



ANNUAL REPORT 2013



PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

Strategic Goals

- Build Strong and Responsive National Private Sector Organisations (NPSOs)
- Promote and facilitate greater cooperation and information sharing with the private sector
- Improve private sector dialogue and partnerships with government and partners
- Facilitate and build private sector business, trade and competitiveness
- To strengthen private sector involvement in national and regional policy development and support implementation
- To advocate for interest of the private sector at regional and international forums
- To maintain a sustainable, effective and relevant 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.

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Acronyms

ACP	African Caribbean and Pacific Group of Countries
ADB	Asian Development Bank
AGM	Annual General Meeting
ANZ	Australia and New Zealand Banking Group Limited
AusAID	Australian Government's Overseas Aid Programme
Biz Clim	ACP Business Climate Facility
BMNZ	Business Mentors New Zealand
BDF	Business Development Fund
CBF	Capacity Building Fund
CEO	Chief Executive Officer
DFAT	Australian Government's Department of Foreign Affairs and Trade
EU	European Union
EDF	European Union Development Fund
FEMM	Forum Economic Ministers Meeting
FICs	Forum Island Countries
FSM	Federated States of Micronesia
FTMM	Forum Trade Ministers Meeting
ILO	International Labour Organisation
ITC	International Trade Centre
MSG	Melanesian Spearhead Group
MSME	Micro Small Medium Enterprise
MYOB	Mind Your Own Business
NGO	Non Governmental Organisation
NPSO	National Private Sector Organisation
NZAID	New Zealand Government's Overseas Aid Programme
NSA	Non State Actor
OCO	Oceania Customs Organisation
OCTA	Office of the Chief Trade Adviser
PACER Plus	Pacific Agreement on Closer Economic Relations
PACREIP	Pacific Regional Economic Integration Programme
PCF	Pacific Cooperation Foundation
PDF	Pacific Disability Forum
PICs	Pacific Island Countries
PICTA	Pacific Island Countries Trade Agreement
PIDF	Pacific Islands Development Forum
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation
PT&I	Pacific Islands Trade & Invest
PITAP	Pacific Integration Technical Assistance Project
PITIA	Pacific Islands Tuna Industry Association
PLP	AusAID Pacific Leadership Program
PNG	Papua New Guinea
PPD	Public Private Dialogue
PPP	Public Private Partnership
PSD	Private Sector Development
PTDF	Pacific Trade and Development Facility
RMI	Republic of the Marshall Islands
ROO	Rules of Origin
SICCI	Solomon Islands Chamber of Commerce and Industry
SME	Small Medium Enterprise
SPC	Secretariat of the Pacific Community
SPC-IACT	Increasing Agricultural Commodity Trade Project
SPTO	South Pacific Tourism Organisation
TVET	Technical Vocational Education and Training
TNPSO	Tuvalu National Private Sector Organisation
UNDP	United Nations Development Programme
USP	University of the South Pacific
WIB	Women in Business
WTO	World Trade Organisation



2013 BOARD MEMBERS



Chair – Mr. Paula Taumoepeau, Tonga

Paula Taumoepeau is the current vice-president of the Tonga Chamber of Commerce and Industry. Paula is the Country Manager for Nautilus Minerals in Tonga. Nautilus Minerals is following the lead by the offshore oil and gas industry to tap vast offshore resources. Previously, Paula was General Manager of Leiola Group Ltd and was at the National Reserve Bank of Tonga for over 13 years. Paula is currently on the board of directors of the Tonga Water Board and the Tonga Development Bank, and represents the Chamber on several public/private-working committees including the National Economic Development Council.



Vice Chair – Klaus Stunzner, Samoa

Klaus Stunzner is the Managing Director of Samoa Spare Parts & Accessories and is an Executive Member of the Samoa Chamber of Commerce and Industry. He 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, amongst others. He also served as the President Samoa Chamber of Commerce & Industry from 2006-2007 and served in the PIPSO Council during those years. He is a chartered accountant by profession.



John Leahy, Papua New Guinea

John Leahy is the President of the Papua New Guinea Chamber of Commerce & Industry and a lawyer by profession. John has in excess of 20 years experience in senior taxation roles in PNG and Australia and has held senior management positions both in the private and public sectors. John has extensive networks in PNG and a thorough understanding of the PNG business environment and significant experience in provision of tax advice for restructures, corporate finance and transactions. He is a Permanent Resident of PNG.



Kenneth Uyehura, Palau

Kenneth Uyehura is the President of the Palau Chamber of Commerce and also the President / part owner of Micronesian Appraisal Associates, Inc. Guam. He is a general certified real estate appraiser and consultant. He was also a past vice-president of American Reality Inc. Kenneth has served as the General Manager/CEO for Palau Public Utilities. Between 1979 - 1989, Kenneth also served in various financial institutions in Hawaii and Guam where he was branch manager and responsible for various for overall operations and growth of the respective branches.



Avi Rubin, Niue

Avi Rubin is currently the President of the Niue Chamber of Commerce, Vice-President of the Niue Fisherman Association, Chair of the Niue Shipping Sub-Committee and a Member of the Government of Niue Tender Board. Avi has been self-employed since the age of 16 when he moved with his family from Israel to the United States. After running a gardening business for two years, he moved on to the jewellery industry and through innovative marketing grew the business from 6 to 60 staff. Avi then started a telecommunications retail business in California which, by the time he sold it four years later, had grown to 7 stores and a 40,000 customer base. Avi moved to Niue in 1999 and owns and operates the only commercial fishing operation, a restaurant and a general retail store.



Katarina Tofinga, Kiribati

Katarina Tofinga, is a Board Member and Secretary of the Kiribati Chamber of Commerce and Industry. She is currently the Managing Director of Mauri Konsult Ltd. Prior to that she was the Chief Executive Officer of the Kiribati Copra Mill Ltd for nine years. She also served for 15 years in the civil service and held various positions including the Deputy Secretary at the Ministry of Health.



Howard Politini, Fiji

Howard Politini is the Acting President of the Fiji Commerce & Employers Federation and also a General Manager for the Microfinance, Government and Community Relations at The Bank of South Pacific. Howard has served in the Royal Fiji Military Forces. His private sector experience involves working for Colonial, Civil Aviation Authority of Fiji, Ministry of Education and as a teacher in primary and secondary schools.



Sir Bruce Saunders, Solomon Islands

Sir Bruce Saunders is currently the Vice Chair of Solomon Islands Chamber of Commerce and has been a member since 1972. He is also a former director of Central Bank of the Solomon Islands. Bruce Saunders has over 45 years of experience working with the Pacific Community and has a vast working knowledge of Pacific Islands Countries.



Hafiz Khan, Fiji (Ex-officio)

Hafiz Khan is the former Chair of PIPSO from June 2010 to June 2012. He was till December 2012 the Chair of Hexagon Group of Companies which owns and operates a number of Hotels/Service Apartments (offering in total 400 units) and other Commercial Businesses: including the Hexagon International Hotel Villas & Spa, Grand West's Villas at Wailoaloa Nadi, Suva Motor Inn and Seashell Cove at Momi. He was a former President Fiji Hotel Association and was a former board member of Fiji Employers Federation (FEF) for seven years, two of which he served as President. He is also a former Senator in the Parliament of Fiji in 2005 and 2006 as the Prime Minister's nominee.



Sala Epa Tuioti, Samoa (Ex-officio)

Sala Epa Tuioti is the former Vice-Chair of PIPSO from June 2010 till June 2012. He is the Co-Managing Director and Co-Owner of KVAConsult Ltd with business partner and colleague Mr. Kolone Vaai. A former President of the Samoa Chamber of Commerce, he is the current Chairperson of the Samoa National Bank. He served in the Office of the Executive Director for the Asian Development Bank in Manila, Philippines and has over eighteen years senior experience at both the head and deputy levels of the Treasury Department for the Government of Samoa, including eight years as the Financial Secretary.



Mereia Volavola, Fiji (Ex-officio)

Mereia Volavola is the Chief Executive Officer of PIPSO. She has vast knowledge and experience in the area of Finance and Banking. Ms Volavola joined PIPSO in 2010 and prior to that 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.

Secretariat Staff



Mereia Volavola
Chief Executive Officer



Winifred Gauna
Programme Officer



Ma'ake Komailevuka
Programme Officer

(2010 – 2013, resigned)



Erica Lee
*Communications/
Research Officer*



Bhavin Vagh
*Finance /Administration
Officer*

(2010 – 2013, resigned)



Leslie Massey
*SME Financial
Specialist*



Chair's Review

Paula Taumoepeau

It is a great honour and a privilege for me to serve as PIPSO Chair in 2013. I have been involved with PIPSO since 2010, having served as a Board member. This experience has given me a deep appreciation of PIPSO's work and the way NPSOs from across the 14 Pacific Island countries can come together to speak with one voice on issues that are important to the Pacific business community. I am humbled and proud to be part of an organisation that is focused on making a positive difference in the private sector in our countries.

During my term as Chair, it was quite a challenging period where a number of donor agencies and partner organisations were streamlining their operation in view of budgets cuts and changes to donor governments strategies. PIPSO's funding from the Pacific Leadership Program (PLP) reduced as AusAID was re-absorbed into DFAT and the Australian Government reviewed its aid programme. However, PIPSO continued with its programme and looked for other partnerships.

Overall, it is pleasing to note that the majority of PIPSO's assistance and work focused on small island economies which is a priority in view of the many challenging situations they face.

The Secretariat continued with its work on building the capacity of NPSOs. Part of this work included the development of the first guideline for NPSOs in the Pacific. This guideline is to assist NPSOs in developing themselves as resilient organisations. In light of the many challenges encountered by NPSOs, it's important that the organisations are transparent and accountable to their members and perform their roles effectively. This is not easy in light of the limited financial resources which constrains the many services that can be provided.

The Business Development Fund assisted a total of 33 businesses which is the highest ever recorded. Since the fund was transferred from the Forum Secretariat in 2010, the number of companies assisted continued to increase and the impact of the grant fund on businesses has been very positive. Likewise, the number of applications received from businesses from the 14 Pacific islands continued to increase. This highlights the demand for such a facility and how small grants can make a difference to businesses. This facility has worked well since businesses are also required to make a contribution.

PIPISO continued to support businesses in trade shows to improve market access and connect businesses in the region. The first regional trade policy training was conducted

in July and supported by AusAID and the University of Adelaide. This training was to increase private sector understanding of the conditions and opportunities in the various trade agreements. Thereafter three in-country training were conducted in Solomon Islands, Vanuatu and Tonga. These trainings were conducted in partnership with the Oceania Customs Organisation (OCO) and Office of the Chief Trade Adviser (OCTA) which was made possible with the support by the European Union under Pacific Integration Technical Assistance Project (PITAP) funding.

With the demands put on PIPSO to provide services and capacity building for its members, it is always a challenge to address these needs and through these types of partnerships, PIPSO has been able to provide these services.

I express my sincere gratitude to the Pacific Leadership Program, the Japanese Government, European Union and AusAID for the funding support provided to PIPSO for its operations and programmes. Furthermore, I also wish to acknowledge the support of the Secretariat of the Pacific Community, Oceania Customs Organisations, Office of Chief Trade Adviser and the Pacific Islands Forum Secretariat for their continued support and partnership in various work programmes carried out in the region.

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



Pictured: Paula Taumoepeau (left) with John Davidson, AusAID's Minister Counsellor



CEO's Review

Mereia Volavola

PIPSO continued with its work momentum from last year even though funding difficulties were encountered during the year as some donor agencies reduced their funding. The Secretariat focused on its key strategic focus that was reviewed in 2012 and implemented during the year.

A number of initiatives were undertaken to strengthen the capacity of NPSOs. A guideline on building resilient NPSOs was developed by the Secretariat which is a first in the Pacific Region for NPSOs and NGOs. The guideline covers good practices on the formation of NPSOs Corporate Governance, Financial Reporting, accountability and preparing and holding private and public sector dialogue and partnerships. This is important for NPSOs as they continue to build their capacities to be a credible partner in dialoguing with government and other key stakeholders.

During the year, a number of NPSOs were assisted with developing their strategic plans. This was very important to ensure that NPSOs have well guided pathways focusing on key priorities that are important for their members and private sector development in their countries. In addition to this work, a number of small island states NPSOs were mentored and work was carried out to strengthen the partnership with their respective governments.

Information sharing is important and the Secretariat worked hard to improve information dissemination to its members and network. More importantly is that the information is to be relevant and useful for members. The Secretariat saw a lot of trade requests from members and facilitated these requests by introducing them to international markets. This trend is expected to grow over the coming years.

To improve its services, the Secretariat conducted Business Surveys. The Secretariat conducted the first business survey in Tuvalu. A lot of useful information has emerged regarding the private sector in Tuvalu and this survey report is now used by other stakeholders in particular the Ministry of Trade in Tuvalu to assist with the development of its Trade Policy Framework. More business surveys are expected to be conducted in the coming years for PIPSO Chamber members.

Private and Public Sector Dialogue (PPD) continued to be an important work for PIPSO. To improve the effectiveness of PPD, the Secretariat developed a guideline for NPSOs to guide them on how PPD are to be conducted which includes the preparation, actual dialogue, monitoring and evaluation. Effective dialogue is important to ensure better results, hence the purpose of the PPD guideline which is again a first in the Pacific for NPSOs and Non Governmental Organisations (NGOs).

PIPSO and its members continue to be involved in PPD with Forum Leaders. However, this process needs greater improvement and commitment especially on issues raised by the private sector. There is a lack of obligation during these meetings to acknowledge and address the issues raised.

A number of partnerships were established during the year and this really assisted the Secretariat in delivering its services to its members. Partnership with SPC's IACT delivered a number of quality assurance and marketing training in a number of countries. Further more, a number of production gap analysis were conducted for companies to establish their status with regards to compliance with various international standards of sanitary and phyto-sanitary. More work will be required in this area as companies move towards compliance with international standards to improve market access.

PIPSO's partnership with OCO and OCTA saw the rolling out of trade negotiations training for the private sector for the first time in the region. While private sector is consulted on trade agreements, most do not understand the intricacies of trade agreements. These joint efforts enlightened the private sector on the importance of trade agreements, its rules and implications to trade. At the same time, this is to ensure that they can provide better feedback to officials during trade consultations with a view for the private sector to also join trade officials in trade negotiations.

2013 recorded the highest number of companies assisted under the Business Development Fund. Since BDF started in 2010, the usage of the facility has increased. This highlights the need for more direct assistance to companies since most of the companies assisted have been able to expand, promote their companies and enter new markets.

The Secretariat continues to advocate for the interests of the private sector both at regional and international level. PIPSO sits as a member of the governing council of the Pacific Islands Development Forum (PIDF) and is also represented at the Officials Committee. The inclusive PIDF provides a strong platform for PIPSO to advocate for the interests of the private sector. Such an inclusive participation is unprecedented in the Pacific and it is a welcomed direction.

At international level, PIPSO was represented at a number of international meetings and forums. PIPSO's view was sought on the proposed establishment of African Caribbean Pacific (ACP) Investment Bank and the private sector support strategy for ACP regions. These two meetings were crucial to highlight the challenges from Pacific and where private sector assistance is needed to be directed to.

A lot of work was achieved by the Secretariat during the year despite the challenging funding position of the Secretariat. Towards the last quarter, PIPSO was informed of its successful bid for funding for the pilot cluster project to be implemented in 2014 for four countries. This is attributed to the hardworking staff, the support of the Board members and NPSOs.

Donor agencies and partnerships that were established during the year also greatly assisted PIPSO in delivery of services to its members.

I would like to thank the Pacific Leadership Program for their continued support to PIPSO during the year. Similarly, I would like to acknowledge and thank UNDP, the European Union, Japanese Government, UNDP Pacific Centre, SPC IACT and PIFS. Their support have made it possible for PIPSO to continue with its operations and to serve the private sector of the 14 Pacific Islands.



Part 1



BUILDING STRONG AND RESPONSIVE NATIONAL PRIVATE SECTOR ORGANISATIONS

- Develop guidelines of best practice for NPSOs
- Conduct regular effective private-public dialogue
- Provide demand-driven training/capacity building/mentoring programmes for NPSOs

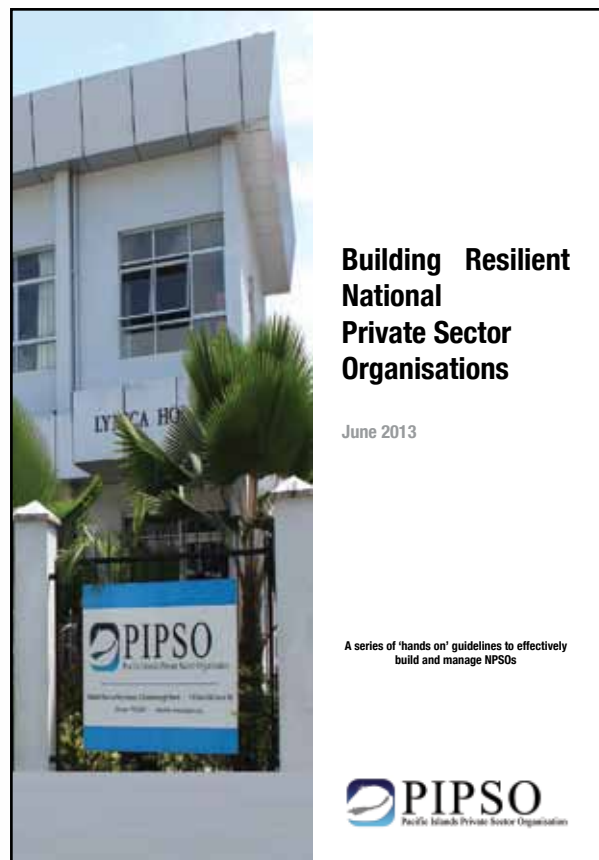
Best Practices for National Private Sector Organisations

One of PIPSO's key strategic objective is to build strong and responsive NPSOs, that have the capacity to dialogue with governments, advocate for proper policies for private sector driven development and be the credible voice for the private sector.

To assist in strengthening the NPSOs, the Secretariat developed a comprehensive publication containing best practices for NPSOs in the areas of good governance, policy development, public/private partnerships, communications and advocacy. The guideline *'Building Resilient National Private Sector Organisations'* is based on result-based management, complete with implementation and monitoring methodologies to assist in tracking NPSOs performance.

At PIPSO's Annual General Meeting in May 2013 copies of this draft publication was distributed and the Secretariat held a one-day technical training covering the various sections of the guidelines. Comments were sought from PIPSO members and which were incorporated into the final document.

In December, the Solomon Islands Chamber of Commerce and Industry was the first NPSO to undergo an assessment using the criteria in the guideline. Plans are in place to conduct similar assessment for other NPSOs. Over the years PIPSO has been tracking NPSOs performance and most are working towards building a strong NPSO.



NPSO Capacity Building and Mentoring

[Sub-Regional Workshop on Partnership Framework Support for the Small Island States National Private Sector Organisations](#)

Private Sector and Government representatives from Kiribati, Nauru and Tuvalu met in Fiji from 26th to 27th February 2013 to map out and plan country-specific partnership frameworks to support NPSOs and private sector development strategies. This partnership framework also includes PIPSO's support for the NPSOs.

The two-day Sub-regional workshop was organised by PIPSO. The UNDP-Pacific Centre and the

Secretariat of the Pacific Community's Increasing Agricultural Commodity Trade Project (IACT) were invited to make presentations on their work programmes in Kiribati, Nauru and Tuvalu.

This meeting provided a useful dialogue for all the parties involved which resulted in drawing up the partnership agreement for the three countries. UNDP and SPC-IACT were able to understand the needs of the private sector in these countries and discussed ways on how programmes and projects can be better implemented.



Representatives from various NPSOs attending the sub-regional workshop.

Training Support

PIPSO supported a number of NPSOs with their trainings.

Fiji

Fiji Commerce and Employers Federation (FCEF) facilitated a business training for their members which was conducted by Learn.fast of New Zealand. The training was focused on getting businesses back on their feet by understanding the key challenges of their business and how to work around them.

Samoa

The Samoa Chamber of Commerce and Industry conducted Financial Management training for businesses of Salafai Association Inc in Apia and Savai'i. The Chamber had recognised in 2012 a need to strengthen financial management and record keeping. The lack of proper financials restricted members of the chambers from applying for the BDF. The training was conducted by PIPSO's SME Financial Specialist from 31st October to 1st November 2013.

Vanuatu

PIPSO provided funding support to the Vanuatu Chamber of Commerce and Industry (VCCI) to host a Business Forum from 2nd to 3rd July 2013. The national forum was last hosted in 2009, but due to funding cuts, the Chamber was not able to consistently organise annual forums.

The three day forum allowed participants to review and provide their input on the 2009 National Business Matrix and to set the goals and targets for the next 5 years. The forum provided an opportunity for businesses to have open discussions with Government Officials as well as NGOs. The forum looked at various issues that affect all business sectors such as employment, infrastructure and the impacts of trade agreements that Vanuatu is a signatory to.

VCCI used the outcomes of the forum to update the National Business Forum Matrix which outlines the objectives that VCCI must achieve over the next 5 years.

Tonga

The Tonga Chamber of Commerce and Industry (TCCI) conducted its Strategic Planning Workshop from 24th to 26th January 2013. PIPSO's CEO presented on PIPSO's Strategic Plan and also was a facilitator for the workshop. Prior to the workshop, PIPSO's CEO met with the executives of the Chamber to discuss the TCCI's progress and identify areas for institutional strengthening.

Palau

PIPSO assisted Palau Chamber of Commerce and Industry (PCCI) to develop its Strategic Plan. A Consultant was hired to assist the chamber compile the plan in consultation with the private sector and key stakeholders.



Programme Officer Ma'ake Komailevuka during a mentoring visit to Marshall Islands

MENTORING

Country visits

PIPSO conducted regular visits to its member countries to consult with NPSOs and undertake mentoring and capacity building activities.

During these visits, consultations were held with key stakeholders and members of the NPSO to ascertain the level of services provided by the NPSO and whether it is addressing member's needs.

The assessment of the business environment and the identification of potential opportunities

were also undertaken also during the visit. The Secretariat used this opportunity to meet with businesses and key government ministries and stakeholders to discuss private sector issues and ways for the various sectors to work together.

For the countries visited, PIPSO also visited the recipients of its Business Development Fund to verify the impact of the assistance provided.

PIPSO visited the following countries:

- Tonga – 23rd January 2013
- Kiribati – 25th – 28th March 2013
- Tuvalu – 9th - 14th May 2013
- Marshall Islands – 2nd – 12th July 2013

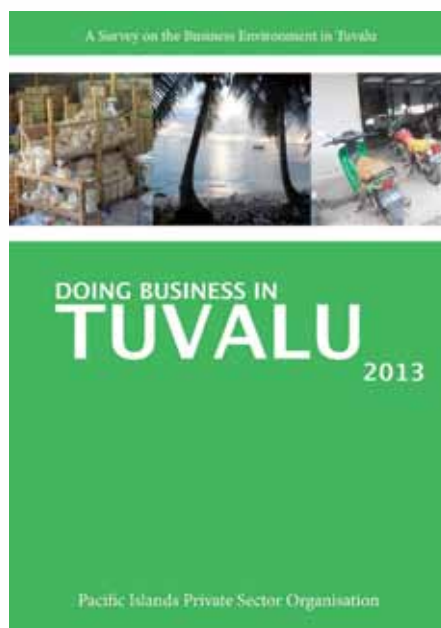
BUSINESS SURVEY

PIPSO conducted a business survey in Tuvalu.

The purpose of the survey was to understand the business environment and the various challenges of the private sector. This survey enabled the Tuvalu National Private Sector Organisation (TNPSO) to focus their activities on the areas needing priority attention.

The survey has been very useful and provided information that will guide the NPSOs activities and to raise issues supported by relevant facts and solutions to Government.

The survey also enabled PIPSO to understand how best to direct its assistance to the NPSO.



Part 2



PROMOTE AND FACILITATE GREATER COOPERATION AND INFORMATION SHARING WITH THE PRIVATE SECTOR

- Collate relevant information and disseminate to members
- Conduct demand driven conferences and workshops on relevant issues for members
- Conduct Annual General Meetings and Board Meetings

Collate and share relevant information on best practices and success stories

Communications

During the year, PIPSO worked on improving its communications and dissemination of information. This included the revamping of PIPSO website, quarterly newsletter content and increase in the use of social media. Furthermore, monthly updates on PIPSOs work activities are provided to members. The Secretariat also produced several business success stories of business people.



Trade Facilitation

The Secretariat received a lot of queries from international businesses interested in a number of Pacific commodities and other trade related issues.

The Secretariat sent out these requests to its members and facilitates business connections at both the regional and international level.



Conduct Annual General Meeting and Board Meetings



AusAID's Minister Counsellor John Davidson

PIPISO held its 7th Annual General Meeting and technical workshop from 27th to 28th May 2013 at the Hexagon Hotel in Nadi, Fiji.

The meeting was attended by the representatives of the 14 NPSOs, Associates and Affiliate members from the Pacific Islands Tuna Industry Association, Learn. Fast, Pacific Cooperation Foundation, and the Business Mentors New Zealand.

Development partners also present at the meeting were the Pacific Islands Forum Secretariat, Pacific Leadership Program, International Labour Organisation, United Nations Development Programme, the University of the South Pacific, SPC - IACT Programme and a representative from AusAID's Private Sector Development Strategy.

The two-day programme was officially opened by AusAID's Minister Counsellor John Davidson who also launched PIPSO's 2013 - 2015 Strategic Plan.

The background image shows a conference setting. In the foreground, three people are seated at a table. On the left is an older man with a white beard and glasses, wearing a light-colored striped shirt and a patterned tie. In the center is a woman with short dark hair, wearing a white short-sleeved shirt. On the right is a man in a dark suit. They are all looking towards the right. In front of them on the table are two clear plastic water bottles with blue caps and labels that say 'FIJI'. To the left of the bottles is a glass of water. Behind the people, a row of various national flags is visible, including the flag of Fiji (black, white, and red with a yellow emblem) and the flag of Samoa (red, white, and blue with a yellow emblem).

Part 3

IMPROVE PRIVATE SECTOR DIALOGUE AND PARTNERSHIPS WITH GOVERNMENT AND PARTNERS

- Institutionalise Public and Private Partnerships and Private Sector Dialogue at the national and regional level
- Prioritise common issues from the private sector in the region supported with relevant information and data
- Consultations with Public Sector, development partners and regional agencies
- Improve effectiveness of consultative committees for trade at the national and regional level

Private – Public Sector Dialogue



PIPSO met with the Eminent Persons Group of the Melanesian Spearhead Group

Private and Public Dialogue is an important process in building an enabling environment for private sector business entities. PIPSO encourages initiatives and supports PPD for its members. In the future, PIPSO hopes to institutionalise this process as it is an important mechanism for bringing about reforms. A number of PPDs were held during the year at the regional level.

[Sub-regional workshop on developing partnership agreements](#)

PIPSO organised a two-day workshop in February for the Private Sector and Government representatives of three Small Island States Kiribati, Nauru and Tuvalu in Fiji. The purpose of the workshop was to map out and plan country-specific partnership frameworks to support NPSOs and private sector development strategies. This partnership framework also included PIPSO's support for the NPSOs.

The workshop provided an opportunity for the private sector representatives from these small islands states to have discussions with their Government counterparts. Both sectors expressed their concerns and identified their respective roles and responsibilities in terms of national development. The sub-regional setting also allowed them to comfortably express their concerns and

issues which are similarly shared by the countries in this grouping.

[Pacific Islands Development Forum](#)

PIPSO participated in the inaugural PIDF meeting hosted by the Fiji Government in August.

With the inclusive focus on tripartite partnerships between government, private sector and civil society, PIPSO participated as a member of the Governing Council and Official Committee.

PIDF is a unique platform focused on regional development challenges through mutually beneficial innovative partnerships. It provides a high level platform for PIPSO to advocate for the interests of the private sector at the regional level.

Rather than having mere observer status for many regional meetings, PIPSO is formally part of the meeting which is a welcoming development in the Pacific region.

It provides a framework for bringing together governments, businesses and civil society to secure concrete commitments and to mobilise action in support of a green economy.

Regional Partnerships

Pacific Leadership Program

Since 2008, AusAID's Pacific Leadership Program has been PIPSO's largest development partner. PLP is PIPSO's core funder, looking after the salaries of PIPSO's Secretariat staff as well as supporting PIPSO's Women in Business programmes, Trade Pasifika and other private sector development programmes.

The relationship shared by PIPSO and PLP is one aimed at strengthening political governance and leadership in the region working with the private sector.

Secretariat of the Pacific Community

Building on the good working relationship that PIPSO has with SPC, a Memorandum of Understanding was signed by both organisations to advance economic development.

The MOU was signed on 5th March 2013 by Dr Jimmie Rodgers, SPC's Director-General and Mr Epa Tuioti, representing the PIPSO Board of Directors.

The MOU is a demonstration of public and private partnership at the regional level for the benefit

of the Pacific Islands. Both agencies have a leading role in their mandate, with some common areas such as human resources development and economic enhancement including private sector development.

To effectively serve the Pacific, SPC and PIPSO agreed to enhance their cooperation, in order to reduce duplication and overlap.

This collaboration will centre work and research on countries' needs and priorities. This collaborative approach focuses on needs and priorities and will highlight gaps or new priorities for consideration.

PIPISO also teamed up with the EU funded SPC-IACT Project in conjunction with the South Pacific Tourism Organisation (SPTO) and the Pacific Islands Small Business Development Centre Network (PSBDC) to conduct a Training of the Trainers workshop. The training focused on Marketing (including e-marketing), Quality Assurance and Business Development at the University of Guam on 12th - 15th August, 2013.



PIPISO Board Member Epa Tuioti and Dr Jimmie Rodgers, Director General of SPC after the MOU signing

Strategy for Disaster and Climate Resilient Development

SPC organised a SRDP workshop on 18th November 2013, to seek views and input on a roadmap developing a strategy for climate change and disaster risk management. PIPSO identified private sector representatives to be part of a panel discussion on what the private sector could do to build resilience against climate change and natural disasters.

Several outcomes have been agreed upon by the participants, one of which was to have better information sharing with the private sector through PIPSO and to include PIPSO as a stakeholder on the Steering Committee. Board Member Howard Politini was nominated to be PIPSO's representative on the Committee.

United Nations Development Programme (UNDP)

As one of two organisations that set up PIPSO, UNDP continues to support PIPSO's work in the Pacific through its funding of various programmes.

In 2013, UNDP provided funding to Pacific businesses with export potential and to assist in improving business capacity and competitiveness to enable them to penetrate export markets.

UNDP also signed an MOU with the Trade Pasifika Secretariat. UNDP's support to Trade

Pasifika is aligned to the Millennium Development Goals (MDGs) Acceleration Framework Plan to engage private sector for creating business and employment opportunities.

Melanesian Spearhead Group - MSG Investment Roadshow and Trade Fair

The MSG Secretariat together with partners – the Fiji Ministry of Industry and Trade, Investment Fiji, PIPSO, UNDP and participating exporters and exhibitors participated in the inaugural MSG Investment Seminar held at the Sheraton Fiji Resort in Nadi, Fiji on Saturday 3rd August.

The theme of the MSG Investment Seminar was: "MSG Growth for a Strong Pacific". The seminar covered a wide range of issues including: Investment Policies, MSG Investment Opportunities, MSG Trade Agreements and the MSG Skills Movement Scheme,

The Seminar provided a forum for MSG government officials and private sector to dialogue on trade, investment and private sector issues.

This was followed by the MSG Trade Fair from 5th to 7th August at the same venue. PIPSO funded several businesses from Melanesia to participate through the Business Development Fund.



Another regional partnership - PIPSO Chair Paula Taumoepeau with PINA Training Manager Matai Akauola after MOU signing

Part 4



FACILITATE AND BUILD PRIVATE SECTOR BUSINESS, TRADE AND COMPETITIVENESS

- Support Marketing/Business Development Opportunities
- Business Development Support Training
- Facilitate access to finance
- Improve in International Rankings for Economic and Business indicators
- Create a regional annual business award to identify innovative efforts in the region

Trade Capacity Building

Regional Trade Training

PIPSO was able to secure some funding via AusAID through the University of Adelaide to conduct a regional trade training for the private sector in Pacific.

The training was led by Dr. Jim Redden of the University of Adelaide with other Pacific experts which included Margaret Malua, Jeff Blackburn Dr. Edwin Kessie. A total of 20 participants from the region attended this training and were updated on the status of the various trade agreements currently in discussion in the Pacific.

The purpose of the workshop was to build the capacities of the private sector on understanding trade agreements, trade conditions and opportunities that exist for exporters.

The workshop covered the Rules of Origin, various Trade Agreements, tariffs and updates on the PACER PLUS negotiations

Trade Shows

Trade Pasifika 2014

Following the success of Trade Pasifika 2012 and the recommendations of PIPSO members, work for Trade Pasifika 2014 began in 2013. The Steering Committee for the Trade Pasifika 2014 recruited an Events Manager to coordinate the work involved in putting together this regional event.

Flour Mills of Fiji was the first company to sign onto Trade Pasifika on 11th September 2013. A handful of exhibitors also followed suit and took advantage of the early bird specials that were on offer till the end of November 2013.

Gold Sponsor Australia and New Zealand Bank (ANZ) renewed its support for Trade Pasifika 2014 and sponsorship of FJD \$50,000.00 to the PIPSO Secretariat on 30th September for the naming rights to the event.

Regional partners, the UNDP and the SPC also signed Memorandums of Understanding with the Trade Pasifika Secretariat to continue their support of the regional trade expo.

Melanesian Spearhead Group Trade Fair

A three-day MSG Trade Fair was held at the Sheraton, Fiji on 5th – 7th August 2013. It brought together a total of 38 exhibitors the food industry, manufacturing, agriculture, livestock, forest, footwear and garments and mining.

The exhibition showcased a wide range of products which included coffee, tea, biscuits, soft drinks, wines, beer, essentials oils (coconut, tamanu, sandalwood), nuts, noni juice, canned tuna, corned beef, snacks, toiletries and hygiene products, handicrafts, furniture, footwear, garments, hardware products and motor bikes.

PIPSO assisted a number of businesses listed below (Table 1) operating in MSG territories to attend the trade fair.

Table 1: Representatives at MSG Trade Fair

Country	Company Name	Product Type
PNG	R D Tuna Cannery	Canned Tuna
PNG	Paradise Foods Ltd	Food and Beverage
Solomon Islands	Varivao Holdings Ltd	Coffee
Solomon Islands	Kokonut Pacific Ltd	Coconut health products
Vanuatu	Vanuatu Tebakor Products	
Vanuatu	Tanna Coffee	Coffee
Vanuatu	Tuskery Vanuatu Ltd	Beers - lager
Vanuatu	Sandalwood Products	Hygiene and Cosmetics

Training

PIPSO collaborated with its regional partners and donor agencies to provide training for the private sector. This training is to increase private sector knowledge on the key issues in various trade agreements and the opportunities available for trade and increase market access.

Trade Training

PIPSO collaborated with the OCO Secretariat and the OCTA to conduct regional training on trade issues and the Rules of Origin (ROO).

The objectives of the training was to familiarise key stakeholders of the different methodologies used in determining ROO, the administrative Customs procedures and other requirements that will enable exporters seek preferential tariff treatment for their products.

Table 2: Trade and Customs Training

Regional	Venue	Dates	No. Participants
14 Pacific Is	Nadi, Fiji	29-30 July	20
Solomon Is	Honiara	18-22 November	50
Vanuatu	Port Vila	2 - 6 December	30
Tonga	Nuku'alofa	9-13 December	15



Quality Assurance - SPC

PIPSO and SPC-IACT conducted training awareness on quality assurance and marketing for a number of companies in Tonga. This was followed by a gap analysis on four selected companies to ascertain their level of compliances over key sanitary and phytosanitary issues. This was undertaken from 23 to 27 September.

Financial Training

Through the support of Australian Volunteers International, PIPSO was able to secure the provision of a SME Financial Specialist for two years. Leslie Massey joined PIPSO in June 2013 and began working on the Financial Education Toolkit. The toolkit was designed to fill a training gap and supplement other training offerings developed to improve the knowledge and skills of PIPSO's members across a range of industries, markets and countries.

A pilot training was conducted in Fiji following the completion of the draft financial toolkits.

Table 3 below depicts the financial trainings conducted in 2013.

Table 3: Financial Training by PIPSO

Date	Topic of Workshop/ training	Organisation	Number of participants
18 Oct Suva, Fiji	Capital Expenditure and Understanding Business - Supply Chain Workshop	Secretariat of the Pacific Community IACT Programme	20
29 - 30 Oct Apia, Samoa	Level 2 Financial training	Samoa Chamber of Commerce	20
31 Oct - 1 Nov Savai'i, Samoa	Level 2 Financial training	Samoa Chamber of Commerce	20
20 - 21 Nov Suva, Fiji	Level 2 Financial training	Seventh Day Adventist Church	28
25 - 28 Nov Solomon Islands	Level 1 & 2 Financial training	Solomon Islands Women in Business and the Solomon Islands Chamber of Commerce	18

Marketing and Quality Assurance

PIPSO in collaboration with the Pacific Cooperation Foundation (PCF) continued its project partnership funded by New Zealand Aid (NZ Aid) to develop and deliver a 'Train the Trainers' programme and toolkits for the NPSOs.

The programme aims to boost trade for Pacific businesses through effective marketing and greater understanding of quality assurance systems for export.

The programme was set up to work with trainers from the NPSOs to strengthen training in these organisations and provide tools that will assist businesses in quality systems and marketing in areas like branding, labelling, packaging, communicating their story and what is unique about their product.

The trainers were expected to implement their own training schedules in consultation with their members and chamber executives.

PIPSO was able to conduct marketing training for the following organisations listed in Table 4 below:

Table 4: Marketing Training by PIPSO

Date	Topic of Workshop/ training	Organisation	Number of participants
23 - 27 Sep Nuku'alofa, Tonga	SME Export Development Project	PIPSO/SPC	15
24 - 25 Oct Labasa, Fiji	Export Seminar	Investment Fiji	24
25 - 28 Nov Honiara, Solomon Islands	Capacity Building	Solomon Islands Women in Business and the Solomon Islands Chamber of Commerce	18



Private Sector - Capacity Building

SME Export Development Project

The SME Export Development Programme provides direct financial assistance to businesses with export potential and assists in improving business capacity and competitiveness to enable them to penetrate export markets.

The Programme was launched in March to assist businesses in achieving quality assurance accreditation and post accreditation implementation. This pilot initiative enabled PIPSO to understand the needs of Pacific exporting businesses as it explores how best to direct its assistance to improve SME competitiveness.

This pilot project was funded by the UNDP and was implemented in collaboration with the PCF.

The programme has been instrumental in supporting 10 businesses in their pathway to receiving accreditation on Hazard Analysis and Critical Control Points (HACCP) and International Standards Organisation (ISO 9001).

The following companies are supported under this programme:

Company Name	Country	Product Type
Rito	Cook Islands	Beauty and health products
Banz Kofi	PNG	Coffee
CCK Trading	Samoa	Noni and Honey
Fofola Ltd	Tonga	Coffee
Cocker Enterprises	Tonga	Food processing and Noni Products
Tui International	Tonga	Food and Beverage
Fiesta Ice-cream	Tonga	Ice cream
Pacific Paint Ltd	Tonga	Paint
Kenani Estate	Tonga	Beauty and health products
Volcanic Earth	Vanuatu	Beauty and health products

Capacity Building Workshop - Fiji

PIPISO supported the Fiji Commerce and Employers Federation (FCEF) in conducting an awareness workshop in the North Island of Fiji - Vanua Levu in the following areas:

- It's role as the private sector organisation in Fiji, membership and benefits in joining FCEF;
- Outline proposed changes in the labour decrees, its implication on the cost of doing business and to consult them on their views; and
- Outline the new requirements on Corporate Governance especially to large corporate organisations based on the new decrees.

Tonga Gap Analysis Exercise

PIPISO in collaboration with the SPC-IAC Programme undertook gap analysis on 4 companies in Tonga as part of PIPISO's SME Export Development Project from 23rd - 27th September 2013.

Participants were made up of representatives of the Manufacturing Association of Tonga. The training highlighted the need for better hygiene and sanitation procedures and an understanding by businesses on global standards and checks and balances.



Support for Women Entrepreneurs

On 30th January 2013, PIPSO gave FJD \$1,800.00 to the Pacific Disability Forum (PDF) as seed capital for business startups for women in the Pacific living with disabilities.

The fund came from contributions made by participants at the PIPSO facilitated Pacific Women in Business Conference held in November 2012 in Nadi.

The participants from the 14 Forum Island Countries were made up of Government Officials, women entrepreneurs and community leaders. At the Conference, PIPSO highlighted the challenges faced by women living with disabilities who were

engaged in business.

Furthermore, the Managing Director of Senikai Spas, and Principal of the South Pacific Academy of Beauty Therapy, Debra Sadranu kindly offered 10 free Certificate Courses in Manicures and Nail Care for women living with disabilities in Fiji. The one-week course was valued at \$370.00 each will be conducted at one of the Senikai Spas in Nadi.

At the end of 2013, PDF reported that the funds were yet to be utilised and although the course was initially set for June 2013, this was postponed due to unforeseen circumstances.



Business Development Fund (BDF)

The Business Development Fund continues to be of great assistance to the small and medium enterprises (SMEs) of the 14 Pacific Island Countries in 2013.

The 33 recipients were from 9 countries, compared with 2012 recipients of 24 businesses spread over 12 countries.

Fiji based businesses were mostly applying for capacity building while assistance for Vanuatu and Solomon Islands entrepreneurs was provided for them to attend the Melanesian Spearhead Group (MSG) Trade Fair. Samoa businesses obtained funding to produce promotional materials, conduct exploration visit and attend exhibitions. The Tuvalu businessman, a Nonu producer, was able to meet with potential export clients in Fiji.

Around 42% of the 2013 Funds were disbursed to business in the trade & services sector in which the funds enabled them to attend exhibitions as well as capacity building events. The agriculture sector recipients were mostly from Vanuatu and Solomon Islands.

Through the BDF, businesses were able to attend

the MSG Trade Fair in Fiji and the Fine Food Fair in Australia. Marketing materials included a 30 seconds advertisement; development of websites, brochures, banners and other marketing products. Included in this was a woman entrepreneur who launched her fashion line in PNG.

Under capacity building, another woman entrepreneur was able to get trainers from Samoa for Elei material production in Fiji. Recipients for product development included an agriculture business to meet the HACCP Certification. Applying under the exploration visit, a woman owned recruiting business was able to attend the trade investment mission in PNG and successfully secured contracts with some PNG employers.

Two community based applications were also received this year. One application came from a youth group of 10 men who sought funding for training in proper ginger farming and the other was received from community of 30 women who wanted to learn about proper massage therapy for a small tourist services business.

BDF Recipients for 2013

Country	Company Name	Assistance Type
Cook Islands	Rarotonga Perfumes	Production of 30 sec documentary to be aired on Air NZ
Fiji	Mary Kates Travel	Funding of Exploration visit to China
Fiji	Fiji Arts Council	Jewellery making program in Northern Fiji – Product Development
Fiji	Gift Hutt Limited	Training on Samoan Elei material production
Fiji	Rotomould (Fiji) Ltd	Exploration visit
Fiji	Vitacini Qoligoli Ltd (Fiji)	Purchase of equipment to expand business
Fiji	Origins Pacific Ltd	Fund attendance at The Fine Foods Australia Exhibition
Fiji	Hands On Harvest Enterprise	Training for 10 youth in Ginger Farming
Fiji	Makolume Enterprises Ltd	To develop/expand their size of ponds together with pipe's and Dam.- Product development
Fiji	Walk and Trails Fiji	Develop training package of wilderness guides for Rural communities and individuals
Kiribati	Kiribati Holidays	Creating an effective supply chain in Kiribati for handicraft people
Kiribati	Teikabuti Fishing Company	Attendance to Fine Food Australia exhibition
Niue	A5 Tours	Development of website and promotional material
Niue	Buccaneer Adventures	Funded a kit-style classroom – 112 dive courses
Niue	Island Style Organics	Assistance to create promotional items to tell the “Niue Vanilla story”
Niue	Rockbak Bakery	Assisted in label and packaging for its products
PNG	R D Tuna Cannery	Fund attendance to MSG Trade Fair
PNG	Paradise Foods Ltd	Fund attendance to MSG Trade Fair
PNG	Sha Mata Clothing	Promotional Material and promo video
Samoa	KL Security	Fund promotional materials for advertising
Samoa	Edwina's Beauty 4 You	Fund attendance to Beauty and Spa expo in Sydney and NZ Fashion Week in Auckland
Samoa	Georgies Pizza	TV Advertisement and printing of brochures/business cards
Samoa	Misiluki Day Spa	Fund travel to New York to meet a group of retail merchants to partner in stocking, promoting and selling products
Solomon Islands	Varivao Holdings Ltd	Fund attendance to MSG Trade Fair
Solomon Islands	Kokonut Pacific Ltd	Fund attendance to MSG Trade Fair
Solomon Islands	Mambo Juice	Funding for Creating promotional song, menu board stickers/Banner/ Signboard
Tonga	Vava'u Press	Expanded its publication (Discover Tonga) to include other outer islands in Tonga
Tuvalu	Nonu Tuvalu Ltd	Fund meetings with potential export clients in Nadi
Vanuatu	Vanuatu Direct Ltd	Fund the HACCP Certification
Vanuatu	Vanuatu Tebakor Products	Fund attendance to MSG Trade Fair
Vanuatu	Tanna Coffee	Fund attendance to MSG Trade Fair
Vanuatu	Tuskers Vanuatu Ltd	Fund attendance to MSG Trade Fair
Vanuatu	Sandalwood Products	Fund attendance to MSG Trade Fair

Part 5

of opportunities
able to grow and



STRENGTHEN PRIVATE SECTOR INVOLVEMENT IN NATIONAL AND REGIONAL POLICY DEVELOPMENT AND SUPPORT IMPLEMENTATION

- Increase Capacity building for private sector



Forum Meetings Related to Private Sector

Forum Economic Ministers Meeting

PIPSO participated at the 17th Forum Economic Ministers Meeting (FEMM) held in Nuku'alofa, Tonga from 3rd – 5th July 2013.

The FEMM was preceded by the Forum Officials Meeting. Through its Observer status, PIPSO presented a paper titled “Private Sector Development Issues and Improved Engagement” during the Officials Meeting and the Secretary General of the Forum Secretariat presented the paper at the Ministers’ meeting. PIPSO’s paper was a collation of private sector issues submitted by the NPSOs since late 2012. The Ministers’ endorsement on all (except one) of PIPSO’s recommendations is a great achievement to PIPSO and its members. PIPSO was represented by the Chair - Paula Taumoepeau; Vice Chair - Klaus Stunzner; and Programme Officer-Winifred Gauna.

Pacific Islands Forum Leaders Meeting

The 44th Pacific Islands Forum was held from 3rd – 6th September 2013, in Majuro, Republic of the Marshall Islands. The private sector was given an opportunity to dialogue with the Leaders on issues of importance to the private sector in the region.

This was the fourth time that the private sector has presented to the Leaders since 2010. Prior to the dialogue, PIPSO solicited comments and issues from its 14 NPSOs. This year, the private sector chose to focus on “Enhanced Transport Solutions for increased trade and mobility”, and ways in which we can “connect the North and South Pacific”. The Pacific Private Sector called on the Leaders for political leadership and commitment in enhancing the transport solutions to connect the North and the South Pacific, and to follow through its implementation.

Forum Trade Officials Meeting (FTOM) and Forum Trade Ministers Meeting (FTMM)

PIPSO attended the FTOM and FTMM held from 17th to 19th July 2013 in Apia, Samoa.

As an observer, PIPSO’s participation at the FTOM/FTMM provided the opportunity for PIPSO to be updated on the regional trade developments and as well as the opportunity to meet and have discussions with trade officials and ministers.

The Meeting considered key work programme areas such as the engagement in the World Trade Organisation (WTO), activities of the Pacific Islands Trade and Invest (PT&I), Traditional Knowledge and Intellectual Property Right, the Pacific Agreement on Closer Economic Relations (PACER) Plus related issues, trading arrangements with economies outside the region, the Pacific Aid for Trade Strategy, and Trade and Health linkages. The Secretariat, represented by Vice-Chair, Klaus Stunzner and Programme Officer

Ma’ake Komailevuka provided an update on PIPSO’s work in the areas of Business Development and Trade.

Pacific ACP (PACP) Trade Meetings

In January 2013, PIPSO was granted Observer Status at the PACP Trade Meetings. PIPSO made this request on 16th – 17th August 2012, during the PACP Trade Ministers. The condition rendered to PIPSO as an observer on the basis that PIPSO’s participation will be on the invitation of the Chair with the concurrence of the PACP states.

This observer status in the Trade meeting enabled PIPSO to capture first hand information/discussions on trade matters as well as develop networks. The Pacific ACP (PACP) Trade Officials and Ministers Meeting (PACPTOM & PACPTMM) was held at the Tanoa International Hotel, on 13th – 17th May 2013, in Nadi, Fiji.

The following Pacific ACP States (PACPs) were represented at the meeting. Also in attendance were representatives from the OCO, OCTA, Office of the Parties to the Nauru Agreement (PNA), Pacific Islands Forum Fisheries Agency (FFA), Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Community (SPC).

Pacific Plan Review

PIPSO met with the Pacific Plan Review Team on 15th May 2013 at the Pacific Islands Forum Secretariat in Suva, to provide its submission towards the Pacific Plan review. The Pacific Plan is a regional strategy for strengthening cooperation and integration between Pacific countries—it is about Pacific countries working closely together on areas requiring collective action to do more than they could separately, to manage shared resources, and to achieve the shared goal of “a region of peace, harmony, security and economic prosperity, so that all of its people can lead free and worthwhile lives” (as set out on the Leaders Vision, 2004, which the Plan is founded on).

Consultation on the 11th EDF Regional Programming for Pacific ACP countries

PIPSO participated in a consultative meeting on the 11th European Development Fund Regional Programming for Pacific ACP Countries held at the Pacific Islands Forum Secretariat from 11th – 12th October 2013.

The consultation brought together National Authorising Officers of the Pacific ACP countries, Regional Organisations, Civil Society Organisations, Development Partners. Territorial Authorising Officers of the four Pacific Overseas Countries and Territories (OCTs) were also invited in view of promoting synergies between the two regional programmes (PACP and OCT).

A person wearing a green bucket hat with a red and white logo, a brown long-sleeved shirt with orange accents, and a striped sleeve, is holding a large green leafy vegetable in a field. The background is a blurred green field.

Part 6

TO ADVOCATE FOR THE INTERESTS OF THE PRIVATE SECTOR
AT REGIONAL AND INTERNATIONAL FORUMS

- Attendance at regional and international forums

PIPSO attendance at National, Regional and International Meetings/Conferences/Workshops

PIPSO attended a number of national, regional and international meetings and conferences. PIPSO was invited to these meetings and workshops to represent the Pacific Islands private sector. At these meetings and workshops the issues from the Pacific Islands private sector were strongly advocated.

Over the years, the Secretariat has seen an increase in invitation to PIPSO to participate or present at these meetings. This correlates to the increase recognition of PIPSO and the work it is carrying out and the growing recognition of the private sector's contribution to the economy. The meetings attended by the Secretariat are listed below.

National

Country held	Training/Meeting/Conference	Organised by
Fiji	National Workshop on the European Union's Economic Partnership Agreement (EPA) Proposal on the Rules of Origin	Ministry of Trade and Industry and the Pacific Islands Forum Secretariat
Fiji	Market Analysis Tools Workshop	International Trade Center and the Fiji Crop and Livestock Council

Regional

Country held	Training/Meeting/Conference	Organised by
Fiji	Non State Actors on PACER PLUS negotiations	Office of the Chief Trade Adviser (OCTA)
Fiji	Agri-food Value Chain Development in the South Pacific	Secretariat of the Pacific Community (SPC)
Fiji	Small Islands Developing States Preparatory Meeting	United Nations
Fiji	Development of Customs and Private Sector Guidelines on the ROON in Free trade Agreements (FTA)	Oceania Customs Authority (OCO)
Fiji	Strategy for Disaster and Climate Resilient Development in the Pacific	SPC, SOPAC and PIPSO
NZ	3rd Non State Actors Dialogue on PACER PLUS	Pacific Islands Forum Secretariat (PIFS)

International

Country Held	Training/Meeting/Conference	Organised by
Belgium	Feasibility study of the ACP Trade & Investment Company Expert Meeting	African Caribbean Pacific (ACP)
Belgium	ACP Private Sector Strategy Conference	African Caribbean Pacific (ACP)



Part 7

TO MAINTAIN A SUSTAINABLE EFFECTIVE AND RELEVANT PIPSO

- Develop long-term financial strategy for core and project funding (secure TA, donor funding and userpay)
- Strengthen two-way communication and partnership with NPSOs and other key stakeholders
- Development of country specific strategic plans

Operations

Financial Strategy

The Secretariat developed a long term financial strategy which was presented to the Board. A number of strategies was explored which included the setting up of a trust fund and increasing members fees on a progressive basis. Other strategies included donor funding to fund investment and commercial activities. Challenges were identified with each strategy and the Secretariat continues to look for sustainable funding for its core services.

Country Specific Strategic Plans

Strategic plans were developed for a number of PIPSO members. Other countries will be developed subject to availability of funds. The Strategic plans will also help prioritise the interest of the private sector.

Finance

PIPSO received a total funding of \$957,578 compared to \$1,551,329 in 2012. The decrease in funding is due to the reduction of the Pacific Leadership Program grant to PIPSO. Pacific Leadership Program continued to provide core support as well as to the Secretariat's program activities. The Government of Japan and the European Union Pacific Integration Technical Assistance Program (PITAP) – EU provided additional funding for specific programmes.

PIPSO membership

With the exception of one NPSO, all of the other NPSOs settled their membership dues for 2013.

PIPSO also gained one affiliate member and two new associate members during the year:

- Pacific Islands Tuna Industry Association (Tonga) – Affiliate member
- Oceanic Communications Ltd (Fiji) – Associate Member
- Wed Media (Fiji) – Associate Member

Staffing

Leslie Massey joined PIPSO as a SME Financing Specialist through the support of the Australian Volunteers International. He started on 26th July and will be based at the Secretariat for two years.

In the fourth quarter, PIPSO farewelled 2 staff, Financial Officer Bhavin Vagh and Programme Officer Ma'ake Komailevuka. Both staff had been with the Secretariat for over two years and had provided valuable input to PIPSO over the years.

Annual General Meeting

PIPSO held its 7th Annual General Meeting and technical workshop on 27th – 28th May 2013 at the Hexagon Hotel in Nadi, Fiji.

The meeting was attended by the executives of the 14 NPSOs and Affiliate members from the Pacific Islands Tuna Industry Association, The Learn. Fast Centre, Pacific Cooperation Foundation, and the Business Mentors New Zealand. Development partners also present at the meeting were the Pacific Islands Forum Secretariat, Pacific Leadership Program, International Labour Organisation, United Nations Development Programme, the University of the South Pacific, SPC - IACT Programme and a representative from AusAID's Private Sector Development Strategy. The two- day programme was officially opened by AusAID's Minister - Counsellor Mr John Davidson.

Technical workshop

PIPSO conducted a one day technical training for building stronger NPSOs, Developing Effective Communications Strategies and Private Public Dialogue. The session on communications was co-facilitated by Matai Akauola - Manager of the Pacific Islands News Association (PINA) who gave members a view into the inner workings of the media. Development partners were invited to give a 15 minute talk on their programmes for the private sector.

AGM highlights

The Council passed the amendment to PIPSO's Constitution to include the Immediate Chair and Vice Chair as Ex-officio members of the Board. This was undertaken to allow for mentoring of new board members.

The Fiji Commerce and Employers Federation (FCEF) moved a motion for the Review of the fees structure for Fiji and PNG. Vanuatu Chamber of Commerce moved a motion for the review of the composition of Directors on the PIPSO Board relative to the fees paid by its countries. The Council Members unanimously agreed that the Secretariat undertake a review of the membership fees structure and the composition of the Board relative to the fees structure.

All of the above motions for the review in memberships fees, board composition were undertaken by the Secretariat during the year.

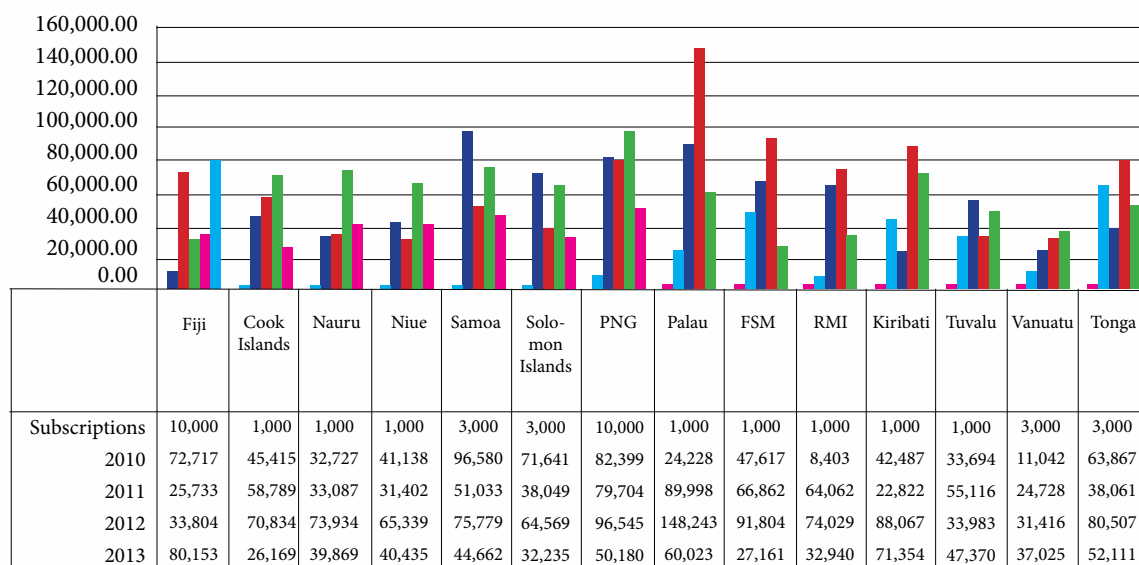
List of PIPSO Members:	
1	Cook Islands Chamber of Commerce (CICC)
2	Federated States of Micronesia Association of Chambers of Commerce (FSMACC)
3	Fiji Commerce & Employers Federation (FCEF)
4	Kiribati Chamber of Commerce
5	Marshall Islands Chamber of Commerce
6	Nauru Chamber of Commerce
7	Niue Chamber of Commerce
8	Palau Chamber of Commerce (PCOC)
9	Papua New Guinea Chamber of Commerce & Industry (PNGCCI)
10	Samoa Chamber of Commerce Inc (SCCI)
11	Solomon Islands Chamber of Commerce & Industry (SICCI)
12	Tonga Chamber of Commerce & Industry (TCCI)
13	Tuvalu National Private Sector Organisation (TNPSO)
14	Vanuatu Chamber of Commerce & Industry (VCCI)

ASSOCIATES & AFFILIATES	
1	Australia Pacific Islands Business Council
2	Business Mentors NZ
3	Fiji Export Council
4	Pacific Cooperation Foundation
5	Pacific Islands Small Business Development Centre Network
6	Pacific Islands Tuna Industry Association
7	Oceanic Communications Ltd
8	Webmedia

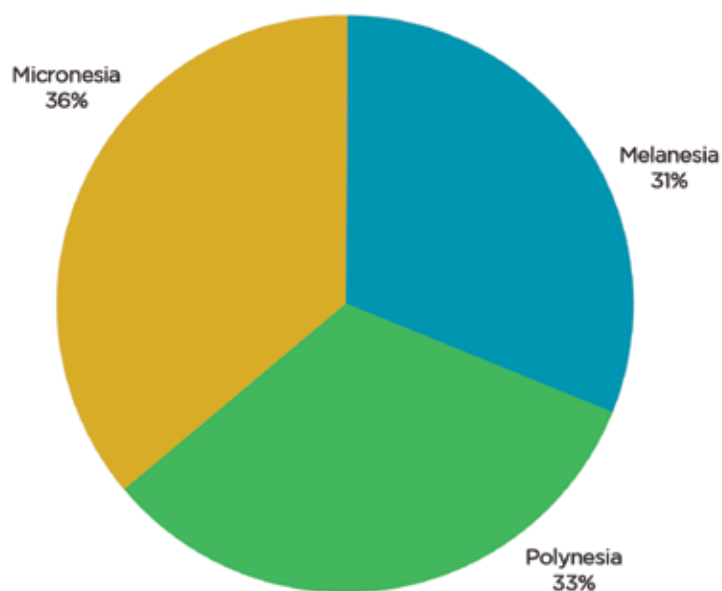


2013 PIPSO Annual General Meeting

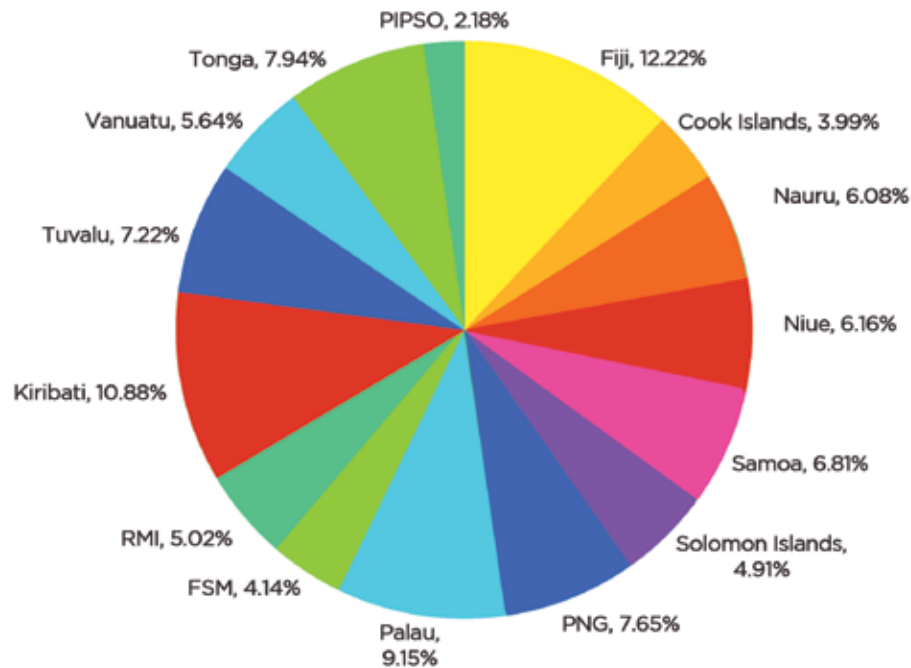
Subscription per Country vs Total Assistance per Country 2010 -2013



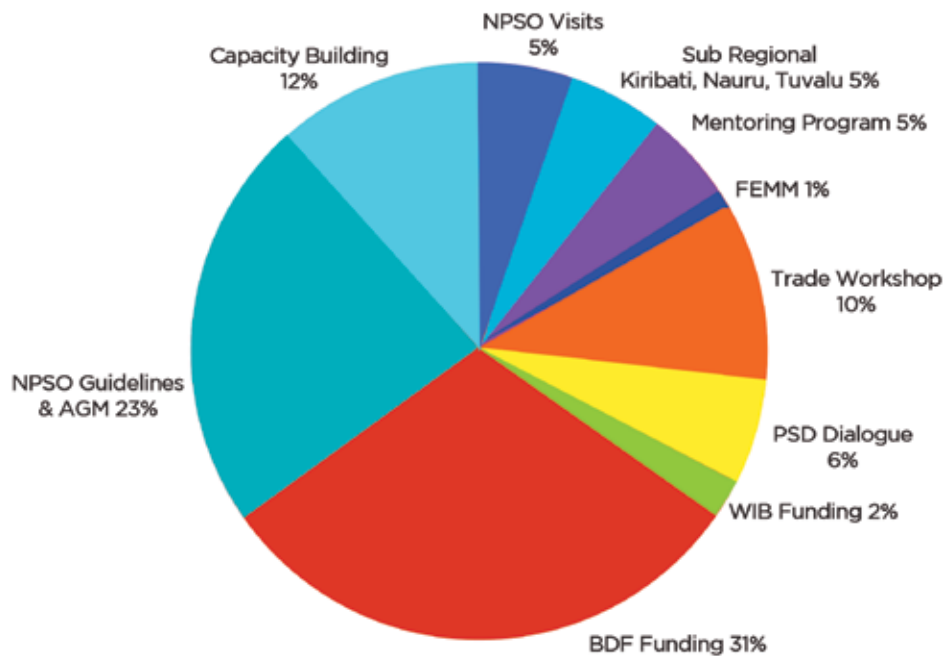
Financial Benefits by Sub-Regions



Assistance to the Countries - 2013



Types of Assistance to PIPSO Members - 2013

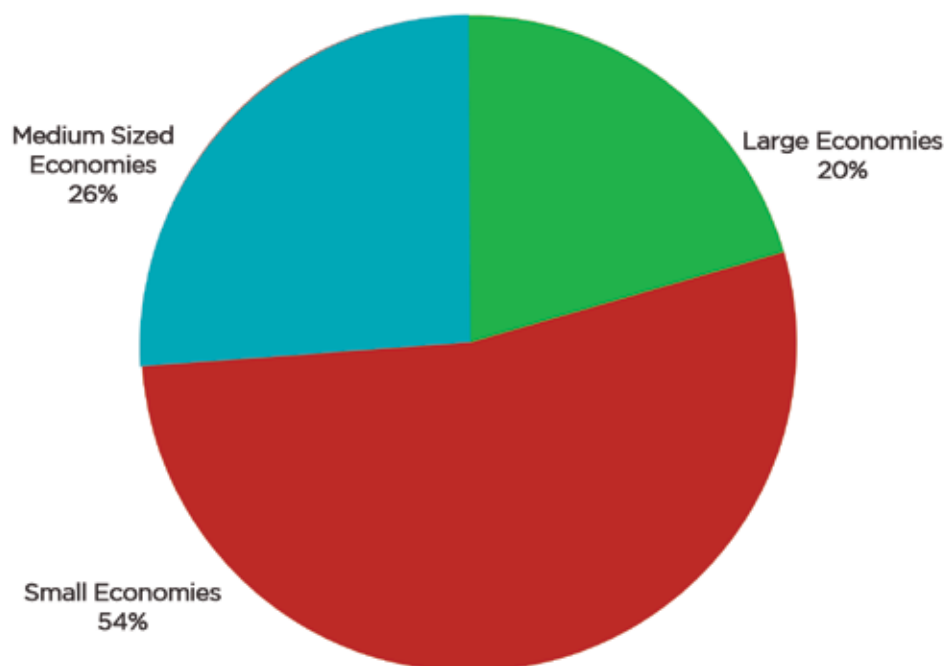


Direct Financial Benefit to NPSOs

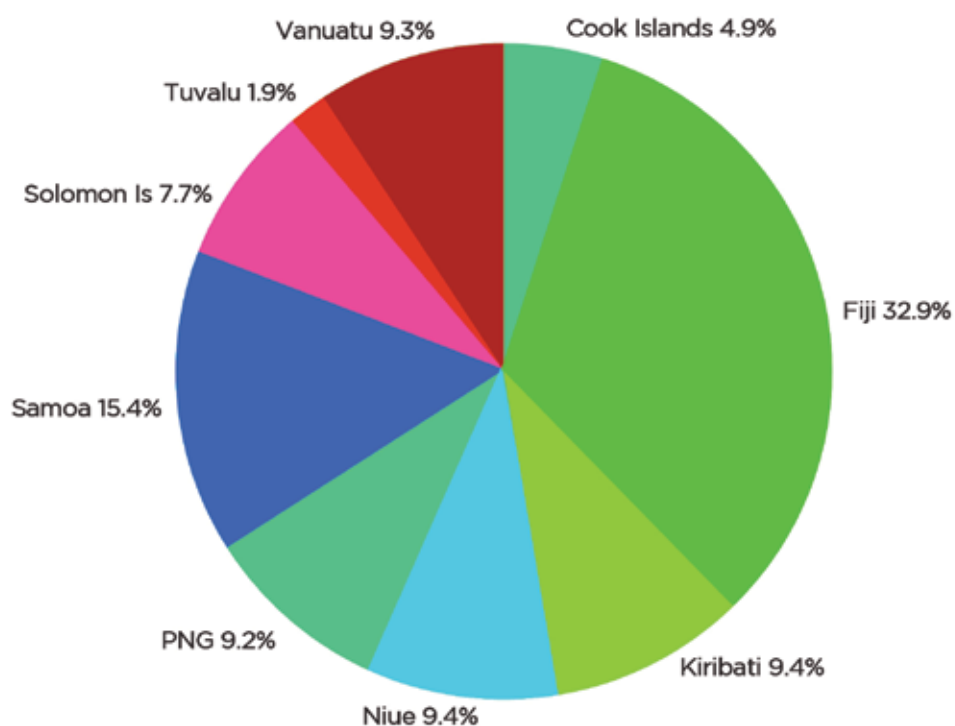
Summary of Financial Benefits provided to PIPSO Members in FJD:
1st January 2013 – 31st December 2013

Country	Income: PIPISO mem- ber fees receipts FJD	NPSO Visits	Sub Regional Kiribati, Nauru Tuvalu	Mentoring Program	FEMM	Trade Workshop	PSD	WIB Funding	BDF Fund- ing	NPSO Guidelines & AGM	Capacity Building	Total Per Country	Percent- age of Total As- sistance
Fiji	10,000.00				340.70	1,961.45		14,800.00	47,859.68	2,590.41	12,601.02	80,153.26	12.22%
Cook Islands	1,000.00				340.69	4,820.85	5,225.38		7,125.00	7,836.28	821.10	26,169.30	3.99%
Nauru	1,000.00		18,895.82		340.69	4,988.85				15,644.60		39,869.96	6.08%
Niue	1,000.00				340.69		8,953.73		17,035.00	14,105.83		40,435.25	6.16%
Samoa	3,000.00		2,068.64		340.70	5,632.75	3,102.22		22,062.48	10,134.96	1,321.10	44,662.85	6.81%
Solomon Islands	3,000.00				340.70	6,531.15			11,167.71	8,715.03	5,480.54	32,235.13	4.91%
PNG	10,000.00				340.70	9,198.85			18,244.60	14,584.67	7,811.43	50,180.25	7.65%
Palau	1,000.00			2,306.67	340.69	7,174.85	922.33		18,973.77	16,123.01	14,182.35	60,023.67	9.15%
FSM	1,000.00			2,306.67	340.69		2,244.69			14,381.80	7,887.57	27,161.42	4.14%
RMI	1,000.00	5,889.01		2,306.67	340.69	8,268.85				16,135.16		32,940.38	5.02%
Kiribati	1,000.00	6,486.42	9,593.64	18,868.36	340.69	2,348.35	5,233.87		13,838.60	8,644.91	6,000.00	71,354.84	10.88%
Tuvalu	1,000.00	12,862.95	3,067.64	8,776.98	340.69	3,268.85	4,099.85		2,715.00	6,596.91	5,642.10	47,370.97	7.22%
Vanuatu	3,000.00				340.70	4,774.80			13,585.00	4,094.41	14,231.07	37,025.98	5.64%
Tonga	3,000.00	8,987.62	1,671.64		340.70	4,972.60	3,630.94		26,401.06	6,107.27		52,111.83	7.94%
PIPSO			2,340.08			668.50	6,835.66			4,470.40		14,314.64	2.18%
TOTAL COST	40,000.00	34,226.00	35,297.38	34,565.35	4,769.72	64,610.70	40,248.67	14,800.00	199,007.90	150,165.65	75,978.28	656,009.73	100.00%

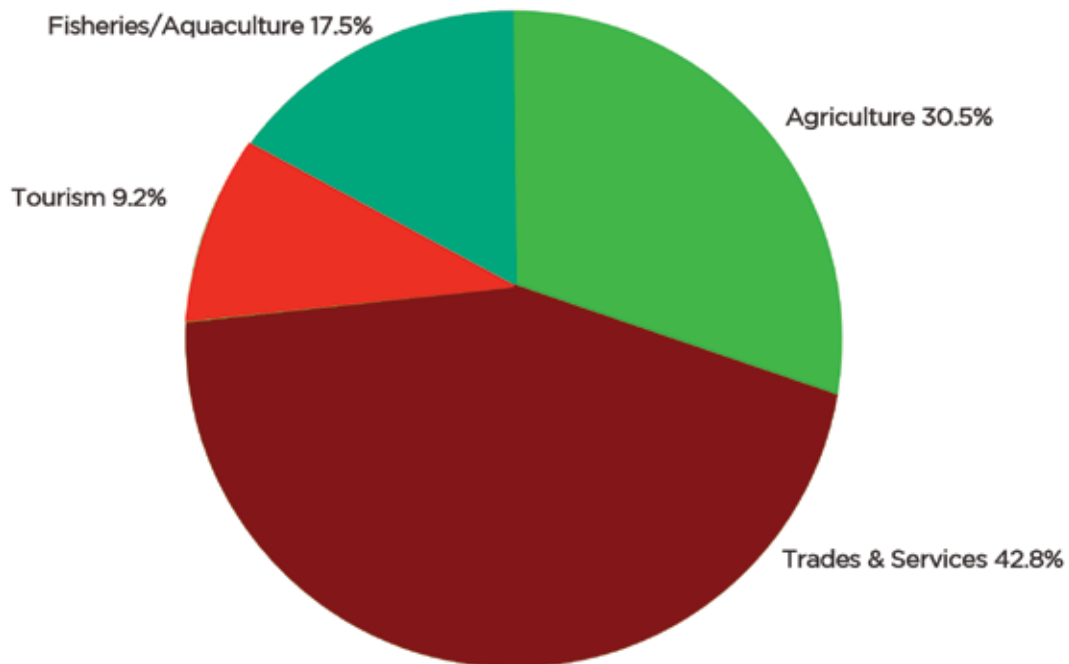
Financial Benefits to members by Economy Size -2013



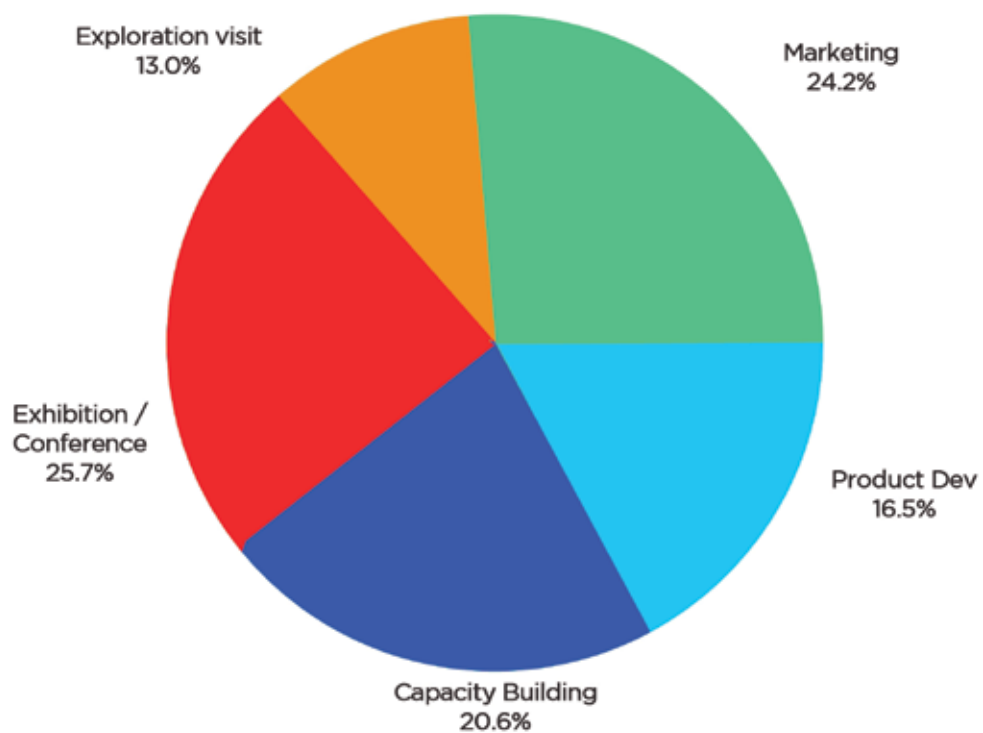
BDF Recipients by Country



BDF Recipients by Industry



BDF Recipients by purpose





PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION

FINANCIAL STATEMENTS

31 DECEMBER 2013

PACIFIC ISLANDS FINANCIAL STATEMENTS

PRIVATE SECTOR ORGANISATION 31 DECEMBER 2013

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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 2013, 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:

Paula Taumoepeau – Chair
Klaus Stunzner – Vice Chair (appointed 28 June 2013)
Howard Politini – (appointed 15 January 2013)
Kenneth T. Uyehara
John Leahy
Katarina Tofinga
Avraham Rubin
Bruce Saunders – Alternate Director
Hafiz Dean Khan (Ex – Officio)
Epa Tuioti (Ex-Officio)
Mereia Volavola (Ex-Officio)

2 PRINCIPAL ACTIVITY

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

During the year ended 31 December 2013 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 2013 was \$152,466 (2012: surplus of \$127,089).

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.

DIRECTORS' REPORT continued

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 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.

STATEMENT BY DIRECTORS

Signed in accordance with a resolution of the directors this 2nd day of April 2014.

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 2013,
- (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 2013,
- (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 2013.

Signed in accordance with a resolution of the directors this 2nd day of April 2014.


.....
DIRECTOR


.....
DIRECTOR



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Pacific Islands Private Sector Organisation (the 'Organisation'). The financial statements comprise the balance sheet of the Organisation as at 31 December 2013 and the statements of income and expenses and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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 International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) 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.

Auditor's Responsibility

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 about 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 of financial statements that give a true and fair view 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.

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Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS for SMEs.

Report on Other Legal and Regulatory Requirements

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 Company'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 its Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

2 April 2014
Suva, Fiji

PricewaterhouseCoopers
PricewaterhouseCoopers
Chartered Accountants

Statement of Income and Expenses for the year ended 31 December 2013

	Notes	2013 \$	2012 \$
Grant revenue	12	861,729	1,434,840
In-kind contributions – without cash in-flow	13	71,988	62,757
Other income	14	62,177	53,732
		995,894	1,551,329
Salaries and wages	10	(308,887)	(237,986)
Business development grants		(221,552)	(47,841)
Programmes:			
- NPSO capacity building		(86,501)	(27,142)
- Mentoring program		(27,645)	-
- Sub-regional / regional workshops		(169,245)	(607,924)
- Public/Private sector dialogue		(8,760)	(121,077)
- AGM and business seminar		(149,300)	(125,322)
- Private sector mentoring visits		(32,876)	(39,915)
- Training		(1,136)	(6,562)
- Meetings/workshop attendance		(16,882)	(3,409)
Other expenses		(125,576)	(107,062)
(Deficit)/ surplus for the year	11	(152,466)	127,089
Accumulated surplus at the beginning of the year		492,407	365,318
Accumulated surplus at the end of the year		\$ 339,941	\$492,407

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 9 to 16.

Balance Sheet

for the year ended 31 December, 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash on hand and in bank	3	375,840	497,922
Refundable deposits	4	4,095	4,095
Receivables	5	2,173	414
		382,108	502,431
Non-Current Assets			
Property, plant and equipment	6	12,907	13,201
TOTAL ASSETS		\$395,015	\$515,632
LIABILITIES			
Current Liabilities			
Payables and accruals	7	55,074	15,482
TOTAL LIABILITIES		55,074	15,482
EQUITY			
Accumulated surplus		339,941	492,407
Donor grant reserve	15	-	7,743
TOTAL EQUITY		339,941	500,150
TOTAL LIABILITIES AND EQUITY		\$395,015	\$515,632

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 9 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

Cash Flow Statement

for the year ended 31 December, 2013

Notes

	2013 \$	2012 \$
Cash flows from operating activities		
Membership fees	46,990	64,510
Grants:		
Operating	861,729	1,434,840
Project	(677,647)	(142,999)
Registration fees	2,443	8,562
Other Income	12,743	-
Payments to suppliers	(364,310)	(1,228,576)
Net cash provided by operating activities	(118,052)	136,336
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,030)	(7,411)
Net cash used in investing activities	(4,030)	(7,411)
Net increase/(decrease) in cash and cash equivalents	(122,082)	128,925
Cash and cash equivalents at the beginning of the year	497,922	368,997
Cash and cash equivalents at the end of the year	\$ 375,840	\$497,922

3

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 9 to 16.

Notes to and forming part of the Financial Statement

For the Year Ended 31 Dec, 2013

1 GENERAL

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

The company 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 2nd April, 2014.

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 company will not be able to collect all amounts due according to the original terms of the receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 company's functional currency.

Notes to and forming part of the Financial Statement

Continued For the Year Ended 31 Dec, 2013

(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.

2.5 Plant and equipment

The company 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 company 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 company for furniture, fittings and equipment are 25% - 33% per annum.

2.6 Provisions

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

Notes to and forming part of the Financial Statement

Continued For the Year Ended 31 Dec, 2013

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:

	2013 \$	2012 \$
Cash at bank	375,640	497,722
Petty Cash	200	200
	\$375,840	\$497,922

4 REFUNDABLE DEPOSITS

	2013 \$	2012 \$
Rental bond	2,995	2,995
Others	1,100	1,100
	\$4,095	\$4,095

5 RECEIVABLES

	2013 \$	2012 \$
Subscriptions	1,002	-
Less: Provision for doubtful debts for the following	-	-
Net Subscriptions	1,002	-
Other debtors	1,171	414
	\$2,173	\$414

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 (\$)
Cost	19,393	13,871	33,264
Accumulated depreciation	(13,376)	(6,981)	(20,357)
Carrying Amount	\$ 6,017	\$ 6,890	\$ 12,907
Carrying Amount			
At 31 December 2012	7,119	6,082	13,201
Additions	3,430	2,251	5,681
Depreciation charge	(4,532)	(1,443)	(5,975)
Disposals	-	-	-
At 31 December 2013	\$6,017	\$6,890	\$12,907

7 PAYABLES AND ACCRUALS

Membership fees received in advance
Accruals and other payables
Provision for annual leave
Amount owed to Trade Pasifika

2013 \$	2012 \$
918	2,019
22,997	13,463
4,655	-
26,504	-
\$55,074	\$15,482

8 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2013 (2012: Nil).

9 COMMITMENTS

The company leases an office space under a cancellable operating lease agreement at an annual rental of \$2,440 VEP. The lease term is for 3 years expiring on 30th June 2014. The lease agreement is renewable at the end of the lease period at market rate.

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

10 SALARIES AND WAGES

Salaries and wages
Fiji National Provident Fund

2013 \$	2012 \$
285,904	219,883
22,983	18,103
\$308,887	\$237,986

11 (DEFICIT)/ SURPLUS FROM OPERATIONS

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

Reversal of / (provision for) doubtful debts
Audit fees
Debts written off

2013 \$	2012 \$
-	7,515
5,916	8,663
-	6,021

12 GRANTS

	2013 \$	2012 \$
Australian Agency for International Development		
- Pacific Leadership Program	415,581	1,240,239
Government of Japan	164,714	142,999
University of Adelaide	106,457	-
Pacific Islands Forum Secretariat		
- PITAP	-	22,748
Pacific Cooperation Foundation	29,307	28,854
Secretariat of the South Pacific Community	7,743	-
United Nations Development Program		
- Sub-regional workshops	137,927	-
	\$861,729	\$1,434,840

13 IN-KIND CONTRIBUTIONS WITHOUT CASH IN-FLOW

	2013 \$	2012 \$
Pacific Islands Forum Secretariat		
- Pacific Integration Technical Assistance Program	71,988	62,757
	\$71,988	\$62,757

During the year PIPSO also partnered with a number of regional and national organisations on several projects as follows:

(i) PCF – Marketing & Quality Assurance

PIPSO in collaboration with PCF embarked on a project to develop a training toolkit to assist Pacific Island businesses with their marketing requirements and meeting quality assurance levels to be able to export into overseas markets.

(ii) OCO – Oceania Customs Organisation

PIPSO together with OCO and the Office of the Chief Trade Adviser (OCTA) conducted a series of workshops on a number of Pacific Island countries on rules of origins on various trade agreements and customs requirements.

13 IN-KIND CONTRIBUTIONS WITHOUT CASH IN-FLOW - continued

- (iii) SPC-IACT
 PIPSO collaborated with SPC- IACT to provide marketing and quality assurance training to companies in Tonga. Also four companies undergo gap analysis by a Technical Consultant which was co-sponsored by PIPSO and SPC-IACT.
- (iv) Investment Fiji
 Together with Investment Fiji, PIPSO conducted training in Labasa on quality assurance and Marketing to a number of SMEs.

14 OTHER INCOME

The breakdown of other income is as follows:

Membership fees
 Registration fees
 Other income

2013 \$	2012 \$
46,990	45,170
2,443	8,562
12,744	-
\$62,177	\$53,732

14 OTHER INCOME - continued

Membership fee comprises of the following:

Tonga
Marshall Islands
Kiribati
Cook Islands
Nauru
Papua New Guinea
Samoa
Tuvalu
Niue
Fiji
Solomon Islands
Palau
Federated States of Micronesia
Vanuatu
Associates & Affiliates
- Pacific Cooperation Foundation
- Learn Fast NZ
- Fiji Export Council
- Australia Pacific Islands Business Council
- NZ Business Mentors
- Pacific Tuna Association
- Oceanic Communications
- Pacific Islands Small Business Development Centre Network

2013 \$	2012 \$
3,000	3,000
1,000	1,000
1,000	1,000
1,000	1,000
1,000	1,000
10,000	10,000
3,000	3,000
1,000	1,000
1,000	1,000
10,000	10,000
3,000	3,000
1,000	1,000
1,000	1,000
3,000	3,000
1,000	1,015
1,000	171
1,000	1,000
1,000	1,015
1,000	1,015
990	-
1,000	-
-	954
\$46,990	\$45,170

15 DONOR GRANT RESERVE

The movement of donor grant reserve is as follow:

Balance at the beginning of the year
Amount transferred to operating results

Balance at the end of the year

2013 \$	2012 \$
7,743	7,743
(7,743)	-
\$ -	\$7,743

The donor grant reserve represents funds received from the Secretariat of the Pacific Community for the implementation of the Pacific Regional Strategy Implementation Plan on HIV & AIDS. The fund was transferred to operating results as approved by the board.



**PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION
DISCLAIMER ON UNAUDITED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013**

The additional unaudited supplementary information presented on page 18 is compiled by the Board of Pacific Islands Private Sector Organisation. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

We advise that neither the firm nor any member or employee of the firm accepts any responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

2 April 2014
Suva, Fiji

PricewaterhouseCoopers
PricewaterhouseCoopers
Chartered Accountants

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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Income

Grant revenue
In-kind contributions – without cash in-flow
Membership fees
Registration fees
Other income

2013 \$	2012 \$
861,729	1,434,840
71,988	62,757
46,990	45,170
2,443	8,562
12,744	-
995,894	1,551,329

Expenses

Advertising
Annual leave
Audit fees
Reversal of / (Provision for) doubtful debts
Debt written off
Bank fees and charges
Depreciation
Business development grants
Programmes:
- NPSO capacity building
- Mentoring program
- Sub-regional / regional workshops
- Public/Private sector dialogue
- AGM and business seminar
- Private sector mentoring visits
- Training
- Meetings/workshop attendance
Office expenses
Salaries and wages

(1,168)	-
(4,655)	-
(5,916)	(8,663)
-	7,515
-	(6,021)
(792)	(865)
(5,975)	(6,335)
(221,552)	(147,841)
(86,501)	(27,142)
(27,645)	-
(169,245)	(607,924)
(8,760)	(121,077)
(149,300)	(125,322)
(32,876)	(39,915)
(1,136)	(6,562)
(16,882)	(3,409)
(107,070)	(92,693)
(308,887)	(237,986)
(\$1,148,360)	(\$1,424,240)
(\$152,466)	\$127,089

(Deficit)/ surplus for the year

