TENTH FAO ROUND TABLE MEETING FOR PACIFIC ISLAND COUNTRIES ON WTO AND REGIONAL TRADE AGREEMENTS AND PROVISIONS

Wellington, New Zealand, 17- 21 September 2007

REPORT

FAO Subregional Office for the Pacific Islands
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LIST OF ACRONYMS

ACP   African, Caribbean and Pacific
AFT   Aid for Trade
AMS   Aggregate Measure of Supply
AoA   Agreement on Agriculture
ASEAN Association of Southeast Asian Nations
ASYCUDA Automated System for Customs Data
BQA   Bilateral Quarantine Agreements
CITES Convention on International Trade of Endangered Species
DDR   Doha Development Round
DSAP  Development of Sustainable Agriculture in the Pacific
DSB   Dispute Settlement Body
DWFNs Distant Water Fishing Nations
EC    European Commission
EPA   Economic Partnership Agreement
EU    European Union
EEZ   Exclusive Economic Zone
FAO   Food and Agriculture Organisation of the United Nations
FFA   Forum Fisheries Agency
FIA   Foreign Investment Agency
FICs  Forum Island Countries
FPA   Fisheries Partnership Agreement
FSM   Federated States of Micronesia
FTAANZ Fair Trade Association of Australia/New Zealand
FTMM  Foreign Trade Ministers Meeting
FT    Fair Trade
FTAs  Fair Trade Agreements
GATT  General Agreement on Tariffs and Trade
GATS  General Agreement on Trade in Services
GSP   Generalized System of Preferences
HACCP Hazard Analysis and Critical Control Point
ICTSD International Centre for Trade & Sustainable Development
IF    Integrated Framework
IFAD  International Fund for Agricultural Development
IFOAM International Federation of Organic Agriculture Movement
IPPC  International Plant Protection Convention
ISO   International Standard Organization
IUU   Illegal, Unreported, Unregulated
LDCs  Least Developed Countries
MAC   Marine Aquarium Council
MFN   Most Favoured Nation
MSC   Marine Stewardship Council
MSG   Melanesian Spearhead Group
NAMA  Non-Agriculture Market Access
NFA   National Fisheries Authority
NGO   Non-Governmental Organization
NIOFA Niue Island Organic Farmers Association
NPPO  National Plant Protection Organization
NZFSA New Zealand Food Safety Authority
NZMFAT  New Zealand Ministry of Foreign Affairs and Trade
NZMAF  New Zealand Ministry of Agriculture and Forestry
OA    Organic Agriculture
OCO   Oceania Customs Organisation
OIE   World Organisation for Animal Health
PACER Pacific Agreement on Closer Economic Relations
PACP  Pacific ACP
PICs  Pacific Island Countries
PICTA Pacific Island Countries’ Trade Agreement
PIFS  Pacific Island Forum Secretariat
PIOCMP Pacific Island Offshore Container Management Programme
PITIC Pacific Islands Trade and Investment Commission
PPPO  Pacific Plant Protection Organisation
PRA   Pest Risk Analysis
PTA   Preferential Trading Arrangement
RMI   Republic of the Marshall Islands
ROO   Rules of Origin
RPFS  Regional Programme on Food Security
RPPOs Regional Plant Protection Organizations
RTFP  Regional Trade Facilitation Programme
RTAs  Regional Trade Agreements
SAPA  FAO Sub-Regional Office for the Pacific Islands
SDT   Special and Differential Treatment
SIDS  Small Island Developing States
SPARTECA South Pacific Regional Trade and Economic Cooperation Agreement
SPC   Secretariat of the Pacific Community
SPS   Sanitary and Phytosanitary
SPs   Special Products
SRR   FAO Subregional Representative
SSM   Special Safeguard Mechanism
SVEs  Small and Vulnerable Economies
SWPM  South West Pacific Ministers
TBT   Technical Barriers to Trade
TEFA  Tonga Export Fisheries Association
TRIPs Trade Related Intellectual Property Rights
VSM   Vessel Monitoring System
WCPFC Western and Central Pacific Fisheries Commission
WHO   World Health Organization
WIBDI Women in Business and Development, Inc.
WP    Working Party
WTO   World Trade Organization
The Tenth Round Table Meeting for Pacific Island Countries (RTM) on WTO and Regional Trade Agreements and Provisions was held at the Kingsgate Portland Hotel in Wellington, New Zealand, 17-21 September 2007. The meeting was attended by participants from the Cook Islands, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea (PNG), Samoa, Tonga, Tuvalu and Vanuatu. Resource persons and speakers for the meeting were provided by the Food and Agriculture Organisation of the United Nations (FAO), the Government of New Zealand, the International Fund for Agricultural Development (IFAD), the International Centre for Trade and Sustainable Development (ICTSD), the Pacific Islands Forum Fisheries Agency (FFA), the Pacific Islands Forum Secretariat (PIFS) and its Auckland-based Pacific Islands Trade and Investment Commission (PITIC), and the Secretariat of the Pacific Community (SPC). Representatives of the European Union (EU) and the Government of Italy also attended. The full list of participants and resource persons is attached as Annex 1.

OFFICIAL OPENING

2 A brief ceremony was held to mark the opening of the Tenth RTM. Vili A. Fuavao, FAO Subregional Representative for the Pacific Islands (SRR), delivered a short welcome address.

3 Mr Fuavao recalled the RTM series as the response to the call by PICs for an independent forum to exchange information and build capacity on WTO, particularly focussing on the Agreement on Agriculture (AoA) and related agreements. He added that the agenda of the RTMs have progressively adapted, as a reflection of a rapidly changing trade system, and has since expanded to include the Regional Trade Agreements (RTAs). He noted that FAO would continue to convene the RTM as long as it is shown to be effective in providing the necessary capacity building for the Pacific. He further stated that the recently held seventh meeting of FAO South West Pacific Ministers for Agriculture (SWPM) held in May 2007 expressed appreciation for the outcomes of the RTM series and urged that this capacity-building exercise continues. Full text of the welcome address is attached as annex 2.

4 In her opening statement, Her Excellency Liana Marolla, Ambassador of Italy to New Zealand, noted that Italy is looking with special attention to the South Pacific region and to issues relating to small island countries. As such, Italy has upgraded its political profile in the region and strengthened its collaboration with international organisations and other countries, the purpose of which is to make an increasing contribution to the economic and social development of the Small Islands Developing States (SIDS) of the Pacific. The Ambassador highlighted that food security and capacity building have traditionally been the priority of the Government of Italy in the region and that it has now also prioritised climate change and clean development mechanisms. She announced that Italy will be attending the Post Forum Dialogue in Tonga in October 2007. The Ambassador noted the results so far of Italy funded programs and projects in the region have been satisfactory. After spending four years in the region, she noted with satisfaction that her commitment to see 'more Italy in the Pacific' has
been realised. In closing, the Ambassador reconfirmed Italy attention to the region through monitoring and evaluating the results of the Regional Programme on Food Security (RPFS) with the objective of expanding and diversifying the programme. Full text of the Ambassador address is attached as annex 3.

5 In delivering the opening address for the meeting, Neil Fraser, Manager, International Liaison of the New Zealand Ministry of Agriculture and Forestry (NZMAF), referred to the meeting of the SWPM held recently in Majuro, where the Ministers acknowledged with appreciation the outcomes of the RTM series and its contribution to enhance the capacities of PICs to deal with agricultural and food trade policies. Mr Fraser believed that capacity-building is the key focus and major strength of the RTM. He briefly outlined some of the activities and negotiations underway at the moment that called on the participants’ knowledge of trade policy, the World Trade Organization (WTO) and RTAs, such as the Doha Development Round (DDR), Pacific Island Countries Trade Agreement (PICTA), Pacific Agreement on Closer Economic Relations (PACER), the Regional Trade Facilitation Programme (RTFP) and the Economic Partnership Agreement (EPA). He was pleased to note that the agenda of the RTM includes fisheries-specific sessions, which highlight the importance of this sector in the region. Full text of the opening address is attached as annex 4.

PLENARY SESSIONS

SESSION 1: INTRODUCTION

Facilitator: Vili A Fuavao, FAO.

6 The agenda of the meeting was adopted and is attached as annex 5.

Recent Developments of the Round-Table Meetings

7 Massimo Diomedi, Associate Agricultural Trade Policy Officer, FAO Subregional Office for the Pacific Islands, provided an overview of the RTM series for PICs. He recalled that at the second meeting of SWPM for Agriculture held in Samoa in 1997, the Ministers requested assistance to assess the implications of the WTO on the PICs agriculture and fisheries sectors. In response, FAO initiated the RTM series, with the first meeting held in 1998, with the aim of enhancing the capacity of PICs to understand and deal with the consequences of multilateral, as well as regional, trade negotiations and agreements on agriculture and fisheries. Mr Diomedi noted that the RTM series has been supported by several international and regional partners, such as IFAD, ICTSD, PIFS, FFA, SPC and PITIC, as well as national governments, such as Italy and New Zealand. In ten years, it has been attended by over 200 PICs delegates from agriculture, fisheries and trade ministries. Private sector representatives have also been invited to participate this year. Evolving throughout the years, the RTM programme included specific parallel sessions dealing with trade and agriculture on one hand, and trade and fisheries on the other. Given an increasing importance of regional trade arrangements, it also included discussions and updates on the status of the PACER, PICTA and the African, Caribbean and Pacific (ACP) and EU EPA.
SESSION 2: WTO DOHA ROUND NEGOTIATIONS

Facilitator: Neil Fraser, NZMAF.

Overview of Negotiations on Agricultural and Non-Agricultural Products and Outlook for the Next Year

8 David Treacher and Roger Dungan, both from the Trade Negotiations Division, New Zealand Ministry of Foreign Affairs and Trade (NZMFAT), presented an overview of the WTO negotiations on Agricultural and Non-Agricultural Market Access (NAMA). The presenters noted the benefits of the WTO, highlighting that the system provides a non-discriminatory rules-based framework for trade negotiations and for setting global trade rules. The WTO Dispute Settlement Body (DSB) also provides a forum for mediation of discriminatory trade practices and is accessible by all WTO members. Messrs Treacher and Dungan reported that due to the failure of WTO members to progress in core areas, the DDR negotiations were suspended in July 2006 but have since resumed recently in Geneva. Greater momentum and energy was injected into the resumed negotiations following the draft modalities papers issued in July 2007 by the Chairs of the Agriculture and NAMA negotiations committees.

9 Mr Dungan noted that the agenda for negotiations in the three pillars of agriculture has been considered to be ambitious: (1) improvements in market access; (2) elimination of export subsidies; and (3) the reduction in domestic support. The proposed tariff cuts are contentious, with the ranges of coefficients for the special tariff cut formula identified as eight to nine percent for developed countries and 19-23 percent for advanced developing countries. The provisions for Special and Differential Treatment (SDT) and other flexibilities for developing countries also feature as core issues in these negotiations.

10 Aleki Sisifa, Director of the Land Resources Division, SPC, raised his concerns about the uncertainty of the Doha Development Round, given the length of time it has taken and the dependence on the US political situation. The presenters highlighted that negotiations take time, especially with 151 member countries all negotiating at the same time. Although the future of the negotiations remains uncertain, it is important to be optimistic as members are now actually getting down to the ‘nuts and bolts’ or details of the negotiations.

11 Ambassador Robert Sisilo, Permanent Representative of the PIFS to the WTO, added that although most PICs are not WTO members, all of their major trading partners are, however, WTO members and therefore bound by WTO rules. These trade rules could impact on PIC economies. He emphasized that it is therefore important for the region to follow the developments in the Doha negotiations, including the draft modalities, particularly on SDT provisions and other flexibilities. He encouraged the PICs and Small and Vulnerable Economies (SVEs) to continue working together with other developing countries.

12 Mr Fraser enquired about the role of China in the whole process. The presenters noted that China, as a recently acceded member, has kept a low profile, especially as it made substantial concessions in its accession. The higher concessions of China had come about because of the perceived risk of Chinese exports into the world markets.
Overview of the Development Dimension and Chapters

13 David Hallam, FAO Trade and Markets Division, presented the development dimensions of the Doha Round. Mr Hallam explained the issues surrounding the evolution of the development dimension of the DDR. He noted that trade has been accepted as having a positive effect in reducing poverty and food insecurity, especially for developing countries. As such, this should be better reflected in the design and implementation of new agreements on further agricultural trade liberalization. The DDR offers the opportunity to achieve equitable trade by inclusion of appropriate mechanisms.

14 Mr Hallam added that the impact of trade liberalisation on individual countries differs depending on country-specific circumstances, such as economic situation, ability to react to international market situation, supporting measures, competitive advantage of a nation, etc. For example, developing countries which are competitive exporters (e.g. sugar, cotton) will become more competitive if their domestic market is liberalised. Developing countries with underdeveloped agricultural sectors will face increased international competition, which can damage rural development policies and compromise productivity. He added that tariff escalation of developed countries discourages value-added exports from developing countries and that developing countries are further disadvantaged by the erosion of preferences, as tariffs are reduced. Tariff revenue is also an important consideration for developing countries.

15 Mr Hallam alluded that the diversity of countries development has given rise to rational behind SDT, which does not work with a ‘one-size-fits-all’ approach: individual countries need to develop their own domestic developmental policies that are compatible with WTO rules. The mechanisms currently discussed under the DDR negotiations to deliver SDT include Special Products (SPs) and Special Safeguard Mechanism (SSM). He also noted that the Aid for Trade (AFT) and the Integrated Framework (IF) address the long term structural problems of developing countries.

16 Frank Fong, Samoa, sought clarification on the timeframe and the triggering mechanism of the SSM. He referred to the temporary surge of imports Samoa experienced recently, as host of the Thirteenth South Pacific Games in August-September 2007. Mr Hallam explained that there is no timeframe for the SSM and that for the mechanism to be triggered, a country needs to prove that an expected surge in level and volume of imports has negatively impacted on the domestic industry (e.g. a sharp drop in domestic prices).

SESSION 3: WTO ACCESSION AND MEMBERSHIP

Facilitator: His Excellency Ambassador Robert Sisilo

17 Ambassador Sisilo provided an overview of the accession process and the experience of acceding countries and WTO members in the region. He noted that the process is governed by Article XII of the Agreement establishing the WTO, according to which any state or customs territory wishing to accede to the WTO can do so on “terms to be agreed between the acceding country and the WTO”. He further noted, however, that there was no general agreement on the “terms” of accession. The terms are negotiated between WTO members and the applicant in each case of accession. Article XII lacks precision in terms of setting the precise operational procedures and does not specify membership criteria for countries wanting to accede. WTO members have been imposing stringent conditions on acceding countries and developing countries, particularly Least Developed Countries (LDCs) find difficult to comply with.
Overview of the Accession Process

18 Brian Smythe, Regional Adviser of the Pacific Division, NZMFAT, presented an overview of the WTO accession process. He highlighted that the process is not spelled out in any WTO provisions except for general terms in Article XII. The accession process negotiations have multilateral and bilateral components. At the multilateral level, a country requesting membership is granted observer status when its initial application is approved by the General Council. A Working Party (WP) is then established, and the acceding country is to submit a Memorandum of Foreign Trade Regime, which focuses on the compatibility with WTO rules. A first WP meeting is scheduled, followed by a process of “questions and answers”, which examines the foreign trade regime of the requesting country. The bilateral discussions, conducted parallel to multilateral negotiations, define acceptable market access and services commitments. Once the accession package is finalized, it is submitted to the General Council for adoption.

19 Mr Smythe acknowledged that the process is lengthy as the WTO rules have become more complex. He encouraged future countries to undertake a needs assessment to determine their capacity to go through the process. He admitted that the difficult process may not be suitable for very small countries, which could perhaps use the WTO rules only as a guide to the development of their respective trade policies. He noted that acceding countries can seek technical assistance from the WTO Secretariat.

Update on Accession to the WTO

Samoa

20 Auelua Samuelu Enari, Samoa Ministry of Foreign Affairs and Trade, shared Samoa experience with its current accession process. Mr Enari noted that Samoa submitted its application for WTO membership in 1998. Working Party was formed and had officially met once, is chaired by Japan and consists of Australia, the USA, New Zealand, Japan, Honduras, the EU and Mexico. The process of “questions and answers” is underway with the draft WP report currently being revised. On the bilateral front, the Dominican Republic had withdrawn its bilateral requests to expedite Samoa accession, while negotiations with China were concluded in May 2007. A bilateral negotiation with New Zealand was also held in Port Vila in August 2007. Mr Enari added that the internal consultations are a challenge in the accession process and stressed the importance of having the relevant data and information to assist in formulating negotiating positions and strategies, as well as the ability to identify the requirements to meet WTO agreements. He confirmed Samoa commitment to be a member of the WTO.

Vanuatu

21 Jeffery Wilfred, Director General, Vanuatu Ministry of Agriculture, explained that the suspension of Vanuatu accession to the WTO was due to excessive commitments required, especially in the audiovisual and telecommunications services sector. He alluded to Vanuatu intention to reconvene negotiations with its six-member WP and is now in the process of revising its accession package. The revision includes a request for an interim period to fully implement the Agreement on Trade Related Aspects Intellectual Property Rights (TRIPs), as well as the payment of its overdue observer fees. Mr Wilfred added that one of Vanuatu
acccession hurdles is the sensitivity of its retail sector, which highlighted that Vanuatu needs time to build the appropriate capacity to become competitive against foreign retailers.

22 Ambassador Sisilo reiterated that the unfairness of the process and the discretion of the WTO members will continue to hinder membership for acceding countries, there being no thresholds or minimum requirements. However, he added that a proposal had been submitted to the WTO to create an accession panel, assigned to administer the process. Mr Smythe explained that it was difficult to assess the fairness of the existing system, and that it would be very complicated to make changes in the WTO now.

23 Mr Enari pointed to the arduous accession process as one of the main reasons discouraging intending countries from joining, a process that the majority of current WTO members did not go through. However, Samoa reform initiatives have improved its prospects for WTO membership.

24 Mr Mataio, Cook Islands Ministry of Agriculture, referred to the FAO comprehensive study for the PICs (analysis of the benefits and costs of WTO membership for PICs on food, agriculture, forestry and fisheries sectors) and noted that his country has not made any commitments so far to join the WTO, as there are other more pressing issues. However, he was concerned that WTO rules will impact on trade policy decisions of the Cook Islands.

25 Ambassador Sisilo highlighted the importance of analyzing the costs and benefits of WTO accession and membership for each country. He noted the need for the PICs to strengthen its presence in Geneva.

Experience of Current Members

Tonga

26 Vika Fusimalohi, Tonga Ministry of Labour, Commerce and Industry, noted that Tonga deposited its instruments of ratification and became the 151st member of WTO. The challenges now faced by the country are the implementation of its commitments. There is need to build capacity in the area of trade policy, but made difficult with increasing staff turnover. She added that resources are further stretched as Tonga is also involved in EPA negotiations. Recent civil unrest and the civil servant salary pay increase had changed the government revenue earning structure. Ms Fusimalohi admitted that Tonga WTO membership was necessary but must be complemented with economic reform.

27 Lakisipone Lamositele Sio, Samoa Farmers Coordinator, raised concern about the quality of imports from Asia into the PICs markets and the lack of policies in place to ensure food quality and safety. He was worried that there are no measures in place to ensure that these products are safe and nutritious.

28 Fiji noted that policing mechanisms are entrusted to the quarantine authority. Lack of resources meant that the enforcement of the policy and regulation are limited. SPC informed that it is assisting the region in this area through the provision of Pest Risk Analysis (PRA), provided to national governments under the RTFP.

29 Participants agreed that it was necessary to identify a competent national authority for food safety. FAO undertook an assessment of Tonga situation and recommended the food safety authority be established. Technical assistance was also provided for the drafting of a national food safety legislation that was eventually tabled in the parliament.
Fiji

Richard Veit, Fiji Ministry of Agriculture presented an update of Fiji agricultural trade. The agricultural sector is dominated by small farms/subsistence farming and sugar cane production, the latter being the most important agribusiness in Fiji, contributing six percent of total GDP, 25 percent of total domestic exports and directly employing around 40,500 people. As a result of the expected fall in sugar prices, many cane farms need to diversify into other agriculture products and commodities. Mr Veit stressed that the lack of investment by the private sector remains a major impediment to Fiji agricultural sector. Many existing farms and small-medium agribusinesses have identified opportunities to improve the productivity of their operations and the quality of their products, but lacked the necessary capital to take advantage of the opportunities. Other constraints faced by Fiji agriculture sector include access to finance, more particularly sustainable microfinance; the limited networks needed by farmers to operate; the restrictive land tenure system; market access and quarantine-related problems. He noted that the Fiji Quarantine Service has had difficulty in meeting the increased demands placed on it by the SPS Agreement and that Fiji has taken on the commitments implied by the SPS Agreement without the supporting changes in human resources and institutional structures. He further noted that Fiji Quarantine is also experiencing problems associated with the increasing numbers of Bilateral Quarantine Agreements (BQAs) that need to be negotiated and enforced. Fiji needs technical assistance to support the Fiji Quarantine. He advised that the lack of financial and technical resources prevent the full enforcement of Codex standards, particularly among the smaller domestic food processing and handling operations.

Mr Veit informed that his government supported import substitution by promoting local production of rice, beef, dairy, poultry and feed grains. He noted that competing imports were restricted by high tariffs, licenses and quotas. However, as a result of policy deregulation, all licensing and quotas have now been removed. Fiji has a current average applied tariff on agricultural products of 8.6 percent and has committed to bind its agricultural tariffs at a ceiling of 40 percent (with rice and milk powder bound at 60 percent to be reduced to 46 percent). Fiji places high emphasis on the promotion of exports, particularly profitable opportunities in traditional exports and certain high value niche products. These products include fresh ginger to North America, mangoes to Japan, taro to New Zealand, eggplant to Canada, coconuts to Australia, organic banana puree to France, and kava to Germany. He highlighted that the most important export commodity by value in Fiji is taro, with significant untapped export potential. His Government support for exports has largely aimed at improving market access through securing various bilateral quarantine agreements and attempts to develop commodity protocols for specific commodities to Australia. Mr Veit conceded that Fiji faces major problems in market access. The adoption of new pest risk assessment and industry consultation procedures by larger countries (especially Australia and New Zealand) are expensive and increase Fiji vulnerability. He concluded that Fiji future exports lie in diversification and niche-market production.

Papua New Guinea

Joyce Bundu, Department of Foreign Affairs and Trade noted that PNG did not have to go through accession to WTO. The decision to join was largely because PNG did not want to be left behind in terms of receiving tangible benefits from new and emerging international trade-related regimes and having access to international markets for its exports. PNG became a full-fledged WTO member in June 1996 and undertook specific liberalization commitments both in goods and services sectors. In goods, PNG entire tariff is bound, mainly at a ceiling
tariff rate of 40 - 45 percent. However, certain exceptions of very high tariffs were retained to give protection to locally manufactured products. To complement the liberalization process, the PNG government initiated an eight-year tariff reform program in 1999, as an integral component of the Structural Adjustment Programme facilitated by the International Financial Institutions.

33 PNG commitments under General Agreement on Trade in Services (GATS) included business, construction, financial and telecommunication services. Ms Bundu noted that a recent national WTO services negotiation and scheduling workshop gave PNG the opportunity to analyze its schedule of commitments upon becoming a WTO member. During the scheduling exercise a number of inconsistencies had been noted. She further noted that PNG is lagging in WTO notification commitments.

34 Ambassador Sisilo shared Solomon Islands WTO experience. As a GATT de-facto member, the Solomon Islands had only six months to develop and submit commitments before his country became a full WTO member. Given the arduous process now, he emphasized that the Solomon Islands was fortunate that they applied for membership in June 1996: at that time all it had to do was essentially submit its Schedule of Commitments.

35 Mr Sio acknowledged that learning about the WTO is daunting. He expressed concern about the grassroots level, particularly with WTO allowing foreign companies to operate in retail trade. Mr George Sionetuato, Niue, suggested addressing this issue through appropriate investment legislation. Mr Enari pointed out that PICs needed to develop long term strategies to address this issue. He informed that under its foreign investment act, Samoa reserves retailing for locals and does not allow foreign investment in this area. He added that liberalisation should focus in sectors in which PICs encourage investment.

36 Mr Smythe added that the real impact of liberalising the retail sector depends on the details of the services schedule commitments, which are largely a government choice. The Foreign Investment Agency (FIA) can assist countries in developing transparent investment policies that will encourage investment.

SESSION 4: REGIONAL TRADE AGREEMENTS

Facilitator: Nga Mataio, Cook Islands.

Pacific ACP-EU Economic Partnership Agreement Negotiations

37 Ambassador Sisilo updated the meeting on the status of the EPA negotiations. He noted that only three months were left until the deadline for the conclusion of the negotiations. Although much work has been done by the Pacific ACP (PACP) states at both national and regional levels, considerable works remained to be done. PACP States needed to work through their positions on such matters as rules of origin, taking into account the recent announcement by the commission of its Cotonou-Plus decision with details yet to be determined. Having just received the EC services offer, PACP states needed time to go through and formulate a response.

38 Ambassador Sisilo pointed out that it is very unlikely that a comprehensive EPA be concluded before the end of the year. He added that there are needs for impact analyses and national consultations. He noted that the region could discuss with the EC the possibility of an interim framework agreement covering trade in goods and other key important issues to the
region and aim at preserving the current market access. A comprehensive EPA would then be negotiated in 2008.

39 George Cunningham of the EU stressed the importance of reaching agreement on an EPA, at least for goods, as market access to the EU market is important for PICs exports (with the interim exception of sugar). He explained that with the Cotonou deadline at the end of the year, PACP will be left only with the GSP. The GSP-plus is not a feasible option for PICs exports as the benefits are not as generous as those under EPA or the EU Duty Free and Quota Free initiative.

40 Ms Kairo, Kiribati, raised concerns about the PACER implications of trade with New Zealand and Australia, as well as future trade arrangements with Asian countries. She noted that Australia and New Zealand would expect to have similar conditions as those agreed on by PACP in the EPA. Mr Sionetuato insisted that despite all the promises contained in an EPA, the agreement would be detrimental for the region. He referred to the great disparity between the EC and PACPs and that intra-regional trading under PICTA has still not been fully implemented.

41 Mr Enari explained that PACP have been negotiating for a good EPA. He recalled that from the very outset since 2000, PACP have always viewed the EPA as a development opportunity, envisioned for the eradication of poverty, etc. He added that PACP should seek an interim framework while continuing the negotiations, should the regional objectives not met.

42 The participants were informed that PACP consider the existing Rules of Origin (ROO) under the Cotonou Agreement restrictive and difficult to meet. The PACP have proposed an alternative approach, which included fish caught in the PICs EEZ and the Change in Tariff Classification (CTC) approach as opposed to the EC value-added preference. The determination of ROO is still subject to negotiations. In response, Mr Cunningham noted that the EU welcomed any further ideas on ROO to be put on the table and looked forward to receiving further information from the region on fisheries, being optimistic that an agreement would be achieved by the end of the year.

Progress on PICTA and PACER

Facilitator: ‘Aleki Sisifa, SPC.

43 Mona Giheno, PIFS, updated the participants on the progress of PICTA and PACER. The implementation process of the PICTA by the Forum Island Countries (FICs) was reported as being slow. Since coming into force on 13 April 2003, only four FICs (Cook Islands, Fiji, Samoa and recently Niue) have notified their readiness to trade under PICTA. Ms Giheno noted some of the opportunities in the PICTA included expansion of markets, output, investment, income and employment, as well as setting the pace for more extensive liberalization. However, trading under PICTA also included expected losses in public revenue from tariff reductions in some FICs. She explained that FICs could overcome these losses through implementation of proper fiscal reforms.

44 Ms Giheno noted that PACER provides for measures in trade facilitation and trade liberalization through the Regional RTFP, which offers assistance to implement PICTA in three areas: Customs, implemented by the Oceania Customs Organisation (OCO); Quarantine,
implemented by the SPC; and Standards and Conformance, coordinated by the PIFS. Recent developments in PICTA and PACER as agreed during the Forum Trade Ministers Meeting (FTMM) in August 2007 were also highlighted, such as the expansion in the PICTA to include trade in services and the decision to continue dialogue between Australia, New Zealand and the FICs under the PACER consultations.

45 Mr Smythe noted that New Zealand recognises the revenue implications of tariff liberalization that could occur under PACER, and that the necessary reform in FICs respective tax systems will take time and resources. Mr Smythe further informed the meeting that his government submitted a joint communication with Australia at the recent Forum Trade Ministers Meeting in 2007, suggesting that consultations commence under PACER as a result of the region participation in EPA negotiations. He noted that there is clear reluctance from many FICs. Mr Smythe believed the disparity between the parties should not be a hurdle but an opportunity to improve trade. He mentioned the seasonal employer scheme, which offered work opportunities for the region. He also recalled the PACER objective for the region, which is to work together to face the realities of globalization. Mr. Smythe added that the focus of trade negotiations should be to assist development. Mr Smythe informed that New Zealand is keen to discuss a way forward for PACER, including informal brainstorming of a framework for the agreement to foster development, address issues such as employment, improved ROO, etc.

46 Participants raised their concerns about the continuity of the RTFP after its 2008 end date and noted the need for assistance to small countries. In response, New Zealand advised the programme will continue, as trade facilitation issues are important. Due to limited capacity at the country level, NZMAF and BioSecurity Australia conducted market access assessments for PICs products. New Zealand further advised that they are recruiting a dedicated New Zealand BioSecurity Adviser on pacific issues exclusively.

47 Regarding the implementation of PICTA, Mr Sionetuato stressed the need for logistics coordination. He highlighted the high costs of shipping and transportation links in the region. Mr Sio added that there is a clear need for improved communication on procedures, as misinformation adds to business costs. Participants were informed that although transportation issues are not included under the RTFP, they are not neglected, as they are discussed under the Pacific Plan. Mr Enari noted that for effective PICTA implementation, countries need to look at their domestic legislation, consult with officials and the private sector, and that all stakeholders should have access to information.

48 Mr Smythe shared New Zealand position in taking advantage of opportunities presented by trade agreements. For example, New Zealand prepared for exports identified in a gap analysis through addressing general costs of doing business, organisation of getting goods to the other market, development of business services, expertise in production and exports, and the overall attention to strengthening the expertise in business processes.

SESSION 5: DEVELOPMENT AND TRADE IN THE CONTEXT OF THE WTO

Facilitator: Jeffery Wilfred, Vanuatu.

Determinants of Appropriate Agricultural Trade Policy

49 Jamie Morrison, FAO Trade and Markets Division, delivered a presentation on determining appropriate agricultural trade policy. Mr Morrison emphasised that a “one-size-
approach to trade policy reform is misleading, because the same policy instrument will have different impacts in different situations. As agriculture plays different roles in different countries, policy objectives and needs will also vary. Differentiating the needs of different countries is becoming more important and appreciated. He stated that in order to develop the appropriate trade policy, it is necessary to understand underlying factors affecting the domestic agriculture sector.

50 Mr Morrison provided some insight into economic theory for the formulation of appropriate trade policy. Most static models of trade policy reform support the view that market failure rarely justifies trade restrictions. However, these models are limited and often misleading due to a high level of assumption and disregard of important issues, such as the lack of consideration of incentives required to invest in a sector. He explained that the dynamic approach considers these factors. The dynamic external economy argument holds that through coordinated investment, producers will reduce costs and the economy will benefit from a multiplier effect. The dynamic internal argument considers the infant industry principle that learning effects might justify temporary protection or temporary export promotion.

51 As such, the difficulty in the formulation of appropriate trade policy is exacerbated by the decision to focus on import competing products or export promotion, remaining essential to consider whether any real market opportunities exist. Mr Morrison highlighted two key roles for trade policy, which are to provide a more stable environment for import-competing commodities, and to prevent short-term market disruption of import surges, price depressions, etc. which may undermine domestic production if significant.

Aid for Trade

52 Vicki Plater, NZAID, made a presentation on Aid for Trade (AFT). Ms Plater noted that AFT helps address the challenges developing countries face to take advantage of trade opportunities. In addition to trade policy and facilitation, AFT includes assistance to increase trade by addressing supply-side constraints and weak infrastructure, such as effective supply planning, market links, value-adding and improvement in transportation infrastructure. She added that the AFT is not new but is explicitly referred to in the DDR, which saw new commitments from some donors. Issues that have been identified in order to make AFT more effective include:

- the need to integrate trade in national development strategies;
- encouraging national trade policy dialogue with civil society, private sector and other (non-trade) officials;
- alignment with aid-effectiveness principles; and
- improving the ‘know-how’ of AFT practitioners.

It is therefore important that countries have in place a mechanism to identify and prioritise needs and AFT across sectors.

Special and Differential Treatment

53 Danie Beukman, NZMFAT, highlighted some important issues on Special and Differential Treatment (SDT) under the WTO. In the face of trade liberalisation and the challenges in making trade work for development, SDT provides developing countries with more favourable treatment in comparison to developed countries, and may include less than full reciprocity on commitments. Types of SDT include liberalising less than developed
countries, longer periods to implement legislation, preferential access to markets and access to other mechanisms including technical assistance. Consultations are necessary to determine and prioritise the actual needs of a country and to establish the most effective ways to implement SDT. They should involve producers, trade negotiators and other officials in economy-wide and regional dialogue.

Small and Vulnerable Economies

54 Werner Corrales, ICTSD, made presentation on the differences and similarities of Small and Vulnerable Economies (SVEs). Mr Corrales stressed that trade liberalisation alone does not automatically result in development; rather it has to be combined with active trade policy. He referred to the promotion of strategies for improvement and the creation of micro-enterprises as good examples. He pointed out that developing countries are accustomed to market access negotiations with little or no attention to the supply side of the economy and the consideration of available (natural) resources. He noted that the SDT Enabling Clause addresses only the special needs for developing countries to adjust rather than to implement policies. Mr Corrales highlighted the need to focus SDT on real country-specific needs without creating new categories of developing countries. SVEs share constraints of competitiveness, vulnerability and lack of resilience to natural disasters, weakness and vulnerability to external shocks, industry-need support and remoteness. As such, immediate access to safeguards and priority access to AFT resources to improve capacity to implement policies is needed.

55 In the discussions, the meeting were informed that the WTO legally recognises three categories of countries: (1) developed countries, (2) Developing countries which include (3) LDCs. All developing countries have access to SDT, plus improvements negotiated under Doha. An issue was recognised in the extension of the same treatment to big developing countries such as India and China. The meeting also discussed the growing concern of PICs becoming aid-dependent. It was suggested that AFT allocation of funds should be based on thresholds such as vulnerability, market access needs, production chain, etc.

56 New Zealand acknowledged that although it has yet to pledge funds under the AFT, it already contributes actively to existing activities in trade, production sector and assistance in the broad macro economic development. NZAID is set to increase its budget in relation to trade related activities, with the Pacific region as a priority.

SESSION 6: FAIR TRADE AND ORGANIC PRODUCTS

Facilitator: David Hallam, FAO

Overview of Fair Trade Practices

57 Stephen Knapp, Director, Fair Trade Association Australia and New Zealand (FTAANZ), provided participants with information on Fair Trade (FT) practices and opportunities for Pacific producers. The FTAANZ sets FT labelling for both Australia and New Zealand markets, making consumers aware that the product meets FT standards. There are five basic guarantees offered by the label:

1. farmers receive a fair and stable price for their products, providing a minimum floor price to safeguard producers;
2. producer groups receive a premium to invest in improving their communities and businesses;
(3) greater respect for the environment;
(4) small farmers have a stronger position in world markets – increasing volume of trade in FT-Certified products / growth in international markets; and
(5) closer link between consumers and producers–raises consumer awareness and interest.

58 The Highlands Organic Agricultural Cooperative of PNG is the only FT certified group in the Pacific region. The premium from FT certification is used to improve roads and infrastructure, provide equipment for primary schools and support for health centres and other community activities. This certification opened market doors for PNG coffee. The Pacific Producer Trader Linkages Program exists to facilitate linkages between Pacific producers and fair trade markets, and to contribute to long term sustainable development and poverty reduction in the region. With a growing global FT market and more certified producers enjoying market access, there is much potential to be realized in FT certified production in the Pacific.

59 Participants noted that the development of standards requires much work. Producer groups are certified only if their production standards meet the requirements and the products can be traced back to the certified group. In response to a question pertaining to the funding of FT certification, Mr Knapp noted that the certification system is managed by a producer certification body (FLO CERT), which is a separate, self-funding entity financed by contributions from licensing bodies worldwide, cost recoveries at inspection stage, charges at wholesalers, etc.

60 Frank Fong expressed his concern that there was no certification body in the Pacific, and that generally FT issues have not been fully discussed and potentials realised. He noted the FT work done by the EU in Africa, the US in Latin America and enquired about the extent of the same offered by Australia and New Zealand to the PICs, and how Australia and New Zealand envisioned the realisation of this initiative in the region. Tonga expressed their growing interest in developing their vanilla production and the potential for organic certification. An FT standard already exists for vanilla but a restriction is the resources to work with producers. Concerns about the commitment from producers, funding for sustainability and the fact that the market and demand for organically certified vanilla may not be available were also raised.

Organic Agriculture in the Pacific

61 Jon Manhire, International Federation of Organic Agriculture Movements (IFOAM), briefed the participants on the status of Organic Agriculture (OA) in the region. An IFOAM-IFAD project on organic certification in the Pacific primarily aims to build the capacity in certification of OA. Many agricultural practices in PICs are largely organic, but are not certified as a result of the associated costs and perceived complexity. Current OA product exports from the region include vanilla, cocoa, pure coconut oil, noni, papaya, banana, guava, mango, coffee, beef, nuts and other spices. The potential for organic products such as garments and pearls were also identified. National interventions in OA through training, capacity building, sharing knowledge, skills, promotion and awareness, and government support for NGOs (e.g. Women in Business and Development Inc. (WIBDI) in Samoa) were recommended. Market access could be made easier with certification at the regional level; however no regional standards are in place or a local certification body. Some issues faced by PICs in OA include the low level of regional coordination and strategy for promotion, small
and scattered markets, different levels of OA development among PICs, as well as the OA local conditions (climate, cultural background).

62 The participants recognised the need to conduct a cost/benefit analysis to verify whether a regional certification body would be plausible or sustainable in the long term. Mr Sio noted that farms in Samoa are small and questioned their sustainability in terms of OA, as well as the impact on the labour force. He also highlighted that it was important to understand the profile of organic consumers and their particular demands.

**Exporting Organic Products from PICs**

63 Hiva Levi, President of the Niue Island Organic Farmers Association (NIOFA), made a presentation on an alternative pathway to prosperity for Niue. Mr Levi stated that a feasibility study initiated the organic movement in Niue. Awareness workshops to consult farmers, weekly radio sessions, field visits to various farms were organized, with a focus on vanilla, nonu, vegetables and pandanus. Business and marketing development trainings aimed to facilitate the identification of appropriate markets for organic products and establish the capacity of Niue organic producers to supply. A marketing group was created with all exporters. He added that for full organic certification to be recognised, both the plantation and the processes must be certified. This is done through group certification as a cost-saving measure. Individual farms certification can cost up to NZ$5 000-6 000 per year. Niue now has 24 fully certified plantations and has yet to certify processing factories. The idea is to certify as a group but market and sell individually. NIOFA is working towards FT with OXFAM and with other organic organisations in the region such as WIBDI in Samoa.

64 Participants discussed the food miles and the carbon footprint initiative. The ban of organic products due to the mode of transportation/delivery to the end consumer (e.g. airfreight) remains a grey area for PICs. A short-term solution was identified in focussing on domestic markets rather than constantly looking to Europe as the export destination for organic products.

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**GROUP SESSIONS ON AGRICULTURE**

**SESSION 7: TRENDS IN REGIONAL AGRICULTURAL AND FOOD PRODUCTS**

*Facilitator: Frank Fong, Samoa*

**Market Outlook, Potentials and Challenges for PICs Exports: Access to New Zealand market**

65 Louisa Sifakula, PITIC made a presentation on the New Zealand market for PICs exports. The major agricultural imports from PICs were reported as root crops (taro, cassava, and yam), papaya, ginger, coconut, banana, eggplant, mangoes, citrus fruit, cocoa beans and vanilla, with Fiji as the major exporter. The figures indicated an overall growth in PIC exports to NZ. Ms Sifakula referred to a study undertaken by Andrew McGregor, which highlights five main factors that determine the capability of an island economy to successfully export horticultural products. These same factors are largely absent in the current situation of PICs exports to New Zealand and are the challenges that PICs need to address. These are: (1) suitable agronomic conditions; (2) availability of air and sea freight capacity; (3) private sector marketing capability; (4) quarantine pest status and management; and (5) ability to
resolve phytosanitary and other market access issues. Quarantine-related issues were identified as the weak link in the PICs horticultural export marketing chain, in particular the New Zealand market requirements for taro, fruit and ginger.

66 Participants supported the concept of diversification and value-added products. Participants also acknowledged that this may involve high costs in meeting stringent market requirements (e.g. packaging), market research, capital equipment as well as relevant intellectual property rights. The importance of having access to the right information to assist in decision making was highlighted. Participants requested periodic statistics from PITIC and acknowledged existing trade information and data being circulated regularly.

Commodity Chain Studies in the Pacific of the FAO Regional Programme for Food Security

67 Massimo Diomedi briefed the meeting on the commodity chain studies in the Pacific conducted under the FAO Regional Programme for Food Security in the PICs (RPFS). The overall objective of the activity was to develop and test a methodology to implement chain studies targeting agricultural and food products that may be applicable to PICs. The methodology and the investigation tools for implementing the chain studies were developed by the Italian Institute for Agricultural Economics (INEA), in close collaboration with FAO and the SPC. Mr Diomedi explained that the identification and the preparation of the methodology followed a consultative approach so as to ensure that the largest number of regional and domestic institutions, civil society members and development agencies could be involved in its formulation and implementation. Each study targeted a different category of agricultural products respectively: a set of import substitution products (four horticultural produces) in Fiji; one food security product (breadfruit) in Kiribati and one product with export potentials (nangai nut) in Vanuatu. The three categories of agricultural products were selected for being fairly representative of the challenges that PICs agricultural sectors currently face and of potentials they still hold.

68 Mr Diomedi reported that a regional workshop held in February 2007 assessed the results of the studies. The tested methodology was considered effective in generating useful information to improve the supply chain of the targeted commodities. In addition, the need to focus attention also on non-agricultural and processed products in similar future undertakings was stressed. Although the process was consultative, room to strengthen national consultations was also identified. The next steps for the project include the preparation of subregional training workshops for public and private institutions and operators for the application of the tested commodity chain approach under the extension phase of the RPFS.

69 The participants widely acknowledged that the studies were useful in terms of its training component and awareness and understanding of the commodity chain system. Kiribati advised that it was fortunate to have been selected for the study, although there is yet no provision in its budget to put it to use. There are plans, however, to further discuss it with operators and community leaders. The study provided an in-depth analysis of breadfruit and how Kiribati could develop more incentives to promote the nutritional value and improve the supply, as well as addressing problems related to the large wastage of the product and the insufficiency of market facilities. Fiji highlighted that tourism is a strong sector, however there remain problems of inconsistent and low-quality supply of local agricultural produce and the same products are being imported from Australia and New Zealand to meet tourism demand. The Cook Islands confirmed experiencing the same situation, with increasing tourism bringing more imported supplies as there is limited capacity to close the gap between
local supply and tourism demand, adding that valuable lessons could be learnt from these studies.

**Update of FAO Regional Project on Trade Statistics**

70 Dirk Schulz, FAO updated the participants on FAO work in strengthening the regional trade statistics of agricultural commodities. Trade data needs to be collected and processed in a timely manner as this is crucial for evidence based policy and decision making. The Pacific is still lagging in collecting relevant information with large amounts of data available only in hard copy, non harmonized formats, making the availability of up-to-date data difficult. The FAO TCP project, which commenced field activities in early 2007, aims to assist all the PICs, through SPC, to generate and process relevant trade statistics for policies and decision making. This requires the strengthening of SPC capacity to establish a sustainable and technically updated system of trade data.

71 A training workshop on methodology, collection, processing, analysis and dissemination of agricultural trade statistics was held in March 2007. The outcomes of this workshop recognised the importance of compiling trade statistics for policy formulation. Once a Memorandum of Understanding between the member country statistical office and SPC is signed, data would be submitted electronically to SPC by June of each year in six-digit Harmonised System format. The data will then be processed and disseminated as statistical information for the use of PICs policy makers. The successful implementation of the project requires close collaboration with national customs and statistics office.

72 The meeting agreed that a main constraint is the availability of the data at the national level. The situation differs between countries given the level of capacity, how the data is generated (Automated System for Customs Data (ASYCUDA), PC trade), export valuation and the different data sources. Participants noted that the availability of statistics is also very important for the private sector to enable research and decision-making based on reliable data. It emphasised the significance of real figures to make decisions, noting statistical information and analysis can be biased to suit local needs. Good statistics produce good policies, and the region should work towards this goal.

**SESSION 8: AGRICULTURAL AND FOOD EXPORTS IN THE PACIFIC**

*Facilitator: Penisimani Vea, Tonga.*

**Fresh Produce Exports from PICs - Experience from Samoa**

73 Mr Sio, Samoa Farmers Coordinator, shared his experience in exporting fresh produce to New Zealand. He noted that although Samoa has diversified into other sectors, agriculture remains the backbone of its economy, with a large number of households dependent on subsistence farming. The taro blight substantially affected Samoa agriculture supply and exports, and a decline in enthusiasm to plant, as well as increasing remittances from overseas, contributed to an overall decline in agriculture production. The rationale behind establishing Samoa Farmers was to create an outlet for agricultural produce to enable member farmers to support their families and villages and improve the village environment.

74 Mr Sio emphasized that an understanding of the local environment is necessary for success. This includes producing quality products, local market presentation of produce, market outlet distribution, export framework and associated costs, shipping and transportation links, etc. Other challenges identified include a change in consumer perception of the Samoan
community in New Zealand, which requires a high level of product presentation; regular supplies; a lack of farmers awareness of the quarantine requirements in New Zealand; and declining farm labour. Failure to meet stringent quarantine requirements is costly.

In an effort to address these issues, the Government of Samoa has established a Research and Development Institute to examine potential products for development and ways to improve the framework for export facilitation.

Pacific Spices - PNG

Theresa Arek, owner of Pacific Spices in PNG, shared her experience in the production and export of spices. She noted that establishment and development of a satellite nursery for spices has centralised the processing facility, enabling diversification and allowing women and youth to be innovative. She added that certification has also enabled crops to be more marketable. She believed that training and educating farmers to ensure consistent supply is important for gaining international market recognition.

Pacific Islands Products Destined for New Zealand: Understanding the Process (Video Documentary)

Screening of the video documentary “Pacific Islands Products Destined for New Zealand: Understanding the Process” was well received. The video was produced collaboratively by FAO and PITIC-Auckland.

SESSION 9: WTO PROVISIONS AND NEGOTIATIONS FOR AGRICULTURE COMPATIBLE WITH DEVELOPMENT

Facilitator: Neil Fraser, NZMAF.

Domestic Support and Export Competition

Chris Carson, Director WTO Policy, NZMAF, updated participants on the status of the DDR agriculture negotiations. His presentation covered two of the three pillars of the Agreement on Agriculture: domestic support and export subsidies. Mr Carson emphasized that domestic support stimulates countries to produce more, which can result in unfair market competition and displacement of domestic production in the export market. It is widely recognised that domestic support by bigger countries is distorting world markets, and the DDR negotiations attempt to substantially reduce distorting subsidised agriculture. The Chair of the WTO Agriculture Negotiating Committee proposed the biggest domestic support cuts to be undertaken by the EU, Japan and the USA, and lower cuts for remaining countries. Mr Carson highlighted that the essential issue centres on what the USA is prepared to offer, given that the Chair text caps the USA overall domestic support at US$13 - US$16.4 billion per year, versus the US offer to cap its domestic support at US$22 billion.

Mr Carson also provided an update on export subsidies. As agreed in the 2005 Hong Kong Ministerial meeting, all export subsidies shall be eliminated by 2013. He mentioned that export subsidies have become a less controversial issue, as the EU has reduced its usage. The debate now centres on a schedule for the elimination of export subsidies and the development of rules for food aid, export credits and exporting state trading enterprises.
Update of Current Positions of Market Access Negotiations

82 David Treacher, NZMFAT provided the meeting with an update of the market access negotiations in the WTO. Market access is one of the three pillars of the Doha Round agriculture negotiations. Mr Treacher noted that the tariff reduction formula is one of the main elements of the market access negotiations in terms of deciding what the thresholds are and what the cuts within those thresholds will be. There is consensus on the bands to be applied for developed countries; however, the cuts to be taken within those bands are still to be settled upon, likewise the bands and cuts for developing countries. SVEs are likely to be granted additional flexibility, with cuts to be smaller than those taken by developing countries, and not likely to exceed an average of 24 percent.

83 Mr Treacher also explained that “sensitive products” refers to the category of products that are politically sensitive for the larger, more protectionist developed members. There were several issues within the sensitive products debate, including the number of products that can be designated sensitive and the basis for expansion of the tariff quotas for those products. Other issues such as in-quota tariffs, tariff escalation and tariff simplification are also being discussed. In addition, Special Products (SPs) were being negotiated under market access as an SDT. The developing countries will be able to designate appropriate tariff lines as SPs based on the criteria of food security, livelihood security and rural development. Special Products are to be subject to smaller cuts; however, the extent of tariff lines to be SP designated is a controversial subject.

84 Participants discussed the distinction between small and larger developing countries and noted that smaller countries should not be expected to make the same level of tariff cuts as, for example, Brazil and India. It was also emphasised that access to information remains difficult and it is important for the region to be updated regularly on WTO negotiations.

Implications of the Tariffs Reduction Formulae

85 Jamie Morrison made a presentation on the potential implications of tariff reduction formulae and flexibilities for developing countries. Essentially, the effect of formulae reductions has been difficult because of different specific objectives for tariff reduction such as the proportionality of cuts in that lesser cuts for developing countries; country-specific flexibility which is far more important than ambition for substantial tariff reduction; and the harmonisation of tariff structures for all countries which has become a less-discussed issue with the realisation that this may be quite impossible. He added that generalisation is now of little value, as detailed issues are being discussed. Average tariff cuts may not achieve the objectives of tariff reductions because of differing tariff profiles (e.g. skewed versus uniform profile). The policy space between the bound and current applied rates may not be replaced by SPs allocation.

Preferences and Options beyond Preferences

86 Mr Hallam presented possible options beyond trade preferences, affirming that the erosion of preferences is inevitable. Although trade preferences affect only a small portion of global trade, it is important for specific commodities, such as banana and sugar, especially for SVEs. Preference-recipient countries need to improve their competitiveness; otherwise they stand to lose from liberalization or reciprocal trade arrangements. Issues discussed included how to mitigate the extent of economic damage; preserving preferences and related margins, and the identification of deserving cases. He emphasized that diversification in production can
cushion the economic damage of preference erosion. Adjustment assistance and the extension of implementation periods are other non-trade options that should be considered.

**Special and Sensitive Products: Case Studies in PICs**

87 Mr Constantine Bartel, ICTSD, presented several case studies on SPs, noting that the rationale for SPs is to apply a new instrument to protect small farmers. The methodology is based on the identification of the beneficiaries and the development of food security, livelihood security and rural development indicators used to identify SPs. In some countries environmental indicators were used as well. A tentative SPs list was being discussed in national consultations before being finalised, though there was a notable lack of capacity and resources to identify SPs. Problems encountered included the availability of data, application of indicators at the provincial level, difficulty using uniform thresholds and indicators, data collection from different ministries and the level and percentage of tariff line coverage. Mr Bartel informed that SPs studies take an average of three to four months, depending on the availability of data. Concern was raised that the studies may have a mixed impact on expectations, i.e. granting SPs status to products not deemed strategic by the individual countries.

**Findings of FAO Studies for PICs on Special Products**

88 Mr Diomedi presented the findings of the FAO Studies for PICs on SPs. He noted that commitment at multilateral level was confirmed in Hong Kong for designated SPs to benefit from more flexible treatment, in order to protect national economic potentials and interests. The rationale was to ensure the necessary policy space to promote development goals and mitigate potential negative impacts of liberalization. The pilot studies implemented in the Pacific provided the opportunity to identify products to be considered as special, which could qualify and benefit from special treatment in WTO. He clarified that FAO studies applied indicators based on criteria of food security, livelihood security and rural development. Specific indicators were used in Fiji and Samoa, depending on the availability of data. For Samoa, 28 percent of all tariff lines were identified as SPs and 11 percent in the case of Fiji.

**SESSION 10: CODEX, FOOD STANDARDS AND TRADE**

*Facilitator: Aleki Sisifa, SPC.*

**Current Issues for PICs**

89 Mr Schulz made presentation on the current issues in Codex and food standards in the region. He drew attention of the meeting to some important statistics. Based on 2006-07 figures of Pacific food exports to the USA, fish comprised 51 percent of import refusals, followed by processed snack foods, 31 percent of total refusals. Labeling was identified as the main cause of import refusals through misbranding, label not including ingredients and/or additives, inaccurate quantity statement and the absence of required nutritional information. Adulteration was also a major cause of refusal in terms of unsafe food coloring and contaminants in food products. Hazard Analysis and Critical Control Point (HACCP) compliance failure also contributed to import refusal, with rejected products not being prepared, packed or stored under sanitary conditions. This was an area identified that requires major capacity building and where FAO and Codex standards can assist.
The development of Codex standards is not an easy process as it operates on consensus, ensuring that all issues are addressed and agreed to before a standard is approved. Work is currently underway to prepare a draft standard for bitter cassava. Other standards of regional interest proposed for development are nonu and kava.

Recent Developments on the Work of Codex

Melissa Quarrie, New Zealand Food Safety Authority (NZFSA), presented the recent developments on the work of Codex. She noted that an independent evaluation of the Codex Alimentarius was undertaken in December 2002. This evaluation instigated the reform of Codex and made twenty recommendations, including the need for greater efficiency and effectiveness in developing Codex standards and effective and better prioritisation of its work. The emphasis on the development of horizontal standards as opposed to the development of individual commodity standards was also prompted by the evaluation.

According to Ms Quarrie, available resources for Codex works are a concern. She noted that currently there is a funding shortfall, which has had an impact on the work of Codex to the extent that one meeting of the Executive Committee, charged with the standards management function, had been cancelled. The Codex Trust Fund has been very beneficial for the Pacific, being the only region to have had 100 percent fund utilization. The fund enables full participation in Codex activities. New Zealand has contributed over the last two years and is seeking to continue on an ongoing basis through NZAID.

The Codex Revised Strategic Plan 2008-13 was reviewed at the 30th session of the Commission. It contains programme details related to the evaluation process, including a new area on work management capability, detailing prioritisation and a framework for monitoring progress. Capacity building is also important, and attention to developing risk analysis expertise is needed. Ms Quarrie indicated that issues that are of particular relevance to PICs include the importance of regional networking support and share information; collaboration in developing standards at the regional and international levels; strengthening Codex capacity; and building consensus for and influence in strategic positions.

Recent Developments on the Works of the WTO SPS Committee

Joanna Pohatu, NZFSA, presented recent developments on the work of the WTO SPS Committee. She noted that the second review of the SPS Agreement in 2005 focussed on the implementation and operation of the multilateral framework. Issues already being addressed that arose from the review include transparency, special and differential treatment, technical assistance and regionalisation. Another issue that was being addressed is the relationship between the SPS Committee and the three sister organisations – Codex, IPPC and OIE (World Organisation for Animal Health) – and to ensure not to duplicate the work done by each standards-setting body.

Ms Pohatu explained that private standards set by the private sector are increasing in number, as consumers want to know where the products come from and the production process. Members of the Committee expressed different views on private standards, as while they can help suppliers improve the quality of their products and gain access to markets, they can also impose an extra burden for producers in meeting the standards and obtaining certificates. Legal opinions from the Secretariat on the inclusion of private standards under the SPS Agreement have been sought; however, the Secretariat advised that it is unable to interpret the SPS Agreement, as only WTO members can give interpretations/decisions on the WTO Agreements. According to Ms Pohatu, developing countries reiterated concerns that
private standards may become trade barriers and lead to a lack of transparency between exporters and importers.

96 Mr Sisifa raised concern about import standards and food safety legislation and was informed that Codex can be used to develop national standards for both exports and imports. Participants noted the lack of standards for kava and nonu, and it was acknowledged that work in this area is needed. Mr Schulz explained that the regional Codex coordinating Committee had requested an electronic working group to develop comprehensive discussion papers to justify the need to develop standards for kava and nonu for consideration at its next session in 2008. The issue of hydrogen cyanide in cassava was raised and he informed the meeting that it is normally not a problem if cassava is cooked or processed, as this tends to dissipate the poison.

97 Vanuatu cautioned on private standards and made reference to the Pacific Islands culture. Careful consideration was necessary for private standards as PICs are already struggling to keep up with other standards set by the three-sister organisations. Private standards pose a burden over and above current challenges in standards for the region. Consideration of national policy and legislation with regard to private standards is important. The meeting was informed that with numerous Codex standards and the need for awareness, information is filtered through national contact points and national Codex committees where Codex issues are discussed. The information is then disseminated to all stakeholders. The Codex website has a wealth of information.

SESSION 11: BIOSECURITY AND TRADE

Facilitator: Brian Smythe, NZMAFT.

Pacific Island Offshore Container Management Programme

98 Messrs Dave Nendick, Simon O’Connor and Grant Western, NZMAF BioSecurity shared the Pacific Island Offshore Container Management Programme (PIOCMP). The presenters noted that New Zealand imports empty containers from the Pacific to be re-used to export New Zealand produce to the rest of the world. The programme exists because as containers are heavily contaminated, offshore quarantine management systems are implemented to reduce severe contamination and halt significant pest incursion events. These are currently established in Honiara in the Solomon Islands, and Lae and Port Moresby in PNG to ensure contamination levels are kept at a containable level. The results so far have been positive with a considerable degree of incursion reduction (e.g. ant incursion). The presenters added that port system protocols include the thorough processing of containers (inside and out) such that they are cleaned, sprayed and checked, and then stored in strategically controlled areas in the port. Although the system was initially triggered to benefit New Zealand, its positive effects include pest and hygiene management systems at Pacific ports, which have removed population pests, benefiting PICs exports and inter-island trade.

99 Sally Griffin, NZMAF BioSecurity stated that the process of recruiting a New Zealand BioSecurity officer dedicated to PICs was underway. In response to a query about the costs of port management, Mr Nendick noted that the shipping companies covered the costs and countries involved are expected to also contribute. Mr Sio emphasised the need to consult directly with stakeholders who prepare containers for exports, as there is a lack of awareness of container handling and the costs of mishandling are high. The government/private sector
coordination should also be strengthened. The program is scheduled to be introduced in Samoa with an initial visit in mid November 2007, depending on local shipping companies.

**Regional Trade Facilitation Programme - Quarantine Component**

100 Roy Masamdu, SPC highlighted the issues and challenges of implementing the quarantine component of the RTFP. The programme includes updating biosecurity legislations in all fourteen FICs and improving border operation capacities through the biosecurity information facility. To further enhance border operations, the programme covers the supply of equipment, materials and chemicals for various pest incursions and surveillance. Funds can also be provided for special cases. He added that many activities are in place to strengthen technical capacities at the national level. These include work attachments and trainings in real cases of PRA and invasive species identification. To improve capacities to facilitate trade, assistance is provided in pest surveillance and surveys, as well as the system approach for the export of fresh produce. This particular system approach reduces the reject rate, increases volume and benefits exporters and the overall supporting export systems. The Quarantine component also includes work in technical market access for a broader range of products such as cut flowers, testing products for disinfestations using hot water treatment, exclusion of fruit flies through banana bunch cover, and identification of potential niche markets for commodities. The programme, however, faces challenges for implementation at national levels, such as the difficulty in maintaining border operations and a lack of skilled staff. Poor market infrastructures, inadequate information sharing, lack of entrepreneurial skills and supply chain constraints were also identified.

101 Mr Smythe acknowledged that SPC plays a vital role in implementing the quarantine component of the RTFP. He further emphasized the importance of prioritizing market access requests and involvement of the private sector in the process. Mr Masamdu noted that issues of supply capacity and transportation costs should be addressed. Mr Schulz suggested applying a holistic approach when anticipating a market access request for a commodity, taking into consideration supply chain issues such as information to farmers, commodity variety, size and grade, and quarantine requirements.

**International Plant Protection Convention and Pacific Plant Protection Organisation**

102 Mr Matairangi Purea presented the work of the IPPC. The IPPC is a multilateral treaty for international cooperation aimed at protecting plants and plant products from harmful pests. It also extends protection to items capable of harbouring or spreading pests, and biological control organisms. IPPC is a standard-setting organization and is identified in the WTO SPS Agreement as the authority for plant health standards.

103 The IPPC set up the National Plant Protection Organization (NPPO) in each country, which is usually based in agriculture ministries, and designated an official IPPC national contact point. The NPPO work includes undertaking treatments and certification of exports; imports regulation; international cooperation in information sharing on pests and regulations, as well as the development and consideration of phytosanitary standards. Mr Purea reported that there are thirteen contracting parties to IPPC from the region, with the Marshall Islands, Kiribati and Nauru likely to join soon. Regional Plant Protection Organisations (RPPOs) were established in the seven regions of FAO.

104 In response to a query about the relationship of the FAO and the SPC under the IPPC, Mr Purea explained that an Memorandum of Understanding allows SPC and FAO to work and
collaborate in many aspects of IPPC and biosecurity. The close working relationship was noted and the connection expected to grow stronger with more PICs joining the IPPC.

105 Ms Griffin also advised that there are regular consultations with Australia about the RTFP. Australia will soon be approached formally about cleaning equipment recognized as equivalent to their system. Under the PIOCMP, there have also been positive spin-offs from containers to Australia. The PIOCMP plans to expand its system to include Apia, Pago Pago and Nuku’alofa ports.

106 Fumigation issues were discussed. The issue about fumigating loaded containers was heavily criticized, especially in relation to organic products. The PIOCMP only sprays the outside of a loaded container for insects, basically concentrating on proper cleaning around the door. Some participants argued that even with external fumigation, the organic products inside can still be affected. There was also concern expressed about the methyl bromide substance used in fumigation. Ms Griffin advised that research into an alternative for methyl bromide is ongoing, but no timeframe has been set for reduction in the use of methyl bromide.

107 The issue of cross contamination from transit containers (e.g. from Asia) was raised by the Cook Islands. The PIOCMP is concerned about loaded, untreated containers, which are stored in approved transitional facilities, segregated from the treated containers on the ports. There is a set of checks and balances to be undertaken and consideration of low-risk country of origin versus high risk areas. Containers are not opened if in transit but are stored in approved areas and are operated by accredited persons that can communicate with NZMAF on potentially risky containers. It was suggested that the offshore quarantine management systems can be adopted as a regional standard for containers and ports.
Overview of Global Trends and Issues in Fisheries Development and Fish Trade

Mr Izumi presented an overview of global trends and issues in fisheries development and fish trade. He outlined the status of world fisheries and aquaculture, such as information on fish stock, fisheries and aquaculture production, fish exports and imports, trends in fish trade and WTO related issues. He also discussed fisheries production and imports and exports of fish and fishery products in the Western and Central Pacific.

Overview of Regional Fisheries Trade

Len Rodwell, FFA, confirmed that the EU, Japan and the US are the world major importers of fish and fish products. These developed countries are also the main source of direction of PICs exports of fish and fishery products. He added that the EU largely imports canned tuna, while the US imported mixed products, fresh fish for sashimi and albacore tuna for canning in American Samoa.

Progress on the Western and Central Pacific Fisheries Commission

Mr Rodwell also made presentation on the ‘Progress on the Western and Central Pacific Fisheries Commission (WCPFC)”. He highlighted the status of tropical tuna species, in particular albacore, skipjack, yellowfin and bigeye tuna. He briefed the meeting on the WCPFC activities and priority areas and announced that further information is available at www.wcpfc.int. He explained the subregional programmes (e.g. US Multi-lateral Treaty, Nauru Agreement, Palau Agreement and Federated States of Micronesia (FSM) Agreement) and the progress of tuna management plans at the national level. Future issues would focus on incentive-based measures, the role of archipelagic states, and economic and financial viability.

In response to a query on the limits for high-valued shark finning, Mr Rodwell explained that it is based on assessments and relied on indirect measures. If tight control was needed, 100 percent observer coverage would be required. He referred to the ban on shark fishing in Palau and the WCPFC consideration of a total ban in the region.

Mr Izumi informed the meeting that FAO assisted countries (Marshall Islands, Papua New Guinea and Palau) in formulating national fisheries management plans. There are plans to extend this work to Niue and Fiji in the near future. Mr Rodwell, however, informed that due to capacity and resources, the WCPFC will not be involved in the formulation of national plans of action in shark conservation and management. Alivereti Yaya added that the enforcement and control of shark catches and other non-target species is a serious problem in Fiji. In response, Mr Rodwell noted that the FFA observer programme deals with enforcement activities, with current discussions on its principles and purpose.

Mr Rodwell introduced FFA work on economic modelling and pointed out that there was an issue on its validity in the purse seine fishery (catch rates vs catch effort due to school dynamics). He explained that the progress of national tuna management and development
plans has so far outlined policies for the development of a domestic tuna industry. FFA has completed this work in most of its member countries, with some plans needing modification to reflect the ecosystem approach to fisheries. He added that the FFA has been involved in developing a national tuna management and development plan in the region since 1999 and was sure that there was a need for some amendments now to reflect changing circumstances and the state of the stocks. Ms Tupou added that a national tuna management and development plan was drafted for Tonga in 2002, with amendments soon to follow. Mr Izumi also referred to a FAO study conducted on tuna and bottom fishery license management in Tonga in 2002. Mr Brown expressed the importance of economic analysis to look at changes in profitability rather than at changes in yield.

114 Mr Yaya shared that Fiji had difficulties in entering the Vessel Monitoring System (VMS) because of high costs and asked if FFA would consider a less costly alternative system. Mr Rodwell responded that the current system was based on a business plan. There was an internal discussion to have domestic fleets covered by the system and provide a subsidized option for them. Ms Tupou informed that VMS in Tonga was subsidized by NZAID for the first six months. Mr Graham added that VMS was applied to only foreign vessels. Mr Rodwell noted that this is mandatory for foreign vessels but is a choice for a national administration whether they wanted that system for domestic fleets.

115 In response to a general query on fish stocks in the Pacific, Mr Rodwell explained that the work carried out by FFA is world class and subject to a peer review. With regards to bigeye tuna stock, it is reportedly being overexploited.

116 The relationship between FFA and WCPFC is that the latter is not involved in the technical work and remains oriented only on policy. Mr Rodwell noted the recent establishment of closer links with PIFS and the usefulness of regular contacts and discussions with them on trade issues.

117 Mr Yaya noted that Pacific aquaculture production accounted for less than one percent of the world fisheries and aquaculture production, which leaves room for potential development. He further enquired about FAO technical assistance in aquaculture. Mr Izumi responded that in recent discussions with Fiji, priority areas were highlighted, such as development of a draft national plan of action for Illegal, Unreported and Unregulated (IUU) fishing, a draft national plan of action for shark conservation and management, as well as a management plan for aquaculture.

SESSION 8: FISH EXPORTS IN THE PACIFIC

Facilitator: Mr Izumi, FAO

Fish Exports from PICs

118 Ms Tupou presented a Tongan case study on fish exports from PICs. She introduced the Tonga Export Fisheries Association (TEFA). TEFA represents 75 percent of marine exporters in Tonga, and is a member of the Pacific Islands Tuna Industry Association. She noted that fisheries were not recognized as primary production in Tonga and outlined main constraints, e.g. high airfreight costs, excess bureaucracy, poor dialogue between industry and government, low level of skilled labour, lack of credit facilities, inefficient harbour management and infrastructural services. For further development of the fishing industry, TEFA expected to see a regional level as well as the National Economic Development Committee supports, and to look at a further expansion of the tuna industry in albacore tuna fishery.
Mr Izumi noted that it is very difficult to run a fishing business without government support and international cooperation. Mr Graham noted the Cook Islands Government had tried to work closely with the fishing industry in terms of fuel purchase, levy exemption on fuel and limited cargo space on the plane. He stated that it was a reality that many of the boats were not suitable for fishing and that the supply of fish does not meet local needs, especially in light of demand from its tourism industry.

Ms Tupou explained that the FFA DevFish Project provided financial support to TEFA. Ms Fusimalohi added that the Tongan government did not provide much assistance to the fishing industry although full exemptions on capital items and inputs were planned. She further emphasized that financial institutions did not support the industry because of the associated high risk. Natasha Toeono shared Niue newly introduced joint venture between the Government and industry with duty and tax incentives for five years. Mr Rodwell confirmed that FFA had a limited capacity to work with industry, and required the government agreement to do so. He added that the EU-funded DevFish Project is to assist the private sector and that the funds will be exhausted in the next two months. The second phase of the DevFish Project was under consideration to continue regional cooperation.

On the issue of traditional fishing being threatened by commercial fishing, Ms Tupou explained that this should not be a concern for Tonga, as traditional fishing usually takes place within a 12-nautical-mile zone. Regarding sustainability of aquarium fisheries, Ms Tupou noted that there are compliance problems, but a management plan was in place in Tonga. She added that sea cucumber fishing was banned ten years ago but is now being revisited. On the subject of seaweed (Mozuku: *Cladosiphon* spp.) production in Tonga, Ms Tupou explained that Tonga continued to export seaweed to the US and Japan. Ms Fusimalohi informed that foreign companies had shown interest in a seaweed processing venture in Tonga.

### SESSION 9: MARKET AND PREFERENTIAL ACCESS FOR PACIFIC FISH PRODUCTS

*Facilitator: Alistair MacFarlane, New Zealand Seafood Industry Council.*

**WTO Market Access Negotiations for Fish Products**

John Riley, NZMFAT, gave a presentation entitled ‘WTO market access negotiations for fish products’, which outlined the Doha declaration, implications for fisheries market access and fisheries sectoral. Fisheries were part of the NAMA group. In the Doha declaration, Ministers set the objective of reduction or elimination of tariffs and non-tariff barriers, particularly for products of interest to developing countries. Mr Riley noted that according to the current state of negotiations, with the exception of developed countries and possibly advanced developing countries, most WTO members (including PICs) were unlikely to be required to make meaningful reductions of applied tariff rates. He noted that the harmonizing formula could reduce high tariffs and tariff peaks for all products including fish, and that New Zealand was co-sponsor of fisheries ‘sectoral’ tariff reduction formula cut. He stressed that there were still significant barriers to fisheries trade in important markets, such as large tariffs in the EC, Japan, Korea and Chinese Taipei. US fish tariffs tended to be low with the exception of canned tuna and sardines. Tariff escalation was an obstacle to the development of processing industries, including in developing countries, which were amongst the largest producers and traders.
123 Ambassador Sisilo informed the meeting that the proposed Swiss formula, using coefficients of eight and nine for developed countries, would lead to a gradual reduction of MFN tariffs on sensitive products like fish over a period of seven years. This would have serious implications for the competitiveness of island countries on fish and fish products, particularly on tuna. According to one study, based on these coefficients MFN tariffs on canned tuna and tuna loins would be reduced from their current base rate of 24 percent to 6 percent in year seven. This would result in loss of markets and the subsequent closure of tuna canneries because island countries cannot compete against low-cost suppliers like Thailand.

124 Another concern regards some of the sectoral initiatives that were being proposed for the complete elimination of tariffs under NAMA. One such proposal was by New Zealand, Canada, Thailand, and others which call for a comprehensive elimination of all import tariffs and unjustified non-tariff barriers affecting fish and fish products. It proposes a “zero for X%” treatment for developing-country participants. Although this proposal is non-mandatory in nature, it could have a significant impact on erosion of preferences for many, if not all, of the PICs. They will lose out on their current preferential margins as other competitors such as Thailand will be able to export duty free to developed countries if the EU signs such an agreement. Mr Riley noted that the EU was negotiating a free trade agreement with Association of Southeast Asian Nations (ASEAN), which includes Thailand, and could choose to end preferences or give access to other markets at its own discretion. The NAMA negotiations offered PICs the best chance of gaining access to advanced developing-country markets such as India without having to make substantial tariff reductions themselves.

Generalized System of Preferences and FTAs

125 Mr Rodwell made presentation on the EU GSP, which allows for non-reciprocal preferential access to their markets for goods from qualifying developing countries. He explained the implications of these preferential arrangements on PICs fish exports in terms of preference erosion, unilateral offer, safeguard provisions and rules of origin. He shared the list of tuna-relevant Fair Trade Agreements (FTAs) and regional trade agreements and highlighted the indirect impacts of FTAs on Pacific tuna exports (e.g. FTA between the US and Thailand). He encouraged the region to look at issues such as post-preference future, monitoring FTAs, and Pacific competitiveness. In response to a query on the agreement between the US and Thailand in relation to Pacific fish products, Mr Rodwell explained that most Pacific canned products went to the EU while albacore tuna went to the canneries in American Samoa. He noted that the economic health of tuna fishery in the Pacific was linked to the US market.

Market Potentials and Status of PIC Exports

126 Mr Rodwell outlined the status of tuna processing and export operations in the PICs principal markets for PICs tuna (the EU, Japan, the US and American Samoa); opportunities and constraints for PICs in global tuna trade; and intra-regional tuna trade. He offered a detailed explanation of market requirements and constraints, particularly for fresh-chilled tuna in Japan, the US and the EU and for whole frozen tuna in American Samoa. He stated that regional cooperation was intended to alleviate constraints, such as geographical isolation from major markets, limited resources and capabilities, and small economies, and that an increased regional trade could be encompassed under PICTA. In response to a query, Mr Rodwell explained that FFA focused on tuna fishery, but there has been increasing concerns on swordfish. Mr Graham informed that swordfish is not a priority in the Cook Islands, rather it is by-catch species.
Ambassador Sisilo noted that capacity constraints and erosion of preferences for developing countries were not the only issue. He asked whether there were any real attempts to restructure and be competitive in the region fisheries sector. He emphasized that the region should start thinking about being competitive and efficient if it is to withstand the forces of globalisation. Mr Rodwell explained that the productivity of the canny was better and that there is a need to achieve scale economies. He stressed that smaller Island nations have a long way to go and need to keep preferences as long as possible.

Regarding the discussion on tariffs and environment, Mr Riley emphasized that reduction in tariffs should not result in an environmental problem if a proper management system were in place. On the issue of fisheries subsidies, participants expressed frustration in this debate. Supporting excess capacity is linked to IUU fishing but this is difficult to prove in practice. Mr Brown reaffirmed that subsidies should be narrowly considered. Prohibition is a reasonable outcome. He noted that the difference between tariffs and subsidies is that the latter directly contribute to over-fishing, whereas there is no clear link in the case of tariffs. Mr Riley added that he found it hard to understand the environmental argument for maintaining high tariffs.

Pacific ACP-EU Economic Partnership Agreement

Mr Rodwell introduced the current EU Fisheries Partnership Agreements (FPA) with Federated States of Micronesia, Kiribati and Solomon Islands and the Multilateral FPA are a basis for an FPA and access agreements in the region for EU fishing interests. He outlined the elements of the multilateral FPA, including market access; crewing; fisheries development funds; conservation and management funds; etc. He explained that swordfish was excluded from the provisions of this agreement because it was mostly in the high seas; while there were some provisions on bigeye tuna in purse seine catch. He added that full multi-lateral arrangements were too hard under the proposed timeframe. He stressed that there are plans to conduct a workshop exploring access arrangements options to encourage the domestic sector, with some level of private sector participation. Mr Gueye noted that it is difficult to conduct bilateral agreements with the EU because of the EU belief that these are not economical; rather, it prefers to develop trade relations with partners.

Intra-Regional Trade and Agreements

Ms Giheno overviewed the challenges and opportunities for PICs with a range of economic constraints and vulnerabilities. She explained that Preferential Trading Arrangements (PTAs) such as SPARTECA were enabling PICs exports to enter Australia and New Zealand duty free and that exports were diversified. However, she pointed out that FICs were having difficulties capitalizing on the PTAs because of the ROO set in SPARTECA. She noted that markets in the EU, Japan and the US were also targeted. The US policy provided little opportunity to access its markets, but arrangements such as the Compact of Free Association enables countries such as the FSM, the Republic of the Marshall Islands (RMI) and Palau to have duty-free access to the US market for specific canned fish products. Ms Giheno stressed that agreements such as the Melanesian Spearhead Group (MSG) agreement between PNG, Vanuatu, Solomon Islands and Fiji enhanced the flow of trade within these countries and facilitated the trade of up to 200 products. In reality, only a few were traded because of similarly produced commodities in the countries. She added that there is potential to export lobster and prawn from PNG to Fiji and Vanuatu (tourism orientated business), if proper marketing mechanisms are in place. In her conclusion, she stated that one of the
challenges for MSG countries and PICs trading intra-regionally are protectionist measures imposed by member countries to protect their own local economies (e.g. kava, corned beef).

131 To a query on international markets for fish waste (e.g. cosmetics etc.), Mr Rodwell responded that fishmeal had been produced from fish waste in Mandang, PNG, and there may be opportunities to use it for crocodile feed. He added that there may be other niche markets such as in the manual by Fiji on small-scale production of alternative products. Mr Graham shared that longline vessels had units turning waste into fishmeal, which had a good market in China. All this is done on board so that it can be offloaded directly for export. Mr MacFarlane noted that New Zealand has a cooperative venture with land-based processing and fishmeal operations for the Chinese markets. He noted that there was an issue to monitor mercury contents because the fishmeal was made as a protein to boost soy and grains for pig meal in China. Also, there was some concern on the use of shark skin, bones and livers as they are a by-catch species.

132 In response to query whether the New Zealand fishing fleets could come to the PICs waters, Mr MacFarlane stressed that some fishing vessels could not because they were specific to the Southern Ocean, while longline fishing vessels could be a possibility. He noted that the Australian fleets are under restructure and reduction because of their insufficient returns, and it is increasingly difficult for the New Zealand companies due to the costs of entry. Ambassador Sisilo added that there is concern that foreign access vessels would withdraw from PICs because of the subsidy removal: it all comes down to cost and the need for the region to rationalize the fleets to enable a year round fishing plan. It was noted that while there are fewer players, the catches are increasing, thus resulting in higher total revenue per vessel.

SESSION 10: FISHERIES SUBSIDIES, WTO AND PACIFIC COUNTRIES

Facilitator: Vicki Plater, NZAID

Status of the Fisheries Subsidies Negotiations

133 Tamsin Royson, NZMFAT, outlined the status of the WTO fisheries subsidies negotiations with reference to the state of the world fisheries. The WTO has undergone a shift in approach and now sees a clear need to discipline subsidies. She noted that subsidies made a huge contribution to fisheries’ exploitation and overexploitation, and that the negotiations were intended to level out the playing field in fisheries resources, and should over time give developing countries the opportunity to enlarge their own domestic fisheries industries. In negotiations, the Friends of Fish (NZ, US, Canada, Brazil, and Argentina) were taking a ‘top-down’ approach while others (Korea, Japan and Chinese Taipei) were taking a ‘bottom-up’ approach. There was concurrence that subsidies to overcapacity should be disciplined. She detailed some of the outstanding issues in the negotiation: access fees; SDT; treatment of small-scale and artisanal fisheries; the “thin green line” of environmental conditionality, and notification requirements. With reference to a recent FFA fisheries trade study, she concluded that achieving PICs objectives in fisheries subsidies negotiations would require cooperation between PICs fisheries and trade officials, industry representatives, international and regional organizations and WTO delegates.

Implications for PICs

134 Len Rodwell made a short presentation on ‘Subsidies and the implications for PICs’. He emphasized those fisheries subsidies rules are relevant to both PICs WTO members and non-WTO members, adding that negotiations positions should consider national impacts as
well as impacts on fisheries partners. He explained that negotiations required data exchange between national, regional and international PICs representatives. He further stated that notification requirements might create significant barriers, and while subsidies could contribute to overcapacity, there was a need to address good management systems for stock, e.g. management plans, regionally agreed terms and conditions, and a number of other measures addressing sustainability. In response to query on who might be called upon to certify the sustainability of stocks, Mr Rodwell stressed that PICs were less happy with developed countries, since SPC carried out very good certification of the tuna fishery and PICs would prefer to stick to this arrangement. He added that PICs supported exemptions for small-scale.

135 Mr Gueye, ICTSD explained that discussions in Geneva focused on the fact that fish subsidies negotiations were the only area that centre solely on the environment, and did not have other underlying commercial interests. He noted: 1) developing countries had been part of the debate, which had not always been the case for other WTO discussions; 2) access fees contributed to around 25 percent of government revenue in a number of countries, which means that governments were often forced to renew access agreements. There was a question on the need to distinguish between government-to-government subsidies, vs. government-to-industry subsidies; and 3) a definition of small-scale and artisanal fisheries are needed.

136 Ambassador Sisilo pointed stressed that access fees were a very important issue, and for some economies, access fees constitute about 40 percent of GDP. While access fees have been generally agreed to as being government-to-government transfers and therefore not considered as subsidies, the same could not be said of the onward transfer of these rights by a national government to a private fishing fleet. This onward transfer of rights should also be exempted from any new disciplines, otherwise it will have serious implications on small island countries; particularly those where fish is about the only resource they have, and in relative abundance.

137 In response to query whether Mr Rodwell presentation was acceptable to New Zealand, Ms Royson explained that while New Zealand did not disagree with the principles Mr Rodwell outlined – notably flexibility and fairness – New Zealand accepted that there was a difference of opinion with PICs on some of the details of the desired outcomes. For example, regarding access fees and notification requirements, New Zealand was not suggesting a ban on the onward transfer of access rights, but was seeking greater transparency around these transfers. She questioned the argument that the fleets would no longer enter PICs waters if access payments were disciplined in any way, saying that the value of the resource should ensure ongoing interest by Distant Water Fishing Nations (DWFNs). Ambassador Sisilo noted that if it was not profitable without the subsidies, fishing boats would not come and fish in the region, resulting in no access fees. Ms Royson maintained that this was all very abstract and uncertain because of the present state of the negotiations. Even SDT, for example, was also a difficult issue, and would be subject to further negotiations. It was likely that many of the PICs concerns expressed would be addressed in the context of SDT provisions. Mr Brown noted that negotiations were intended to ensure a level playing field. It would be very surprising if the EU walked away from the Pacific; a huge percentage of their fisheries are in distant waters. Ms Royson further expressed that a level playing field would provide an opportunity for PICs to develop their own fisheries, and there might be adjustments as to who was fishing what, to get an optimal outcome for the Pacific.

138 Ambassador Sisilo questioned if all island countries have the capacity to build canneries. Mr Rodwell replied that joint ventures with local businesses ensure greater control,
and a processing plant on shore was not necessary since it might still be very difficult for small countries. He also explained that phased introduction might be an option since longline fishing was the best for integration with local economies. For instance, Namibia had a rights-based management, and the EU was transparent at the EU level but was a black-box at a country level. In response to a query why we could not deal directly with subsidies and focus on management programmes, Ms Royson commented that subsidies should take account of those programmes. Mr Brown agreed that we needed to deal with both problems.

139 Ms Tupou expressed that the impact on fishing operations and over-exploitation was a real concern. There were very high costs for operations, such as airfreight, and these costs would remain and possibly increase. She stated that there was no room for investment in Tonga unless it is foreign, so that Tonga could not develop its own fleet. Ambassador Sisilo noted that the fisheries sector in the region is subsidised and without government support it is very unlikely the sector would survive. Ms Plater stated that foreign investors would want to invest in domestic ventures because of a certainty of negotiations, and discussions from the sector to the government needed to be linked. Mr Gueye noted that there was a conflict between the local industry, which could potentially expand in the long-term, and the short term gains from access fees. Joint ventures and investment were the appropriate options. The EU was already doing so in the Caribbean region and was facilitating access to markets.

140 Leka Pitoi, requested some clarification on PNG domestic policy with reference to a longline fishery which was 51 percent nationally owned and 49 percent foreign owned. Was this an incentive or a subsidy? If it is a subsidy, it would become very expensive if it was removed. Ambassador Sisilo replied that it was a subsidy, and all PICs were subsidized one way or another. Ms Tupou noted that it took Tonga ten years to get tax exemptions from the government, and asked if this meant that the WTO would take them away? Mr Brown emphasized that there was much apprehension about subsidies, and the focus of WTO concern was the major subsidising countries and not the PICs. Mr Brown added that the difficulty faced was Tonga was under the same SDT heading as some of the major subsidisers (who were also developing countries), and SDT document would need to be crafted in such a way as to avoid being unfairly disadvantaged. Ambassador Sisilo agreed that that demarcation was warranted. Mr Gueye suggested that one way to get out of the SDT might be to restrict it within the Exclusive Economic Zone (EEZ), and that would capture most of the PICs activities. Mr Yaya maintained that the subsidies need to be allowed to remain, otherwise livelihoods would be affected. Mr Gueye added that economic analyses of developing joint ventures should be undertaken on investment. Mr Sionetuato informed that there was a powerful act in Niue which defined that what PNG was describing before was not a subsidy but an incentive.

SESSION 11: QUALITY, SAFETY AND CERTIFICATION ASPECTS FOR FISH TRADE

Facilitator: Mustapha Kamal Gueye, ICTSD.

Fisheries Certification and Ecolabelling

141 Mr Brown, New Zealand Ministry of Fisheries outlined the developments of fisheries certification and ecolabelling with emphasis on market developments (e.g. consumer and retailer concerns), policy developments, labelling developments and options. He stated that certification and ecolabelling were a marketing tool as much as an environmental one, and there were sustainability concerns around aquaculture because of the additional factor of wildfish feed. There were broader concerns around slow food/local food/food miles, and fair trade.
had not yet become an issue. He introduced the FAO Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries, which required third party certification schemes, and also provided brief on standards of the EU, International Standard Organization (ISO), Marine Stewardship Council (MSC) and Marine Aquarium Council (MAC).

142 Mr Graham queried the cost of assessment, to which Mr Rodwell of FFA replied that FFA conducted a pre-assessment for WCPFC which cost about US$100 000; the full assessment would be more expensive. Cook Islands were interested in responding because of WalMart pledge to source all MSC by 2009-11. Mr Gueye mentioned that from experience, the cost of assessment was about US$500 000 which is far beyond Cook Islands budget according to Mr Graham. Mr Rodwell added that revenue should perhaps be raised from retailers, industry or other NGOs.

143 Mr Izumi noted that the Convention on International Trade in Endangered Species (CITES) report showed urgent concerns for the giant clam species, and urged PICs to look carefully at this report with regard to their trade in the species. Mr Gueye added that the trade issues of certification are found in the 1984 agreement on TBT and on SPS, and countries had the right to set up environmental and health standards and regulations. He further added that TBT could be mandatory or voluntary. If the EU develops a standard, it needs to be compatible with WTO norms. Voluntary schemes not set up by governments could have a real impact on trade flows, and many companies de facto adopted private standards. For SPS, Article 5.1 stated that every standard needed to prove it was necessary for health reasons. However, for environmental issues, there was no such Article under the TBT. Mr Brown emphasized that this shows the complexity of the process and the time and money required.

**Country Briefs on Safety and Quality of Fish Products in PICs**

**Niue**

144 Natasha Toeono made a short presentation on ‘Safety and Quality of Fish Products in Niue’. She introduced a joint venture company (Niue Fish Processors, Ltd.) established in Niue between a New Zealand company (Reef Group Ltd.) and the Niue Government in 2004. She explained the company activities and operations, which complied with international standards and legislation covering verification, processes and food safety. She reported that the company exported 15 tonnes per week and had a direct chartered flight to Honolulu. Mr Sionetuato added that fish was loined, and there was no waste from the plant. Fishing license was given to the company at no fee to jump start the industry. In response to a query on competition with neighbours, Mr Sionetuato noted that there was no such problem. Niue positioned itself towards the higher end of the market: fishermen received good returns and were paid straight away. In response to query on how to ensure the economic returns remain within the country, Mr Sionetuato reiterated that Niue primary goal was to provide employment, understanding that investors needed to make money.

**Samoa**

145 Mr Fong presentation was on ‘Safety and Quality of Fish Products in Samoa’. He reported on Samoa fish export to American Samoa and highlighted their experience of fish rejections with a million dollar earnings loss prior to 2002. He informed that there had been no fish rejections from American Samoa since national seafood management systems had been in place in Samoa from 2003. He added that the main constraint in Samoa was lack of a laboratory to test fish and fishery products, with difficulty accessing an appropriate facility overseas, although there was one at the University of the South Pacific in Suva, Fiji. He stated
that Samoa would like to have its own multi purpose laboratory while emphasizing standard procedures and hazard plans in the meantime.

**Tonga**

146 Ms Tupou presentation was on ‘Safety and Quality of Fish Products in Tonga’ from a private sector perspective. She explained that there was no separate legislation for food safety which was part of the fisheries act in Tonga. She alluded to financial and bureaucratic constraints. She added that the Fisheries Department was now incorporated together with agriculture and forestry under the one ministry.

**Papua New Guinea**

147 Mr Potoi presentation was on ‘Safety and Quality of Fish Products in PNG. He reported that PNG had the HACCP standards and the EU requirements (importer conditions), and PNG also exported fish to the US and Japan. He noted that the certification process was long, and the Ministry of Health would usually take charge of the standards, but the National Fisheries Authority (NFA) would issue a certification. He added that the EU inspection was regularly carried out in PNG. He added that NFA was putting funds towards building its own laboratory.

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**PLENARY SESSIONS**

**SESSION 12: PROGRESS ON FAO REGIONAL PROGRAMME FOR FOOD SECURITY**

_Facilitator: Aleki Sisifa, SPC._

**Update on Extension Phase**

148 Bismarck Crawley, Project Manager of the RPFS, screened a video highlighting the importance of food security in the region. The video documents the various success stories and projects that have been enabled under the RPFS. The objectives of the Regional Program on Food Security (RPFS), as Mr Crawley highlighted, are to enhance production, food security and income generation while promoting the nutrition status of the Pacific population, as well as to strengthen and build capacity of the region in trade facilitation and agriculture policy. The provision of technical assistance through national intervention is the key implementation component for achieving enhanced production, including the technical service of the south-south cooperation. He noted that the project is now on its extension phase with additional contribution of US$2.5 million by the Italian Government. This brought the total contribution of Italy to about US$7 million. He added that 26 national food security projects and up to 164 trainings to improve production as well as processing capacities, involving more than 2000 farmers, have been so far executed. Regional training courses in food regulations in international trade, food safety legislative models and commodity chain studies have contributed to enhancing trade and policy capacities. The outcomes thus far have been beneficial with improved and more efficient production techniques adopted on a sustained basis, as well as improved regional and national awareness in critical biosafety issues in food (import and export) trade and enhanced capacities in dealing with these issues.

149 Massimo Carnelos, Italian Embassy in New Zealand emphasised his Government support for the project, which is Italy’s priority activity in the Pacific region. He noted that the
Government of Italy looks forward to more discussion of Italy’s assistance and role in the region during the post dialogue session of the upcoming Pacific Forum Leader meeting in Tonga.

Mr Mataio expressed his appreciation for the project and noted that it has benefited the PICs right down to the grassroots and rural communities. He added that sometimes implementation is slow in the Pacific, nevertheless the programme is widely supported and he looks forward to its continuation in the expansion phase.

**Update on Expansion Phase**

Mr Fuavao presented the formulation of the expansion phase of the RPFS. He stressed that the expansion phase of the RPFS is very ambitious. The resources of the current RPFS and its extension phase amounted to US$9 million for 4 years and an half (May 2003-December 2008). The expansion proposal of the RPFS has a budget of US$70 million for seven years. Building on the lessons learnt from the current phase of the RPFS, the formulation process had been carried out by three teams of FAO experts, who have visited all 14 FAO members in the Pacific and held national consultation workshops at the end of each visit, consulting over 1,000 people in the region. Officially endorsed in the Seventh Meeting of FAO South West Pacific Ministers for Agriculture (Marshall Islands, May 2007), the RPFS expansion phase proposal includes three components:

1. Direct national interventions aimed at increasing agricultural production and productivity;
2. Regional interventions in the area of agricultural policy, trade facilitation and climate change adaptation; and
3. Agricultural infrastructures development.

Mr Fuavao added that a side event on the program is scheduled during the FAO Conference in November 2007. A donors meeting is likely to be held in 2008.

Participants acknowledged that as far as agriculture is concerned, this is the biggest proposal in search of funding from the Pacific region. Mr Fuavao confirmed that several donors and relevant development agencies are being contacted. Participants acknowledged their appreciation and anticipated the benefits to boost production, exports, and the potential to facilitate trade in many PICs.

Samoa noted that it was important to know the details of the project, so that it can be aligned to national priorities, as the country is in the process of developing its Strategy for the Development of Samoa for the next four years. Mr Fuavao stressed that the program is based on inputs from the countries. The participants agreed that the programme should consider the sustainability of interventions, especially at the end of the projects, as well as global issues such as competitiveness of PICs economies and multilateral trade liberalisation.

**SESSION 13: REGIONAL FOOD SECURITY INITIATIVES**

*Facilitator: Vili A. Fuavao, FAO*

Mr Hallam informed the meeting of an EU-ACP initiative funded by the EU, focusing on agriculture commodities with an initial four-year budget of Euro 48 million. The project is undertaken by a group of international organisations including FAO, World Bank, UNCTAD,
ITC and Common Fund for Commodities. The beneficiaries are all ACP countries and the activities will be coordinated by a unit established in Brussels. Features of the project include:

1. Diagnostic analysis and solutions of commodity chains, identification of domestic and trade policy measures;
2. Initial stages will focus on a certain number of countries and commodities with high priority, with the idea to scale-up and replicate the interventions in similar circumstances;
3. Strong capacity building element.

The activities planned for next year include six initial regional workshops. Being a demand-driven participatory project, the workshops aim to set the scene and ascertain the priorities of the countries involved.

IFAD Mainstreaming Rural Development Innovations Programme in the Pacific

156 Ariko Toda and Leonie Smiley made presentations on the evolution and development of the IFAD funded Mainstreaming Rural Development Innovations Programme in the Pacific (MORDI). This programme is executed by the Foundation of the Peoples of the South Pacific International (FSPI). The meeting was informed that the prerequisite for MORDI is to be a member of IFAD, which is currently nine in the Pacific: Cook Islands, Samoa, Tonga, Fiji, Kiribati, Solomon Islands, PNG, Niue and Timor Leste. In line with the Millennium Development Goals, the overall goal of MORDI is to contribute to sustainable, improved livelihoods of underserved, isolated and remote rural communities, especially youth and women of PICs. The implementation approach envisages a comprehensive strategic plan with specific activity plans originating from the national and community programmes of member countries. Each country has a national office and staff, and the programme is implemented at village and community level.

157 MORDI has strong networks with a wide range of organisations. It works in collaboration with ANZ Bank on rural banking pilot programs to enable remote locations to have access to a banking facility. The programme is piloted in Fiji and assists in creating savings for communities and families. Savings service trucks go out to the remote communities and collect savings deposits. There are no fees charged except high fees for withdrawals, which act as a disincentive to withdraw. Access is ensured to loan a maximum of US$1 000 when an account has been operating for over six months. The programme also trains local women as bank tellers.

158 MORDI programmes are well established in Fiji and Tonga, with Kiribati establishment in the preparatory stages. The initial preparations for PNG are set to commence in January-February 2008 and Samoa in late 2008. The aim is to cover a country every six months. Strong national NGO support is needed, as the programme takes a bottom-up process to ensure the community owns the interventions. As MORDI does not work through governments, concerns have been expressed as to why IFAD operates via NGOs. It was noted that past IFAD programmes comprehended that some governments contracting NGOs to undertake the implementation. It was also noted that IFAD partners with governments as often as possible and always aligns its work with national government priorities and local governance structure.
SPC Development of Sustainable Agriculture in the Pacific (DSAP)

159 Mr Sisifa made a presentation on SPC Development of Sustainable Agriculture in the Pacific (DSAP) programme. DSAP encourages the participation of community and farmers, as well as develops solutions to promoting sustainable agriculture, by implementing a diversity of projects and programmes, such as composting to enhance soil fertility, natural means of pest control or capacity building in research and diagnostic skills. Challenges faced by the programme were identified as including high costs of infrastructure for communication; limited national budgets; poor quality and quantity of baseline data.

160 DSAP is monitored by the EU and was subject to four independent reviews in 2005 and 2006. The project ends has been extended for one year up to December 2008 for the completion of activities in countries and to develop exit strategies. Countries will then need to absorb some of the activities. The long term aim is to retain the mechanisms for participatory approach, including steering committees and core staff in each country, and incorporate them into the national structure, as well as to continue outreaching to rural areas.

161 On a concern raised about Mucuna being invasive, the Mr Sisifa responded that its deep roots bring all the minerals from underneath (green manure crop) and can be removed if needed. The experience is limited but so far successful. It suited Tonga squash crop, improved the soil for oil palm production in PNG and for Samoa organic banana cover crop. Regarding the intellectual property protection of geoplasm materials in the centres in Fiji and Samoa, it was noted that there is a model agreement for third-party transfers, covering the transfer of country materials from SPC to another party.

SESSION 14: REGIONAL TRADE DEVELOPMENT ASSISTANCE PROGRAMMES

Facilitator: Vili A Fuavao, FAO

NZAID

162 New Zealand reported that it significantly contributes to the RTFP. Although three monthly reports are mandated by the Forum Trade Ministers, it noted there is a low level of awareness of programme progress. Some FICs have yet to set up a National Trade Facilitation Committee (NTFC) comprising of stakeholders from government and the private sector. The NTFC discusses all trade related issues to facilitate the movement of goods into and out of the country. NTFCs also link the national activities to the overall RTFP. New Zealand assistance also covers PC Trade, Codex work, biosecurity and plant protection interventions, as well as funding for the FAO Roundtable Meetings on the WTO. Some countries have also been assisted through bilateral programme areas such as fisheries management, agribusiness, value chain analysis and small business enterprise centres.

IFAD

163 IFAD reported that assistance in the Pacific is provided in organic agriculture and through MORDI. IFAD aims to bring its global experience to add value to the regional work through partnership with other organisations. It is in discussion with SPC to develop a centre for excellence on atoll development initially in Kiribati and later in other countries. It also aims to strengthen its relationship with FAO in trade related matters and join the current strong relation the FAO and SPC have with governments and work closely with them. IFAD also identifies potential areas of interest such as biofuel. It mentioned that there also is a possibility to develop larger country-specific programmes with loans.
PIFS

164 The Pacific Islands Forum Secretariat reported that it coordinates the five-years RTFP funded under the PACER, which provides assistance in trade related issues to PICs. The RTFP programme seeks improvements in quarantine, customs and standards and conformance matters that relate to the trade in goods. It also includes capacity building and support to reform trade regulations. Private sector assistance is facilitated through the Private Sector Development component of the PIFS Economic Governance Programme, including the Industry Development & Training Project (IDTP); Market Support Fund (MSF); and Short Term Advisory Services (STAS).

SPC

165 SPC reported that it is comprised of three main divisions: Land Resources, Marine/Fisheries and Social-Health. The PACREIP, Australia and New Zealand, and the RTFP are the three main funding sources for SPC activities. SPC also works in close collaboration with other agencies such as FAO, SPREP, OIE and PPPO as well as networking with relevant national stakeholders, including agriculture ministries, animal health services and quarantine. SPC work on food nutrition aims to ensure that the people in the region produce and consume local safe and quality food. The Forum Health Ministers, in their meeting in March 2007, agreed to the need for health to link with trade to ensure that the food is safe and nutritious. In addition, SPC assists countries in addressing health issues in coordination with the ministries of health, emphasizing that agricultural production must be linked to national development plans and contribute to a holistic development approach.

FAO

165 FAO reported that it assists countries through its regular programme activities, the Technical Cooperation Program, trust funds activities mainly supported by Italy, Japan, New Zealand and GEF, and Telefood interventions. In addition, each country can request up to US$ 200 000 under the FAO TCP Facility, which is easily accessible with a fast track approval process. Some projects currently under the TCP Facility include a biofuel feasibility study for Samoa; agriculture policy frameworks for Cook Islands and Vanuatu; agriculture census for the Marshall Islands and Fiji; and forestry legislation for Niue. The Subregional office for the Pacific Islands is supported by a multi-disciplinary team, which enable FAO to response quickly to request for technical assistance from its members. Mr Fuavao noted that the 2007 World Food Day will be celebrated on the 22 October marked by a candlelight vigil with the theme of the “Right to Food”.

SESSION 15: EVALUATION, WRAP-UP AND CLOSING

Facilitator: Vili A Fuavao, FAO

167 Mr Fuavao informed the meeting that the RTM is a standing agenda item of the biennial meetings of the FAO South West Pacific Ministers for Agriculture.

168 On behalf of the private sector representatives, Hiva Levi expressed gratitude for being part of the meeting. He acknowledged that it had been very informative and looked forward to further dialogue in the future. Mr Sio also and acknowledged the invitation extended to the private sector. He encouraged future participation of the private sector and urged that dissemination of information to also reach smaller farmer groups.
169 Neil Fraser acknowledged the usefulness of the meeting, adding that the participation from the private sector in future RTM should be supported. He expressed his gratitude to Mr Fuavao and the FAO team for the enthusiasm and commitment in organising the meeting.

170 In his concluding remarks, Mr Fuavao recalled that the roundtable meetings are an opportunity to share views and learn about the complexities of global trade. He trusted that the meeting contributed to the understanding of the participants on most recent developments and relevant issues for the region, affirming that each year the programme is reviewed and agreed in consultations with relevant parties to ensure it reflects the needs of the Pacific. Mr Fuavao acknowledged the participation of regional and international agencies and thanked the private sector and country officials for their participation. The Tenth Round-Table Meeting was then officially closed.
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Welcome Address by Dr Vili A. Fuavao,
FAO Sub-Regional Representative for the Pacific Islands

I have a very pleasant duty this morning and that is to welcome all of you to the Tenth Roundtable Meeting for the Pacific Island Countries on WTO and Regional Trade Agreements and Provisions. It is a duty that I have been privileged to perform for the last nine years, this one being the tenth. We in FAO have been able to convene this RTM series in response to the call by Pacific countries for an independent forum for information exchanges and capacity buildings on WTO, particularly focus on AoA and related agreements in WTO. The RTM has since expanded to include the Regional Trade Agreements and Provisions.

I am pleased to see old friends and new ones, including new partners in this RTM. Having Neil Fraser of the Ministry of Agriculture and Forestry participate in the opening of the RTM this morning is quite fitting since he has been a very strong supporter of FAO and this RTM series in particular. In addition, the New Zealand Government has been a partner of the RTM - both technically and financially - since its launch some ten years ago.

I am also pleased to welcome Her Excellency Liana Marolla, Italian Ambassador in New Zealand. Thank you, your Excellency for accepting our invitation to be here this morning. Your Government contribution to the development of the agriculture sector through the FAO-executed Regional Programme for Food Security in the Pacific Islands Countries is acknowledged with great appreciation. Through this regional program your Government, through FAO, was able to contribute financially to the RTM last year as well as this year and we look forward to Italy continuing to be an active partner of the annual RTM.

I wish also to extend a warm welcome the delegates and participants from the Pacific countries. The objectives of the RTM have remained the same and that the focus on ensuring agriculture, trade and fisheries officials are brought up to date on WTO matters and to ensure that they are integrated into the mainstream of WTO and regional trade discussion in the region and more importantly in your particular country. FAO will continue to convene this RTM as long as it shows to be effective and provides necessary capacity-building for the Pacific. In this regard, I note with appreciation that the recently held Seventh Meeting of FAO South West Pacific Ministers for Agriculture, held in Majuro in May, expressed appreciation for the outcomes of the RTM series and urged that these capacity building exercises be continued.

I am pleased to note that this year, with financial assistance of the New Zealand Government; we were able to invite representatives of the private sector to this capacity building and information exchange exercise on multilateral and regional trade. We hope that your participation this week is the beginning of private sector involvement in the RTM series.

Since the creation of the WTO, the importance of trade has grown in all sectors, as well as the number of countries involved in it. The complexities of the agreements and mechanisms are legendary. Trade is increasingly considered as an essential vehicle in fostering development. Making sure that trade ultimately benefits the greatest number of countries and people in the world remains the biggest challenge. Parallel to these, regional or groups trade agreements and negotiations are also under way.

The agenda of the Roundtable Meetings have progressively adapted, as a reflection of a rapidly changing trade system. This year, for instance, in addition to the most recent approach of assessing multilateral and pacific regional trade dynamics in both the agriculture and fisheries sectors, particular attention will be dedicated to the development dimension of trade, including impact on environment and biodiversity, food safety and security, with the support of scientific and visual instruments for analysis and comprehension.
In addition to the New Zealand and Italian Governments, I would like to also acknowledge the financial support and technical assistance of our other partners including IFAD, New Zealand MAF and MFAT, SPC, PIFS (PITIC), and FFA. This year we are fortunate that ICTSD based in Geneva and the NZ Fair Trade Association are providing resource people.

Finally, I would like to take the opportunity to thank my FAO colleagues coming all the way from Rome from the Trade and Marketing Division to share their knowledge and experience with us. Making the long trip is never easy but your support is much appreciated.

I and my staff are at your disposal to ensure that your discussions are successful this week.

Thank you
Annex 3:

STATEMENT OF THE AMBASSADOR OF ITALY, H.E. LIANA MAROLLA
Wellington, 17 September 2007

Mr Fuavao, FAO Representative for the Pacific,
Mr Fraser, Representative for New Zealand,
Distinguished Delegates,
Ladies and Gentlemen,

It is with great pleasure that I participate today, in my capacity as Ambassador of Italy to New Zealand and to six Island Countries of the Pacific, to the opening of this Tenth FAO Roundtable Meeting, which is funded by the New Zealand and Italian Governments, and I would like to extend to all of you a warm welcome. I wish to congratulate the FAO Sub-Regional Representative for the Pacific, Mr Vili Fuavao and the other members of FAO, for organizing so well this important event in Wellington. I would also like to thank the Representative of New Zealand for hosting the meeting.

Italy is looking with special attention to the South Pacific Region and to the issues related to the Small Islands Countries. Over the past few years the Italian Government has upgraded its political profile in the Pacific and has strengthened collaboration with international Organisations, such as FAO, and other countries, such as New Zealand, with the aim of making an increasing contribution to the economic and social development of the Small Islands Developing States of the Pacific.

The priority has been given from the beginning to food security and capacity building. Today we have also another priority: climate change and clean development mechanisms. Environment and energy are accorded top priority on the Italian agenda, as well as on the international one. When the notion of global warming first seeped into public consciousness in the 1980s, the international community took a dim view of it. In 1989, under the UN auspices, the Intergovernmental Panel on Climate Changes was established. In 2002 the Johannesburg Plan of Implementation highlighted the need to improve access to modern energy. Energy has become the hot new area for everyone: scientists, businessmen and countries. Human activity is changing the climate. It really is necessary to pursue an “energy initiative” to promote research into alternative sources, storage and cleaning up conventional sources and to protect the environment on which humanity depends for food and energy resources.

Italy has a new project for the Pacific, which focuses on energy. The project was officially launched in New York last March by the Italian Deputy Minister for Foreign Affairs, Gianni Vernetti, and is opened to all SIDS of the Pacific. The Italian policy is that of general involvement, as it was for the FAO Food Security program financed by Italy.

Deputy Foreign Minister Vernetti, responsible for the Italian foreign policy in Asia and the Pacific, will lead the Italian Delegation at the next meeting of the Post Forum Dialogue in Tonga next month. I am convinced that the contacts the Italian Government Representative will have with all the Pacific Leaders will represent a strategic opportunity to further strengthen the political dialogue and the economic cooperation. As you know, from this year Italy is a Member of the Post Forum Dialogue of the Pacific Islands. As a way to play a more constructive and cooperative role directed towards the goals of progress, security and development in the Pacific region, Italy has decided to join the PIF Post Forum Dialogue and I thank you all for the support that your Governments have given to Italy’s candidacy.

Coming back to the purpose of today’s meeting; I wish to underline my satisfaction for the results obtained. Being involved in the project from the beginning, I had the opportunity to launch the program in Samoa and personally visit some of the projects. Having noted the results and the commitment of the participating countries, I strongly suggested my Government expand the program for other two years. I am pleased that it has been possible: the programme has been extended until the
end of December 2008 with a further contribution of US$2.5 million, bringing the overall contribution of Italy to US$7 million.

I would like to stress once again the importance between the Regional Programme for Food Security and the broader objective of the sustainable harmonious development that will ensure democracy and peace in the world, in the respect of peoples’ ways of life and cultural identity. As we all know, progress and modernization in small-scale countries such as the South Pacific Islands does not always come easy and also, it comes at a price, despite the best intentions possible. The introduction of new technologies, the increased consumption of foods and goods, the increased population has created an imbalance between resource, environment and population.

I believe it is important to expand programs and cooperation. To do so, technical meetings and political contacts are essential. A meeting like this Roundtable is a special occasion. This is the reason why the Italian Government, in collaboration with FAO and New Zealand, has financially contributed also this year to the organization, as we did last year with US$50,000. In Rome, in combination with the FAO Summit of last November, Italy has also organized the Italian Day for Asia and the Pacific, with a number of panels, where development programs covering agriculture, livestock and fisheries have been discussed.

I see more Italy in the Pacific. This was my commitment and I am pleased and proud to see such good results. Italy has increasingly strong political and economic relations with all Pacific countries and has formal diplomatic links with most of the countries. Fourth EU trade partner of Oceania, Italy channels a substantial amount of funds to the region through the European Development Fund of the European Union, which contributes with important initiatives to the development of the Pacific – the European Union is the second biggest aid donor in the region. Out of the 370 million Euros (294 million for national projects and 76 million for regional projects) the European Union has approved for the ACP Countries of the Pacific for the period 2008-2013 – the Tenth European Development Fund – Italy will cover, as the fourth largest contributor, 12.36% of the total amount. Italy has also contributed with a quota of 12.54% to the “compensation” funds within the Ninth EDF. I will not go on any longer because tomorrow, as you can see in the program, the Representative of the European Commission will make a detailed illustration on the commitment of the European Union in the Pacific.

I have already mentioned the program for climate change and clean development mechanism for the Small Island States of the Pacific aimed at enhancing the energy security of the area. This programme amounts to 10 million US$ in years 2007-2010 and will finance national initiatives in renewable energies and related areas. So far, most countries have forwarded concept papers with specific descriptions of needs and goals and a text of Memorandum of Understanding has been agreed upon between Italy and the Representatives of the Pacific Small Island Countries.

In terms of capacity building Italy has financed, through the United Nations Department of Economic and Social Affairs (UNDESA), the “Regional Programme for Reinventing Government in the Pacific Islands” with a high component of Information and Communications Technology (ITC) such as e-government and e-commerce, for the amount of US$500,000.

Italy has extended to all the SIDS the programme “Integrating biodiversity conservation and sustainable livelihood enhancement”, for the consolidation of planning and sustainable management of the area, to improve the living conditions of the populations while preserving its biodiversity.

In terms of protection of cultural heritage, in cooperation with UNESCO, Italy has contributed to two initiatives for the conservation of cultural heritage of the Pacific countries with a contribution of 300,000 Euro, within the project “Capacity Building and Institutional Development – World Heritage Convention”.

Distinguished Delegates,
After four years in the Pacific region, having taken part to various meetings, amongst which the FAO meeting of the Ministers for Agriculture of the Pacific, I am very pleased with the results achieved. It is my hope and my wish that the cooperation will develop further, reaching strong levels. In a world of global challenges and of strong interrelationships, it will benefit not only those countries recipient of such programs but the entire Asia Pacific region; I should say the entire international community, with the final purpose to assure an adequate quality of life for all citizens. Sustainable development and security, together with the fundamental principals of democracy strengthens the countries, assuring a better future.

Finally I would like to reconfirm the attention of Italy and my personal one to the countries of the South Pacific Region to closely monitor and evaluate the results of the Regional PFS with the objective of verifying the possibility of expanding and diversify the programmes.

I would like to conclude my speech reminding that Italy, presently a member of the UN Security Council, is committed on an international and multilateral level, for a reform that can ensure a broader participation of all the countries in different Agencies, Committees and in the Security Council of the United Nations.

Thank you for your attention, and I wish you a successful meeting.
Dr Fuavao, Ambassador, ladies and gentlemen, good morning and welcome to Wellington for the tenth meeting in this series of Roundtable meetings, and the seventh to be held in Wellington.

First, let me convey to you the apologies of the Minister of Agriculture, the Honourable Jim Anderton, who is unable to open this meeting - which he did open last year - due to Cabinet commitments. He asked that a “creative alternative” be found. On the basis that I am the only New Zealander to have attended all ten of these Roundtables - and Dr Fuavao is probably the only other person who shares this achievement – it was decided that I should make some opening comments and observations.

A good place to start would be from the Communiqué of the meeting of South West Pacific Ministers of Agriculture held in the Marshall Islands in May of this year. I quote:

“Ministers noted with appreciation the outcome of the WTO Roundtable Series in terms of the objectives, the topics discussed, and its contribution to enhance countries’ capacities to deal with agricultural and food trade policies and encouraged all Forum Island countries to participate”. (end of quote)

You will note the reference to enhancing capacities. I believe capacity-building to be a key focus and major strength of these meetings. Let me tell you a personal anecdote: during the First Roundtable Meeting in 1998, WTO discussions were new and a complex subject. One delegate from Tonga had voiced his concerns about the complexities of the WTO and the difficulty in understanding its rules. Just a few years ago, I met him at Heathrow as he was on his way to Geneva for the Tongan WTO accession negotiations. Today, Tonga has completed its accession and is now a full member of the WTO. This, I believe, is a good example of capacity-building.

I would like to briefly outline some of the activities and negotiations underway at the moment that call on your knowledge of trade policy and the WTO and Regional Trade Agreements.

**Doha Development Agenda.** The WTO agreements and the Doha Round do not directly involve all Pacific Island Countries, but you are affected one way or another by WTO rules and agreements. The Doha Round has been underway for some years now; there are a lot of question marks, the situation across the various negotiating areas is unclear, and the word ‘struggling’ is often used. Given the situation in the United States (with Trade Promotions Authority lapsed; and the political balance), and the wide gaps between some negotiating partners, one would have to draw heavily from the well of optimism to expect an early result. However, negotiations in agriculture have started again in Geneva recently, and there has been a good level of engagement. We will hear more about the details from various speakers during this Roundtable.

Close to home, there’s **PACER and PICTA**, with PICTA at last being implemented, with elements to be progressed through meetings of Trade Ministers.

New Zealand will host an informal meeting of officials in New Zealand early next year, to chart the way ahead on PACER.

The **Regional Trade Facilitation Programme** will be reviewed shortly, as a basis for moving ahead.

**Fisheries.** Given the importance of fisheries to most countries represented here, it is pleasing to see the agenda of the Roundtable accommodate this with one and a half days of sessions dedicated to fisheries. This has been a useful development in recent years.
The regional Economic Partnership Agreement negotiations have a rightful and timely place on the agenda of this meeting. These negotiations are continuing, with the challenge of meeting the deadline for completion by the end of this year.

Once again, Vili Fuavao and his team in the FAO Sub-regional office in Apia are to be congratulated for the enthusiasm and conscientious manner in which they continue to organise this event. In particular, I wish to make a special acknowledgement of the work of Massimo Diomedi, and to pay a tribute to work in past years of our friend the late Manase Felemi.

Also, I wish to acknowledge the financial support provided by NZAID, and the staff resources of more than a dozen officials from five New Zealand Government departments. Convening these Roundtables in Wellington ensures that New Zealand is able to provide our trade policy expertise in this way. I would like to note also that a further benefit of being in Wellington this year is that some of you will be able to participate in the New Zealand Food Safety Authority Conference, and the associated Workshop for South West Pacific countries on CODEX and Food Regulation, both being held in Wellington next week.

Ladies and Gentlemen, I wish you well in this meeting – lively discussion and sharing of experiences will enrich this meeting for all.

I am pleased to join you once again for this meeting. Hence, I have the honour and pleasure to declare this Tenth Roundtable Meeting officially open.

Thank you.
Annex 5: Agenda of the Tenth FAO Round-Table Meeting for Pacific Islands Countries on WTO and Regional Trade Agreements and Provisions

<table>
<thead>
<tr>
<th>SESSION/TIME</th>
<th>TOPICS</th>
<th>SPEAKERS</th>
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<tr>
<td><strong>DAY 1</strong></td>
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<td>8.30am-9.00am</td>
<td>Registration</td>
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<tr>
<td>9.00am-9.30am</td>
<td><strong>Welcome Address:</strong> Mr Vili A Fuavao, FAO Sub-regional Representative for the Pacific&lt;br&gt;<strong>Statement by:</strong> HE Liana Marolla, Italian Ambassador in New Zealand&lt;br&gt;<strong>Opening Address:</strong> Mr Neil Fraser, Manager, International Liaison, Ministry of Agriculture and Forestry</td>
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<tr>
<td>9.30am-9.45am</td>
<td><strong>Group Photo</strong></td>
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<td>9.45am-10.15am</td>
<td><strong>Morning Tea</strong></td>
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<tr>
<td><strong>Session 1</strong></td>
<td><strong>Introduction (Facilitator: Vili Fuavao)</strong>&lt;br&gt;• Adoption of the Agenda, Working and Administrative Arrangements&lt;br&gt;• Recent Developments of the Roundtable Meetings</td>
<td>Diomedi, FAO</td>
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<tr>
<td>10.15am-10.45am</td>
<td><strong>WTO Doha Round Negotiations (Facilitator: Neil Fraser)</strong>&lt;br&gt;Overview of Negotiations on Agricultural and non-Agricultural Products and Outlook for the Next Year&lt;br&gt;Overview of the Development Dimension and Chapters</td>
<td>Dungan-Treacher, NZMFAT&lt;br&gt;Hallam, FAO</td>
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<td>12.15pm-1.30pm</td>
<td><strong>Lunch</strong></td>
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<td><strong>Session 3</strong></td>
<td><strong>WTO Accession and Membership (Facilitator: Robert Sisilo)</strong>&lt;br&gt;• Overview of the Accession Process&lt;br&gt;• Update on Accession to the WTO:&lt;br&gt;  − Samoa&lt;br&gt;  − Vanuatu</td>
<td>Smythe, NZMFAT Country Reps&lt;br&gt;(up 7 min. each)</td>
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<tr>
<td>1.30pm-3.00pm</td>
<td><strong>Afternoon Tea</strong></td>
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<tr>
<td>3.00pm-3.30pm</td>
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</table>
| Session 3 (Con’t) | WTO Accession and Membership (Con’t) (Facilitator: Robert Sisilo)  
Experience of Current Members:  
  Tonga  
  Fiji  
  Solomon Islands  
  Papua New Guinea  
(Discussion will follow each presentation) | Country Reps (up 7 min. each) |

| DAY 2  
Session 4  
8.30am-10.00am | Regional Trade Agreements (Facilitator: Ngatokorua Mataio)  
- Pacific ACP-EU Economic Partnership Agreement Negotiations  
  - Key Issues and the Pacific Position  
  - Consultation Process at National Level  
  - Progress Made  
  - Next Steps | HE Robert Sisilo, PIFS Perm Rep to WTO |

| 10.00am-10.30am | Morning Tea |

| Session 4 (Con’t)  
10.30am-12.00pm | Regional Trade Agreements (Con’t) (Facilitator: Aleki Sisifa)  
Progress on PICTA and PACER  
- Update on Specific Issues Related to PICTA  
- Update on Specific Issues Related to PACER | Giheno, PIFS  
Smythe, NZMFAT |

| 12.00pm-1.00pm | Lunch |

| Session 5  
1.00pm-3.00pm | Development and Trade in the Context of the WTO (Facilitator: Jeffery Wilfred)  
Determinants of Appropriate Agricultural Trade Policy  
Aid for Trade, Special and Differential Treatment  
Small Vulnerable Economies Issues | Hallam, FAO  
Plater, NZAID-Beukman, NZMFAT  
Corrales, ICTSD |

| 3.00pm-3.30pm | Afternoon Tea |

| Session 6  
3.30pm-5.00pm | Fair Trade and Organic Products (Facilitator: David Hallam)  
Overview of Fair Trade Practices  
Organic Agriculture in the Pacific | Knapp, NZ Fair Trade Assoc.  
Manhire, IFOAM |
**DAY 3 SESSIONS FOR AGRICULTURE**

| Session 7  | Trends in Regional Agricultural and Food Products  
(Facilitator: Frank Fong)  
8.30am-10.30am  
| --- | --- |
|  | • Market Outlook, Potentials and Challenges of PICs Exports: Case Study on Access to New Zealand Market  
• Commodity Chain Studies in the Pacific of FAO Regional Programme for Food Security  
• Update of FAO Regional Project on Trade Statistics  
|  | Sifakula, PITIC  
Diomedi, FAO  
Schulz, FAO  
| 10.30am-11.00am | **Morning Tea** |
| Session 8  | Agricultural and Food Exports in the Pacific (Facilitator: Penisimani Vea)  
11.00am-12.30pm  
|  | • Fresh Produce Exports from PICs  
• Pacific Islands Products Destined to the New Zealand: Understanding the Process (Video Documentary)  
|  | Sio, Samoa Farmers-Arek, Pacific Spices  
Diomedi, FAO-Sifakula, PITIC  
| 12.30pm-1.30 pm | **Lunch** |
| Session 9  | WTO Provisions and Negotiations for Agriculture Compatible with Development (Facilitator: Neil Fraser)  
1.30pm - 3.00pm  
|  | • Update of Current Positions of Market Access Negotiations  
• Implication of the Tariffs Reduction Formulae  
• Preferences and Options beyond Preferences  
|  | NZ MFAT-MAF  
Morrison, FAO  
Morrison, FAO  
| 3.00pm-3.30pm | **Afternoon Tea** |
| Session 9 (Con’t)  | WTO Provisions and Negotiations for Agriculture Compatible with Development (Con’t) (Facilitator: Neil Fraser)  
(For Agriculture)  
3.30pm-5.00pm  
|  | Domestic Support and Export Competition  
Special and Sensitive Products: Case Studies in PICs  
Findings of FAO Studies for PICs on Special Products  
|  | NZMFAT-MAF  
Bartel, ICTSD  
Diomedi, FAO  

**MORNING DAY 4 - SESSIONS FOR AGRICULTURE**
| Session 10  
(For Agriculture)  
8.30am-10.00am | CODEX, Food Standards and Trade (Facilitator: Aleki Sisifa)  
- Current Issues for PICs  
- Recent Developments on the Work of CODEX  
- Recent Developments on the Work of the WTO Sanitary and Phytosanitary Committee | Schulz, FAO  
Quarrie, NZFSA  
Pohatu, NZFSA |
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<td>10.00am-10.30am</td>
<td>Morning Tea</td>
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| Session 11  
(For Agriculture)  
10.30am-12.30pm | Biosecurity and Trade (Facilitator: Brian Smythe)  
- Current situation in the Pacific  
- Regional Trade Facilitation Programme (Quarantine Component)  
- International Plant Protection Convention & Pacific Plant Protection Organization | Nendick-O’Connor, Biosecurity NZ  
Masamdu, SPC  
Purea, FAO |
<table>
<thead>
<tr>
<th>12.30pm-1.30pm</th>
<th>Lunch</th>
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<tr>
<td><strong>DAY 3 SESSIONS FOR FISHERIES</strong></td>
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| Session 7  
(For Fisheries)  
8.30am-10.30am | Emerging Issues in Fisheries Development and Fish Trade  
(Facilitator: Masanami Izumi)  
- Overview of Global Trends and Issues in Fisheries Development and Fish Trade  
- Overview of Regional Fisheries Trade  
- Progress on the Western and Central Pacific Fisheries Commission | Izumi, FAO  
Rodwell, FFA  
Rodwell, FFA |
| 10.30am-11.00am | Morning Tea |  |
| Session 8  
(For Fisheries)  
11.00am-12.30am | Fish Exports in the Pacific (Facilitator: Masanami Izumi)  
- Fish Exports from PICs  
- Pacific Islands Products Destined to New Zealand: Understanding the Process (Video Documentary) | Tupou, TEFA  
Diomedi, FAO-Sifakula, PITIC |
| 12.30pm-1.30pm | Lunch |  |
| Session 9  
(For Fisheries)  
1.30pm-3.00pm | Market and Preferential Access for Pacific Fish Products  
(Facilitator: Alistair MacFarlane)  
WTO Market Access Negotiations for Fish Products  
Generalised System of Preferences and FTAs  
Market Potentials and Status of PIC Exports | NZMFAT  
Rodwell, FFA  
Rodwell, FFA |
| 3.00pm-3.30pm | Afternoon Tea |  |
### Session 9 (Con’t) (For Fisheries)
3.30pm-5.00pm

**Market and Preferential Access for Pacific Fish Products (Con’t) (Facilitator: Alistair MacFarlane)**
- Pacific ACP-EU Economic Partnership Agreement
- Intra-Regional Trade and Agreements

**Rodwell, FFA**  
**Giheno, PIFS**

### MORNING DAY 4 - SESSIONS FOR FISHERIES

<table>
<thead>
<tr>
<th>Session 10 (For Fisheries) 8.30am-10.00am</th>
<th>Fisheries Subsidies, WTO and Pacific Countries (Facilitator: Vicki Plater)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Status of the Fisheries Subsidies Negotiations</td>
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<td></td>
<td>- Implications for PICs</td>
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</tbody>
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**Royson, NZMFAT**  
**Rodwell, FFA**

#### 10.00am-10.30am

**Morning Tea**

#### Session 11 (For Fisheries) 10.30am-12.30pm

**Quality, Safety and Certification Aspects for Fish Trade (Facilitator: Moustapha Kamal Gueye)**
- Seafood Standards and CODEX
- Fisheries Certification and Ecolabelling
- Country Briefs on Safety and Quality of Fish Products in PICs

**Schulz, FAO**  
**Brown, NZMFish**  
**Country Reps (up 7 min. each)**

#### 12.30pm-1.30pm

**Lunch**

### AFTERNOON DAY 4

**PARALLEL SUB-GROUP SESSIONS FOR AGRICULTURE AND FISHERIES END**

### AFTERNOON DAY 4– PLENARY SESSIONS

#### Session 12 1.30pm-3.00pm

**Progress on FAO Regional Programme for Food Security (Facilitator: Aleki Sisifa)**
- Update on Extension Phase
- Update on Expansion Phase

**Crawley, FAO**  
**Fuavao. FAO**

#### 3.00pm-3.30pm

**Afternoon Tea**

#### Session 13 3.30pm-4.30pm

**Regional Food Security Initiatives (Facilitator: Vili Fuavao)**
- IFAD Mainstreaming Rural Development Innovations Programme in the Pacific (MORDI)
- SPC Development of Sustainable Agriculture in the Pacific (DSAP)

**Smiley, IFAD**  
**Sisifa, SPC**

### DAY 5 – PLENARY SESSIONS
<table>
<thead>
<tr>
<th>Session 14</th>
<th>8.30am-10.30am</th>
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</thead>
</table>
| **Regional Trade Development Assistance Programmes** (up to 7 min. each) (Facilitator: Vili Fuavao) | NZAID
IFAD
PIFS
FFA
SPC
ICTSD
FAO |
| • Update by Development Partners of Respective Programmes | |

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<thead>
<tr>
<th>10.30am-11.00am</th>
<th><strong>Morning Tea</strong></th>
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<tr>
<th>Session 15</th>
<th>11.00am-12.00pm</th>
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<tbody>
<tr>
<td><strong>Evaluation, Wrap Up and Closing</strong> (Facilitator: Vili Fuavao)</td>
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<td>• Evaluation</td>
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<td>• Closing Remarks</td>
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<tr>
<th>12.00pm-2.00pm</th>
<th><strong>Lunch to be organized by PITIC</strong></th>
</tr>
</thead>
</table>

**AFTERNOON DAY 5 - FIELD VISIT (IN WELLINGTON)**

| Programme to be organized by PITIC | |
|-----------------------------------|