



Pacific Horticultural and Agricultural Market Access Program (PHAMA)

Quarterly Exception Report #1

30 JUNE 2011

Prepared for
AusAID

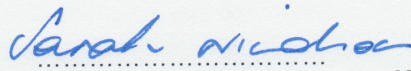
255 London Circuit
Canberra
ACT 2601
AUSTRALIA

42444103

URS

KALANG

Project Manager:



Sarah Nicolson

URS Australia Pty Ltd

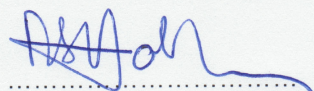
Level 4, 70 Light Square
Adelaide SA 5000
Australia

T: 61 8 8366 1000
F: 61 8 8366 1001

Project Director:


Robert K Ingram

Author:


Richard Holloway
Team Leader

Date: 30 June 2011
Reference: 42444103
Status: FINAL

© Document copyright URS Australia Pty Limited.

This report is submitted on the basis that it remains commercial-in-confidence. The contents of this report are and remain the intellectual property of URS and are not to be provided or disclosed to third parties without the prior written consent of URS. No use of the contents, concepts, designs, drawings, specifications, plans etc. included in this report is permitted unless and until they are the subject of a written contract between URS Australia and the addressee of this report. URS Australia accepts no liability of any kind for any unauthorised use of the contents of this report and URS reserves the right to seek compensation for any such unauthorised use.

Document delivery

URS Australia provides this document in either printed format, electronic format or both. URS considers the printed version to be binding. The electronic format is provided for the client's convenience and URS requests that the client ensures the integrity of this electronic information is maintained. Storage of this electronic information should at a minimum comply with the requirements of the Commonwealth Electronic Transactions Act 2000.

Where an electronic only version is provided to the client, a signed hard copy of this document is held on file by URS and a copy will be provided if requested.

Table of Contents

1	Introduction	1
2	Progress over the Period	2
2.1	MAWG Development and Operations (Component 1)	2
2.2	Market Access Development Activities (Components 1–3)	2
2.3	Regional Support Services – SPC (Component 4)	3
2.4	Program Management and Coordination	3
3	Issues	4
3.1	SPC-Component 4	4
3.2	Reporting Schedule	4
3.3	M&E	4
3.4	Under-expenditure	4
4	Limitations	5

Tables

Table 3-1	Revised reporting schedule	4
-----------	----------------------------------	---

Appendices

Appendix A	2010–11 Market Access Activities
Appendix B	2011–12 Market Access Activities
Appendix C	“Help Desk” Support provided by the PMO in response to miscellaneous Market Access and Quarantine enquiries

Abbreviations

Abbreviation	Description
AQIS	Australian Quarantine Inspection Service
ASP	Annual Strategic Plan
AusAID	Australian Agency for International Development
BATS	Biosecurity and Trade Services Team (of SPC)
LTA	Long Term Adviser
M&E	Monitoring and Evaluation
MA	Market Access
MAWG	Market Access Working Group
MC	Managing Contractor
MES	Monitoring and Evaluation Specialist
NMAC	National Market Access Coordinator
PCC	Program Coordinating Committee
PHAMA	Pacific Horticultural and Agricultural Market Access Program
PMAS	Principle Market Access Specialist
PMO	Program Management Office
QBS	Quarantine/ Biosecurity Specialist
QER	Quarterly Exception Report
SPC	Secretariat of the Pacific Community
STA	Short Term Adviser

Introduction

The Quarterly Exception Reports (QERs) are intended to provide a mechanism for brief reporting of Program progress, major achievements and issues. The Contract requires that four of these reports are provided per year, at the end of each quarter. Taking into account the requirement for Annual Strategic Plans (ASPs) and 6-Month Progress Reports, both of which provide a mechanism for reporting progress and issues, this is likely to result in a degree of duplicate reporting.

The Managing Contractor (MC) has submitted a revised planning/reporting/review schedule to AusAID for consideration that better aligns the timing of the various planning/reporting/review events and aims to reduce duplication.

Pending approval of this revised schedule by AusAID¹, this first QER has been prepared covering the period from Program start-up through to 30 June 2011. The desirability of rationalising the reporting schedule is underscored by the fact that the first ASP was also submitted on 30 June (the same date as this first QER); and will be closely followed by the first 6-Month Progress Report on 31 July.

The Contract for implementation of PHAMA Components 1–3 was signed by URS on 20 January 2011, although mobilisation of the core Team to the Program Management Office (PMO) in Suva did not occur until 01 May due to delay in finalising the Subsidiary Agreement between the Governments of Australia and Fiji. A bridging 3-Month Plan was enacted to guide operations from 01 April through to 30 June. Despite the delayed start-up, considerable progress has been made over the bridging 3-Month Plan period and implementation of Components 1–3 is now largely back on track.

The 'Exchange of Letters' between AusAID and SPC for implementation of Component 4 took place in April 2010, with the first tranche of funds being disbursed in June. Implementation has been frustrated by slow recruitment of key staff. It should also be noted that, with the recent cessation of various other funding streams, PHAMA is now the major source of operational funding available to support the work of SPC's Biosecurity and Trade Services Team (BATS), which has primary responsibility for implementation of Component 4. Within the limitations imposed by these issues, background work has continued over the past year in a number of the core areas identified in the Component 4 design, but significant operational issues remain.

¹ See section 3 for further detail.

Progress over the Period

2.1 MAWG Development and Operations (Component 1)

- Market Access Working Groups (MAWGs) have now been established in all countries, with agreed membership. Chair and Vice-Chair/Co-Chair positions have also been agreed, and written 'Service Charters', adapted to the particular needs of each country, developed.
- Functional capacity, encompassing meeting management skills, record-keeping skills, development of key communication and coordination roles, and ability to canvass and assimilate the broad range of information required to make sensible decisions on market access (MA) issues is generally satisfactory at this early stage of development.
- Meeting proceedings and outcomes are being fully minuted, facilitated by the National Market Access Coordinators (NMACs) with back-up support from the long term advisers (LTAs) as required.
- The role and function of the MAWGs is in the process of being formally endorsed by Government in all countries. The level of endorsement varies between countries, ranging from Cabinet endorsement to Ministerial endorsement to endorsement by the Permanent Heads of the various Ministries involved. Endorsement has already been finalised for four of the five countries under PHAMA.
- A 1st round of MAWG meetings was held over the period 13 February to 19 April to identify preliminary MA priorities where work could commence over the period of the bridging 3-Month Plan.
- A 2nd round of MAWG meetings was held over the period 17 May to 15 June to consider the outcomes from the various scoping studies that were completed under the bridging 3-Month Plan and to define key priorities to be addressed under the 2011–12 ASP.

2.2 Market Access Development Activities (Components 1–3)

- From the 1st round of MAWG meetings, 10 priority MA issues were identified (Fiji (2 activities); Samoa (1); Solomon Islands (2); Tonga (2); Vanuatu (2); and Regional (1) (refer Appendix 1).
- Preliminary scoping studies have been completed and reported by short term advisers (STAs) across these preliminary priority areas, and have been used by the MAWGs to inform their selection of MA activities to be supported under the 2011–12 ASP (PHAMA Technical Reports 1–10).
- From the 2nd round of MAWG meetings, a total of 39 MA development activities have been identified for support over the 2011–12 year (Fiji (10 activities); Samoa (9); Solomon Islands (5); Tonga (6); Vanuatu (5); and Regional (4)) (refer Appendix 2). Some of these activities flow from the recommendations of the initial scoping studies completed under the bridging 3-Month Plan. Others are completely new activities that have been identified and prioritised by the MAWGs during their 2nd round of meetings. Many of the proposed activities involve formal collaboration with other programs and projects.
- Work has commenced on development of a Market Access Database, consolidating summary information for each country on the products that can already be exported to various markets, and under what conditions. The objective is to make this information far more accessible to users, providing a 'quick link' to import conditions for a wide range of products into Australia, NZ and other key markets.

- Discussions have commenced with AQIS to address anomalies in specified import conditions within and between countries for various products, being progressively identified through the database development activity.
- The PMO is actively involved in responding to a wide range of miscellaneous MA and quarantine-related enquiries from exporting and importing country regulatory authorities and exporters (see Appendix 3 for examples). Managing these 'background' enquiries forms a significant background workload for the PMAS and QBS.

2.3 Regional Support Services – SPC (Component 4)

- The PHAMA-funded Entomologist position was appointed in April but resigned after a month.
- Three of the five PHAMA-funded technician positions have been appointed (or transferred across to PHAMA funding from other SPC-managed activities), including the Information/ Helpdesk Technician (PHAMA-funded from May 2011), the Animal Health Information Technician (from June 2011), and the Trade Statistics Database Technician (from June 2011).
- Within the limitations imposed by the above issues, some background work has continued in a number of the areas for which PHAMA-funding is being provided, guided by the two BATS staff that are core-funded by SPC (the BATS Coordinator and the Biosecurity and Trade Facilitation Officer).

2.4 Program Management and Coordination

- The TOR and membership of the Program Coordinating Committee (PCC) have been finalised. The first meeting of the PCC, to review and endorse the 2011–12 ASP will be held in Suva on 15 July 2011.
- The Inception Report, the bridging 3-Month Plan and 2011–12 ASP have all be completed on schedule and submitted to AusAID.
- The PHAMA team finally mobilised to Suva on 01 May, some 3 months after signing of the Contract. The PMO is now fully operational: (i) office space has been refurbished, furnished and equipped; (ii) internet and telecommunication services have been established across the Program, including registration of the <phama.com.au> domain name with linked email addresses; (iii) local staff (the Procurement/Finance Officer and the Administration Officer) have been recruited and have received start-up training; (iv) the PHAMA Operations Manual, Financial Management Handbook, Risk Management Plan, and the Communications and Media Strategy have been finalised and approved by AusAID; (v) all major office financial control, management and administration systems and functions have been established; and (vi) systems for identifying, tasking, recruiting and managing STAs have been established.
- All five NMACs have been contracted and mobilised, and Country Offices have been established including basic fit-out and establishment of internet and telecommunication services.
- A formal one-week induction course will be held in Suva in early July, attended by all NMACs.
- The 3-month end-of-probation assessment is in the process of being completed for all NMACs.
- Reasonably strong communication and coordination links have been established with AusAID Posts, the MAWGs, importing country regulatory authorities (at this stage focussed on Australia and NZ); SPC; and other programs and projects.
- Highly successful Program 'launches' have been held in Tonga, Samoa and the Solomon Islands officiated by government Ministers and the Australian High Commissioner or Acting High Commissioner. All launches have attracted considerable media coverage.
- Basic promotional materials have been developed (brochure/banners/signage/ press releases etc).

Issues

3.1 SPC-Component 4

Slow recruitment of staff for Component 4 by SPC, delayed mobilisation of the Component 1–3 Team to Suva, plus reduced operational funding for BATS from non-PHAMA sources have combined to result in a slow start for Component 4. Current Component 4 activities lack cohesion and strategic direction. The PMO will be making particular efforts in coming months to try and work with BATS to improve the overall direction of Component 4.

3.2 Reporting Schedule

The MC has submitted a revised planning/reporting/review schedule to AusAID for consideration (see below). This revised schedule is intended to improve the alignment of various planning/reporting/review events and aims to reduce duplication. A response on this proposal is pending.

Table 3-1 Revised reporting schedule

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ASPs						XX						
6-Month Reports						XX						XX
Qtrly Exception Reports			XX						XX			
PCC Meeting						XX						XX

3.3 M&E

Due to the delayed start-up, compounded by a family bereavement for the Monitoring and Evaluation Specialist (MES) immediately prior to the start of his first input in mid-May, finalisation and implementation of the M&E Framework is well behind schedule. The M&E program has been rescheduled to bring M&E activities back on track as rapidly as possible, with the first input by the MES now due to commence on July 10.

3.4 Under-expenditure

Due largely to the delayed start-up, the Program was significantly underspent over the first 6 months (Jan to June 2011). The Program is confident that remaining funds from Year 1 will be required by CO operations and activities in future years.

Limitations

URS Corporation Pty Ltd (URS) has prepared this report in accordance with the usual care and thoroughness of the consulting profession for the use of AusAID and only those third parties who have been authorised in writing by URS to rely on the report. It is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this report. It is prepared in accordance with the scope of work and for the purpose outlined in the Contract dated 20 January 2011.

The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

This report was prepared during June 2011 and is based on the conditions encountered and information reviewed at the time of preparation. URS disclaims responsibility for any changes that may have occurred after this time.

This report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties.

Appendix A

Appendix A 2010–11 Market Access Activities

Activity Ref	Country	Activity Title
FIJI01	Fiji	Investigation of taro export issues to Australia and NZ
FIJI02	Fiji	Investigation of potential ginger export issues to Australia
SAMOA01	Samoa	Investigation of taro export issues to Australia and NZ
SOLS01	Solomon Islands	Review of diagnostic requirements to ascertain cocoa and copra meal quality standards
SOLS02	Solomon Islands	Investigation of market access implications and costs associated with managing Giant African Snail
TONGA01	Tonga	Feasibility study to determine the suitability of 'winter window' export conditions for watermelons to NZ
TONGA02	Tonga	Feasibility study of using dimethoate dip treatment to facilitate the export of fruit fly host products to Fiji
VAN01	Vanuatu	Review of diagnostic requirements to service various value-added industries
VAN02	Vanuatu	Investigation of the viability of the high temperature forced air (HTFA) facility as a treatment option for the export of fruit fly host products to NZ
REGIONAL02	Regional	Compilation of a response to Biosecurity Australia's (BAs) draft Pest Risk Analysis (PRA) on taro imports from all countries

Appendix B

Appendix B 2011–12 Market Access Activities

Activity Ref	Country	Activity Title
FIJI03	Fiji	Investigation of market acceptability of Fiji TLB-resistant taro varieties in Australia and/or NZ.
FIJI04	Fiji	Clarification of the quarantine status of nematodes associated with taro imports.
FIJI05	Fiji	Development of and training on taro production and packhouse standards.
FIJI06	Fiji	Substantiation of Australia's requirement for devitalisation of taro imports.
FIJI07	Fiji	Scoping study to develop options for the management of a new fruit fly species on Rotuma and Vatoa Islands.
FIJI08	Fiji	Progression of new market access requests for papaya and breadfruit to the US.
FIJI09	Fiji	Feasibility studies on eggplant, chilli, breadfruit, jackfruit, gourd/s and pineapple exports to Australia.
FIJI10	Fiji	New market access submissions for products recommended under Activity FIJI09.
FIJI11	Fiji	Eradication of <i>Bactrocera kirki</i> from Rotuma and Vatoa Islands.
FIJI12	Fiji	Trials to confirm fruit fly non-host status for Polynesian plum (Wi).
SAMOA02	Samoa	Determination of the quarantine status of nematodes on Samoan taro exports to (linked to FIJI04).
SAMOA03	Samoa	Promotion of new Samoan taro varieties in NZ.
SAMOA04	Samoa	Assessment of the profitability of taro exports to Australia.
SAMOA05	Samoa	Development of an alternative to the 'area freedom' approach for managing TLB on exports of taro to Australia.
SAMOA06	Samoa	Development of a risk management measure for mites on organic banana exports to NZ.
SAMOA07	Samoa	Development of a risk management measure for mites, mealy bugs and scales on lime exports to NZ.
SAMOA08	Samoa	Assistance with regulatory requirements associated with re-establishing beef and meat product exports to American Samoa.
SAMOA09	Samoa	Reaccreditation of copra meal export processing and handling facilities in Samoa.
SAMOA10	Samoa	Export of personal consignments of heat-treated breadfruit to NZ.
SOLS03	Solomon Islands	Implementation of the Australian Fumigation Accreditation Scheme.
SOLS04	Solomon Islands	Review of the potential for cut flower and foliage exports to Australia.
SOLS05	Solomon Islands	Reaccreditation of copra meal and PKE export processing and handling facilities in Solomon Islands.
SOLS06	Solomon Islands	Development of national quality standards for the production and testing of cocoa to meet international market requirements.
SOLS07	Solomon Islands	Scoping study to determine the viability of fresh F&V exports from the Solomon Islands to nearby PICs including the Kiribati, Nauru, and Marshall Islands.
TONGA03 (i)	Tonga	Review of the watermelon export pathway to NZ, including the delivery of fumigation prior to export.
TONGA03 (ii)	Tonga	Review of the watermelon pathway to NZ, including the delivery of fumigation prior to export.

Appendix B

Activity Ref	Country	Activity Title
TONGA04	Tonga	Development of a submission on a 'winter window' approach to managing fruit flies on watermelon (and possibly other) exports to NZ.
TONGA05	Tonga	Development of a 'new access' submission for the export of zucchinis and selected other crops (to be identified) to NZ.
TONGA06	Tonga	Purchase of generator/s as back-up power for Tonga's fumigation facility.
TONGA07	Tonga	Facilitation of meetings to investigate Tonga-sea freight issues.
VAN03	Vanuatu	Establishment of diagnostic services for value-added products.
VAN04	Vanuatu	Development of HACCP Plans for key export industries.
VAN05	Vanuatu	Training of additional meat inspectors to certify beef export processing facilities.
VAN06	Vanuatu	Feasibility study on the establishment of a facility for drying fruits and vegetables for export.
VAN07	Vanuatu	Re-accreditation of BSE free status for Vanuatu beef to Australia.
REGIONAL 01	Regional	Market access database development.
REGIONAL 03	Regional	Initiation of a regional strategy towards managing quarantine and MA issues.
REGIONAL 04	Regional	Funding for bilateral market access negotiations with trading partners.
REGIONAL 05	Regional	Review of quarantine issues surrounding trade in handicraft products.

Appendix C

Appendix C “Help Desk” Support provided by the PMO in response to miscellaneous Market Access and Quarantine enquiries

1. Aug 2010; Export enquiry for heliconia and ginger cut flowers from Fiji into Australia by an Australian importer (resolved – requirements communicated).
2. Nov/Dec 2010; Symptoms of papaya crown rot (*Erwinia papayae*) reported in Fiji. The Australian papaya industry learned of this and informed Biosecurity Australia (BA) of the report. Papaya crown rot is a quarantine pest for Australia and is seed transmitted. BA visited Fiji and inspected for symptoms. (resolved – PHAMA facilitated discussion between BAF, industry and BA, and the sending of samples to CABI, London, for diagnosis. No papaya crown rot was found, thereby preventing the closure of the export pathway for papaya from Fiji to Australia indefinitely).
3. Feb 2011; Taro cleaner export pathway ACIAR project, workshop in Suva with BA and PHAMA attendance (facilitation and project coordination).
4. Feb 2011; Export enquiry for samples of cocoa seed to be sent from Solomon Islands to Australia for laboratory (i.e. quality) testing by Solomon Island cocoa development project manager (resolved – import facilitated).
5. Mar 2011; Provision of advice to Grower's Federation in Tonga that growers wanting to export watermelons to NZ need to be registered before the export season commences. No registration had yet been received by MAFF NZ at that stage. (Advice and subsequent action saved the 2011 water melon season from potential disaster – resolved).
6. May 2011; Vanuatu exporter enquiry for peppercorns to New Zealand (resolved – requirements communicated).
7. May 2011; letter on behalf of SIMAWG Chair requesting help for imminent copra meal permit renewal, subject to audit by BA (resulted in a PHAMA emergency measure project).
8. May 2011; Tonga exporter enquiry for green coffee bean to New Zealand (resolved – requirements communicated).
9. May 2011; Tonga exporter enquiry for frozen food stuffs to New Zealand (resolved – requirements communicated).
10. May 2011; assistance provided to Vanuatu DLQS with the shipment of organic horticultural produce to a trade show in NZ in September 11 (resolved – contacts facilitated).
11. Jun 2011; letter on behalf of VMAWG Chair to Vanuatu DLQS Ministry regarding BSE re-accreditation for beef into the Australian market (resulted in a PHAMA emergency measure project).
12. Jun 2011; facilitation of the quarantine clearance of a commercial taro consignment held on the wharf in Sydney (resolved – consignment released from quarantine).
13. Jun 2011; facilitation of the quarantine clearance of a commercial mixed root crop consignment held on the wharf in Sydney (resolved, consignment released from quarantine. Incident also resulted in PHAMA facilitating BAF to write a letter to AQIS requesting better communication).
14. Jun 2011; facilitation of various commodity imports from Pacific Islands to the Fine Food Fair, Sydney, on request by Pacific Island exporters and PITI (resolved – requirements and contacts communicated).
15. Jun 2011; request by exporters in Fiji for import conditions for cut flowers and foliage into Australia and New Zealand (resolved – requirements communicated).

Appendix C

- 16.Jun 2011; request by exporters in Fiji for import conditions and likely risk mitigation measures for fresh bananas into Australia (resolved – requirements communicated).
- 17.Jun 2011; export enquiry for fresh seafood as personal consignments from Tonga to Australia and New Zealand (resolved – requirements communicated).
- 18.Jun 2011; export enquiry for containerised sawn, green timber to New Zealand resolved – requirements communicated).
- 19.Jun 2011; Letter facilitated from BAF to AQIS requesting better communication from AQIS on quarantine issues, specifically in regard to interceptions (letter written and forwarded to BAF who sent it to AQIS – resolved, but issue of improved communication management ongoing).
- 20.June 2011; Industry request for fruitfly conditions for fresh pineapples from Fiji to NZ (resolved – requirements communicated).
- 21.June 2011; Samoan exporter request for import conditions for various flour types to Australia (resolved – requirements communicated).



URS Australia Pty Ltd
Level 4, 70 Light Square
Adelaide SA 5000
Australia

T: 61 8 8366 1000

F: 61 8 8366 1001

www.ap.urscorp.com