December 2016 (2015: Nil).

**9 COMMITMENTS**

The organisation leases an office space under a cancellable operating lease agreement at a monthly rental of \$5,000 VEP. The lease term is for thirty six (36) months commencing on 1st August 2016.

The organisation is required to give three-months notice for the termination of the lease agreement.

Total commitments for future lease rentals, which have not been provided for in the financial statements are as follows:

	2016	2015
	\$	\$
Payable not later than one year	65,400	-
Payable later than one year but not later than five years	103,550	-
	<u>168,950</u>	<u>-</u>

<b>10 SALARIES AND WAGES</b>	2016	2015
	\$	\$
Salaries and wages	268,592	270,278
Fiji National Provident Fund	26,600	25,529
	<u>295,192</u>	<u>295,807</u>



## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)****11 (DEFICIT) FROM OPERATIONS**

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

	2016	2015
	\$	\$
Audit fees	6,104	5,300

**12 GRANTS**

	2016	2015
	\$	\$
Australian Agency for International Development - Pacific Leadership Program	241,010	324,442
Trade Pasifika-Pacific business forum	67,608	-
Pacific Islands Forum Secretariat	117,020	-
Secretariat of the Pacific Community	60,000	-
SOGES S.P.A.	57,954	-
Government of Japan	-	91,385
United Nations Development Programme	36,881	-
Other funding	5,758	-
Technical Centre for Agricultural and Rural Cooperation (CTA)	276,857	38,535
	863,088	454,362

**12 IN-KIND CONTRIBUTIONS WITHOUT CASH-IN-FLOW**

	2016	2015
	\$	\$
Pacific Islands Forum Secretariat - Pacific Integration Technical Assistance Program	-	137,588
	-	137,588

## PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)****14 OTHER INCOME**

2016	2015
\$	\$

The breakdown of other income is as follows:

Membership fees	48,000	48,000
Registration fees-PWIB 2014	-	3,940
Finance training and mentoring fees	18,260	-
Administration fees	11,246	-
Other income	1,539	14,096
	<u>79,045</u>	<u>66,036</u>

Membership fees comprises of the following:

2016	2015
\$	\$

Tonga	3,000	3,000
Marshall Islands	1,000	1,000
Kiribati	1,000	1,000
Cook Islands	1,000	1,000
Nauru	1,000	1,000
Papua New Guinea	10,000	10,000
Samoa	3,000	3,000
Tuvalu	1,000	1,000
Niue	1,000	1,000
Fiji	10,000	10,000
Solomon Islands	3,000	3,000
Palau	1,000	1,000
Federated States of Micronesia	1,000	1,000
Vanuatu	3,000	3,000
American Samoa	1,000	1,000

Associates & Affiliates

- Pacific Cooperation Foundation	1,000	1,000
- Learn Fast NZ	1,000	1,000
- Fiji Export Council	1,000	1,000
- Australia Pacific Islands Business Council	1,000	1,000
- Westpac Banking Corporation	1,000	1,000
- Webmedia Fiji	1,000	1,000
- Value City	1,000	1,000
	<u>48,000</u>	<u>48,000</u>



