



**FAO, FFA, IFAD, Italian Government, New Zealand Government,
PIFS, PITIC, SPC**

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

Wellington, New Zealand, 15th - 19th September 2008

REPORT

**FAO Subregional Office for the Pacific Islands (SAP)
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ACRONYMS

AAACP	All ACP Agricultural Commodities Programme
ACP	African, Caribbean and Pacific
AfT	Aid for Trade
ASEAN	Association of Southeast Asian Nations
AusAID	Australia's Agency for International Development
CA	Competent Authority
CBD	Convention on Biological Diversity
CCANSWP	(FAO/WHO) Coordinating Committee for North America and the South West Pacific
CDM	Clean Development Mechanism
CF	Community Facilitators
CFC	Common Fund for Commodities
CITES	Convention on International Trade of Endangered Species
CTA	Chief Trade Advisor
EPA	Economic Partnership Agreement
EU	European Union
FACT	Facilitation of Agricultural Commodity Trade (SPC Programme)
FAO	Food and Agriculture Organization of the United Nations
FFA	Forum Fisheries Agency
FICs	Forum Island Countries
FLEGT-VPA	Forest Law Enforcement Governance & Trade - Voluntary Partnership Agreement
FLET	Financial Literacy Education Training
FNC	Fiji National Coordinator (MORDI)
FPA	Fisheries Partnership Agreement
FSM	Federated States of Micronesia
FSSLP	Food Security and Sustainable Livelihoods in the Pacific Programme
FTAs	Fair Trade Agreements
FTMM	Forum Trade Ministers Meeting
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gases
GIS	Global Information Systems
GPS	Global Positioning Systems
GST	Goods & Services Tax
HCN	Hydrogen-Cyanide
HFTA	High Temperature Forced Air
HSNO	Hazardous Substances and New Organisms
IFAD	International Fund for Agricultural Development
IFOAM	International Federation of Organic Agriculture Movements
IFSP	Integrated Food Standards Project
IHS	Import Health Standards
INEA	Italian National Institute of Agricultural Economics

IPCC	Intergovernmental Panel on Climate Change
IPPC	International Plant Protection Convention
ISFP	Initiative on Soaring Food Prices
IFSP	Integrated Food Standards Project
ISO	International Standards Organisation
ITC	International Trade Centre
ITTO	International Tropical Timber Organisation
IUU	Illegal, Unregulated, Unreported Fishing
KNC	Kiribati National Coordinator (MORDI)
LDCs	Least Developed Countries
LOA	Letter of Agreement
MAC	Marine Aquarium Council
MAF	Ministry of Agriculture and Forestry (NZ)
MAFBNZ	Ministry of Agriculture and Forestry, Biosecurity New Zealand
MFAT	Ministry of Foreign Affairs and Trade (New Zealand)
MORDI	Mainstreaming of Rural Development Innovations Programme
MOU	Memorandum of Understanding
MSC	Marine Stewardship Council
MSG	Melanesian Spearhead Group
NAPA	National Adaptation Programmes of Action
NCDs	Non-communicable Diseases
NGOs	Non-Governmental Organisations
NIOFA	Niue Island Organic Farmers Association
NTFP	Non-Timber Forest Products
NWFP	Non-Wood Forest Products
NZAID	New Zealand Agency for International Development
NZDOC	New Zealand Department of Conservation
NZFSA	New Zealand Food Safety Authority
NZMAF	New Zealand Ministry of Agriculture and Forestry
NZMAFish	New Zealand Ministry of Agriculture and Fisheries
NZMFAT	New Zealand Ministry of Foreign Affairs and Trade
OA	Organic Agriculture
OECD	Organisation for Economic Cooperation and Development
OIE	World Organisation of Animal Health
PACER	Pacific Agreement on Closer Economic Relations
PACREIP	Pacific Regional Economic Integration Programme
PICTA	Pacific Island Countries' Trade Agreement
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation
PITIC	Pacific Islands Trade and Investment Commission
PLA	Participatory Learning Approach
PNG	Papua New Guinea
REDD	Reducing Emissions from Deforestation and Forest Degradation
RFPS	Regional Programme on Food Security
RMA	Risk Management Association
RMI	Republic of Marshall Islands

ROTF	Regional Organic Task Force
RPFS	Regional Programme for Food Security
RSE	Recognised Seasonal Employment Scheme
RTAS	Regional Trade Agreements
RTFP	Regional Trade Facilitation Programme
RTM	Roundtable Meeting
SFA	Samoa Farmers Association
SAPA	FAO Sub-regional Office for the Pacific Islands
SFM	Sustainable Forestry Management
SME	Small and Medium Enterprises
SPC	Secretariat of the Pacific Community
SSM	Special Safeguard Mechanism]
STDF	Standards and Trade Development Facility
TEFA	Tonga Export Fisheries Association
TCP	Technical Cooperation Programme
TCDC	Technical Cooperation among Developing Countries
TFC	Trade Facilitation Committee
TNC	Tonga National Coordinator (MORDI)
UNCTD	United Nations Conference on Trade and Development
UNICEF	United Nations Children's Fund
UNFCC	United Nations Framework Convention on Climate Change
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
USFDA	United States Food and Drug Administration
WB	World Bank
WCPFC	Western and Central Pacific Fisheries Programme
WFP	World Food Programme
WHO	World Health Organisation
WIBD	Women in Business Development Inc.
WTO	World Trade Organisation

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

Wellington, New Zealand, 15-19 September 2008

1. The Eleventh 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, 15-19 September 2008. The meeting was attended by participants from the Cook Islands, Fiji, Federated States of Micronesia (FSM), Kiribati, Republic of Marshall Islands (RMI), Nauru, New Zealand, Niue, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Resource persons and speakers for the meeting were provided by the Food and Agriculture Organization of the United Nations (FAO), the Government of New Zealand, the International Fund for Agricultural Development (IFAD), the Forum Fisheries Agency (FFA), the Pacific Islands Forum Secretariat (PIFS) and its Auckland-based Pacific Islands Trade and Investment Commission (PITIC), the Women in Business and Development Inc. Samoa (WIB), Mainstreaming of Rural Development Innovations Programme (MORDI), Samoa Farmers Association (SFA) and the Secretariat of the Pacific Community (SPC). 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 Eleventh RTM. Dr. Vili A. Fuavao, FAO Sub-regional Representative for the Pacific Islands, delivered a short welcome address. In his address, Dr. Fuavao acknowledged the presence of the Hon. Minister and thanked the Government of New Zealand, Government of Italy and as well IFAD for their continued financial and technical assistance to the RTM series. He also acknowledged regional partner organizations SPC, PIFS, PITIC and FFA for their support. He reiterated the importance of the RTM Series in assisting countries in relation to world negotiations and its impact on the Pacific islands and welcomed especially the inclusion of the private sector and NGOs participation in the RTM. He ended his address by thanking the team from FAO Headquarters for their continued support and assistance over the years. Dr. Fuavao's address is included as Annex 2.

3. In his opening statement, the Operations Adviser for Asia and the Pacific Region Division of the International Fund for Agricultural Development (IFAD), Mr. Ron Hartman summarized the goal of the meeting and reminded participants that one of the ultimate target groups of the meeting were the people and communities who derived their livelihoods from agriculture and fisheries in the PICs. He stated that IFAD's strategy for PICs identified the need and opportunity to promote and support interventions based on the principles of community ownership, self reliance and sustainability. Specifically, the development outcomes relate to strengthening the capacity of the rural poor and their organizations and in improving equitable access to productive natural resources and technology and in increasing access to financial services and markets.

4. He concluded his remarks by stating that he looked forward to the meeting discussions on issues such as: (i) How to ensure that poor smallholders would actually benefit from increasing agricultural commodity prices and emerging niches such as organic agriculture (ii) How food security could be ensured in terms of availability, access, utilization and stability (iii) How to ensure the smallholders gain from bio-energy opportunities and as well gain access to markets and secure supply in a greener and more sustainable way and; (iv) How we could ensure the retention of traditional knowledge and promotion of local ownership. Mr. Hartman's speech is included as Annex 3.

5. The Ambassador of Italy, H.E. Gioacchino Trizzino in his official statement noted that the Government of Italy supported the RTM as their way of showing growing commitment in the development of the Pacific region. He stated that the Italian funded FAO Regional Program for Food Security for the Pacific island countries (RPFS) was one of the many programmes that the Government of Italy has engaged in with the Pacific region and was proud to announce that Italy was the second biggest European contributor of development assistance to the region. He saw Italy joining the Post Forum Dialogue as a positive step forward as it could further contribute to the wellbeing of the Pacific region by offering guidance, policy orientation and other forms of assistance besides development funds.

6. He noted that Italy's financial assistance to the RPFS started in 2004 and that by 2008, Italy's total assistance would have reached USD\$7million. The successful partnership with FAO over the RPFS without doubt has paved the way for many future development assistance programmes in this, as well as in other sectors. The success of the programme has resulted in the FAO proposing an expansion phase that will build on the achievements and success of the Italian programme. He urged the participants that all effort must be made to convince the international community, major donors, international and regional organizations and other partners that the outcomes of the last four years should not be wasted but become the foundation of a much more ambitious programme. He concluded by expressing his appreciation of the work of the organizers and wished the participants a successful 11th RTM. The Ambassador's address is included as Annex 4.

7. In delivering the opening address for the meeting, the Minister of Pacific Island Affairs and Associate Minister of Trade for New Zealand, Hon. Luamanuvao Winnie Laban stated that although only four Pacific Island countries were WTO members, that it was necessary for all present to be aware of WTO provisions and of developments in multilateral trade negotiations given that all regions were affected in one way or another by the global trading system. The RTF therefore played a very important part serving as a capacity building and awareness raising activity for Pacific island countries. She noted that the Doha Development Round has had some difficult patches and the breakdown in the Ministerial-level talks in the second half of July in Geneva was disappointing because it had been so close to achieving a deal for liberalising agricultural and industrial goods trade. In attempting to conduct high-level engagement over the failed Doha negotiations, she highlighted other political activities over recent weeks which included New Zealand's Trade Minister Phil Goff making contact with key players and talking to his ministerial colleagues in Washington, Canberra and Brussels.

8. She noted there was wide political agreement that there should be efforts to wrap up the deal by the end of the year and that New Zealand will be doing their part to support a resumption of negotiations. She pointed to the recent Forum Trade Ministers Meeting in Rarotonga at which discussions focused on opportunities to enhance regional trade and economic integration. She further stated that the original PACER Agreement recognized the important role which regional trade and economic integration played in helping Pacific economies deal with the phenomenon of globalization. Globalisation came with immense benefits as markets expand for Pacific exports and Pacific people were able to purchase a wider range of goods at vastly cheaper prices but in saying so, she also stated that global interdependence also had risks attached to it. She alluded to rising fuel and food prices as one of those impacts on the Pacific islands.

9. She further noted that as Forum members continue to work towards PACER Plus, that New Zealand was committed to continuing and enhancing their support for regional trade through the Regional Trade Facilitation Programme (RTFP) and informed the meeting of New Zealand's additional assistance of NZ\$500,000 announced at the Forum Trade Ministers meeting, to support the remainder of the programme through to 2009/2010. She informed the meeting that whilst NZAID had funded the attendance of the Pacific representatives to the RTF, the Ministry of Agriculture and Forestry, Ministry of Foreign Affairs and Trade and the Ministry of Fisheries had contributed their resources in terms of staff time and expertise to ensure the RTF was a success.

10. She reaffirmed New Zealand's commitment to supporting opportunities to develop trade capacity amongst all trade stakeholders in the Pacific and informed the meeting of a programme targeted to start in 2009 that will target the private sector, NGOs and civil society, helping them better understand and engage on trade policy. She concluded her remarks by stating that she was proud of being a representative of the Pacific region who could fall in well within the international community during negotiations and amongst bigger regions and nations. The Hon. Minister's address is included as Annex 5.

SESSION 1: INTRODUCTION

Facilitator: Dr. Vili A. Fuavao

11. The Agenda of the meeting was adopted and is attached at Annex 6.

SESSION 2: WTO DOHA ROUND NEGOTIATIONS

Facilitator: Mr Neil Fraser

Update of Negotiations on Agricultural and non-Agricultural Products and Outlook for 2009

12. Ms Graham of MFAT provided an overview of the WTO Doha Round negotiations stating that negotiations have started up again after the collapse in June 2006, the subsequent Potsdam G4 collapse in June 2007 and the recent collapse at the July 2008 Ministerial. She stated that the recent Ministerial meeting had a low level of optimism even though quite a lot of progress had been made in agriculture since the Potsdam

collapse . In theory, the collapse in negotiations was attributed to the substance of the Special Safeguard Mechanism (SSM) which was intended to allow developing countries to protect themselves against import surges but in truth, it seemed to have resulted more from a lack of political will. She elaborated on the three pillars of the WTO agriculture negotiations and as well, noted the influence of contentious issues such as the new domestic support ceiling of USD\$48billion implied by the new US Farm Bill. She also explained the agricultural tariff reduction formula that was agreed to at the July 2008 negotiations.

13. Ms Graham also touched on the agreed basis for expansion of tariff rate quotas in developed markets, as well as the likely treatment of special products for developing countries (including small island countries). She stated that indicators for special products were not rigid and many held the view that countries would be able to designate any tariff line between Chapters 1 and 24. She also stated that, in respect of the SSM, there would be a need (at the senior negotiator level) to look at a different technical models for the SSM, but the question of political will would also need to be resolved if a conclusion were to be reached. She then outlined the Doha outlook for the remainder of 2008, prospects for 2009 to 2010 (including ideas for WTO reform. She concluded that whatever the scenario going forward – and the fate of the Round itself - it was to be hoped that it would not be long before the world realised again the importance of a stable rules-based trading system as provided by the WTO. This was particularly important for small players like New Zealand, as well as developing countries, which depend on the system to deliver a predictable framework for trade that they could never replicate in bilateral or regional settings.

14. The representative of Fiji asked for an example of a sensitive product to which Ms. Graham responded that sensitive products were not designated until countries put forward their schedules, but tended to be the major export product of a specific country. Further elaboration was provided by Mr Fraser in that these sensitive products were self designated by countries and will vary between countries. (e.g. rice for Japan)

15. The representative of Tuvalu enquired as to whether countries that were already recipients of aid programmes - whether this aid could be counted as a subsidy. Ms Graham responded that a ceiling of 100million USD had to be reached before subsidies were required.

16. Mr Jamie Morrison of FAO commented on SSM negotiations stating he was not surprised about the collapse and stressed that the development round needed rebalancing of agreements. He noted that negotiations seemed to have lost the focus with SSM seen as a barrier to trade. Some countries would need a mechanism to apply a level of protection which in some cases exceeded what they were allowed to do in the current situation. He stressed that countries needed to take a step back and refocus on why these processes were put in place. Ms Graham clarified that at the July negotiations, arguments were over how far you could exceed your bound rates, not *whether* you could exceed.

17. The representative of the Solomon Islands requested to have briefings about past WTO Doha negotiations made available to the participants and that this kind of information should be provided prior to start of presentations. Mr Fraser responded that as a WTO member, Solomon Islands should have received that information already and that the information could also be acquired from the ministry in Solomon Islands that was responsible for the WTO. He advised that FAO had also provided this information to the members.

18. Mr Morrison elaborated on this point stating that FAO had provided support to member countries over the past 4-5 years and in particular, to countries that did not have sufficient trade and marketing capabilities. Unfortunately discussions have been clouded during negotiations but information such as special products, information on SSM and other contentious issues were usually provided by FAO and others to member countries. He informed that they have also been called upon on an ad-hoc basis to assist countries as sounding boards before their issues were presented at the global level.

19. Mr Fraser pointed the attention of the meeting to the FAO and WTO websites where all this information could be found. Mr Morrison elaborated by advising the participants of the "Trade" page of the FAO website which has specific technical details in it. He also noted that some of these issues have been reported through a series of 4-page, user-friendly policy briefs. There were also analytical and technical information available for general perusal. Morrison advised that in responding to member countries' requests, they usually try to deliver this assistance in the most cost effective way possible which sometimes meant holding regional meetings.

20. The representative of PIFS informed the participants of their office in Geneva which was set up to help all countries irrespective whether they were WTO members or not. She advised that there were also a number of programmes currently run by the Geneva office which included a programme for members to send their trade officials for attachment to the Geneva office for exposure to global issues and negotiations. She mentioned also that a proposal has been approved by the recent Forum Meeting whereby officials (aside from trade officials) could be attached to the Geneva office for the same purposes. She also advised there were two upcoming regional meetings to prepare members for the next round of negotiations, one in December 2008 and one in early 2009. She urged countries to liaise their official contact points which were the foreign ministries within their respective countries for further information. She further informed the meeting of the importance of the Pacific aligning themselves with bigger countries at the global level because there were 150+ WTO members and negotiations were normally dominated by bigger developed nations. She noted that during EPA negotiations, bigger countries like Brazil are challenging issues negotiated at the WTO. She noted from past experience that negotiations were done without little expertise hence the need to align with bigger countries in order for the PICs to have more leverage.

21. The representative of Samoa enquired about the impact of the current stalemate for countries like Samoa who were in the process of acceding to the WTO to which Ms Graham responded that current accession processes would not be affected.

22. The representative of Tonga enquired why there was such a small number of WTO members from the PI to which the Mr Fraser responded that Tonga's query would be best for Session 3 where WTO membership would be discussed in detail.

SESSION 3: WTO ACCESSION AND MEMBERSHIP

Facilitator: Mr Jamie Morrisson

Panel Discussion on WTO Accession and Experience of Membership

23. Representatives of the four countries who are members of WTO (PNG, Fiji, Solomon Islands and Tonga) were invited to present on their experiences of the WTO Accession process. Samoa who is in the middle of the accession process was also invited to share their experience.

24. The representative of Fiji reported that being a member of WTO was very important economically especially in terms of exporting their products to the EU. He stated that the sugar industry was Fiji's backbone earning approximately \$300million per year and employing over 22,000 people and as a WTO member, gets duty free on their products and therefore gets a better return. He also touched on the distance of overseas markets to Fiji and stated that the Government saw the linkage to WTO as economically beneficial for Fiji. He also stated that Fiji sees the global accession as a sustainability avenue in terms of maintaining their markets. They see preferential treatment as good for Fiji as without it there would be a very high number of unemployed people. Being a member of WTO has also ensured market access for their tuna. He noted that Fiji gets a better price and return from the EU as opposed to selling their product to nearby countries in the Asian region. He also reported on the movement of agricultural commodities within markets that has resulted in their rice industry collapsing. They've been trying to encourage farmers to produce more rice but people prefer buying imported and cheaper rice. With the recent rise in global prices, there is renewed vigour for farmers to plant more rice and produce more local food for local consumption.

25. The representative of PNG informed that they became a WTO member in 1996 and have since been benefiting especially through access to international markets. He reported that they export a lot of agricultural and fisheries products to the US, Japan, UK and other countries but admitted that tariff commitments are affecting some of their industries. He informed that PNG exports mainly raw products because processed products attracted higher taxes and other charges by importing country. Tariff reform programmes were initiated by the government in the early 90s.

26. The representative of Solomon Islands reported that they haven't had any problems in terms of trading as they do not have too much commodity to export except cocoa and copra. But in hindsight identified manufacturing as a problem in terms of export quantities. He informed that Solomon Islands did not have any problems with external markets but were more concerned about internal problems. He stated that the cannery was in financial trouble and their government was in the process of setting up another one. In the copra industry, Solomon Islands has decided to stop exporting copra as of 2009 for several reasons (i) because down stream processing of copra was going very

well (ii) although the price of copra and cocoa was very high and Solomon Islands was gaining a lot of income from cocoa export (approximately 4,000-5,000tonne per year) they did not have enough land to plant on (iii) Government wanted to cease exportation because of the high cost of food and preferred to concentrate instead on national food security. He also reported that when the price of rice rose, the government took out the 5% tariff from rice but it didn't make much difference. He explained that people in the rural areas are struggling to cope with the high cost of rice so the Government has earmarked 25million Solomon Island currency to go into rice growing. Rice growing was not a new venture and this newly revitalized programme will see China providing technical assistance. He noted that approximately \$200million a year is spent on rice imports.

27. He also reported that the Government has established a Trade Facilitation Committee (TFC) coordinated by the Ministry of Foreign Affairs with representations from every industry. The wide range of representation was to respond to issues such as lack of information and as a mechanism for wider information dissemination. Solomon Islands' tuna industry, as in the case of Fiji, enjoyed benefits such as the ability to export to EU markets. He concluded his remarks by saying that they have had no problems since becoming a member of WTO and anticipates additional help in the future.

28. The representative of Tonga stated that they fully understood the potential benefits of becoming a member but acknowledged that there were a lot of other things they needed to do before they could start counting benefits as a WTO member. There had been a lot of uncertainty in-country especially from those who feel threatened by being a member of WTO (example: poultry industry). He noted that it will require a lot of awareness programmes to help alleviate these fears and stated that with Tonga coming on board so late wasn't sure as yet whether they got a good deal in relation to benefits.

29. The representative of Samoa informed the meeting that their accession process has taken almost 10 years. They recently completed bilateral agreements with two countries, China in 2007 and NZ in early 2008 but are waiting on countries such as the US, EU, Australia, Japan and Honduras. On benefits, she hoped Samoa would gain not only market access for commodities but also market access in the services sector. They also seek to benefit from opportunities in terms of labour mobility. She noted that Samoa wanted to be an active participant in the multilateral trading system and feel that going through the PIFS would help them be heard in the global arena. Samoa also viewed the LDCs who were already WTO members as another avenue to gain support from when Samoa becomes a member of the WTO.

30. In relation to difficulties faced by Samoa, she stated that meeting the demands of WTO members like the US and NZ in relation to development (eg: requesting tariff bound rates that are fixed to be applied or below the currently applied rates) was a challenge. Others included inadequate awareness of obligations and benefits that Samoa could get from WTO and through PICTA and PACER. She noted there had been awareness programmes in the past but there was still a need for these programmes given the high turnover in departments. Different people attend at different stages of the

negotiations resulting in no continuity. She also reported that although Samoa undertakes consultations with various stakeholders (service sector, manufacturers, line ministries etc.) they are finding it difficult to coordinate these various consultations especially when some of these groups see WTO as a threat.

Undertake

31. She spoke about the need to build the capacity of not just trade officials but others within other line ministries. It would ensure better understanding of, and in developing positions that Samoa undertake during negotiations. She also stated that the impending loss of Samoa's LDC status in 2010 is a concern and that if they don't become a WTO member before then, they would be saddled with more excessive demands from bigger member countries. She noted that Samoa needs technical assistance in areas of capacity building not just for officials but also to include civil societies, NGOs and others. She reiterated also the need for assistance in relation to awareness programmes. This would alleviate existing fears and uncertainties over WTO accession.

32. The representative of Cook Islands drew the attention of the meeting to an FAO publication entitled '*Benefits and costs of being a member of WTO*' which they found useful and urged other countries to read it. He commented that the Cook Islands Government through the Trade Section of their Ministry of Foreign Affairs has been taking note of development and experiences of countries that have become members. He stated that he wasn't sure when Cook Islands would become a member but were well aware that whether they became members or not, WTO would still have an impact on their country.

33. He pointed to the rising food prices saying that Cook Islands is not sure how that was going to impact on their decision to be a member. He believed FAO's assistance in the expansion of food supplies could be an incentive or dis-incentive towards Cook Islands agreeing to be a WTO member. He informed that they do not export much and that what they produce is consumed mainly by the local markets. There is not much trading except for black pearl and *nonu*. The Cook Islands appear to be more comfortable under the existing arrangements and that acceding was still a long way away. In saying so, he still feels that their attendances at these meetings were useful as it was an avenue for them to be kept abreast of latest developments so that by the time they decide to be a member, they would be well versed on issues involved.

34. The representative of Kiribati commented that in terms of acceding, they see it as a long drawn out process and asked if there was a checklist for them to see how far they were from completing their accession progress. A representative of the panel (Samoa) responded that there was no checklist but the FAO report contained information that would help Kiribati with issues of accession. She also advised Kiribati that the onus was on the country in choosing how and when to accede.

35. The representative of Kiribati reported that they did not have much to export aside from copra. In the fisheries sector, their major revenue was from fishing licenses. Liberalization of trade would take away their revenue which would then mean looking at

other means of generating their own revenue or compensating the loss of funds acquired through customs taxes etc. He stated that Kiribati was also suffering from the high price of rice. He confirmed Kiribati's wish towards acceding but asked for assistance from relevant organizations to increase their local commodity supply first in order to improve their export industry. He noted that whilst copra price was good, Kiribati had to grapple with the high cost of freight between islands. To go to Christmas Island, they have to travel via Nadi and it costs Kiribati a lot and practically wipes out most of their revenue received from copra exportation. The Government is currently subsidizing these costs but recognizes that it may not be a sustainable venture.

36. The representative of Palau enquired as to whether the PI WTO member countries had experienced any trade disputes and asked how they had dealt with it. He noted that Palau had no commodities to export and asked if it was worthwhile for them to join given the membership fee was quite high.

37. The representative of SPC responded that in relation to trade disputes, this was as an area that needed capacity building in order for people to negotiate at the same level. He pointed to the case of oil palm seeds being banned from being exported because of oil palm diseases but PNG were able to negotiate successfully with Indonesia after putting the oil palm seeds through extensive laboratory tests in Australia and Indonesia to confirm the absence of the suspected disease in the seeds. He stated that both policy and technical areas required a lot of help in relation to capacity building.

38. A representative of Samoa asked why his country was taking so long to be a WTO member to whom the panel responded that Samoa had to hold a lot of consultations to ensure all in the private sector, civil societies, NGOs, government ministries etc, were aware of impending obligations of the WTO. To speed up the process, Samoa would have had to cut corners and agree to demands and requests by existing members therefore running the risk of being disadvantaged in several trade issues. For example, it took 4-5 years to negotiate some of the issues with NZ before the signing this year. She noted that NZ were willing to concede on some issues but there was a lot of to-ing and fro-ing in order for Samoa to push their issues through.

39. She also informed that there has been indication from EU and Honduras to sign off in November 2008 but the US was proving to be difficult. It hadn't helped that other ministries applied their policies without due consideration of the accession process. She made an example of the ban of left hand drives and importation of turkey tails as a sensitive issue for the US, which was contributing to problems with the accession process.

40. The representative of Samoa also asked if there were any avenues available to solve trade imbalance especially in the agricultural sector noting that there was too much coming in and less going out.

41. A representative of MORDI asked the panel if there had been wide spread consultation or whether it was just top level consultations only. He also asked whether

Fiji had any backup plans if and when preferential treatment for their sugar industry was removed.

42. Regarding consultations, a representative of the panel confirmed that consultations conducted in Samoa covered a wide spectrum of levels and sectors. She also stated that Samoa was an open economy and therefore in most sectors, there was nothing stopping investors from coming into the country. She explained that local industries during consultations were aware of the offer of market access but also realized that there was a lot of work to do to ensure these products and services adhere to market restrictions of trading countries.

43. The representative of Tuvalu enquired about the quota of volume of exports as required by the importer and asked if any countries were facing these quota problems and what were they doing about it. He also asked if the PI WTO members had received any technical and financial assistance during their accession process and whether there was any allocation from WTO for this process or if they had to seek assistance through other means.

44. A representative of the panel responded that she was not aware of any available funding specifically to help with the accession process and that Samoa had to carry all cost(s) involved. The only assistance received had been through funding for technical officers to attend trainings.

45. The representative of Solomon Islands asked if being classified as an LDC posed a problem to which a representative of the FAO responded that for some of the countries which were members by virtue of agreement on trade and tariffs and as well, through association with bigger nations in relation to independence issues, there was automatic membership to WTO. For the Solomon Islands, this was not an issue but with countries like Samoa, there were various other problems like cost, drawn out consultative process as highlighted by the country panel representative from Samoa. He advised countries that the discussion could help them decide as to whether being a member of WTO would be a benefit or otherwise, to their respective countries.

46. A representative of the panel elaborated on capacity building issues saying that in PNG, there was an urgent need for institutional as well as human resource capacity building. They normally exported cash crops but were beginning to export fresh produce and would require assistance on capacity building in these areas. He also noted that there were insufficient facilities (eg: storage facilities) and the government was working on trying to improve that. He reiterated the urgent need for capacity building for negotiation skills.

47. He acknowledged the assistance from WTO and other organizations in conducting workshops etc. and said there was a national committee taking care of consultations and all stakeholders get to meet and discuss these issues during these consultations. Unfortunately, the coordination of such consultations was not satisfactory and so sub-sector committees have been set up to handle the specific issues arising from each sector

as opposed to the Ministry of Foreign Affairs having to handle all the various issues which creates bottlenecks in the implementation of issues.

48. A representative of the panel responded to the query in relation to the sugar industry saying that Fiji was also a member of the ACP, and was trading partners with various other countries like Japan and US as well as the African and Caribbean nations. The EU helps them through the sugar industry reform and Fiji is benefiting from millions of dollars in that sense. He also stated that infrastructure development (wharves, roads etc.) was another huge benefit for Fiji. He reiterated that it was important to raise the awareness amongst stakeholders in country. Fiji has a very strong TFC with a comprehensive membership which included business people. The TFC is chaired by the Minister of Trade. He reported that at their recent TFC meeting, they invited a PIFS representative to talk about PICTA. PIFS disseminated very useful information which helped Fiji strengthen their negotiation stance.

49. He also informed that issues relating to the EPA have been taken up by the Solicitor General to take to Brussels and informed that trade disputes were all covered within the EPA document. He also reported that training on hazards and standards in relation to fisheries products is currently being conducted and EU was assisting in building capacity of farmers. He noted that WTO role's was to help producers, fishermen, farmers etc. understand how they conduct business under the rules of trade and therefore were quite helpful when it comes to providing trainings in these areas. He noted also that formulas used for reduction in tariffs were very complicated but Fiji understands that they have to abide by these rules and formulas.

50. The representative of TEFA expressed concern in relation to fisheries compliance rules under WTO stating that there were a lot of requirements from the EU in terms of certification. She reported that in the case of Tonga, it was a problem of different ministries not being fully aware of what each one was doing. She knows there is a TFC but was not fully aware of what it was exactly that they do. In terms of consultations, she acknowledged that there needs to be a more wider-consultative process targeting the civil societies, private sector, NGOs etc.

51. The representative of SFA agreed with Samoa's cautious approach in relation to becoming a WTO member too soon given the points raised by Tonga and as well Samoa's representative on the panel. He asked if was possible through the WTO for certain monitoring mechanisms to be put in place to ensure that goods for consumption were as good as they say on the label. He also expressed concern over labels which were so full of technical information that only the manufacturers themselves understood the contents of the shelf product. He also expressed his concern of the high statistics of non-communicable diseases cases in the Pacific stating that consuming these cheap food stuff should be a concern given its link to NCDs. He suggested that perhaps Consumer Protection Societies could be set up to check food coming into the country. He made an example of corn beef saying that it would be guaranteed beef if imported from NZ but other countries may not be actually using beef in theirs!

52. The representative of Vanuatu expressed their wish to restart the process of negotiations with Australia, NZ and USA but the challenge would be developing a good strategy and holding wide consultations throughout the country. He acknowledged that Vanuatu was privileged to receive assistance under the Integrated Approach Programme and that Vanuatu will be holding bilateral discussions with major donors in November 2008. He stated that they would like to bring onboard all various stakeholders' views before these bilateral discussions kick-off. He reported also that Vanuatu was a member of a lot of FTAs and that they were currently under review as to whether they should be taken off the LDC listing.

SESSION 4: REGIONAL TRADE AGREEMENTS

Facilitator: Mr N. Fraser

Update on PICTA / PACER – Issues related to PICTA, EPA and RTAs

53. The representatives of the Pacific Islands Forum Secretariat (PIFS), Ms Young and Mr Antas, provided an overview of the Pacific Island Countries Trade Agreement (PICTA) Programme, existing Regional Trade Agreements (RTA) as well as the Pacific ACP-EU Economic Partnership Agreement (EPA) negotiations. Ms Young stated that countries had specifically requested PIFS not to rush into another trade agreement whilst in the middle of discussing and/or negotiating other major agreements. In explaining the RTA, she stated that handling of issues during the negotiations process differed, depending on whether it was a developed nation or a least developed nation. For example, NZ and China have concluded a free trade agreement and so NZ could export to China at a preferential price.

54. The presenters also provided clarification in relation to questions posed by countries over the position of Chief Trade Advisor (CTA) explaining that one of the reasons why members wanted the position out of the PIFS was to ensure there was an independent office of the chief trade adviser. This position also required someone with highly attuned technical skills on trade issues.

55. The presentation also touched on issues and reasons why there was slow progress in the implementation of PICTA. The presenters made an example of trading between PICs and said that if PIFS tried to link this trade to PICTA, it would create a lot of angst between trading partners. For example, if a Cooks Islands garment manufacturer exports products to Fiji but does not use the PICTA arrangements, he/she would have to pay very high tax on the imported garment. The second example given was the lack of dissemination of information between and amongst relevant parties, partly because there is no continuity in terms of human resource commitment to activities conducted under the PICTA. For example, different people attend different meetings and another set of people attend trainings resulting in inconsistent representation and/or understanding of issues.

56. On the Pacific ACP-EU EPA negotiations, the presenters noted that this was launched in 2002 but it was only in 2004 that the Pacific islands discussed issues that were more related to the region. They informed that Fiji was given the chance to develop

a WTO compatible proposal by December 2007 driven mainly by the agreements covered under the previous Lomé Convention. She acknowledged that the EPA negotiations was the first time the Pacific had had to deal with such a complicated negotiation process and stated that this was where the idea of the CTA position stemmed from. Further elaboration was provided on the PACP-EU EPA negotiation process mentioning the different agreements that the rules of origin operate under. The presenter informed the meeting that there was currently a team in Brussels negotiating the interim EPA negotiations and has warned the EU that the Pacific island would suspend negotiations on goods and services, if their wishes were not met. But the PIFS was also conscious of the impact of the suspension of talks and would prefer further negotiation as opposed to suspension of talks.

57. Under the PACER and trade facilitation process, the presenters recapped on issues identified by countries in relation to difficulties in implementing these negotiation processes and stated that the recent Forum Trade Ministers Meeting (FTMM) had asked for proper governance and reporting from countries in relation to the utilisation of funds. They further informed the meeting that funds made available by NZ should all be used up by mid-October, and suggested countries hold discussions with SPC on how these funds could be used to implement the RTA. The presenter concluded by saying that trade in agricultural products was a crucial component of the negotiations.

58. In kicking off the discussions on the topics discussed Mr Fraser asked participants who of them were actually involved in the discussions and negotiations of their respective countries. The PIFS informed the meeting that the team makeup sent to Brussels when conducting negotiations usually included a Senior Trade Official and Legal Officer but for the negotiations mentioned in the presentation, only one Senior Trade Officer was there.

59. The representative of Samoa queried the rules of origin decision to which the Presenter responded that the country representative of Samoa at the time of drawing up and negotiating the document had preferred this.

60. A representative of MORDI applauded the efforts made by regional organizations in relation to the EPAs and all other agreements and asked that when officials attend these types of meetings, that they please ensure proper consultations with the local communities.

61. The Senior Adviser for the Pacific, MAFBNZ noted the different levels of agreements (example: bilateral vs. global) and asked what benefit would there be for a country who had signed under a bilateral agreement to move to an agreement under the global arena. Ms Kempkers responded that the PACER Plus as a whole document should be aligned with each respective country's sustainable development strategy.

62. Mr Morrison asked why it was that there were so many regional and international trade agreements but there was hardly or no trade between and amongst Pacific Island countries themselves.

63. Mr Fraser asked if anyone had done a formal analysis on the level of trade between Pacific island countries to which PIFS responded that Trade Ministers have access to reports that the PIFS commissioned and conducted over a period of years. He reported that the PACER review had been completed but the PICTA review should be completed soon. He also stressed that in order to conduct a survey or to compile an analytical report, data gathering and recording were of vital importance. In this respect, he stressed that countries were responsible to ensure that they kept statistics for those purposes. He made a point also about the countries having to establish national TFCs. In relation to trading amongst PICs, he noted that there was trading but these were not under the PICTA regime. Mr Antas further stated that all these different agreements have different rules and it was up to the trade advisers in country to choose which regime to go with.

64. Mr Schulz of FAO informed the participants that they had an ongoing programme with SPC which encouraged national Bureau of Statistics to submit up to date information to SPC. He acknowledged countries that had already sent information to FAO and pointed to the similarity of products currently available within PICs which contributed to the problem of less trading within and between PICs.

65. Mr Fraser stated that although countries and products appear similar, there were still differences which kept one country's product separate and different from the other. He reiterated the importance of the requirement for up to date statistics and asked the members indulgence in ensuring that there be data gathering and recording in country to expedite the process of acquiring analytical information.

66. A representative of the meeting asked the PIFS for clarification of the use of "your Ministers" as per their presentation to which the Presenters responded that it meant "each respective country participating at the FAO meeting's trade minister".

67. The representative of TEFA commented on consultation and flow of information which has been identified as a problem for so long and noted that it looks like it still hadn't been solved. She also thought that opening up trading to countries half way across the world and restricting access to neighboring PIs did not make sense. She then referred to the request for statistics made by organizations saying that she was concerned that some of these organizations utilize the statistics for financial gain as opposed to utilizing them for the purposes in which they were requested or acquired.

Update on PICTA / PACER – Issues related to PACER

68. Ms Kempfers from MFAT provided an update on the PACER and stated that the PACER was not a FTA but rather a framework agreement, with stated objectives of promoting greater economic integration within the region, and of the Forum Island Countries' (FICs) economies into the global economy. The whole intention being that this integration is supportive of sustainable development of the FICs. New Zealand acknowledges that the FICs do not have the resources to negotiate with New Zealand and Australia at the same time whilst negotiations were underway with EU. Rather than focus on the triggering provisions of PACER, the FTMM when they met in Port Vila in August 2007 decided that officials should meet informally in NZ to discuss issues

relating to a possible way forward under PACER. In briefing the participants of the discussions and outcomes of the meeting, she stated that discussions under the economic implications section reviewed earlier research on revenue consequences of tariff liberalization. She further stated that whilst these issues were important, there was also a sense that countries should not become obsessed by these to the detriment of other elements of the trade debate.

69. She reported that discussions under the capacity building session talked about issues such as how to reflect development assistance commitments, whether through a trade agreement or bilateral partnerships, and how to prioritise aid for trade amongst national development assistance needs. She reported also on the three informal outcomes from the meeting (i) the strong sense that officials would find further informal discussions similar to the Auckland meeting helpful to deepen engagement and understanding amongst officials (ii) that ongoing engagement would be supported by further exploratory work at the national level and (iii) that the PACER Plus will not be a typical FTA, either in the way it is negotiated, or the type of agreement that eventuates. It was agreed that PACER Plus would need to be comprehensive and flexible enough to take account of the different country contexts in the region, the different stages of development and levels of capacities of the parties.

70. Ms Kempers highlighted the next steps in the process noting that there will be an informal meeting of officials in Tonga on 12-14 November 2008. The meeting will be funded and organised by Australia. They have yet to circulate an agenda for the meeting, but clearly the key items for discussion will be the proposal to establish an office of a CTA and a roadmap for PACER Plus negotiations which the Trade Ministers had asked for during the FTMM. Looking ahead, they envisage at least two more informal meetings to take those and other issues forward prior to the FTMM in the second half of 2009.

71. The representative of the Cook Islands sought clarifications on whether there was going to be an overlap in the activities of PACER and PICTA and whether there would be room for them to collaborate on the issues. Ms Kempers responded that it was just a proposal at the moment but that there was certainly no overlap as one was on trade policy and one was on trade **markets**??

72. The representative of Samoa queried what the main components of the road map would be to which Ms Kempers responded that the Ministers had only asked for the road map but had not provided instructions on how to go about it. She informed that NZ has already looked at the structure of the negotiations and have identified perhaps the rules of origin chapters to start the negotiations with.

73. Mr Fraser asked how many PICs were party to PACER to which Mr Antas responded that all 14 FICs have signed but not all have ratified. He also clarified that this excluded Vanuatu, Tuvalu, RMI and Palau because they have a relationship with the US. All FICs other than the compact countries have signed onto PICTA.

74. The representative of NIOFA noted that regional integration was a good approach for the Pacific and asked if there was a mechanism in place to engage civil societies. Ms Kempers commented that she also had posed this question in earlier meetings and discussions but no one could provide an answer. There was certainly a willingness to do it and have already met with two civil society groups. But she cautioned that regional consultations with civil societies must be aligned with the national civil society consultations.

75. The representative of Tuvalu stated that they were in the middle of negotiations on exporting products from Tuvalu and was wary of what impact this trade would be on the existing trade programmes. The Presenter responded that there was a quarantine component in the original PACER agreement and sees this assistance continuing reiterating the extra \$500,000 NZ had committed to ensure the continuation of this component.

76. The representative of Samoa asked for clarification in relation to exclusion of the development aspect to which the Presenter responded that a number of FICs had expressed their need for development assistance commitment but NZ felt that trade agreements may not be the best place for development assistance commitment to be reflected in. Tying development assistance to PACER would limit the countries capabilities to negotiate on these issues.

77. The TEFA representative asked for clarification on whether there were any identified weaknesses in the PACER Plus negotiations process and whether it showed any significant results in terms of economic benefits to countries. She made an example of fuel bulk buying which has been in consideration for a while but each country has different levels of standards and demands. The Presenter responded that there had been a lot of studies done on PACER Plus that showed that there were significant overall economic benefits of up to 30% on GDP in some countries. She stated also that after looking at trade liberalisation and trade integration, they then start looking at issues like standards and conformance. On the issue of fuel purchasing, she informed the participants that the NZ Prime Minister had announced a meeting to be hosted by NZ that will discuss bulk fuel purchasing and that this meeting was scheduled to be held fairly soon.

78. The representative of Vanuatu asked what the PACER Plus' position was on trade and tariffs to which the Presenter responded that they recognised that there were some tricky issues especially in relation to overseas workers scheme and that the issue had not been negotiated.

79. The representative of Fiji noted the trade imbalance between NZ and Fiji and reported that Fiji had been de-listed by the EU and asked if NZ had an issue with Fiji exporting fisheries products given that he had a lot of trouble finding canned fish on NZ shelves whilst in Wellington. He acknowledged the financial assistance from NZ but sought more assistance through capacity building activities especially to help farmers and local communities lift their level of understanding and negotiations in the area of trade.

The response was that although there appeared to be an imbalance between the two countries in the Goods and Trades area, any imbalance or shortfall was actually covered by the Goods and Services area which showed a more balanced view between the two countries.

80. Mr Fraser suggested that perhaps the availability of tuna (canned fish) on the shelves was not a trade policy issue but more of a supplier issue.

81. The representative of Samoa asked for clarification in relation to the balance of power between the groups that will be involved in the PACER negotiations and the position of leverage of the PI countries as compared to NZ and Australia. She hoped that the negotiations were not going to be tied to other existing negotiations (for example: RSE Scheme where Samoa stirred the “bees nest” and two weeks later, Samoa’s name dropped off the list of beneficiary countries). The Presenter responded that Samoa had already expressed their concern over this issue but that NZ had not been privy to the deliberations. On the question of position of power, she stated that the Forum Leaders Communiqué made reference to the creation of the CTA position and that NZ fully supported the adviser position through budgetary assistance. She reassured that NZ kept the development of the PICs as a priority and is at pains to avoid the mistake made by the EU in the PICTA negotiations.

SESSION 5: SOARING FOOD PRICES

Facilitator: Ms Nadia Scialabba

Perspectives of soaring food prices: causes, impacts and responses

82. Mr. David Hallam of FAO outlined why food prices suddenly increased from 2006 onwards and focused on impacts on producers given that the consumer side had been adequately covered by several studies and reviews done over the years. He mentioned a study done in the PICs on high food prices and wanted to follow up on that under the regional program on food security. He presented findings which showed that even at worst point of current high prices, it was nowhere near the first food crisis in the mid-90s. He linked the food prices to exchange rates and stated that if the effect of the dollar was taken out, price increase was a lot less than made out to be. He stated that the current high food prices have affected all basic food commodities except for sugar.

83. The representative of SPC commented that the study had not covered fruit and therefore was not representative of all food commodities. The Presenter clarified that the study covered only cereal products and did not cover fruit.

84. Mr. Hallam reported that tropical exports lagged behind which meant countries that relied on exportation and importation of such food commodity were severely affected. There was no one specific explanation to explain the high food prices but some have blamed food consumption in China and India. In actual fact there were a whole lot of collective reasons which has impacted on food prices. In the case of wheat, it was due to production shortfalls from major countries like Australia and Ukraine in 2005-2006 but at the same time stocks of grain declined. He noted that low stock didn’t impact cost

changes but was more the ratio of stocks to total utilisation of wheat. Record oil prices pushed up costs and encouraged biofuel production. Biofuel that could have been used for feed products were dragged into usage as fuel. High oil prices also pushed up the cost of transport (for example rates for ocean freights). On the demand side from the late 90s to present, there was a steady increase in demand for food. There was also a huge demand from large consumer countries like India and China for livestock which may be impacting the demand for cereal as livestock feed.

85. But according to studies conducted, net imports for China and India in comparison to reason given above did not actually match the statistics. In the US, maize is shown as going into biofuel use whilst in Europe; biofuel production without subsidy was economically unviable. Speculation focused on the consumption of agricultural products as the impact on high food prices but according to studies conducted, it showed that apart from sugar- corn, wheat and soybean showed a big increase in the 'speculative' buying area. Again, it proved that this was not a feasible explanation and that it was more an *effect* of high food prices as opposed to the *cause* of high food prices.

86. In relation to the question of whether high food prices were here to stay, Hallam reported that the study spanning from now to the next 8 years showed that high food prices would stay. The same outlook study showed that the lowest GDP countries showed a much higher level of food consumption as opposed to the larger developed countries. Since 2000, the cost of food import of developing countries has almost doubled as a result of high food prices. Are high prices an opportunity for poor farmers? Do high prices reach developing country farmers? He stated that there was no clear indication that the global price changes actually affected national prices. By the same token, these high prices were also not making farmers rich as the higher the cost to material required to produce food (e.g.: fertilizer), the higher the cost to the farmer.

87. He advised that there must be policy responses to increased commodity prices but that the PIC study showed government introducing short term emergency approaches. For example, policy measures such as food distribution, food cost subsidy and elimination of import tariffs to try and keep food cost down. He advised that all these responses were not the proper or best way to counter high food prices and elaborated by saying that if you try and keep the price down for the consumer, you may also be suppressing incentive for farmers to produce more. Import tariffs are one of the most important revenues for governments and to eliminate import tariffs was not going to be a good policy response in the long term. He also pointed out that one of the recommendations which identified national promotion of locally produced foods may not be as easy as it states because reaction of consumer shows that they have not changed their consumption patterns but instead have cut down on other important needs such as education cost, health cost etc. The same report identified countries needing immediate support to be Nauru, Kiribati and Tuvalu.

88. The representative of Tuvalu agreed with the study findings in relation to countries that were most vulnerable because of their high dependence on imports. He informed that in Tuvalu, everything aside from fish is imported. He reported that the Government

has not yet looked at any of the options presented but the importance of food security has resulted in a nation wide rationing programme focusing on rice especially during the recent shortage of rice on the capital island of Funafuti atoll. Each household was allowed to purchase a maximum of 4kilograms of rice a week as a kind of control measure, which seems to be working out well. He also reported that another measure considered was for Tuvalu Coop Society (TCS), Tuvalu's largest importer, to increase volume of imports on rice and minimize importation of non-food items such as motorbikes, clothing etc. This however has not been attempted nor considered by government to take up with TCS.

89. He further stated that as far as agriculture was concerned, they were looking forward to supporting the current household food garden programme by promoting sweet potatoes and that importation of fertilizers will be one of the areas they will be concentrating on. There was also an attempt to import a lot of vegetable seeds or vegetables to distribute to people around the island saying that in the capital, there was already a large portion of people growing their own food. He reported that during the recent shortage of rice experienced on the Funafuti Atoll, people had started to fall back onto their own traditional crops (e.g.: *pulaka*). He stressed that Tuvalu was focusing on practical solutions such as those listed above but looked forward to FAO's assistance to try and increase their food production.

90. Mr. Hallam commented on rice and policy issues saying that the huge increase of rice prices was a result of bad usage of trade policies in that the export controls put on by major exporters such as Thailand and India has resulted in the world market and price on food going up. He reported also that the WTO has no policy on controlling export countries like Thailand and India which is bad because when countries put on export restrictions, insecurity results because of not knowing whether there would be any control on food prices. It certainly forced people to start growing their own food products but richer and bigger countries are responding by buying farm lands of other countries to grow their food on.

91. The representative of Kiribati stated that at the recent Agricultural Ministers meeting her Minister reported that Kiribati had subsidized the price of rice. She also reported that Kiribati was looking at growing more food and thanked FAO for the \$250,000 financial assistance stating that most of the funding will be used to provide free planting material to farmers. She noted that although the amount of assistance was substantial, there was no guarantee that the rest of the islands could recover given the islands were scattered and would not be able to afford freight costs. She reiterated that 99% of food items consumed in Kiribati are imported.

92. The representative of Kiribati also reported that there was a national outcry for the government to increase payment of copra for exportation. His government had tried negotiating with Australia in relation to cost of rice but did not succeed. The government then looked at local costs such as port charges, custom duty etc. cutting approximately 70% off across these costs, to be subsidized by government. He stated that even with these attempts the price of rice is still high because of its 'overseas' component. He

reported that within the span of three months, the price of rice went from AUD\$18 to AUD\$40. The option of cutting down local costs had to be taken because Government could not afford to raise people's salaries.

93. The representative of the FSM also agreed with the study, especially the point about the utilization of local and traditional food as it also encouraged local production in country.

94. The representative of Fiji backed up the findings by stating that they have done point no.2 on the PIC report and noted that the Government was already working on the fourth point (i.e. provision of free planting material for all to promote home gardens) but although government helped farmers, they were still raising the price of local produce like taro. They were looking at utilizing their agricultural stations to give out the planting material.

95. The representative of the Cook Islands asked for clarification in relation to increased production because it was not an incentive to the farmers. He stressed that this may not be true as this point and that there were a lot of other variables that may affect this as opposed to the one point raised by the study. The Presenter responded that there needed to be a good balance in providing food for consumers but at the same time, not removing incentives from producers to produce more.

96. The representative of Samoa noted the three vulnerable islands and asked how such vulnerability had been identified and as used in the report. He also asked what assistance if any, were available from regional and international organisations in relation to high food prices and if there was any financial assistance offered, whether it depended on the size of the country. He also posed a query about the options presented asking why FAO had posted it if they thought them unsuitable.

97. Mr Hallam responded that the report was not an FAO report but they were only showing the recommendations arising from that study. On the question about what organizations were doing to help with food prices, he responded that there was a massive international mobilization of UN agencies such as FAO, World Bank and International Monetary Fund organizations to name a few, to help alleviate the problem. On defining vulnerability as used within the study, Mr Hallam responded that the actual study did not identify any particular equation but that FAO viewed vulnerable countries as those whose net food importers were of low income with approximately 30% or more not meeting basic nutrition requirements. He noted that there were approximately 30 names on that list of vulnerable countries with more than half, from Africa.

98. The representative of Samoa queried the recommendation on removal of all fuel taxes asking how feasible that would be given that the price to consumer will be affected also or whether the recommendation was specific to farmers. The Presenter responded that if what was driving high food prices was related to fuel and oil prices then the medium term outlook was these prices were not going to drop further.

99. The representative of Solomon Islands stated that they have the same problem as raised by Fiji in that the price of locally produced/grown food has increased along with the price of rice. Because of this, the government decided to look at rice growing as rice was actually cheaper than buying local food (e.g.: sweet potato). He noted that SI\$5 worth of sweet potato could only feed 1-2 people whereas a SI\$5 rice packet could feed more. He stated that their Government had incorporated food security into their policy as an issue for over a number of years. He requested if the presenter as an expert on the issue could come up with the real recommendation as opposed to the ones from the study, so they could go back and tell their government what the best way forward was. He noted that a lot of PI countries had the infrastructure to grow rice but on an economical basis, asked whether growing rice as opposed to importing would make any significant difference to the price of rice.

100. Mr. Hallam responded that policy choices depended very much on local situations as it was not a one-size fit all solution. He also advised that breaking policies into short and long term strategies was actually good as specific responses involved in acquiring outcomes differ quite largely for each recommendation.

101. The representative of Tonga noted that soaring food prices could also be a positive outcome for PIs because a lot of the non-communicable diseases (NCDs) resulted from imported food. Healthier people use traditional and locally grown food. He also saw this as a positive way for trade as a lot of PI people live around the world but still eat locally grown food. He urged PIs to look at how they could market this around the world and pointed out that it takes people from outside the region to process local food (e.g.: chips). He believed that this was the time for all PIs to work together to see how they could market what was available now to the outside world rather than seeing it as a food security issue.

102. Mr. Hallam agreed with Tonga's points stating that domestic processing was an excellent idea as a value-added initiative. He also thought that it would be an excellent trade incentive and would certainly require a serious study of those possibilities.

103. The KNC for MORDI agreed with points raised by Kiribati and other countries but pointed out that for Kiribati in particular, the recommendation to grow more traditional food may not be the most effective one because in Kiribati, land and soil was not as good as other countries. Kiribati only has breadfruit because other crops cannot grow on sand. She agreed with the idea of producing more local food – but for reasons listed, this was actually quite impossible. Coconut was their main source of income but these were also dying out because of droughts and land issues faced by Kiribati. As an organisation working with the community in Kiribati, she has seen first hand the effect on the people and is very concerned about the impact on them. She also suggested that perhaps PICs should also look at importing food from other PICs, for example instead of importing rice from Australia that PICs look instead at importing from Fiji, at a cheaper rate.

104. Mr. Hallam responded on the issue of PIC-to-PIC trading saying that as far as he was aware, regional trade was in place but was limited and could be promoted. He also

noted that a 1-to-1 substitution may be feasible but depended entirely on certain circumstances in country.

105. The SFA representative acknowledged that each country had their own way of dealing with the crisis. His experience of government response by reducing tariffs and taxes was that it was actually making business people richer as there are no control measures on shops. He reported that although there had been a 5% decrease in taxes and tariffs, shops were still selling at a very high cost and were therefore making a huge profit. There should be adequate policies to try and control food prices in country.

106. The representative of NZ supported the idea of further processing of food mentioned by Tonga but clarified that NCDs was also the result of exercise and change in lifestyle noting that traditionally, people used to actually fish for food but now were more reliant on canned fish. On rice growing, he advised that the labour price of rice growing was much higher as compared to other food, so countries that were looking at growing and processing rice in country would require a lot of labour input which will have an impact on other food growing and processing requirements.

107. The representative of SPC noted that for PNG, Vanuatu and Fiji, rice has taken up to eighty years to establish and maintain production, and is still not an established or easy crop to grow.

108. Dr Fuavao responded that perhaps the session in which pilot case studies on rice growing will be presented would be able to answer some of the concerns raised by participants.

109. The representative of PNG also agreed with Tonga's point about producing fresh produce and said that recently, PNG had made a policy shift which looks at rice production as growing it like traditional food like banana and taro etc. He pointed out that their people have already trialed this approach and from using only 20metre square initially, production in 2005 reached 20,000tonnes and was growing every year. He further stated that PNG was different from other PICs in that they do not rely heavily on imports and the government was only required to subsidise through proper policies and people are happy with that approach.

110. The representative of Tuvalu requested if the recommendations could be divided into long and short-term options given that countries have different levels of problems in relation to high food prices. He also agreed with the recommendation to promote traditional food growing as a medium to long-term solution but other options could be put in the long or short-term response strategy.

111. Mr. Hallam in summing up his responses thanked all the participants for their comments and stated that the option of promoting local food was difficult because consumption patterns have changed. He advised that there was a knock-on effect on prices as well because if you drop rice and take on traditional food, then there was bound to be a rise in local food cost as well. To a comment about environmental and climatic

impacts, he agreed but noted that these were issues that had to be tackled from a whole different perspective but food security was a more immediate problem as opposed to longer term effects and worries about the climate and environment.

112. He also pointed the attention of the meeting to the macro-economic effect of this problem stating that once food prices begin to rise, it would also affect inflation rates. He noted that this has already become evident in big developed nations and it would be the same in other countries but conceded that there has been no proper research done in this area. He reiterated the point about cutting tariffs down to 0% as not the answer either as it will eventually harm the government and by default, the people. A case in point was the 2billion loss in tariff revenues suffered by the US and urged countries that before they start throwing away sources of revenue, that they ask themselves how they would replace this revenue and then consider what they could have acquired through this revenue.

113. He concluded that there needed to be a policy detailing a “response to this kind of problem in the future” and suggested that there should be a small reserve for emergency cases. He informed the meeting that there were huge reserves of rice in Japan but these could not be touched because of WTO rules.

FAO Initiative on Soaring Food Prices (ISFP)

114. Dr Fuavao introduced the programme by saying that when the issue of food crisis came up, FAO’s response was to immediately conduct some of the activities which had long term impact and to start implementing it in the Pacific. He stressed that they had extracted the findings from the evaluation of the pilot programme and had relabeled it in response to the rising food price crisis. He reassured the meeting that all activities in the presentation were not new and that resources will be utilized based on this expansion programme. He agreed with the points raised by countries in relation to implementing rice production in country but stressed that this type of intervention had a high failure rate and success was quite small. FAO SAPA did not think rice growing was feasible for Fiji, Solomon Islands and PNG given tests in these countries.

115. Fuavao advised that countries needed to continuously monitor results of the expanded programme in relation to labour issues, technology issues as well as others. He informed that under this assistance, FAO would concentrate on crops that they knew. Vegetables and root crops will be confined to findings and results of the pilot phase and as well, on experiences on what PI have grown for years. He reaffirmed no new crops would be covered under the expansion phase as it would require more research and work before they introduced them.

116. The meeting was informed that the re-labeling of activities resulted in getting back the resources and for participants not to be alarmed thinking that this “new” expansion programme would not be linked to the old and new expanded programme on Food Security by FAO.

117. Mr Poonyth then presented on the responses by FAO to the points raised by Mr Hallam and noted that all countries should have received financial assistance to boost

supply of inputs to enhance agricultural and livestock production. He stated that the measures were expected to have quasi-immediate impacts. Country specific projects being implemented in PNG, Fiji and Solomon islands were based on RPFs and the proposed FSSLP projects. He also informed there was intention of conducting programmes in Vanuatu, Tonga, Kiribati and Samoa on pig breeding, vegetables seeds and fertilizer assistance. The remaining seven country programmes would be covered under a regional programme where a diverse supply of inputs has been drawn up. Chemical was not covered under this assistance as they were concerned about the knowledge required in-country to acquire chemicals. He stated also that financial assistance was allocated according to size of project and size of population.

118. In developing the work plan, Mr Poonyth informed that a detailed study was conducted with government, private stakeholders and NGOs where they acquired needs of the country but stated that all activities had to be implemented in light of available budget. He noted that all activities would have to be implemented in line with local production calendars and all activities would be monitored and evaluated to ensure proper implementation. He further informed the meeting that all activities would have to be conducted within FAO rules and regulations and successful implementation will act as a catalyst for further mobilization of donor funds. The Exit Strategy Plan will ensure the sustainability of the programme and to avoid the “free handout” reliance of PICs that donors fear would become a problem. He urged participants to come up with some recommendations in order for SAPA to implement this programme successfully.

FAO Initiative on Soaring Food Prices

119. The Sub-regional Coordinator for IFAD, Mr Siale B. Vete highlighted IFAD’s Pacific Strategy and urged organizations to keep a focus on the target groups most affected (i.e. vulnerable groups of rural poor especially in the outer islands). He noted that IFAD relies heavily on partnership agreements with the private sector to address issues identified. He recapped on study findings identifying issues such as remoteness, isolation, reliance on food imports etc and pointed specifically to environmental vulnerability of PI which has a huge impact on land and sea which also has an effect on the ‘growing traditional crops’ recommendation. He alluded to Tonga and Fiji’s point about the opportunity that high food prices has presented as an option for the PICs to go back to their roots. He noted that traditionally PIs have semi-subsistence economies but have very high levels of NCDs around the world and therefore, perhaps the “go back to our roots” approach would also help address these health issues.

120. He briefed the meeting on IFAD activities currently being implemented which included MORDI, Organic agriculture, Atoll agriculture, Analytical work which looks at integrated economic risk and impact of poverty and as well its support of the FAO WTO Roundtable. He also spoke about planned activities which included expansion of support for organic agriculture, a biofuel conference and a study and scoping missions identified for PNG and Kiribati. He stated that IFAD as a donor was very much aware of the point raised by countries in relation to information dissemination and in improving donor coordination. Speaking also on further opportunities identified and issues that IFAD see as challenges to overcome, he stressed the need for promoting agriculture to youth and to

look at strengthening extension services. He concluded by confirming that IFAD also saw identifying market opportunities for farmers to take advantage of high food prices as well as strengthening and encouraging of public and private partnerships through a South-South cooperation as integral to the issue of food security.

121. The representative of Cook Islands asked FAO if there was a timeline in relation to the programme presented given the checks and balances as announced during the presentation. He noted that if the deadline was going to be the end of the year then Cook Islands was concerned in view of the expansion programme coming on board next year. He also suggested that perhaps one way of implementing this programme was to use existing processes that had been used before. For example, supply of certain products and services are already there and it would just be a matter for countries to go and look for quotes and send to FAO for implementation. He also expressed concern about the mention of yet another survey (in relation to seeds) as there were only a few months left before the closure of the existing programme.

122. Mr Poonyth responded that FAO needed to implement this programme very soon. He affirmed that existing structures could be used and reassured that the survey was not a huge exhaustive survey but was more like getting into country and seeing what was there and what wasn't and then respond accordingly. In relation to checks and balances, he advised that this component could not be taken out as it is the major credibility point for SAPA in order to acquire further financial resources. He requested the assistance of CI officials in this area to make their work easier and expedite the process of implementing activities identified.

123. The representative of Samoa asked IFAD if there had been any assistance in terms of building capacity of community groups to effectively engage in consultations noting the previous day's session on engaging and consulting community groups. She wondered about the capacity of community to grasp technical issues raised and made an example of the WTO presentation which she had had problems with understanding technical issues mentioned. She wondered in that context if and how IFAD had tackled this issue on the community level.

124. Mr Vete admitted it was a challenging issue and through the MORDI programme, the approach was on capacity building and strengthening of community through consultative process which puts the community in the driving seat for their own development. He stated that this was done through the PLA process where communities come through with their own development plans. The definition of development was also left to them to work out and IFAD only assists as facilitator.

125. In terms of community awareness in relation to WTO negotiations, he conceded that IFAD has not done much work in that area. The work done by MORDI and IFAD was looking at linking the community facilitators as a focal point between local NGOs implementing MORDI programmes in country and communities. He pointed to the work done in Tonga and the provincial and local levels in Fiji. He informed that community facilitators present community issues through this as well as other avenues such as

through the Pacific Plan which includes the opportunity for the voice of the community to be heard. He stated that they will look at the PIFS for assistance in relation to this aspect. He admitted that he could not give a simple response on the question posed but preferred to talk about the partnership work being undertaken with other organizations to try and address Samoa's query.

126. Mr. Hartman elaborated that their other objective was to actively engage in a proactive way with the community to give them the opportunity to voice their concerns. He stated there were instruments available which guides their work with civil societies and NGOs. He responded that their work was not a post-factum approach but very proactive, getting views prior to an issue arising.

127. The TEFA representative asked what the rationale was behind the pig farm initiative for Tonga, whether the initiative was to address high food prices or to support cultural consumption. She commented that it would perhaps make more sense if it was breeding livestock that was not readily available. On the IFAD presentation, she noted that 'partnerships' was a famous term in national strategies and asked if there was a strategy to go forward from existing strategies. She also asked both FAO and IFAD if there was any intention of looking at fisheries projects.

128. The SFA representative also didn't see pig farming as a viable option for Samoa given that they've moved to sheep farming and enquired if the programme could be substituted for another livestock. He reported there was already a lot of pig farming in Samoa but this was not consumed as a form of subsistence living. On the IFAD programmes, he was concerned that activities listed overlap with existing national programmes and asked if there was effort to integrate or strengthen existing community projects already in existence. In relation to finance and markets, he noted that Samoa has had bad experience from an IFAD programme which introduced goat farming in the late 80s. The micro-loans given to the farmers failed and Samoa's Development Bank suffered huge losses as a result. He stressed the need for proper consultative process to ensure that communities actually understood what they were getting themselves into.

129. Dr Fuavao clarified that in relation to pig farming they were talking about improvement of breed as opposed to building piggeries. Tonga had requested for diversification of livestock and improvement of local breeds and that is exactly what FAO will be doing for Tonga. He again reiterated that the activities and assistance for countries arose from activities within the Sustainable Livelihood Programme that he had referred to when introducing the presentation. On the question of distribution, he clarified FAO would evaluate who the best NGO would be to act as FAO's distribution outlet and said they were also happy to utilize MORDI outlets in the PIs as an avenue to distribute FAO assistance. He stated this could be achieved through an LOA or MOU with NGOs but would be conducted using the Sustainable Livelihood Programme criteria.

130. He informed that come December, all PI countries would be closed for Christmas and therefore saw timing as another important aspect. He pointed out that

implementation of the programme will be discussed in detail in the Nadi meeting. He also supported Cook Islands' point on utilizing existing structures but reiterated that all this would be worked out in Nadi. In relation to the query about inclusion of fisheries, he stressed that FAO will continue to assist fisheries but governments needed to identify fisheries in their strategies because they could only work with strategies drawn by national governments, according to agreed procedures. He informed that FAO has moved away from ad-hoc assistance as they also needed to make an impact.

131. The representative of IFAD responded to Samoa's comments noting that he was encouraged to hear that priorities were aligned with Samoan government's strategies particularly in the area of local ownership. He informed that the scope of micro-finance activities looked more at strengthening projects that were already on the ground. He stated also that IFAD had learned from the past and this was what led to the formulation of the current IFAD strategy. This is why they viewed fostering relationships with community in partnerships with civil societies, NGOs and others as vital. In relation to the question on fisheries, he stated that fisheries was not featured in the IFAD regional strategy but noted that subsistence fisheries required a lot of strengthening. IFAD's niche would be to look at subsistence fishing as opposed to strengthening the fishing industry. IFAD looked at development of partnerships seriously and stated that their project review committee which looks at exploring market access and/or market linkages, included members of the private sector.

132. The representative of Samoa asked whether the project could include supply and market as a component noting that one of their Ministers challenged the ability of farmers to meet the hotel industry demand.

133. The Pacific adviser for MAFBNZ asked for clarification from FAO as to whether it was an additional assistance on top of the ongoing assistance. He also asked if the Tele-food programme was going to continue.

134. Dr Fuavao responded in the affirmative saying that Tele-food was ongoing. Tele-food criteria was being reviewed because it required stand alone small projects and the amount of resources was quite small. Tele-food will continue but perhaps with more flexibility and using a different approach. He explained that Tele-food was the programme that allows SAPA to provide assistance to a local community (have small piggeries for their own local need) and reaffirmed that the next programme would complement that – i.e. new breeds from NZ or elsewhere will be brought in to improve existing breed. .

135. The representative of Kiribati noted that he understood that this was the result of consultations by FAO and local communities but piggery may not be an issue given that every home has their own piggery. He asked if this assistance would alleviate the soaring food prices. In relation to FAO's vegetable assistance, he asked what the scope of coverage was given that he also wanted to look at root crops as part of the FAO assistance under vegetable assistance.

136. Dr Fuavao responded that FAO was not a donor and therefore assistance was mainly technical. He again reiterated that when they talk about piggery, they were talking about pigs to improve local breed that the governments had asked FAO to do. He informed that FAO had already assisted local communities through the provision of piggeries but acknowledged local breed needed to improve hence their agreement to requests by governments. It certainly would not compete with the traditional way of raising pigs. He clarified that the assistance was more on diversification as opposed to handouts for people to have and own piggeries.

137. The representative of Palau asked IFAD whether they had to be a member of IFAD to access funds and assistance since they've looked at the list of assistance by IFAD and could see no assistance to the north Pacific countries.

138. The representative of IFAD responded in the affirmative. In order to be eligible for IFAD assistance, one needed to be a member and currently only eight (8) PI were members. To be a member, all it needed was a letter of interest for accession and this letter needed to come from the Head of Government or the Ministry of Foreign Affairs. He offered to make the template available if Palau was interested.

139. A representative of MORDI requested that of the work conducted, that all partners needed to work in close collaboration and asked that governments and civil societies trust each other because whatever intervention came in, there was no guarantee of success if people did not work together.

140. Dr Fuavao, to a point by Kiribati on root crops responded that FAO had to take into account assistance done together with IFAD over the last 4-5 years. For example, they looked at the type of banana that could be grown in Kiribati. IFAD also has done a lot of studies on root and vegetables. FAO also had to look at issues that impacted directly on health issues as they've done major studies and took this opportunity also as a way of dealing with health issues. He advised that the inclusion of root crops under the vegetable assistance remains to be discussed and if Kiribati insisted on including root crops, then SAPA would have to do a lot of negotiations to include it in the programme. He mentioned the DISAP (EU programme through SPC) which has also done and continues to do a lot of work on this topic. He stated that the discussions have really highlighted for him the need to utilise MORDI to implement some of the activities.

141. Mr Poonyth clarified that SAPA were instructed by FAO HQs as to which countries could be included on the list for assistance and SAPA would not implement activities in countries that were not approved by FAO Headquarters.

142. Ms Scialabba recapped the session by saying that these kinds of discussions on export, import, local production etc. have been going on for almost two decades and it seems there was general agreement that local production needed to be improved and or strengthened. There was also a need to access planting material (e.g.: fertilizer) and recapped on priorities identified by governments being opposed as perhaps not really a priority of specific countries. She stated that there was no either or approach, that food

security was really to maximize local reliance and focus on few value-added commodities. She pointed to environmental impacts as identified by Kiribati and stated that there will be an opportunity for this issue to be discussed in detail in a later session.

SESSION 6: CLIMATE CHANGE, BIOFUEL AND THE IMPACT ON FOOD AND AGRICULTURE

Facilitator: Mr Jamie Morrison

FAO High Level Conference on Climate Change and Food Security

143. Ms Scialabba of FAO presented on the main outcomes of the conference held in Rome on 3-5 June 2008 recapping statistics showing that 2008 food prices were the highest in 30 years. She stated that supply scarcity has been attributed to adverse weather in cereal exporting countries (e.g.: Australia) and the outlook was that food scarcity will remain a problem. As mentioned in other presentations, food stock decline was attributed to higher utilization than the rate of supply and as well, high energy prices having tripled since 2003 therefore the demand for biofuel as energy were creating a competition with food supply. All these as well as other factors were behind the food price crisis. She acknowledged a discrepancy in the figures presented but it has been proven that these factors definitely have had an impact on soaring food prices.

144. She spoke also of natural disasters, shifting pests, diseases and invasive species, the changing precipitation patterns and water scarcity as factors also affecting the agricultural sector. She noted though that agriculture itself was not free of guilt in relation to environmental impacts as agriculture emitted 13-15 billion of CO² or 1/3 of total GHG. A study conducted by the World Bank showed that liquid biofuels was predicted to increase from 1.7% to 5.9% by 2030. Deforestation due to need for availability of arable lands for biofuel production has also risen and was expected to reach 3.5% by 2030. She stated that climate disaster is affecting approximately 230 million people around the world with temperature increase reducing crop yields in the tropics. She noted though that with good management and available technology, agriculture and forestry could be made nearly carbon neutral.

145. She presented also a summary of the conference as well as the resulting Summit Declaration which she reported had resulted from drawn out and difficult discussions and debates during the conference. It was recognized that the 'how to get there' in implementing the Declaration may not be as straight forward but at least an attempt had been made to put down issues that needed to be tackled. The strategies to achieve the Declaration would come later but the points listed within the declaration included addressing food emergency; supporting agricultural production and trade; resilience of food systems to climate change and sustainability of biofuels. Some of the actions drawn up by the group tasked with climate change and mitigation included reducing emissions from deforestation and forest degradation in developing countries with PNG identified as one pilot country with implementation targeted for October 2008. Also listed as an action was the facilitating of access to international financing mechanism; to conduct a Forest Resources Assessment by 2010 and the creation of a global soil database. She

stated that the climate change adaptation action group focused on mainstreaming climate change adaptation into national policies, strategies and programmes related to agriculture, forestry and fisheries; assessment of impacts of climate change and variability; the development of community-based approaches to climate adaptation as well as facilitation of access to the Adaptation Fund.

146. The representative of Samoa asked if FAO had any specific examples of food that could be stocked over a number of years. For example, there was rice which could be stored for a long time or yam which could be planted and stocked and last for 3 or 5 years. He asked if FAO could talk about those experiences to which the Presenter responded that she had only recapped the outcomes of the conference but did not have direct experience to answer the question posed by Samoa.

147. The representative of Tuvalu commented that most countries have launched national adaptation plans which covered a lot of activities inclusive agriculture but wasn't sure how far or detailed bioenergy was covered in those plans. He thought Tuvalu's NAPA may need to be reviewed to include bioenergy.

148. A representative of the FAO agreed that the current NAPAs did not include biofuel. He noted that the problem was also at the institutional level as biofuel and bioenergy were two separate entities and were not usually discussed nor looked at together. This was a very sensitive issue and even scientists themselves do not agree and their opinions were sometimes contradictory. He informed that FAO could not assist without proper science facts to base their assistance on.

149. The representative of Palau asked whether these actions would cover carbon credit programmes and whether FAO was facilitating this with developed countries. The response from FAO was that there were a lot of carbon credit programmes that FAO could tap into. He advised that carbon offset of the delegates from developing countries were being used in Honduras as carbon credit.

150. The representative of PNG asked for elaboration on the presentation which stated that biofuels were not cost effective. A representative of FAO stated that the amount of investment that goes into the industry development in terms of prices and so forth makes it non cost effective for biofuels. He explained that PICs have a lot of protection in terms of buying biofuels from countries that produce it at a lower cost. Whether through subsidies, protection of prices or mandates by governments, he stressed that PICs would see for themselves that it was not a cost-effective measure. He also advised that with the exception of sugar industry, there was no economic feasibility of biofuels. He pointed to the situation in the EU which clearly showed that biodiesel was going to be less economically viable. He stated that there was great hope for the next generation of biofuels but that was yet a long way away.

151. The representative of NZ advised that these findings were echoed by a study done by OECD which found that it was not economically viable and in relation to energy balance, or some aspects of it, had found that there was more energy going in to produce

the amount of energy coming out. He noted there were a lot of questions around this and other issues (e.g. export bans which was a contentious issue with Argentina) and that the Declaration text had had to be watered down in order to reach a consensus with participating countries. He asked FAO whether there was going to be a mechanism to get such a consensus, what it would look like and where it would be developed.

152. Ms Scialabba responded that the issue of biofuel consensus was not discussed but it was put through on how it could be handled via the ? Charter. She stated that the issue of whether it would be voluntary or mandatory had not been decided but FAO was already at work in setting criteria and a methodology and from there will see how it develops.

153. The representative of Fiji enquired about funding in relation to climate change adaptation and asked how they could access these funds. The Presenter responded that FAO was aiming to assist countries on how to access these funds given that less than 2% of these funds had been used by the agricultural sector.

154. The representative of the Cook Islands commented on the statistics and figures used in the presentation (especially on carbon emission figures) and stated that they were mind boggling figures and asked how these figures were arrived at. He was concerned because some reports showed high rates whilst others showed lesser rates. He asked what systems were used in order to arrive at these figures and how realistic these figures were.

155. Ms Scialabba responded that the figures came from the last report of the IPCC and had been acquired by a whole panel of scientists but stressed that the figures presented were actually quite conservative as compared to the real situation. The figures used have been adopted world wide.

156. The representative of Samoa repeated his question about food stocks to which Mr Morrison responded that there might not be expertise in the meeting to respond to his question adequately but urged countries to look at whether food stocks was the most sensible policy approach. He suggested also that if a decision was made to reserve food that countries look at what approach would be best used.

157. The representative of NZ noted that there *was* experience in the room given that a lot of the countries had gone through adverse natural disasters and perhaps already have ways of dealing with it but have not recorded or written it down anywhere. He agreed though that it would be different approaches for different countries and that it was really up to nations which approach they took depending on their respective circumstances. He also posed the question of “who pays” because storing food would cost a lot of money.

158. A representative of FAO responded that the issue of food storage had been brought up in national, regional and international levels and has been brought up again because of the food crisis. But he stressed that there was a lot of skepticism about this approach because the cost of storage far outweighed price stabilization. He noted that the ASEAN countries have got an emergency rice reserve but have only just managed to get to 80,000tonnes which would cover up to only four (4) days of consumption. He reiterated

that it was worth investigating very small emergency reserves but it definitely was not a long term idea given the costs involved.

159. The representative of Tuvalu noted that they have traditional preservation methods that could be strengthened. He informed that some of the food could be preserved for 2 years but this approach was more on the household level and perhaps they could use that approach on a trial basis and improve as they go along.

160. The representative of NZ talked about their approach to second generation biofuels which was said to be 5-10 years generation before it came into commercial application but stated that it had not happened yet. He enquired about someone running his truck on coconut oil in RMI and asked if there had been studies conducted on the use of coconut oil as a biofuel.

161. The representative of RMI reported that the project was small scale and they were trying to access funds from Italy to expand on studies. She stated that there had been cases where the fuel had hardened and therefore wanted to conduct further studies to see how they could improve on the current turnout.

162. The representative of Kiribati reported that they also have been trying to use a mix of coconut oil and diesel to fuel sample cars on a trial basis but have found that crude oil needed a lot of refining before being utilized. He also made a point on climate change and reiterated that small islands (e.g. Kiribati) are suffering and that the problem (in relation to emissions) comes from the big countries. He queried what the big countries were doing to alleviate these climate problems and whether they were reducing their emissions.

Case Studies on climate change in Cook Islands, Marshall Islands and Vanuatu

163. Mr. Reti, FAO consultant detailed sources of funding for climate adaptation activities in relation to a question posed by participants. He pointed to the GEF (through UNDP, UNEP or World Bank as well as FAO) as well as the Special Climate Change Fund set up by the UN Framework on Climate Change saying that funds could be used on technology transfer, energy, capacity building, agriculture, forestry and waste management. He also informed the meeting about a Least Development fund for LDCs jointly set up under the UNFCCC and that the funding could support the preparation of NAPAs. He also spoke about the Adaptation Fund created under the Kyoto Protocol as well as the Small Grants Programme partly funded by GEF, Australia and NZ. He urged countries to check out the UNFCCC website, UNDP website and all other organisations' that he'd mentioned in his presentation.

164. Mr. Reti provided a background on the studies stating that it had been done based on a request by Agricultural Ministers to FAO. He reported the study was primarily through desktop exercises which included review of existing information on impact of climate change as well as interviews and discussions with relevant people. The studies had been done over a period of 30 days and therefore were not comprehensive. He noted

though that the findings were similar for all countries studied and as well, other PICs not studied.

165. **Vanuatu** – Mr. Reti provided a brief background on Vanuatu saying that the agricultural sector in Vanuatu was largely dependent on small farmers. He stated that government policy now supports small farmers as opposed to raising the number of small farmers. He proceeded to highlight environmental impacts on agriculture and food supply which included water shortage during droughts; changing climatic conditions also causing delays in planting and harvesting seasons; increased rainfall having an impact on coastal erosion and run-offs affecting coastal fisheries; introduction of new pests and diseases; intestinal infection to free roaming pigs; lower yield of yam and manioc and fruit trees. He noted that Vanuatu had previously changed from forest to agricultural lands but has since changed its approach from cattle to sandalwood lands.

166. **RMI** – In the case of RMI, he reported that the majority of atolls were only 2m above sea level and so storm surges and damages could be quite severe. The capacity of islands to support human population was closely related to rainfall and existence of permanent ground water systems. He stated that relocation was not an option given that the majority of atolls were only about 30x20metre wide. The changing lifestyle and diets, especially that of the youth, would be a challenge to agriculture as there was a tendency to prefer imported food (easier and cheaper) as opposed to growing traditional crops. There were also impacts of dredging and sand mining problems and as well, the rise in temperature affecting taro and arrowroot. Coconuts have died in some islands of RMI but coconut was an important indication of health of the land. He elaborated that every species living on the island now are tolerant to the tropics and its inherent conditions but if these species were dying out, then there really was a serious problem. He also mentioned the threat of salt water intrusion and salt water spray which would increase salinity of soil and become a huge challenge to the agricultural sector. He concluded by saying that 38,000 people per square mile was creating huge stress and pressure on limited resources with wells becoming polluted as well as drying up, and coconuts and pandanus dying due to rising sea levels.

167. **Cook Islands** – Mr. Reti reported that problems in the Cook Islands were similar to those experienced by RMI and Vanuatu. The southern and northern groups differ greatly in that whilst one was suffering a reduction in rainfall, the other was suffering from almost a 200% increase in rainfall. Wave action during cyclones inundated plantations that in Pukapuka, it took 3 years before taro could be reintroduced. There have also been recorded damages to agricultural crops and pearl farms whilst droughts have resulted in extremely low volumes and revenue from sale of fruits. By the same token, there were also a lot of fruit available locally that were not harvested and were going to waste. He informed that Cook Islands exports pawpaw but rejects go to waste and suggested that local processing could be looked at to avoid food wastage in these times of food crisis. He noted that in the case of Cook Islands, there was also a positive effect in relation to high rainfall as a response to irrigation costs.

168. In conclusion, he summarized options available to adapt to climate change which included amongst others, the implementation of cyclone emergency management plans; planting wind-resistant trees as buffer zones for agricultural products; considering local processing of cyclone-damaged crops for local use; adopting multi-cropping; development of locally adapted crops; diversification of root crops; selecting crops and cultivars tolerant to abiotic stress etc. He spoke also about policy implications in relation to options listed saying that in the case of Vanuatu, there was a prediction that its population would double over a number of years and there was a need to implement population and urban migration policies. He reported that the RMI was already starting to review building designs and incorporate water tanks into government buildings as a response to improving rainwater catchments and storage capacity. He urged countries that mainstreaming climate change into national plans and strategies was vital and to ensure climate was discussed in line with trade, agricultural and other issues.

169. The representative of Cook Islands agreed that the significant increase in rainfall in the northern group was a blessing in disguise for them and perhaps they could look at including water catchments to assist their people in the southern islands who were facing water shortage.

170. The representative of RMI reinstated findings on erosion and stated that with the moving of sand, instead of creating new islands, the sand is deposited on other small islands in different locations. She reported that salt in the soil was definitely impacting on their crops and they had no choice or option for relocation of gardens. She noted that perhaps building greenhouses was the answer but at the moment, RMI didn't really know how to deal with that. She stated that one of the islands, Ebeye, was only 2 miles long with hardly any greenery but approximately 10,000 people were living on it. In terms of water catchment facilities, she reported that RMI were not just focusing on building water tanks on top of government departments but as well, on private homes and house.

171. She also reported that desalination was also going on but the problem was the maintenance of those units. In relation to coconut oil fuel, there was a concern about the quality of oil given that coconut trees were not producing good copra. She affirmed that there was definitely a need for a refinery facility in order to improve the quality of oil.

172. The representative of Kiribati commented that although Kiribati was not covered under the study, they also faced a similar problem to RMI in relation to relocation of food gardens. She noted that when Kiribati puts up proposals for replanting, the response was that Kiribati was about to sink and therefore should not be looking at replanting as an option. She asked organizations not to give up on them and to help them grow more food for survival.

173. The representative of Palau asked whether the last ministerial meeting had addressed or discussed the issue of countries sinking. The response from FAO was that there were discussions on climate change and the meeting added climate change as an issue for inclusion in the Sustainable Livelihood Programme. He advised that the case studies were conducted to strengthen FAO's ability to respond to the issue of climate

change in relation to food security. The studies will guide them when these activities are put into place under the expansion phase. These case studies as well as all other major activities that had been conducted under this programme were available on the SAPA website.

174. The representative of Samoa commented that there was also a positive impact of climate change in Samoa, for example breadfruit was fruiting throughout the year and may be an answer to counter food security.

175. The representative of Tonga asked that he would like to see more comparative data in the case studies to bring the message across a lot stronger. For example, data to show significant changes from the last 10-20 years in relation to yield etc. Mr Reti responded that all that information was included in the case studies but that he had only presented an overview of the findings. He also added that Vanuatu and Cook Islands have already set up Climate Adaptation Working Groups and the reports compiled by them were used as a basis to gather data for these case studies. He suggested that it would be a good start for other countries to set up similar groups.

176. He also mentioned that there were currently ongoing preparation for the next Kyoto Protocol negotiations and asked that agricultural people work in close collaboration with environment people in preparation for putting across points for the next round of Kyoto negotiations.

SESSION 7: FORESTRY AND TRADE

Facilitator: Muliagatele Mr I. Reti

Illegal Logging

177. Ms Ellie Avery of MAF presented on NZ's domestic and international policy approaches and stated that illegal logging and international trade in illegally logged timber was a major problem and contributed to environmental damage; loses of government revenues; promoted corruption and hampered sustainable development. She informed that the NZ Cabinet had endorsed a policy to address illegal logging in November 2006. The strategy was three pronged and addressed issues such as reducing deforestation and forest degradation; addressing trade in illegal timber and wood products and capacity building and technology transfer for SFM in developing countries. She stated that there was no internationally agreed single definition of legality for timber so NZ had developed its own. She reported also that illegal logging was being tackled by countries through various methods which included governmental procurement policies; bilateral arrangements including under FTAs (e.g.: US-Peru agreement); the EU FLEGT-VPAs which involved establishing a licensing scheme, and as well through the recent amendments to the US Lacey Act which extends its coverage to imported plants and plant products. She stated that from the end of 2008, the US will require importers of timber and timber products to make a new declaration regarding the name of the species, the value and quantity of the product being imported and the name of country of origin.

178. She informed the meeting that the NZ Government's timber and wood products procurement policy was available on the MAF website. She stated that in May 2008, the NZ government announced a package of domestic and international actions to address illegal logging. Domestic actions listed included consumer awareness campaigns; voluntary pan-industry code of practice; mandatory labelling; and the negotiation of bilateral mechanisms. She noted that the Ministry of Forestry has held meetings with counterparts to seeking commitments to negotiate bilateral mechanisms and officials are working with counterparts to follow up on the recommendations from these meeting. With mandatory labeling, officials were directed to investigate feasibility and practicality of mandatory labeling at point of sale whilst consumer awareness campaigns will focus on legality issues associated with *kwila/merbau*. She further reported that included in the May 2008 Cabinet was a decision to work with countries where *kwila/merbau* grows to achieve either an Appendix II or Appendix III listing for *kwila/merbau* under the Convention of International Trade in Endangered Species (CITES),. Under international actions, NZ is seeking to revitalize the World Bank East Asia Pacific Forest Law Enforcement and Governance (EAP FLEG) process; has contributed funding for International Tropical Timber Organisation (ITTO) projects; is informally engaged in the Canadian-led process to develop a legally binding agreement on SFM and has been an active participant in the UNFCCC negotiations for a mechanism to reduce emissions through deforestation and degradation (REDD).

Sustainable Forestry

179. Ms Allanah Irvine of NZMAF presented a general overview of sustainable forestry management particularly from the perspective of NZ providing definitions as well as a picture of total forest coverage within NZ. The total land of NZ was 27million hectares, 24% of which was natural forest. She noted that approximately 21% of these natural forests were in private ownership, and, of this area, less than ten per cent was used for timber production. She further reported that commercial forests contributes 3.1billion in export earning and generate direct employment for over 22,000 people in NZ. The NZ Government's attempt at addressing sustainable forestry management on the domestic level had been done through several avenues including the Resource Management Act (1991) and the Forests Act (1949) (Part IIIA). Within the Forests Act are mechanisms for implementation such as the SFM Plan as well as SFM permits which were an alternative to the plans.

180. She also stated that loggers were also required to have annual logging plans and the compliance and monitoring aspect of the programme was conducted by the IFU. She explained that the RMA and Part IIIA of the Forests Act were complementary and both sought sustainable outcomes. Although the two sometimes overlap, there was a lot of effort in getting people to consult and talk to each other to ensure there was no overlap. She also spoke about NZ's international commitment on SFM and provided background information relating to the UN Forum on Forests and the various processes and negotiations that NZ was involved with in the areas of legally binding agreements in relation to forestry. She also touched briefly on FAO's role in the international arena,

most specifically their role on conducting forest resource assessments, outlook studies and strategic plans.

181. The representative of Tonga asked that given the statistics presented on planted production forest, whether 7% was adequate if Tonga decided to use the same approach. Ms Irvine responded that the 7% as shown in NZ was a fairly concentrated area of forest. She noted that a lot of debate had gone into the issue of conservation and planted forests as it could produce a high quality of timber per hectare as opposed to native forests which produced only 20cubic per meter. She advised that if Tonga had land devoted to planted forest then perhaps it would work too but that it was important to get the right species to plant in Tonga in order for it to work.

182. The representative of Samoa asked what NZ's priority was in regards to conservation vs. development. He informed that Samoa's approach was first on conservation and then development but that personally he preferred development as a priority and then conservation could be fitted in afterwards. He asked MAF's advice on which to choose.

183. Ms Irvine responded that this has also been a question that NZ has had to grapple with and acknowledged it as an ongoing 'problem'. She noted that forests presents complex problems because forests always has a conservation value because of its link with water, soil etc. But she referred to actions like the Forests Acts which detailed exactly what you could take out within a certain span of time and by doing that, countries could strike a balance between conservation and development. She informed that the MAF works very closely with NZ DOC to ensure there was a fine balance between these two issues.

184. The Manager for NZ MAF International Liaison Office asked if all PICs were involved in the Forest Resources Assessment 2010 process and stated that for NZ, forest assessments were important and there was a lot of updated information which should provide countries with information about sustainable forest management. He also stressed that forest assessments should have information about community areas, the state of biodiversity as well as how to work with issues such as climate change and timber production.

185. A representative of MORDI asked whether logging contractors adhered to the Acts and regulations and whether NZ had faced any problems in regards to non-conformance. The Presenter responded that a lot of logging companies were now quite good and with the improved system of mapping using GIS/GPS systems, loggers were now more aware of boundaries. By the same token, she acknowledged that there was always going to be the odd person that breaks the rules but the improvement in the mapping system has certainly stopped that.

186. The representative of Samoa asked how NZ handled issues such as sustainability vs. basic need for survival in regards to village communities' priority for food or getting the "quick buck" out of selling forest products. The Presenter responded that historically

they also have had problems with this issue whereby communities have claimed forests as being available for them to utilize. She stated that sustainability was a long term basis and they've had to do a lot of work to convince the community about its benefits. She suggested that maybe countries needed to look at a balance of growing trees, especially those that were slow growing, and comparing it against whether the use of the land would be better for another crop.

187. Mr Reti queried the criteria of logging in relation to the timber production rate of 10% and asked whether it was economically viable. He also commented that in terms of sustainable forestry, the community point of view was that lands were actually owned by them and wondered how this worked with the Acts mentioned.

188. Ms Avery responded that the 10% rule applied to indigenous natural forest and that the value of those timber extracted from natural forest provided a greater return than any other timber. She stated that whilst 10% extraction rate seemed low, timber acquired were actually very high value timber. She acknowledged that in the short term, this indeed looked like a lower income earning avenue but it had a much higher return over a longer period of time. She stated that the Forest Act whilst brought in to deal with private owned land also gave them the means to administer forest sustainably. She explained that a great number of the natural forest was owned by *Iwis* and that they managed and extracted from that land what they could in accordance with guidelines produced under the Acts.

Trade in Non Wood Forest Products (NWFP)

189. Mr. Aru Mathias of FAO explained NWFP as presented covered a wide area of products from plants and animals. These products were harvested in different quantities and quality and originate from different locations. He stated that there was already a lot of information on non-wood products and encouraged participants to visit the FAO SAPA website and read the information available there. He also pointed to a publication titled "Trade-related Instruments Applied on Trade of NWFP" which contained a lot of useful information for countries.

190. He proceeded to provide an overview of non-wood characteristics and linked it to trade issues in relation to NWFPs. He clarified that the FAO definition was that 0.5hectare was considered a forest. He informed that forests did exist in Tonga but people called it 'bush'. A list of categories and corresponding products was presented to the meeting. Mr. Mathias stated that NWFPs played an important role in the livelihoods of many communities particularly in developing countries.

191. He noted that there was still a lack of information from countries even though FAO sends out forms for countries to fill in relation to NWFPs. He advised that interest in NWFPs has been estimated at USD\$11billion with Europe as the major importer of medicinal and aromatic plants. He clarified that the figures presented did not include the illegal export of NWFPs. He detailed the various NWFPs that were exported by PICs which gained their respective governments substantial revenue and noted that trade in NWFP was quite complex and is continuously evolving. He explained that the

international trade in NWFP was regulated through a broad range of trade-related instruments. Instruments such as CITES for example were drawn up to protect and conserve local and natural NWFPs, but these instruments have not had any impact on the trade of NWFP. He further stated that NWFP faces practical challenges in that they were often small in size, came from different sites and had a far bigger range of species than the two key traded resources – timber and fisheries.

192. He concluded by stating that countries needed to implement policies, guidelines and strategies on NWFPs in order to best monitor and control the illegal or over-exploitation of these resources. A lot of rural people were reliant on NWFPs and should be brought into consultations as well as the monitoring aspect of guidelines and policies. He spoke about an example in PNG on sustainable management of sandalwood where there was a lot of illegal logging and FAO assisted in the re-growing of trees and in processing and understanding of issues to assist the community understand the issues better. He concluded by stating that there was still a lot of work required in the area of capacity building as well as other issues identified in his presentation.

193. A representative of SPC suggested that there should be an inventory of NWFP so that communities are aware of what they would miss especially in the area of medicine, if logging was going to continue taking place. Mr Mathias responded that FAO was mandated to look at the status of the world forest and to conduct forest resource assessment and emphasis was not just on counting timber, but included inventory of NWFP as well.

194. The representative of Kiribati asked why pandanus and coconuts were categorised under forestry to which the Presenter responded that coconut had always been a contentious issue and a lot of PICs have asked FAO to categorise coconut as forest. Increasingly FAO was taking on board assessments of forests in smaller island countries and reinforced the explanation that if you have 0.5hectares of trees of certain height, then that would fall under the category of forest.

195. The representative of Tonga agreed that he has seen species of plants in Vavau which constitutes a forest.

196. The representative of Solomon Islands stated that the canarium nut tree that Solomon Island people refer to as culturally important was not allowed to be logged but some years ago a company had tried to grow canarium trees and failed. The Presenter responded by advising countries that these canarium trees could also be used as NWFP for trade purposes and not just for nuts.

197. The representative of Samoa asked if SAPA could be more active in agroforestry as well to which the Presenter responded that SAPA had already done a bit of work with Samoa. An agreement has been reached and a Land Use Policy Plan will be developed and used. This will make decisions between conservation and logging much easier.

198. The representative of NZ commented about the discussions on NWFP and wondered to what extent the next step had been taken on commercialization of NWFPs but with sustainable management in mind. He asked if the RTF could be used as a forum to discuss this issue especially discussions about problems faced by countries in making commercial opportunities for communities. He suggested that this experience sharing in relation to NWFPs could be done at a later stage of the RTF.

GROUP SESSIONS ON AGRICULTURE

SESSION 8: DEVELOPMENT OF SECTOR STRATEGY: FRUIT AND VEGETABLE

Facilitator: Mr D. Hallam

Value chain analysis: concepts, approaches and use in the Pacific

199. Mr. Jamie Morrison of FAO gave an overview of value chain analysis, its definition and how it could be helpful for agricultural development. He emphasized the value chain analysis was important as it allowed for mechanisms to consider the impact of one stakeholders' decision on others. Linkages characterize contractual arrangements and coordination along the chain and determine incentives for investments. Value chain analysis also provided a framework for evaluating sector performance, identifying barriers to development and assisted in the identification of prioritized interventions. He also reported on its usage in relation to market access for small producers, risk assessment and as well to promote interventions such as the development of sectoral strategies.

200. He reported on three initial pilot commodity chain studies conducted by FAO, INEA and SPC in 2006/07. In Fiji, the survey identified tomatoes, carrots, mangoes, papaya as products that could be locally grown and produced to supply hotels etc. as opposed to importing. In Vanuatu, *nangai* nuts was identified as an export crop whilst in Kiribati, breadfruit was identified as a possible response to the food security issue. He stated that the survey was quite exhaustive and covered all the different stakeholders in the chain. The findings and constraints to the recommendations in the study showed that for Kiribati, although breadfruit was identified as a food security crop, there was a lack of physical market places in order to consistently supply areas where demand exceeded supply. For Vanuatu, although *nangai* nut was identified as an export product, there was also concern about inconsistent supply and quality and uniformity of the product. Lessons learnt from the study was that although quite exhaustive (through use of formal questionnaires), the information collected needed further analysis and that questionnaire type surveys may not be the most appropriate for all components of the analysis. There were also financial and human resources to consider as it was quite an expensive exercise. From the survey findings, training was identified as a requirement in order for all stakeholders to be fully attuned with the value chain analysis process and so training in commodity chain analysis is targeted to be done in the three sub-regions in 2008. He informed that the key components of the chain training would be on mapping the chain; assessing alternative data collection techniques; inputting and processing data; and planning and coordination of commodity chain studies.

201. Whilst detailing components to be tackled during the planned trainings, he also informed the meeting of the critical steps required to plan for each component of the training. For example, mapping the chain required steps such as identifying activities between the start of the production process and sale to the final customers as well as identifying distinct marketing channels and identifying enterprises that carry out each

function. Examples were provided for each of the steps required in mapping the chain and he stressed the need to keep the chain flexible in order to allow for changes as they arose or when circumstances demand. A chain drawn up by another meeting in Samoa on papaya was used as a sample for discussion within the meeting. Recommendations arising from this particular mapping exercise included issues such as: study of market potentials; study of potential for value added; assessment of vertical integration exporter activities as well as a local market assessment.

Fruit & Vegetables Sector Strategy Development (All ACP Agricultural Commodity Programme)

202. Mr Morrison reported that this programme had kicked off early 2008 and that the five programme partners; CFC, FAO, ITC, UNCTD and World Bank were the implementing agencies for this programme. He acknowledged that there had been some confusion over the programme and presented background information which included a presentation on eligible activities that could be funded under the All ACP Agricultural Commodity Programme (AAACP). These activities included: sector diagnosis and commodity strategy formulation; reinforcement of institutional framework and organizational capabilities of producers, organizations and professional bodies; improvement of market functioning; enhancements of farmers' marketing and vertical integration capabilities as well as market-based commodity-risk management.

203. He also provided clarification relating to how and why countries were split into two categories stating that one category required work on implementing existing strategies whilst the second category countries required consultation and compilation of strategies based on these consultations. A process taking between 6-8 months was identified where all partner agencies involved would assist in the initial process but resulting activities from these studies would then be passed to relevant respective partner organisation for implementation. He then presented on activities that had been implemented to date in four countries (Fiji, Samoa, Vanuatu and PNG) and informed that the report was in a results-based format and that results 1 and 2 sometimes ran concurrently. He stated that findings from the initial visits not only helped pull together strategies but as well served as a guide for the respective organizations to develop solutions and steps required to tackle problems and constraints identified.

204. The representative of SPC stated that he had done the work in Fiji and thought that import substitution may not be viable given the food security issue. He stressed that countries should be talking about service substitution as opposed to import substitution. He stressed that key element of import substitution was service substitution. He was also concerned about bulk growing because the buyer then has allowance to ask for discounts. The bigger the production, the bigger the buyers ask for discounts.

205. Mr Morrison responded that this was why he was stressing the importance of linkages. The quality of the product did not matter as long as the service was consistent. The good thing about the analysis was that it pinpointed where the problems were and

ways to solve them. He totally agreed that countries should focus on service as opposed to just products and provide linkages where possible.

206. The representative of Tuvalu stated that they were just beginning trade on one commodity and the information provided by Mr Morrison in relation to steps in value chain mapping would be good for them. He reported that Tuvalu was also looking at other products that they could get out of these plants and acknowledged that how they were going about it had not been very strategic but the chain presented would definitely help them towards the right steps. He noted that they missed out on the second part of the assistance but would work closer with FAO and SPC before exporting their commodity.

207. The representative of Tonga expressed surprise that Tonga was not on the list of countries because in terms of trade, this was a sector that Tonga would require work on and asked for Tonga's inclusion as soon as possible.

208. Mr Morrison responded that there were a lot of international organisations involved in the project. The rationale behind selecting Fiji and Samoa was the result of different organizations coming together and saying they could add certain processes within these countries. Fiji was selected because of scale whilst Samoa was [?] and said that countries were chosen on an ad-hoc basis. For Tonga the option available for them would to be included through the FAO IFTP. He noted that although countries were not ruled out, it may not be necessary for them to go through the EU AAACP as it may overburden the countries because there were so many organizations involved in this project.

209. The representative of Samoa expressed that the presentation was useful and asked how best to use the graphs and whether there was a tool that went with the graphs, especially between producer and buyer. The Presenter said there were no specific tools and that the organizations involved only drew up relevant tools based on what the country identified as problems and constraints.

Organic Agriculture

210. Ms Nadia Scialabba of FAO presented a definition of organic agriculture and talked about what was actually included within this 'category'. She stated that organic agriculture could be defined as a neo-traditional food system given its merging of science and traditional approaches. Organic culture and its application and linkages allowed for diversification and increased ecosystem stability which alleviates hunger during food emergency situations and contribute to micronutrients intake and healthier diets. She stated that although organic agriculture was labour intensive, there was guaranteed better return (in relation to viable lands) and as well, employment directly revitalized rural economies. Organic agriculture also guarantees a low footprint on energy consumption because it did not use fertilizer and because it was solely based on functional biodiversity. She also informed that there would be maximum efficiency (in relation to health) and very low damage to the environment. Organic agriculture aimed to create food where food is limited because it relied less on trade and imports and food products

were usually not feasible for exportation and therefore, used entirely for subsistence living.

211. In Oceania, total land used for organic agriculture equaled 12.4million hectares with 99% of that in Australia. She then presented statistics of 7 other PICs who produced organic crops. It had been predicted that there will be acute shortages (since 2005) up to 2010 because land required for farming took too long to revitalize. Australia and NZ were the leading exporters of organic foods and most of Australia's organic food was exported to Europe but there was also Japan, USA and Hong Kong amongst others. NZ on the other hand exported only 46% (73% fruit/vegetables) whilst 59% was utilized in the domestic market. She commented that there were no figures for Pacific islands but there was definitely space for exportation of organic food for the PICs. Studies already show that demand exceeded supply.

212. She further informed the meeting of constraints faced by PICs which included requirements for international certification not easy to meet; no adequate strategies and not enough support from governments. Opportunities for organic agriculture included economic cost efficiency and agro-ecosystem stability. By the same token, there was also a lot of work required in relation to development of policies, technical knowledge and know-how. Under organic markets requirements, Ms Scialabba stated that market intelligence and partnerships were vital and the way ahead would be to have community enterprises via public private partnerships, and to create policies to enhance ecological and self-reliance food systems.

213. The representative of Solomon Islands noted he was in favour of organic agriculture (OA) but wanted to know if OA could sustain food security concerns because for example, more than 85% in Solomon Islands live in the rural area. More than 90% don't use fertilizer or chemical to grow their food. He noted that already a lot of food produced in the Solomons, especially in the subsistence sector, was organic but if the need was to increase food for population (i.e. food security) then he certainly saw limitations in OA. He further stated that if you allocated 1ha for organic farmers and 1ha for farmers using fertilizer/chemicals. that within one year – the farmer using chemical inputs would have produced approximately 10times more than the organic farmer.

214. He admitted that OA received more cash from sales but the question was: are we looking at quantity of food that we produce or are we looking at price in economy. For food security purposes, he preferred quantity. He made reference to a *Suk-Suk* garden project funded by UNICEF using compost and stated that OA was like a *Suk-Suk* garden in that it couldn't sustain the whole country, only a few.

215. Ms Scialabba responded that in identifying naturally valued OA products, they had to have ecological quality. She advised that you had to replace input with labour and knowledge to activate the system and that you would be maximizing soil fertility by revitalizing soil life. She also informed that a system that required large input would have a low output. She explained that OA required a lot of work in toiling the soil if you had moved from non-organic but if you moved from traditional to OA, there would be a

lot of labour input required. She reported that was usually 30% more yield if people moved from traditional farming to OA. On the issue of food security, she pointed to all the information available with tables showing yields of different crops in different areas. She pointed out that rice yields in different regions of the world were also available in that table.

216. The representative of Tonga liked the strengthening of partnerships between government and NGOs in this area but was wary in that although Tonga believed in the concept, it was difficult to implement given contradictory messages passed earlier to communities in relation to conventional methods. He made an example of his previous role as an entomologist where he had encouraged the use of pesticide but with OA, he would now have to advise people not to use pesticides.

217. Ms Scialabba stated that OA was based on partnerships especially in relation to farmers having to share experiences over best practices, lessons learnt and critical mass to go on the market. Because demand was very high, partnerships through contract farming could help with market supply.

218. The representative of Kiribati informed that farmers have been producing food and copra without using fertilizer over the past 5 yrs because of the fragility of the islands. He then asked if there was assistance that Kiribati could tap into so they could certify some of their farm products (copra and *nonu* juice) so they could export some of their limited cash crops for extra revenue.

219. Ms Scialabba volunteered that she could look at finding an activity where they could help Kiribati in the area(s) identified.

220. The representative of Samoa supported both organic and non-organic and stressed the need to be fully aware of which type of commodity could be organic and which couldn't because if countries wanted to export these products, then they would be open to quarantine rules which could be quite stringent.

221. The Presenter commented that of course, countries should select particular crops to avoid saturation or maybe have less supply as opposed to demand. She also suggested that perhaps they could select one commodity from the Pacific to sell on the market.

SESSION 9: MARKET OUTLOOK, POTENTIAL AND CHALLENGES FOR AGRICULTURAL EXPORTS IN THE PACIFIC

Facilitator: Mr K. Pouono

Market outlook for agricultural exports in the South Pacific : potential and challenges

222. Mr. Sio of Samoa Farmers Association presented based on the Samoan experience but acknowledged that some of the points raised in his presentation may be related to other PICs as well. He talked about primary export products like taro, coconut and copra.

He also recalled his presentation at the 10th RTM in which he talked about mainly on quarantine issues. He stated that the challenges farmers faced was more an issue in relation to interpretation of quarantine requirements. It was very expensive to export, for example to NZ, and so small exporters were not willing to run the risk of having their products rejected by importing countries because of their stringent quarantine rules. He commented that the issues raised in that presentation showed that the officers involved had presented the wrong information to the exporters (in relation to exportation of *taamu*) and that when the product landed in NZ, the exporter could not get a good price because all the “meat” had been scraped off.

223. Another challenge they faced was when there were mixed products within one container. He noted that each product required different cooling requirements, for example, taro could survive in 19degree cooling requirements but banana would burn at that temperature rate. In terms of sending mixed export products, he reported that it had become a necessity as there was huge competition for taro exports from Fiji. The cost of freight had become quite high (previously NZD\$2,000 but now NZD\$3,000) and despite negotiations with shipping companies, freight cost still remained high. He reported that where and when shipping companies provide discounts, it was more of a social obligation as opposed to an endorsed government policy. Exchange rate also played a very big role as the rate of the NZD, AUD and USD keeps going up. He also identified the selection of agents and problems arising from not holding proper negotiations from the start of the process. He was concerned there were too many middle men and players involved in the process. For example, farmers deal with an agent in Samoa who in turn deals with the agent in NZ and so forth.

224. On lessons learnt, Mr. Sio informed that they needed to rethink how to enter the export market perhaps through the use of a more consolidated approach with others who wanted to export the same product. He commented that because Fiji had done an excellent job of marketing their taro in NZ, it was quite difficult for Samoa farmers to compete with them. He noted that there was also a need to review planting methods. Traditional methods of growing vs. sophisticated demands of consumer do not match with product appeal being high on the list of consumer needs. Whilst in Auckland, he noticed dairy shops placed taro at a prominent display area and these taros looked very ‘attractive’. Consumers did not care if it was expensive but looked at the quality of the taro. He noted that Samoa did not produce that variety anymore and have suffered the consequences. They see the challenge as a continuous way of improving upon their methods.

225. For other crops, most farmers faced the same problems. Local consumption of vegetables had been on the rise and there was a lot of diversification to vegetable farming. He stated that a lot of people who were previously taro farmers have now moved to vegetables because of the high demand for them. He mentioned the recent South Pacific Games hosted by Samoa where the government gave an incentive to the farmers to grow vegetables to match the anticipated demand of the Games. The Health Ministry also did a lot of promotion on balanced diets so people are now using local vegetable produce to supplement their diet – historically Samoans survived more on a

‘quantity basis’ approach but with all the recent health promotions, Samoans have become more used to balanced diets. He reported that the Prime Minister recently also announced his support of organic farming.

226. Mr. Sio also spoke about the high cost of input saying that in the past, the government used to subsidise the cost of fertilizers but that has since ceased. Another critical problem they now face has been the lack of labour, and the problem may be directly linked to the RSE Scheme with its lucrative offers of remuneration attracting people who used to work on the farms. He stated that discussions were underway with those who ‘export people’ on a more sustainable way of bringing the labourers to NZ and ensuring that they returned to traditional local farming to sustain their livelihoods.

227. He also commented that there was still a lot of room where governments could help. For example, rural roads leading to farms were very poor generally around the country. Governments needed to lay good access roads to the farms and plantations. Spending an hour getting to the farms was not time-efficient which also translates to non-cost efficiency. There was also the need for improvement of extension services. He informed that he had offered an alternative approach whereby youth of the village could be trained to cover for extension services officers if they did not visit the villages often. He noted that there were already some services available but the problem was that most of the consultations were conducted by government with NGOs and word did not necessarily get from NGOs to the community. He stated that Organic Farming was a good option for Samoa but by the same token, was wary of discussions where organic farmers have talked about exporting. He preferred that organic farmers look at local markets first before looking at OA exports and advised people to trial out the local markets first before attempting to export. He informed the meeting that Samoa now has a Research and Development Institute (RDIS) that conducts a lot of research on new products and improvement of primary products and suggested that this research facility be utilized more. He reported that the research unit was currently working on investigating ways of getting flour from breadfruit.

228. He also informed that there needed to be an encouragement on the use of customary land so that people could use it for development purposes. He reported that the Samoan Government was taking a pro-active role in streamlining legislative and political frameworks so that the reform on customary land could kick off by 2009. He expressed his support of this approach because of its link to agricultural development in Samoa.

229. The representative of Tonga stated that after Fiji, they were the next biggest root export in the PICs and nearly all their agricultural produce was going to the informal markets targeting their own people in NZ, Australia and US. They use *centrasoma* and export approximately 100,000tonnes and suggested that since Samoa has the biggest community in these countries, that perhaps they could look at exploring options of utilizing these communities as a market.

230. The representative of SPC commented that because of buyer security, everyone could rattle off issues relating to biosecurity but were not discussing commercial issues. For example, he found that Niue used the cheapest forklift to transfer export products to the truck, and would hire the cheapest truck to transport products to the warehouse, etc but if they had looked at from the commercial side of things, they would have noted that it would have been much more profitable for Niue to hire a bigger tow truck. He also pointed to other factors such as GST and urged countries not to just talk about biosecurity issues, but also on the commercial aspect involved in exportation. Miniscule work needed to be strengthened or improved and could save a lot of money on freight and container costs.

231. The representative of PNG asked the Presenter in relation to his comment about payments from importers being irregular, who the buyer was and whether there had been any contract arrangement. He also asked for clarification in relation to the Presenter's point on putting several products in one container. He asked how they approached this given that each product required different packing and shipping arrangements.

232. Mr Sio responded that in relation to export agents, there was a simple agreement on terms and conditions on shipments but when shipping of commodity actually arrived, there were a lot of arguments over the "how much to pay" issue because of a clause in the contract that stated "subject to the condition upon arrival in import country". He commented that to contest and to take the agents to the law was too time consuming and very expensive. On the query of commodity variety in one container, he advised that every commodity was packed differently. For example - taro was packed in 30kg bags; *taamu* 2-3 in 1 bag; coconuts were packed un-husked in bags etc. and the container itself also needed to be packed in such a way to maximize the different conditions required for the various commodities.

233. The representative of Vanuatu stated that Vanuatu also faced similar condition in relation to exporting their root crops and so set up a pathway but on a comparatively small scale and after a few months found that it didn't work. He then enquired what the commercial value of taro and cassava was.

234. Mr Sio stated that root crop was a commercially viable product but they needed to be packed and prepared well. He reported there were a lot of handling costs involved in Auckland. For example, to fumigate the container, the exporter has to pay for transporting containers from the wharf to the fumigation unit and vice versa. He noted that although there were various quarantine demands required of the exporters, he didn't blame the agricultural quarantine in NZ as they also have to protect their country from pests and diseases.

Exporting organic products: virgin coconut oil (Samoa Case Study)

235. Mrs Adi Tafunai of Women in Business (WIBD) provided a brief background on WIBD and their projects stating that they worked with over 170 villages in Samoa with only 14 staff members. Their main donors were NZAID and Oxfam and all their projects

were tied by micro-finance schemes. They were also involved in other projects such as climate change mitigation projects and that their largest current project was on organic farming and agriculture. She explained that the agroforestry programme was done in collaboration with the environment department.. WIBD began looking at virgin coconut oil in 1996 but the world markets for oil only looked at copra oil because they weren't aware of the virgin oil then. She noted that although virgin oil was not exported in large quantities, Samoa was making a good return from this trade. She mentioned that fair trade was possible and worked well for them in the area of virgin coconut oil trading. She informed that villagers survived on a cash economy but actually don't have cash *per se* so when the WIBD decided to go into coconuts, it was because there was so much available that were not utilized. She reported that the technology utilized was very simple and all the oil was produced in the village(s)

236. Their major importer of virgin oil, Body Shop, requested oil to be shipped in drums which was a huge undertaking for a small NGO like WIBD. She informed the meeting that they had tried negotiating for over a number of years but it was only in 2007 that Body Shop approached them through a UNDP project. She reported that all Body Shop trade programmes are conducted primarily in the European sector and this was the first PIC that has traded with a European based cosmetics company. Every second month, Samoa ships 3tonnes of virgin oil to the UK but envisages that when the oil gets into Body Shop's bath product, Samoa would then be able to send more. She expressed that whilst there was a good return from virgin oil, they were also concerned about natural disasters and its effects on coconuts so they have started negotiations with a Methodist Youth Group in Tonga as a supply backup in case of natural disasters. She stated that the virgin oil will be incorporated in the future, into cosmetics by the popular L'Oreal brand and therefore anticipate that demand would triple over time.

237. She reported that they've learned a lot through this project and are developing and setting up 16 more sites with funding from EU. She noted that the villagers have also had to learn pretty quickly to rely on themselves which meant they had to work at least 3days a week to earn over SAT\$800 from those days. She concluded by saying that WIBD was not a middle man but only acted as a facilitator with the villagers trading directly with Body Shop.

238. The representative of Palau asked how much coconut was required to fill up the 50gallon drum and how much it cost. Mrs Tafunai responded that 'Samoa' coconuts were quite big therefore it took between 8-10 coconuts to a litre of oil and brought the farmer .60-.80sene per coconut.

239. The representative of Tonga asked what long term strategy WIBD had in relation to biofuel supply and enquired if this would be seen as competition and if yes, whether that had been taken into consideration. The Presenter responded that biofuels from coconuts in Samoa may not be as viable as opposed to other countries. She noted the jatophra species was quite high from the coconuts in Samoa and they've discussed with EPC if they could use that species instead for biofuels. She reported that there was a strategy in place and they hoped to utilize that strategy to move out into the region soon.

240. The representative of PNG asked what the cost of production was for a farmer and what price did the farmer actually receive after the sale of oil. Mrs Tafunai responded that the farmers owned the coconuts but for them to setup, WIBD asks them to build the dryer or if they can't, would lend them the money for the initial setup. This was usually SAT\$3,000 which the farmers have to pay back. She reported that production cost included electricity but was not significant. The big thing for them was the production time as the local community were not used to 8-hour labour intensive work. She also stated that there was also opportunity for huskers to make money.

241. In relation to fair trade price which the WBI worked out with the Body Shop, she informed that they asked for at least SAT\$6 a litre. Body Shop also paid a fair trade premium which was SAT\$1 per litre and SAT\$1 per litre for WIBDIS. She stated that the administrative and transportation costs were usually funded by other donors but they've worked out a way to insert this cost into the final oil price, which meant that they also were making a bit of money from the deal.

Development of Regional Certification Standard and Strategy for Organic Agriculture in the Pacific Island Countries and Territories programme

242. Following on from FAO's presentation on organic agriculture, Mrs Tafunai introduced the SPC/IFAD sponsored programme for the "development of regional certification standard and strategy for organic agriculture in the Pacific Island Countries and Territories". She informed that this was an ongoing project currently being conducted in Samoa and that within this and another project funded by SPC, the Pacific has formed a Regional Organic Task Force to facilitate the development of the Regional Organic Standards. The first of such standards was launched at the recent Ministers of Agriculture meeting. She stated that the Task Force has representation from various PICs and FAO, SPC and IFAD acted as supporting organizations and that there was a requirement for people in the Task Force to those who managed organic farming within the region. A draft Regional Organic Action Plan has been developed and was in the process of being finalized.

243. She noted that farmers did not really have the capacity to handle the paperwork and reporting requirement of such programmes and therefore strong linkages between NGOs, civil societies were struck up to ensure success. She stressed that the wide sector approach in the consultations as well as the inclusion of various groups in the Task Force made the two programmes very successful. In relation to the 'Way Forward' she listed issues such as the need to ensure operators understood and implemented standards developed; the need to develop and initiate implementation of a strategy to achieve market access to NZ, Australia, Japan, US and EU; possible certification systems for the Pacific region analysed and the most appropriate certification system identified; build organic agriculture technical expertise in agricultural ministries and expand research in organic agriculture and; develop a mechanism for information sharing between the regions' organic farmers. She stated that the programme had so much information

starting from the late 80s and that they thought it vital to share that information now so that there was neither repetitions nor reinventing of the wheel.

SESSION 10: BIOSECURITY AND TRADE FACILITATION

Facilitator: Mr N. Mataio

Current situation in the Pacific

244. Mr Viliame Fakava of MAFBNZ presented on the importance of biosecurity and focused on import of plant products from PI to NZ with biosecurity requirements regarding these imports and as well, the status of market access request for PICs. He explained that MAF had gone into massive reform in July 2007 which resulted in the integration of Biosecurity NZ (dealt with policy and standards) and the MAF Quarantine Service which was the operational arm of MAFBNZ. The increased engagement with the Pacific resulted in the appointment of a Senior Advisor (Pacific) to advance Pacific imports to NZ and he reported that they have also set up a Pacific Forum with MAFBNZ to coordinate engagement in the Pacific.

245. He presented statistics which showed that the value of NZ trade into the Pacific was NZD\$1billion whilst the Pacific trade to NZ showed only NZD\$160million. He noted that of that \$160million worth in trade, 90% of that was fresh produce. He informed the meeting that there was an outlook for taro market at approximately 8,000tonne over the next five years as well as a potential for increase of eggplants. In the area of papaya, he stated that it had been predominantly the PICs who were the highest supplier of papaya but since 2007, the Asian suppliers have taken over the PI supply and showed 69% of imports coming from Philippines, Thailand and only 1% coming from Australia. He reported that they were currently negotiating the importation of citrus from Samoa and coconut from Tuvalu and this negotiation process had taken almost 2 years with approval anticipated to be completed over the next 3 months.

246. He also stated that MAF BNZ was revising procedures with the help of FAO, in relation to importing countries submitting information. His job was to acquire adequate information in order to fast track PICs' import products but he had found that it took a long time to get RA information from the PICs. He reported that the fumigation requirement for Fiji on taro mite had been taken up to the highest level where Fiji requested the removal of fumigation for taro mite and since the revised HSNO/BA legislation; taro mite was now non-regulatory. He noted that although taro mite had been taken off the list, there were still other pests inherent in the Fiji taro that was a worry for MAFBNZ.

247. He further reported that in consultation with Samoa, Tonga and other breadfruit supplying countries, they've agreed that it could be accepted by NZ through a cooked breadfruit pathway which used the Commercial Cooking Pathway description. This pathway meant that passengers who wanted to travel to NZ with breadfruit would have to order through the agreed company (i.e.: commercial entity) to bring breadfruit into NZ. He reported that there were plans to conduct audits of HFTA facilities in Cook Islands,

New Caledonia and others and have also requested countries to send their list of the first 3 top priority import products to him so he could see where they could help speed up the process. So far, they have received new requests from Fiji in relation to semi-processed fruits and vegetables; green organic coffee beans from Samoa; pilot export trial of fresh ginger from PNG next month and coir erosion mat from Samoa. He urged countries to look at taro leaves as another import commodity for the PIs given that NZ gets sliced cabbages etc. from overseas so the *Pele* leaf and/or taro leaf could also be included under this allowance. He noted that future opportunities showed that there was room for improvement for existing commodities and fully processed cooked food to target PI communities in NZ (ready made island delicacies) and offered assistance from MAFBNZ to PI on technical issues inherent in importation of food products. He stated that MAFBNZ continued to face a lot of problems in relation to non-conformances and pest infestation and high costs for treatment, inspection and pest identification. He mentioned also the lack of proper storage facilities in country to store products before exportation and that no matter how much work had been done in relation to fumigation, there was always the risk of re-infestation in these sheds before shipping. He concluded by informing the meeting that the importation cost of smaller consignments (e.g.: 4x4 box of produce) were actually the same as the price of sending 2-3 containers.

Phytosanitary Capacities of Biosecurity Services in Pacific Island Countries

248. Mr Roy Masamdu of SPC presented on a study conducted by the SPC, funded by the WTO STDF, which identified the existing strengths and weakness of the phytosanitary capacities of biosecurity services. Six countries were selected during a regional workshop in Tonga in 2007 (Samoa, Cook Islands, Solomon Islands, PNG, Palau and Kiribati). The study covered 11 components (i) general country information (ii) legislation (iii) diagnostic capacity and; (iv) pest risk analysis (v) surveillance (vi) pest free areas (vii) pest reporting (viii) pest eradication (ix) inspection systems at points of entry and exits (x) export certification and (xi) institutional aspects. The study showed that a lot of countries did not have adequate equipment and the majority shared the equipment available with other sections/divisions within the Agriculture Ministry. Based on the ranking, some countries had good legislations but were not adequate to satisfy WTO global trading requirements. There was also adequate human capacity. In the pest diagnostics area, he noted that Fiji, Samoa and PNG were better equipped due to separate donor assistance programmes. Samoa had an AusAID funded quarantine support programme, Fiji was assisted by NZMAF on pest diagnostic whilst PNG was supported by the Australian Quarantine Inspection Service.

249. The summary of results showed that most countries had weaknesses in having inadequate specialist technical staff (e.g.: entomologist) and usually that one person had to deal with quarantine issues as well as other plant protection issues. There was also the problem of inadequate field and laboratory equipment, poor or inadequate documented procedures and poor or inadequate data management for trace back; outdated legislation that were not WTO/IPPC compliant and procedures not well documented. By the same token, the same study identified a lot of areas that member countries were quite strong in for example, legal authority for phytosanitary inspections; good institutional support;

experienced staff and the allowance to draw support from other divisions and institutions. Of all countries studied, only Kiribati was not a signatory to the IPPC.

250. He informed the meeting that SPC intended to complete the evaluation of the remaining countries and use the results to build capacities of the countries identified in the study and as well strengthen areas that required strengthening. Resources would be targeted for utilization in problematic areas identified.

Exploring market opportunities for exporting coconut pearl (embryos)

251. Mr Mat Porea of FAO informed the meeting that an official request to New Zealand Quarantine was submitted by Tuvalu Government for the opportunity to export coconut pearl (Uto or O'o or Utap) to the Tuvalu communities in New Zealand. He talked about the best time for exportation stating that it was best done at the stage where the whole embryo had taken over the inside of the coconut. He reported on the response from NZ on Tuvalu's request stating that there were currently no Import Health Standards (IHS) used for importation of coconuts from anywhere in the Pacific and now that this had been identified as a possible import food crop, NZ were currently preparing a Risk Analysis on the importation of coconuts and coconut products into New Zealand.

252. He reported that Tuvalu would need to prepare all relevant information (including a pest list of all pest identified on coconut plants and its products in Tuvalu) for NZ to make an informed decision over the possibility of importing coconut pearl. The Commodity Pathway Description gave participants a detailed description from identifying the best coconut pearl; the right way to remove husks (as a Biosecurity measure, this type of method could keep the coconut pearl over a period of 3months after husking); cleaning and trimming of the roots and shoots; packaging and shipping from outer islands all the way to its final destination (i.e. NZ).

253. Mr Porea then suggested an alternative method to try and bypass all the biosecurity issues and that was to remove the shell and repack the coconut pearl in proper zipped plastic bags before they were shipped to NZ. He advised that this was a much more feasible approach as opposed to the previous presentations showing the coconut pearl within its shell. He acknowledged that they had no data showing post-harvest conditions (i.e.: what the shelf life was after taking the embryo out of the shell) and noted that there were other ways of preserving the embryo but had only covered an alternative to try and avoid the biosecurity issues.

254. The representative of Cook Islands asked if there had been any evaluation of grating the embryo and shipping it to which the Presenter responded that FAO did not have any official data but he had heard about it but had not tested it yet. Mr Fakava commented that Tuvalu could try all methods including Mat's proposed alternative, as long as they were processed or cooked.

255. The representative of Palau asked if FAO had done a survey on demand for this product and how much they sold for in the market. Mr Porea responded that the survey

was conducted by a private company in Tuvalu. The representative of Tuvalu commented that the issue actually came from the private sector in Tuvalu and the Ministry then requested FAO's assistance but in terms of costs, they could not respond as there was no known price recorded anywhere. He stated though that Tuvalu was happy with the progress on this programme.

256. The representative of Tuvalu commented on Roy's presentation stating that Tuvalu's biosecurity paper had already been endorsed by Cabinet and that it should be tabled in Parliament by November. He reported they would be using the new biosecurity legislation but would require assistance with other related legislations and thanked Roy for his assistance in relation to this issue. He then asked whether the brown coconut issue could be put aside so that the country was not tied down.

257. The representative of Samoa asked whether the coconut pearls were sold by the kilo to which the MAFBNZ representative responded that because it had not been exported yet, he could not respond to that question adequately. He noted that the request arose from the private sector given the high demand from the i-Kiribati in NZ but the final price would have to be worked out after all exportation issues (including biosecurity issues) had been worked out.

258. The representative of Samoa enquired if it was possible for the RA done for one country to be used or utilized by another country to speed up the process. The MAFBNZ representative responded that the key was getting all the relevant information as soon as possible for them to work with. He agreed that a RA done for another country could be used for another PIC country (for example the Polynesian plum information for Samoa could be used for Cook Islands) but again stressed that PICs needed to give them the required information in order for them to make an informed decision.

259. The representative of Tuvalu made a general comment on coconut pearl saying that it was a very popular food in Tuvalu and although it required further analysis, he advised that it was also a healthy alternative.

260. The representative of Solomon Islands stated that the discussion was interesting given that they only used coconut pearl as pig feed and requested Tuvalu's assistance in informing them if they found a market for this product so that they could also look at it as an export product. He spoke about how Solomon Islands had organized a market for green coconuts but the price offered by the person was far too low. He reported that to sell 200 green coconuts was much more profitable and not as labour intensive as copra production so green coconut market was flourishing in the Solomon Islands.

261. The MAFBNZ representative responded to the point raised by Solomon Islands stating that they have been exporting a lot of green coconuts to NZ and wondered if Tonga and Samoa were also interested in doing the same. He informed that during summer, there was a lot to be seen around and that the going price at the local market for a green coconut was NZD\$5 for one nut. He also urged Tuvalu not to just look at the coconut pearl but as well, to look at the mature coconut as an export product.

262. The representative of Tonga followed on from comments by Samoa in relation to RA but again reiterated comments about trade within the islands. He pointed to the Asians who already have coconut pearls on the market.

263. Mr Purea said that most PIC have similar status so he agreed with the MAFBNZ approach given that there were very few countries in the region that had very severe pest and disease problems. He also reported that they've trained one person from each of the 14 countries (with the exception of Palau) on how to do market access documentation. He observed though that it was unfortunate that the people trained have not been utilized properly in country after these intensive trainings.

264. The representative of Samoa stated that there was existing trade within islands and the RA applied even between these countries.

265. The representative of Palau pointed out that RMI had been looking at exporting copra to Hawaii for a long time and even though not a member of WTO, whether organizations involved in the meeting could help RMI.

266. The Presenter responded that there was a special arrangement with NZ and Australia under the PACER Regional Trade Facilitation Programme where one officer each is based in NZMAF Biosecurity and Biosecurity Australia to facilitate market access and pest risk analysis process for specific PI requests. He noted that was why requests to these two countries were considered and processed quickly otherwise, PICs would have had to line up with China, Philippines and all other countries wanting to export to NZ and Australia. He could see RMI's request to Hawaii sitting in that long queue as unfortunately, PICs did not have an agreement with the US like the one with NZ and Australia.

267. The representative of Fiji suggested that maybe Tuvalu could export the whole mature nut (complete with pearl).

268. The representative of Tonga acknowledged the advantage of having a PI as an advisor within the MAFBNZ. He commented on the cooking pathway and commercial pathway model in that they were excellent and would certainly assist Tonga's MAF defray the concerns of the local communities.

269. The representative of MAFBNZ urged participants to lobby through their respective governments for agriculture and fisheries to be put in the top priority for NZ aid. He noted that in the 6 months that he had been on board, he had tried to get funding from NZAID but they kept saying that the national priorities did not reflect agriculture and fisheries. He urged the governments to ensure that agriculture, forestry and fisheries were reflected in those national priorities because he as the Pacific advisor in MAFBNZ was finding it difficult to get assistance from his side.

270. The representative of Cook Islands enquired about the husks once coconuts reached NZ. He asked if they were processed or used in some other form once it reached NZ.

271. The MAFBNZ representative responded that husks were dumped. He mentioned the case in Samoa where he had seen a lot of husks and that there was already a company looking at importing husks from Samoa to produce coir mats (for erosion). He stated that there was certainly an opportunity in that area for PICs to look at.

272. Mr Purea mentioned a container of coconuts from Solomon Islands which he'd sighted and the produce looked frozen but before the importer brought it to the market he thawed it out the previous night. The coconuts were still very fresh at the time they were sold. The MAFBNZ representative reiterated that at the moment, there were no import standards for coconut so it could be brought in whatever way into NZ.

SESSION 11: CODEX, FOOD STANDARDS AND FOOD SAFETY

Facilitator: Mr F. Sengebau

Update on current developments

273. Mr Schulz of FAO commenced by presenting an overview of food safety problems affecting the Pacific island food exports, based on a review of rejections of Pacific Food exports to the USA captured in the USFDA database. Statistics for the period September 2007- August 2008 show that processed snack foods comprised 54 percent of import refusals, followed by fish with 24 percent and kava with 16 percent of total rejections. Key reasons for rejections were (i) labeling (55%), chemical adulteration (26%), microbial and other adulteration (15%) and regulatory issues (4%). Interestingly, the rejections of kava were due to pesticide residues. He also informed the meeting about progress of the Integrated Food Standards Project, which was being jointly implemented by WHO and FAO under the umbrella of the Standards and Conformance component of the Regional Trade Facilitation Programme (RTFP) of the PIFS. The project had completed a food legislative gap analysis and conducted a regional meeting of food regulators held in December 2007. Concurrently, the food regulatory systems of Forum Island Countries were being strengthened with the ongoing technical assistance of FAO and WHO. A number of capacity building activities are scheduled for November 2008, held in conjunction with codex and other meetings to maximize benefits for participants and reduce travel costs.

274. Mr Schulz then focused on current food standards issues related to cassava, informing the meeting that a new regulation in relation to HCN for ready-to-eat cassava chips was under consideration by Food Standards Australia New Zealand (FSNAZ). Studies have shown that the PICS cassava cultivars had high naturally occurring cyanide levels and in view of this impending standard, there was a need for a systematic and scientific assessment to avoid and/or minimize food regulatory issues related to cassava and its products being processed and exported from the PICs. Hence a food safety study supported by the RPFS has been initiated in collaboration with USP as the implementing partner agency. The purpose of the study was to determine ways along the food chain to minimise cyanide content of cassava and cassava products to help facilitate trade and foster revenue generation. The study will concentrate on determinants such as agronomic

factors; processing techniques; harvest/post harvest procedures that are affecting HCN levels in cassava and cassava products.

275. Mr Schulz also spoke about the Joint FAO/WHO Food Standards Programme, the Codex Alimentarius, which has the main objective of protecting the health of consumers and ensuring fair practices in the food trade. The Codex Alimentarius was of relevance to food trade at all levels, from global to regional and national level through its recognition by various trade agreements such as WTO and PICTA/PACER. He informed the meeting that the next (10th) session of the of the FAO/WHO Regional Coordinating Committee, which meets every two years to coordinate issues relevant to a region in relation to Codex and related food safety issues and standards, would be held in Tonga in October 2008. In closing he drew attention to the papers that would be tabled at this meeting, which included discussion papers on *kava* and *nonu* products.

276. The representative of SPC asked whether it was possible to come up with an HCN free cassava that might be of poor taste, to which the presenter responded that HCN did not affect the taste of the cassava but was more of a food safety issue. He added that to his knowledge, there had been no concern in consumption of cassava in the Pacific, but largely in Africa, where cassava was sometimes consumed raw.

277. The representative of Fiji enquired about the standards used to measure HCN in cassava asking whether these statements relate to raw cassava or cooked cassava given that in Fiji, cassava was a staple food item. Mr Schulz responded that there were separate standards for raw cassava, which he did not discuss in this presentation, while the one referred to in his presentation was on ready-to-eat cassava chips. The proposal for this new FSANZ standard for ready-to-eat chips followed the voluntary product recall of a brand of cassava based vegetable crackers in Australia on January 12, 2008, which apparently had high levels of cyanide.

278. The representative of Fiji expressed his concern about this issue given that the exportation of cassava from Fiji was on the increase and did not want this issue to impact on their revenues.

279. The representative of the Solomon Islands commented that they also had been consuming cassava for a long time and have had no problems with it. On the issue of raw cassava, he referred to toxicology tests being conducted by scientists, which usually used mice, noting that in the Solomon Islands, rats tended to eat cassava but even they haven't died from that.

280. The Presenter reemphasized that it was more of a precautionary food safety measure, similar to the quarantine issue (i.e.: prevention as opposed to waiting for something to happen before reacting). He also advised that because cassava had become a popular export product to countries (such as Australia and New Zealand) who traditionally do not consume it; there was a need to educate first-time consumers on how to prepare it correctly to avoid any food safety issues.

281. The representative of Tonga asked if cyanide was actually stored in the body to which the Presenter responded that while HCN itself was highly toxic, to his knowledge it did not accumulate in the body. In areas with low iodine intake, long term exposure has been shown to affect the thyroid gland.

282. The representative of Samoa commented on exporting food products to US stating that Samoa wanted to further explore the US market, but mentioned existing problems with meat exportation to American Samoa, adding Samoa has drafted a meat hygiene legislation and was working to establish an abattoir to address the problem.

283. The representative of SPC commented that he had also received requests from countries wanting to export beetle nuts to US.

284. The representative of Samoa asked if Codex standards were minimum standards and whether countries could develop standards higher than that level. She also asked why it was necessary to develop national standards if there were Codex standards in existence.

285. The Presenter responded that standards developed by Codex were internationally accepted benchmarks to assist harmonization and thereby facilitate trade. However countries could apply more stringent standards if they had sufficient justification for doing so.

286. The representative of SPC posed a query about the 2% rejects under the Fruits & Veggies section to which the Presenter responded that this was related to processed mango skin that had non-permitted food additive on it.

Codex and food safety related issues of interest to the region

287. Mr Rajasekar of NZFSA informed the meeting of the NZ Food Safety Authority's mandate in relation to managing food safety issues across NZ in import and export areas. He advised about several upcoming codex / food safety related meetings including meetings in Nuku'alofa, Tonga, Sydney, Australia and Bali, Indonesia. He briefed the meeting about the development of the new codex strategic plan for the Pacific and also spoke about the Codex Trust Fund available for funding participation of PICs at these meetings.

288. He informed that Tonga was currently the chair for the FAO/WHO Coordinating Committee for North America and the South West Pacific (CCNASWP) and that the meeting would bring together both developed and developing countries which should provide opportunities for collaboration and sharing of experiences. He stated that Codex had already developed a new plan covering the 2008-2010 activities and the Pacific Strategy would need to be aligned with the global Codex Strategy.

289. He advised that in order to maximize benefits, there was a need to take a strategic approach both on the national and regional level. Codex covered a huge range of work

spanning from food hygiene, labeling, certification etc. and countries should determine which of these issues were most important to their own situation.

290. He advised that the upcoming meeting in Sydney was one of a series of food safety related events, attempting to maximize the benefits with the given resources. Issues to be covered included food regulation, food fortification and non-communicable diseases, and some of the discussion will be put forward to a proposed Pacific Food Summit scheduled to be held sometime in 2009. The workshop in Bali will build on previous codex training workshops that had been conducted in various parts of the world and an Action Plan will be developed from this meeting. The meeting should also provide an opportunity for the Pacific countries to interact with Asian countries. He encouraged participants to take up the opportunities and participation at these meetings.

291. He reported that the NZFSA was looking at using issues identified in the NZAID Pacific Strategic Plan as a basis to develop their strategy on food regulation in the region and would work closely with FAO and SPC on this. He stated that it was better to be proactive and anticipate the problem as opposed to having products arrive in country and being refused entry because of non-conformity to Codex standards.

292. Mr Rajasekar explained that the Codex Trust Fund was established by FAO & WHO to facilitate the participation of developing countries in Codex. The expectation was that through such attendance countries would have a better understanding of Codex and as well learn how to improve food regulatory standards at the national level and the development of capacity to export food. He noted that NZ was happy to contribute to this fund recognizing the importance of PICs fully understanding Codex standards and encouraged countries to continue to attend these meetings as it would help them address immediate as well as longer term issues in relation to food safety.

293. The representative of SPC pointed out that there were a number of processed products arriving in the PICs that were cheap and low in quality. He enquired how NZ went about avoiding low quality, out of date food products from getting into NZ.

294. The Presenter responded that the message they had been trying to get across in relation to concerns about food regulations and imports was that there was no substitute for countries taking responsibilities for the quality of their own exports. He advised that this could be handled under the revised Code of Ethics but regulators should not sanction exportation of unsafe food. He stated that the problem was that often products being rejected in one country were turning up in another country. Multi-laterally there has been a move for rapid exchange of information but there was no substitute for a sound food control system. After all, if countries did not have food standards and regulations, they could not measure the quality of food coming in. Furthermore, there was a need to enhance the capacity of food safety officials but he acknowledged that some countries had other priorities over food safety.

295. The representative of Tuvalu asked if they could participate at these meetings given that they were not a Codex member country. He commented that becoming a member of

the Codex was an issue in Tuvalu as it was under the jurisdiction of the Ministry of Health. He suggested perhaps someone from the Tuvalu Health Department could be included at these meetings so that they were aware of food safety issues thereby encouraging them to be a member of the Codex.

296. The Presenter responded that a country had to be a member of Codex in order to be supported by the Codex Trust Fund. He informed that the meeting in Sydney would be attended by all member countries and attendance would be funded by Codex and other donors and sources as well. The Bali meeting though was totally funded by Codex Trust Fund so only Codex member countries were eligible for funding support.

297. The representative of Palau enquired as to how many PICs were members of Codex to which the Presenter responded that there were a total of 9 (Cook Islands, Fiji, Samoa, Tonga, Vanuatu, Solomon Islands, PNG, Kiribati and FSM).

GROUP SESSIONS ON FISHERIES

SESSION 8: EMERGING ISSUES IN FISHERIES DEVELOPMENT AND FISH TRADE

Facilitator: Mr R. Cain

Overview of global trends and issues in fisheries development and fish trade

298. Mr Izumi outlined the status of world fisheries and aquaculture informing the meeting about issues such as fish stock, fisheries and aquaculture production, fish exports and imports (e.g. export/import values, major commodity groups, major exporters/importers), trends in fish trade and WTO related issue, and highlighted fisheries production and imports and exports of fish and fishery products in Western and Central Pacific. He emphasized the importance of effective management of fisheries resources, particularly to combat IUU fishing at national level. He stated that FAO assisted a number of PICs in formulating draft National Plans for IUU fishing. He also introduced a list of FAO technical publications on fish trade and aquaculture and handed out hardcopies as well as CD-ROM and DVD of sample publications and stated that further copies would be available upon request.

Tuna fisheries development and management in the Pacific region: the Forum Fisheries Agency and the Western and Central Pacific Fisheries Commission

299. Mr Rodwell of the FFA provided an overview on key issues and outcomes of WCPFC's meetings (e.g. conservation & management framework, cross-cutting issues, MCS toolbox, PNA package) and outlined the status of main tuna stocks and management measures and future development and challenges in the region. In reference to the recent policy statements (e.g. Vava'u declaration, PNA declaration), he concluded his presentation with an emphasis on the development of domestic fisheries and its constraints and competitive advantage on market access.

300. In response to a query by the representative of Samoa on fish as industrial good, Ms Young of PIFS clarified that WTO agricultural agreement excluded industrial fisheries.

301. The representative of RMI updated on efforts by the Marshall Islands to have two new purse seine vessels supplied from Taiwan to further develop its domestic fleet. Data on yellowfin tuna and bigeye tuna requested by Mr Pretrick of FSM would be provided by Mr Rodwell of FFA later. Mr Rodwell commented on the ways of cutting back bigeye tuna catch and skipjack tuna catch, such as some reduction of fishing effort with gear restrictions and economic circumstances such as increased fuel costs.

302. In response to a query by the representative of TEFA, Mr. Rodwell commented that FFC members had at the last Commission meeting proposed measures to the WCPFC to reduce fishing mortality on bigeye and yellowfin, but these were not approved.

303. The representative of Nauru informed that it was reported at the recent WCPF Scientific Meeting held in PNG that the production of yellowfin tuna was reduced by 25-30%. Mr Rodwell emphasised the need for additional management measures to be put in place as soon as possible, noting that the parties to the Nauru Agreement had agreed on new measures to be applied in their EEZs at their last Annual meeting in May 2005.

304. The representative of Fiji expressed the importance of fisheries, particularly bigeye tuna and yellowfin tuna resources, in the economic and capacity development of Pacific Island Countries, and further commented that Distant Water Fishing Nations needed to reduce the number of their fishing vessels, and it was needed to protect the high seas' pocket.

305. In response to a query by the representative of MORDI/FSPI on price mechanisms, Mr Rodwell clarified that a licensing policy could influence the supply of fish and prices. It was noted that the FFA DevFish Project funded manual on the economics of value adding, written by Robbie Stone, could be useful to enhance value adding processes.

306. The representative of Cook Islands noted the high value of tuna resources in the region, but questioned how much of that stayed in the region. Mr. Rodwell answered that approximately 5-10% of the value of catch from licensing agreements, but greater returns could be generated from onshore processing.

307. In response to a query by the representative of PNG on how data was collected by FAO, Mr Izumi explained that FAO collected and analyzed fishery statistics information annually submitted by the countries. He also referred to existing statistical information published by regional organizations, annual reports of fisheries departments and other available statistical information.

SESSION 9: MARKET AND PREFERENTIAL ACCESS AND FISHERIES SUBSIDIES

Facilitator: Mr S. Tuilaucala

308. The first scheduled presentation on 'WTO market access negotiations for fish products' was cancelled due to unavailability of the resource person.

Status of the fisheries subsidies negotiations

309. Mr Brown of the NZ Ministry of Fisheries outlined WTO fisheries subsidies negotiations, referring to the state of the world fisheries and the negotiation history. He also referred to the revised fisheries subsidies text and outlined the key elements of the proposed rules (e.g. subsidy prohibition, general exceptions, Special & Differential Treatment, fisheries management conditions, transparency & reporting). For reference, Mr Brown provided participants with a copy of the 'Draft consolidated chair texts of the AD and SCM agreements'.

310. In response to a request by the representative of TEFA, Mr Brown handed out a copy of the Chair's text. Regarding PICs' involvement in the fisheries subsidies negotiations, Mr Brown commented that Pacific Islands - ACP group had been well organized and was expressing Small Island States' concerns. Ms Young of PIFS mentioned that PIFS circulated fisheries subsidies information to and requested the Governments for their comments. However, none of the Governments or fisheries officers had replied to PIFS. Mr Izumi suggested that fisheries subsidies information or updates should be circulated to the Governments (Foreign Affairs and Trade) and copied to Fisheries Departments. Mr Rodwell informed that some subsidies information were available at the FFA's website.

311. In response to a query by the representative of Solomon Islands on the status of FFA's study on fisheries subsidies, Mr Rodwell replied that the report 'Fisheries Trade Study' was published in 2007 and available for perusal. Mr Izumi informed that a .pdf file of the report would be included in the fisheries session's presentation list.

312. In response to a query by the representative of RMI, Mr Brown further explained about horizontal subsidies which were any subsidies extended to industry, fishing industries, etc. For brief fisheries subsidies information, Mr Izumi introduced BRIDGES Weekly Trade News, which was free subscription, and other website information.

313. Mr Tuilaucala of Fiji pointed out that there appeared to be a communication breakdown regarding WTO issues at national level and also a communication breakdown between private sector and Fisheries Department.

**SESSION 10: MARKET AND PREFERENTIAL ACCESS AND FISHERIES
SUBSIDIES (cont'd)**
Facilitator: Mr M. Izumi

Market potentials and status of Pacific tuna exports

314. Mr. Rodwell of FFA provided an outline on the status of PIC tuna processing and export operations (in PNG, Fiji, Solomon Islands, Marshall Islands, FSM, Palau, Tonga and Samoa), principal markets for PIC tuna (in EU, Japan, the US and American Samoa), opportunities and constraints for PICs in global tuna trade (e.g. strong competitions, trade preferences, distance from major markets, high freight costs, market requirements, safety & quality requirements for fish and fishery products) and inter-regional tuna trade (PICTA). He detailed market requirements and constraints, particular for fresh-chilled tuna in Japan, the US and the EU and for whole frozen tuna in American Samoa. He expressed 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 scoped under PICTA. He concluded his presentation with expressing that competitiveness and regional cooperative use of sovereignty over supply was the key for the PICs.

Pacific ACP-EU Economic Partnership

315. Mr Rodwell briefed the meeting about the existing EU Fisheries Partnership Agreement with FSM, Kiribati and Solomon Islands, and the multilateral Fisheries Partnership Agreement and its current situation and market access. In conclusion, he expressed that initial expectations for the FPA had not been met, and the key objective was to retain preferential access to the EU market.

Fish export to EU from the Fiji perspective

316. Mr Tuilacala of Fiji briefed the meeting on employment opportunities created through fisheries and its contributions to the national economy. He outlined key issues and challenges faced by Fiji on fish exports to the EU (e.g. export ban, rules of origin, sanitation & health, quality control & standards). He also expressed the importance of inshore and artisanal fisheries in Fiji. He shared Fiji's activities and lessons learned in addressing the non-compliance and recommendations of the 2007 report with outlining key areas (e.g. institution, legislation, supply chain, Competent Authority performance, food business operators establishments, general monitoring on production conditions, CA knowledge of community requirement, official certification, capacity building). Mr Tuilacala expressed Fiji's efforts to meet with the EU requirements and to get into the EU List 1, needed a substantial amount of investment by both the Government and private sector. He also spoke on infrastructure development, the need for capacity development and awareness on EU requirements. Mr Tuilacala further explained that Fiji's Trade Facility Committee met with the EU Fiji Office in Suva on EPA and stated that the Competent Authority in Fiji was under the Ministry of Health and supported by the Fisheries Department. Unfortunately, the main problem was that the Competent Authority was not competent. While banning fish products' exports to the EU, Fiji were looking at alternative overseas markets in Japan and Korea, particularly given that direct flights from Nadi to Korea were recently increased from twice a week to 4 times a week.

317. Mr Rodwell commented that it was important to look at smaller regional markets in Australia and New Zealand. The representative of TEFA commented that it was vital to keep fishing industries going, and A-grade tuna were exported to Japan and the US while B-grade tuna were exported to New Zealand. Mr Tuilacala added that Fiji exported reef fish to New Zealand. Mr Brown informed that the number of fishing vessels had been decreasing in New Zealand due to the current fuel prices.

318. Mr Izumi informed that a review and updating of Fiji's fisheries legislation were undertaken by FFA in cooperation with SPC. He queried Mr Tuilacala on what the Fiji Fisheries Department's plan was on staff development (in post harvest fisheries and industry relations) given the importance of working closely with fishing industries while the capacity development of the CA was mentioned and on-going. Mr Tuilacala responded that it was up to the Public Service Commission to establish new positions.

319. The representative of Solomon Islands mentioned some difficulty to have samples tested at the USP/IAS, as it took time and it was expensive to send samples from Solomon Islands to Suva, Fiji.

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

Facilitator: Mr L. Rodwell

320. Two new topics were added to the session based on a request by Mr Brown of NZMFish and Mr Rodwell of FFA. The two new topics were:

- Certification and ecolabelling in fisheries
- MSC certification in WCPFC

Certification and ecolabelling in fisheries

321. Mr Brown outlined the developments of fisheries certification and ecolabelling emphasizing on market developments (e.g. consumer and retailer concerns), policy developments, labeling developments and options. He expressed 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 wild-fish 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's guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries, which required the third party certification schemes, and also briefed on standards of the EU, International Standard Organization (ISO), Marine Stewardship Council (MSC) and Marine Aquarium Council (MAC). In conclusion, he discussed on the opportunities, risks and options on certifications.

MSC Certification in WCPFC

322. Mr. Rodwell presented on 'Pre-assessment of the WCPO tuna fishery'. He briefed on tuna fishery in the Western and Central Pacific region (e.g. gear types, species, EEZs and high seas areas) and its stock status, and MSC certified tuna products. He outlined a MSC pre-assessment which was conducted if any Pacific tuna fisheries were potentially certifiable under the three principles (target populations not depleted, ecosystem maintained, and effective fisheries management). He further explained the outcomes of the assessment (e.g. fisheries considered ready for immediate assessment, fisheries with certification potential over the medium term, and Fisheries presenting significant difficulties for certification over the long time) and necessary follow-up actions (e.g. consultation with key stakeholders, price estimates and potential funding sources for full costs of MSC certification and alternative eco-labelling schemes).

CITES and OIE issues – case of giant clams export to Europe from PICs

323. Mr. Izumi of FAO outlined a report of the CITES' 22nd Meeting of the Animals Committee held in Peru in July 2006, in particular a review of significant trade in

specimens of Appendix-II species – *Tridacnidae* sub-group and the recommendations. He explained the summary of CITES Animals Committee's working group recommendations on categories (e.g. urgent concern, possible concern, genetic and additional concerns). He informed that seven Pacific Island countries (Federated States of Micronesia, Fiji, Marshall Islands, Palau, Papua New Guinea, Tonga and Vanuatu) and one territory (New Caledonia) were listed. He introduced a case of giant clam export to Europe from Marshall Island Marine Resources Authority and the Federated States of Micronesia.

Risk assessment in aquaculture development

324. Mr Izumi referred to the FAO Code of Conduct for Responsible Fisheries related to aquaculture development and trade, particularly responsible development of aquaculture within transboundary aquatic ecosystems. He briefed on the background of aquatic animal biosecurity in the region, and expressed that appropriate policy on aquatic animal movements had not been in place at national level. He further explained that risk analysis for aquatic animals was a new concept to the Asia-Pacific region. He introduced FAO activities in aquatic animal biosecurity in the Micronesian countries. In conclusion, he listed international instruments and standards dealing with aspects of biosecurity (e.g. CODEX, OIE, IPPC, CBD, Ramsar Convention, FAO Code of Conduct for Responsible Fisheries).

325. The representative of Fiji commented that they exported coral through the Marine Aquarium Council.

326. The representative of PNG expressed that it was difficult to follow the guidelines although the National Fisheries Authority was the Competent Authority in PNG. He commented also that royalty payments were needed for use of MSC label. Mr Brown added that the potential costs were required under the EU requirements.

327. Mr Izumi as the Facilitator concluded the session by stating that it was important to monitor and understand WTO agreements and negotiations as well as other international agreements etc. even if Small Island States were not a member or party of any agreements.

SESSION 12: FAO REGIONAL PROGRAMME FOR FOOD SECURITY

Facilitator: Mr B. Sorenson)

RPFS (Extension Phase)

328. Mr Bismarck Crawley, the Regional Project Coordinator briefed the meeting that the programme started in May 2004 and would wrap up in December 2008 at a total budget of about ~USD 9.8 million with 7.06million coming from the Government of Italy and 2.8million from FAO through the South-South Cooperation, for a duration of 4 years; 2004-2008 . He mentioned that the project had worked in partnership with regional

organizations such as SPC, PIFS and USP and as well other FAO counterpart institutions such as INEA.

329. Of the total resources allocated to this project, 80% was dedicated to national activities or Component 1 which supports activities geared to enhance production, income generation and food security with the remaining resources allocated for regional activities towards building capacity on trade facilitation and agriculture policies development. There were 26 projects under implementation in 14 countries under Component 1 and some of its major outcomes included island/community nurseries in Nauru, Kiribati and RMI; fruit trees and agro forestry nurseries in Cooks Islands, PNG and Vanuatu; sheep breeding flocks in Samoa and Tonga amongst others.

330. Under Component 2, Mr Crawley reflected on commodity chain studies which considered breadfruit for food security in Kiribati and *nangai* nuts in Vanuatu for exports and vegetable in Fiji for import substitution. He also summarized a training conducted on negotiation skills that received the participation of representatives from the agriculture and fisheries sector and supported the participation of the private sector and NGOs in some countries. He referred to the studies done by USP on food safety requirements for cassava which was targeted for completion by December 2008 as well as a study on special products also to be undertaken in December 2008.

331. Mr Crawley presented on the linkages between the two components stating that any of the activities conducted supported the three main pillars (food security, import substitution and export potential). He informed the meeting of the recognition placed on the projects and made reference to the Communiqué of the 7th South West Pacific Conference in the Marshall Islands which asked countries to ensure food security issues were integrated into national strategies in relation to other issues such as trade, agriculture, health and nutrition. He concluded by saying that even the 39th PI Forum Ministers Meeting in Niue acknowledged the crisis and provided allowance in its Communiqué for member countries to assess the implications and to respond appropriately (drawing on the technical advice from the international financial institutions). He thanked all the countries for their support and assistance during his tenure as Project Manager for the RPFS.

332. The representative of Samoa commented that some of the projects shown had success stories and it would be good to expand these projects to other countries in the region. The Presenter responded that this pilot phase would provide the building block for the expansion phase particularly given the diversity of 26 projects coordinated. He acknowledged that all success and failure stories (i.e. lessons learnt) shall form an integral part in the design of the expansion phase of the programme.

333. Mr Sorenson informed that there had been really good outcomes and one strong one was the sense of ownership which they said the expansion programme would build on. One of the key aspects will be to have more of a consultative process involved. He reported there had been consultations within the “first” phase but the evaluation of the project pinpointed consultations as requiring further strengthening. He also informed that

the expansion phase would be more programmatic as opposed to discrete and individual projects and stated that the programme would also look more at the exchange of experiences and ideas from sub-region to sub-region. Mr Sorenson reflected that perhaps the next phase required better identification of food security issues and in particular, which countries were actually feeling the impacts, who in those countries were impacted upon and then to actually assist in implementing solutions towards impacts identified. He also mentioned that there would be stronger mechanisms included in the next phase in relation to monitoring and evaluation.

334. The representative of IFAD asked if countries where these discrete projects were conducted could provide any feedback on activities implemented. The representative of FSM acknowledged assistance to them in relation to banana growing. It was very useful as it enabled people to get banana plants and that this type of programme should run over a number of years. He also suggested that the programme should look at other products as well. On vulnerable populations and its relation to food security, he thought this programme would indeed come in very useful. There were a lot of other competing issues such as climate change which also has a high impact on identified vulnerable populations and pointed out that recently, their outer island crops suffered from natural disasters.

335. The representative of Palau enquired about the Fantastic Sheep in Fiji and its successful integration into Polynesian countries asking whether this type of project could be extended to the Micronesian region.

336. The representative of Samoa responded that sheep was a new industry in Samoa and it was doing pretty well but they needed to work on the numbers. They started off with 40 ewes and 4 rams and within the span of 4 years had only reached 300 plus. The challenge was to quickly meet the demand.

337. The representative of PNG shared that their experience with their rice project in PNG had been very positive and there was a lot of interest in the project. People liked the farmer-to-farmer model farming project. Model farmers were trained and later became distributors of seeds. Recently a rice development unit was developed because of the interest by farmers. NGOs and others have gone into training farmers in relation to rice growing. He says he wasn't sure what the NGOs and others training were giving to the farmers but this project had a coordinated approach especially in relation to training and therefore a very successful one.

338. The representative of Tonga also spoke about the Fantastic Sheep project, that they faced the same problem as Samoa. The number has definitely multiplied since they first received the sheep but the question was how long it would take for the numbers to be sufficient to supply food for Tonga.

339. The representative of Solomon Islands spoke about the cattle industry which used to be quite strong in the late '80s and that they were just about to build a beef cannery when that industry failed. He reported that marketing of beef was very difficult. In relation to

rice, the Solomons had been self-sufficient up to 1986. It was a commercial setup where they used to export to Germany but the cyclone in 1986 destroyed the infrastructure and the company declared bankruptcy. No one was interested in reviving the industry but recently they've tried encouraging farmers to re-grow rice for subsistence living (i.e.: small scale rice growing) and they hope this venture would be more successful now that Government in relation to food security issues, have invested a lot of resources in this programme.

340. The representative of Vanuatu commented that the project in Vanuatu was also very successful in particular the agroforestry/nuts programme as well as cassava. He raised the issue of perhaps including the setting up of infrastructure to research quality of kava to suit standard for exportation or national terms, in the expansion phase. He confirmed the need for more work to be conducted in relation to the food centre to assist quarantine over food inspections. He reported that there were approximately 80+ species of kava and asked if all kava growing countries could get together to work out a regional strategy or approach, to counter the high standards of requirements by markets.

341. The representative of Kiribati acknowledged the work of the project and said that he had been part of the committee that set up the food processing project. He also acknowledged SPC for funding technical assistance saying that it was good to see the outcomes in relation to value products that had come out of this food processing unit. He reported that they had also managed to make flour out of breadfruit, papaya and swamp taro. The National Project Steering Committee for RPFS had been assigned to see possible options of continuing this project and given its success, Kiribati looked forward to continuing assistance from FAO and SPC.

342. The representative of Fiji reported that they also were trying to revive the rice industry. He recalled that there was a big irrigation project that the previous alliance government had invested quite a lot on and the dams were still there. However in the 80s, they had a deregulation policy (cut tariffs etc.) in place and the imported rice turned out cheaper than the rice produced locally – this became a disincentive to the farmers. The imported rice has now gone back up but he believed in the technology adopted and hoped that the project would realize some benefits. He advised that there needed to be an economic evaluation to see the effects of this project (i.e.: rice growing). Rice had a long shelf life (i.e.: storage purposes) and in terms of consumption- was very easy to prepare.

343. The representative of Cook Islands requested for information on the delivery of each of the 15 projects under the extension phase. He reported that the fruit tree project in the Cook Islands was on schedule and was confirmed by FAO while for the other projects, the meeting was reminded of an independent evaluation undertaken of the project and the outcomes will be presented in Nadi during the donor consultation meeting.

344. Mr. Crawley summarized that the overall delivery of the regional project had reached approximately 84%. He discussed that the 15 projects under the extension phase had done about 50-60% on average and a few countries had done approximately only

15%. He also mentioned an important outcome of the Tri-Partite meeting in April 2008 which agreed to consider reallocating funds from projects that were not on schedule to others that were, to ensure the maximisation in the utilization of resources.

345. The Facilitator in summarizing the session stated that the expansion programme would be discussed in detail at the upcoming meeting in Nadi.

Food Security and Sustainable Livelihood Programme (FSSLP) in the Pacific Island Countries

346. Mr Sorenson of FAO spoke about the process that they had been involved with in relation to FSSLP in that they started off with the consultative process (conducted within 3 sub-regions) and that in order to fully implement this programme, it required a substantial amount of money and would need to identify someone to fund said programme. He reported that the first thing they did was mapping of food security issues in-country and the exercise highlighted a range of activities going on in-country by different agencies, ministries and donors. It highlighted the need for a more coordinated approach to all of these activities. He stated that the FSSLP would see FAO do more of the policy work as opposed to implementation work. This directive had come directly from their highest level. He informed the meeting that there was an allocation for each country within this programme and given the total number of countries involved, the total budget was actually quite substantial.

347. He mentioned that the independent evaluation that had been conducted would be discussed in detail in Nadi. He alluded to the findings of the study as useful for future planning and/or implementation of activities. FSSLP would provide a mechanism to coordinate all the activities currently running on food security issues in the PICs and would also provide an opportunity to harmonise and coordinate all these activities. He informed the meeting that there would be national workshops, regional workshops on an annual basis and everyone will have the opportunity to see what was being planned, what was being implemented etc. and that the emphasis would be placed on the most vulnerable and the most insecure. He admitted that initially, there had never been any thought given to identifying who the vulnerable people were and how FSSLP could help them. He also stated that WFP could come in as a partner with FSSLP in the implementation of the project. He assured the meeting that even though WFP had only done work in East Timor, they were quite keen to do further work in the PICs. The WFP has not just technical expertise but also has a socio-economic programme that could actually assist vulnerable people.

348. Mr Sorenson affirmed that FAO in Rome were working hard on linking the work of FAO, IFAD and WFP and acknowledged the hard work by IFAD and FAO in the preparation of the expansion phase. He hoped that the South Pacific would be a good region where the 3 organisations could show their collaborative work. He also assured that the FSSLP would have better targeting of people requiring capacity building (through training etc.). He also made mention of the need for a framework on top of the participatory monitoring to improve the monitoring and evaluation aspect of the project.

He concluded that the pilot project was good as it provided a basis for the further development of national activities required to be implemented during the extension phase of the FSSLP. He welcomed the upcoming 3-day workshop in Fiji as it would provide the opportunity for countries to really lay their cards on the table and say “what was working”, “what needed to work” etc. and it would also be a good opportunity to link up with other donors and partners.

349. The representative of Cook Islands expressed his concern about the progress of FSSLP saying that in 2005, the Director General of FAO attended the meeting in Cook Islands and told Ministers that there would be [x] amount of funds allocated to the PICs on food security. Two years later, consultants went around holding community wide consultations and the findings were presented to the Ministers meeting in May in 2007 in RMI. The Ministers all agreed that the countries themselves would decide what they wanted as far as the package was concerned which meant that the Ministers were cautious to the changes to areas that they had originally asked assistance for. Then in March/April this year there was a meeting to review the outcomes of the meeting of Ministers, then there’s going to be yet another meeting next week and yet another meeting in 2009. He expressed his concern that what the Ministers wanted may end up not exactly what would actually be implemented because of all the reviews and consultations etc. The question was how wide was the consultation needed. His concern was that his Minister keeps asking when these issues were actually going to be implemented. He stressed that it wasn’t the PICs that had asked for this major project – it was the Director-General that made the offer and it being such a significant figure the Ministers wouldn’t say no. He emphasized that he didn’t want to avoid all the FAO monitoring and evaluation and policies etc. but all he was asking for to get something going as soon as possible.

350. The Presenter appreciated the concerns raised by CI but unfortunately, FAO had a limited amount of resources and it meant having to acquire funds from other sources. He assured the meeting that they were well in the process but it would still take some time to get there.

351. Dr Fuavao thanked the representative of Cook Islands for his comments and reaffirmed that this programme was definitely country driven hence the upcoming meeting in Nadi to ensure that countries have the opportunity to reaffirm or reconfirm their needs. He also noted that SAPA had already implemented some components of the programme through other projects and programmes,

352. The representative of Samoa asked if cultures had been or could be factored into these programmes because their livelihoods revolved around their culture. Cultural obligations were such that on one hand whilst trying to address food security, cultural obligations could be detrimental to the number of livestock etc. within countries. The Presenter responded that cultural factors do need to be taken into account and that the expansion phase should perhaps create a list of criteria and within that list of criteria would be the need for cultural factors.

353. The representative of IFAD appreciated that the main advantage of the programme was that it was country driven and were totally based on national priorities which are reflected in national strategies. From a donor perspective, the prospect of working together (donors/implementing agencies etc.) was quite challenging in terms of financing. In terms of timing, the sequencing was moving quite well, the project has been completed, it has been evaluated and the results would be presented next week. He hoped to put something together from these meetings for their Executive Board meeting in April 2009.

354. The representative of TEFA commented about cultural obligations saying that PICs also needed to look at global conditions that surround them and things that were beyond their control and perhaps our cultures also needed to be reviewed to suit the conditions as opposed to constantly trying to tailor global issues to suit our cultural conditions and factors.

355. The Presenter stated that these issues need to be solved amongst PI themselves but reaffirmed FAO's commitment to implementing activities as identified by countries. He advised though that the project needed to be absolutely sure on what was going to be implemented and who was going to implement them.

356. Mr Crawley in concluding thanked all the countries in which all the projects were conducted recognizing that it was a complex and drawn out process. He acknowledged the hard work that countries had put into getting these activities off the ground and asked that they continue to support and build upon the work that had already been done in these pilot projects.

SESSION 13: REGIONAL FOOD SECURITY INITIATIVES

Facilitator: Mr R. Hartman

IFAD Mainstreaming Rural Development Innovations Programme in the Pacific (MORDI)

357. An overview of the MORDI programme was presented by the Regional Programme Manager, Mr Taomia who shared that the design of the programme was based on ownership and its goal was to contribute to sustainable, improved livelihood of vulnerable communities. There were four main components (i) Community empowerment (ii) Economic empowerment (iii) Learning, Sharing and Up-scaling and; (iv) Programme Management. Mr Taomia stated that it was very important that the community are brought in and have a sense of ownership from the start of the project. The programme was funded by IFAD (USD\$2million) for Phase 1 for the period of 2006-2008 with a proposed Phase 2 which would cover a lot more countries.

358. He explained that MORDI had linkages with several other regional organizations but most importantly, had direct links and worked directly with communities through their national coordinators based in Tonga, Kiribati and Fiji. The national coordinators

worked closely with local bodies such as national advisory committee and community facilitators.

359. The Kiribati National Coordinator (KNC) reported that Kiribati was the newest to have joined the MORDI programme. Targeted communities included a wide coverage of islands within the Kiribati area and the furthest island in terms of traveling time was equivalent to traveling from Tarawa to Nadi. She reported that they recruit community facilitators (CF) and panelists include women, youth, and education and village representatives and that currently 12 CFs were based in the various atolls. Training provided to communities included financial literacy education training (FLET); participatory learning action (PLA); good governance and leadership skills. The ones trained were predominantly unemployed rural communities. Participatory learning training(s) were usually conducted in different groupings (ie: women, men and youth). She stated that they have established a very good relationship and partnership with government ministries, donor agencies, NGOs and private sectors in Kiribati. The message she wanted to put through was that if all worked together in paddling the canoe in the same direction with the same goal, then everyone would be happy and satisfied.

360. The Fiji National Coordinator (FNC) Mr Robinson, reported on the three different provinces that MORDI worked with in Fiji (Kubulau District, Bua Province; Wailevu District, Cakudrove Province and; Veunuqa District, Namosi). As previously presented by the KNC, the FNC outlined the community ownership process that MORDI followed which leads to the compilation of the development plan. He detailed that the programme meets with sectors individually but quite recently had been bringing all of the various sectors, provincial administrators, local rural authorities, public works department, environment etc. as well as regional organizations such as SOPAC together for meetings/workshops. The findings had been that there was now massive interest from a wide variety of organizations to conduct integrated work with the MORDI in delivering these community programmes.

361. He noted that on several occasions, he's had to become quite inventive in finding ways to handle contentious issues. Lessons learnt show the importance of community participation and ownership; importance of SDMT approach; relationship building which is the foundation of community programmes; practical approaches towards training; understanding and appreciating comprehension period; monitoring and evaluation and fuel prices. He informed that communities had been involved in the drawing up of development plans and strategies but the important factor was ensuring that issues were presented in a way that was understood by all. He further stated that decision making within the office was easy compared to the community level as community level decision making required a whole lot more people as opposed to the '1-boss' approach at the office.

362. The Tonga National Coordinator (TNC) Mr Patolo, informed the meeting that MORDI worked in 3 islands of Tonga. After their initial community consultations and discussions, they brought the group from Vava'u to Tongatapu not only to meet each other but also to meet the MORDI team and as well donors and others involved in the

project. He identified that the PLA resulted in 22 community development plans which varied according to different community needs, for example: building infrastructure (jetty, town hall, wharves etc.). Some identified the need to learn new skills whilst others requested seedling for farming. He welcomed advice from FAO in relation to learning from their staff and taking this knowledge back to the communities in Tonga.

363. He informed that 3 communities identified the need for tractors and after the PLA, 2 of the 3 had managed to buy the tractors themselves and they attributed this success to the trainings and community discussions they'd taken the community through as part of the project. He stated that even though MORDI had their own monitoring and evaluation, the community also has their own way of monitoring, for example, by using story boards. The impact of fuel price in these outer islands was quite high given that the only means of transportation for these islands was by boat. With fuel cost being so high, people were trying to go back into canoes and are considering fishing closer to coastal areas as opposed to deep sea fishing. These communities have been using unsustainable methods in relation to fishing and MORDI and the Ministry of Environment in Tonga are working closely on trying to address that problem.

364. The representative of Cook Islands asked how MORDI proposed to sustain the project given its reliance on donor funds. He noted that the presentation showed that the project has already tried to incorporate this approach into their programme but it would be good to hear from MORDI.

365. Mr Taomia responded by saying that ownership was at the community level and through the facilitators (who were based in the villages) capacity building of community was hands on. He also pointed out that the Action Management Plans were linked to the National Development Plans which gave it some sense of continuity and sustainability. He also reminded the meeting that MORDI was only there to facilitate the process but at the end of the project, the villagers/communities would take over their own programmes.

366. The representative of Solomon Islands noted that there were a lot of NGOs in Solomon Islands, some of whom had been around for many years. He commented that one thing they've noticed with these NGOs work (with agriculture in particular) was that there had been no change in the livelihood of people living in the rural areas.

367. The FNC reminded that there needed to be close collaboration with all various stakeholders in order to make changes in the community. One of the many positive outcomes from MORDI has been the establishment of community health committees for example. He acknowledged that a lot of development plans that had been developed by civil societies were totally ignored by the 'higher up' level but stressed that not only do they work with the community, they are also able to take the work of the community to present to people within the government levels. He made reference to a workshop conducted in Wailevu which resulted in the participants (after the workshop) starting up their own projects like the copra processing mill and income from that had been used to renovate their town halls etc. He expressed that the majority of the impacts were qualitative whilst some were quantitative.

368. The KNC shared with the meeting that every time a donor left or ceased funding, the important thing was the ownership as well as letting the community talk and identify things that they needed. She pointed out that the PLA that they used already had a number of columns in it but the community inserted two new columns which identified more people who could be responsible and/or accountable for certain tasks and activities of the project. She noted that if you went in as a 'leading' agency it would never work but to instead get the community involved right from the word go, from consultations to activity implementation to development plans all the way through to dealing with the donors.

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369. The TNC reaffirmed that the main key for sustainability was ownership as well as self-reliance. One of the lessons learnt that MORDI was trying to promote with other donors was the approach to disbursing funds. He was concerned that whilst MORDI was trying to encourage self-reliance, there were other donors who were handing out funds and assistance quite loosely.

370. The IFAD representative stressed that the key towards development was through partnerships. He noted that there were a number of dimensions that needed to be taken on board for all development projects. Some of these elements included but were not limited to, how to engage people, social elements involved etc. The key sustainability factor of a project was proper planning and the plans developed should not just cover the 'how to conduct projects' information but also 'what to do after the projects' information. He also verified that he had seen and met some of the communities that had received such assistance and he was assured of the worth of this programme in these communities.

371. The representative of WIBD stressed that there were some really good NGOs in Solomon Islands and asked that perhaps Governments needed to recognize more the work of the NGOs.

372. The representative of SFA asked if MORDI had certain expectations from communities and also whether there were any quantifiable figures related to the contribution of these projects to the country's overall economic achievements in terms of employment etc. He also asked how regular MORDI expected the communities to provide this information to them so they were able to keep track of what was going on.

373. The representative of Tonga also agreed with Samoa's point about NGO-government relationships and said that sometimes, government ministries were not fully aware of what NGOs were doing and perhaps it would be good to have the NGOs publicise or market themselves more.

374. The TNC informed the representative from Tonga that the last meeting of MORDI held in Tonga was actually chaired by Tonga MAF.

375. The representative of IFAD responded that monitoring and evaluation has always been a massive undertaking for anyone but the main challenge was determining how much was enough. They've completed the mid-assessment of the programme and one of

the first things they picked up was that IFAD had required MORDI to report on 56 key outcomes. In determining how much information was enough, it was important to focus on what the outcomes of the project were. He stated that IFAD was looking at putting in allowances for feedback from community to evaluate projects based on what they wanted to achieve (i.e.: based on their level of expectations). In terms of how the programme would be contributing to national objectives (e.g.: GDP) he reminded that these projects were small scale and were targeted specifically for community level. One of the outcomes of these community projects was gathering lessons learnt and disseminating this information out to a much wider group.

376. The FNC followed up on comments by Tonga and Fiji in relation to publicity of NGOs and explained that they had tried this approach as well but some of the government people who attended these workshops and meetings do not take the information back to the government level so that they were more aware of NGOs like MORDI.

377. Mr Taomia also responded in relation to the monitoring and evaluation queries pointing out that they were done using text and video reports. Each MORDI office provided a video/audio report every 12 months and these are then sent to the main office who in turn report (using text) to their donors etc. The KNC explained that at the community level, they actually developed and disseminated evaluation forms during national meetings and consultations etc.

378. The IFAD representative stressed that perhaps there was too much discussion over monitoring as opposed to evaluation and talking from the civil society perspective, it would probably be best that emphasis was placed on the participatory evaluation coming from the communities themselves. He stated that if it was going to be a community hosted community driven project, then it should be the evaluation by community too that was more important.

379. The representative of MAFBNZ (ex-staff of Tonga MAF) explained how consultations were conducted during his time and pointed out that there was no market available so the focus was on subsistence requirements. From the monitoring side, he stressed it would be really hard to compare and analyse cash based on trading etc. Instead, it would be good to have a simple evaluation like measuring the level of the lowest in relation to poverty status and then seeing later down the line whether their poverty level had improved.

380. The representative of Solomon Islands clarified that the Ministry of Agriculture does work very closely with NGOs, for example, the Garden Custom Assoc. and the Ministry worked very closely over the AVRTC Project and stated that he was willing to provide more information for anyone who was interested at a later stage.

381. The representative of FSM reported that there were a lot of NGOs in FSM but often lacked resources and acknowledged that quite often Governments did not “come down” to the level of the NGOs. He also noted MORDI’s work south of the equator and asked if

FSM could be included in their proposed expanded work programme. In response to FSM's request, Mr Taomia stated that this could be discussed in detail at a later time.

382. The representative of Fiji thanked the MORDI team in relation to the work done and stated that this was the first time that he had heard of the MORDI team and the work they do. He asked for clarification in relation to photos presented (on erosion) and the TNC responded accordingly.

SESSION 14: REGIONAL TRADE DEVELOPMENT ASSISTANCE PROGRAMMES

Facilitator: Dr. Vili Fuavao

Update by development partners on respective programmes

PIFS

383. Ms Young presented on the various programmes that PIFS was mandated to implement. She stated that increased market access was not sufficient to achieve economic growth and in response to addressing implementation, adjustment and trade capacities, PIFS worked diligently through the PACER, PICTA, EPA and WTO agreements to find possible solutions to address these problems. Some of the possible solutions identified to cope with the need to strengthen the supply-side capacity were deepening structural economic reforms, enhancing productivity of the business sector and instituting regulatory and institutional reforms. She also discussed the PACREIP programme (funded by the EU under the 9th EDF) which was responsible for financing the setup of the Forum Office in Geneva. She urged countries that the 10th EDF financing will kick off at the end of 2008 and urged countries to ensure their agricultural priorities were fully reflected in national proposals for funding under this programme.

384. Under resource implications, she stated the EU had committed €2billion to address this Aid-for-Trade (AfT) programme and that in order for it to be effective, AfT effort had to address the real needs and priorities determined by FIC and national government themselves. These consultations were carried out from April-July 2008 and findings would result in a proposal to be given to the AfT Donor Round Table Meeting in October 2008. This roundtable will be attended by major donors and organizations such as WTO, ADB, World Bank etc. They hoped that PIFS would get the opportunity to discuss the trade development needs of PICs. As to the mechanism, PIFS was still in the drafting level but details would be hammered out at that meeting but she stressed that this mechanism would be used by donors as a guide to channel all the funds to, for trade related development programmes.

PITIC

385. Mr Joe Fuavao introduced PITIC as an agency of the PIFS and one of 4 offices located around the world (i) Sydney, Australia (2) Tokyo Japan (3) Geneva and their office in Auckland. An overview of PITIC's role was outlined by Fuavao and in summarizing their role, stated that they were not a funding agency but acted as a

facilitator on behalf of PICs. The vision and mission of PITIC showed that they aimed to be the lead agency in promoting trade, investment and tourism opportunities for PICs in NZ. He presented on the three different sections of the PITIC and highlighted achievements such as: Pacific Trade Expo + Pasifika Festival 2008 (45% businesses from the Pacific occupied booths at the Trade Expo); Pacificbizonline and the Pacific Agricultural Traders Handbook (PATH). He also informed of the PATH website (www.PATH2NZ.com) which hosted a lot of information such as quarantine requirements and wholesale requirements. He also spoke on a recent partnership with Okaiceanikart Gallery which hosted PIC-specific exhibition of arts. He also stated that the Island Influences, NZ Culinary Fare Competition in Sept 2008 generated a lot of interest in PNG spices.

386. Under the Investment Section, Fuavao highlighted some of the success stories which included projects like *Niu* Vision Group who were currently negotiating possible opportunities for bio-fuel and waste in Samoa, Tonga and other PICs. The Investment section had also been successful in hosting labour mobility financial literacy for 180 RSE seasonal workers from Samoa and Tonga teaching them basic financial literacy training as part of the pre-departure orientation programmes for RSE employees. In the Tourism section, he reported that they were behind the NZ Dive Snow Travel as well as the Samoa Hotel Association partnership marketing Samoa as a travel destination. There had also been other programmes such as the Food Tech-Pack Tech Mission where PICs attended the show but also learnt about branding, packaging and labeling amongst other issues of relevance to trade and marketing opportunities.

387. The representative of Tonga enquired about the AtF priorities identified under the recent workshop – whether these priorities remained or had changed. The PIFS representative responded that whatever the countries decided- remained. She also clarified that PIFS was still in the process of collating information in regards to Tonga's proposal, and asked the Tongan representative to chase up the people responsible for it as it was still not ready. She informed that under PACREIP there was allowance for short-term projects but under the AtF, it would be looking at long term projects. She requested PITIC's assistance to help Tonga in relation to market research.

388. The representative of Cook Islands asked for clarification on PICTA in relation to the statement about 'some of the trade would not be applied under the PICTA so they came back to trading the way they were trading'. He asked what that meant and if that was the case (i.e.: you can't apply PICTA because it was too expensive) – what were the implications.

389. Mr Antas of PIFS clarified that the review of PICTA included suggestions on how to make it effective and elaborated that the best way to address that cost issue was to change the rules of origin (the actual rules themselves) as it was based on value-added criteria and the rules now required all sorts of accounting procedures and the level and kind of costs to be included in the costs. He explained that these were the kinds of things that made the cost of PICTA quite high but would be the best way to solve this. He elaborated that the problem was that this was also linked to the lack of trade data that

PIFS needed – not all countries had the kind of databases that PIFS could acquire information from. He reported that Fiji and PNG were the only countries that had good data that could be utilized by PIFS. He also pointed to other problems arising with the arrival of PACER Plus.

NZAID

390. Ms Vicki Plater, talked about the key trade related programmes currently implemented in the PICS. The Regional Trade Facilitation Programme (RTFP) is implemented through SPC for quarantine, OCO for customs, PIFS for RTFP as well as standards and conformance. The recent Forum Ministers Meeting made a lot of recommendations in relation to strengthening reporting and governance of the programme in respect of its priorities. She mentioned the additional NZD\$500,000 assistance that will be provided to RTFP that had also been mentioned by the Hon. Minister of Trade during her opening address. She informed that the formal Steering Committee being established would agree priorities areas where that funding would be directed. She also stated that amongst other programmes they fund were: PITIC, PC Trade Helpdesk Service and the Annual FAO RTF.

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391. She further stated that NZ was also looking at commissioning a survey of non-state actors (private sector, etc.) to gauge what kind of capacity building activities could usefully support non-state actors (private sector, civil society etc.) to engage on trade policy issues. She reported that they were putting out a tender soon for consultants to conduct this particular work. In saying that, NZAID was also aware of the need for capacity support for other officials at national and regional level. She noted they needed to be cognizant of where the RTF fell within that need. She also spoke about NZAID bilateral programmes which varied between countries. In Solomon Islands and Cook Islands for example, she informed that they were working with Ministries of Fisheries to build capacity of staff in relation to trade issues. She also mentioned NZ provided support to regional financial institutions like PFTAC, PEP and FIAS. There was also NZ Customs support to OCO and as well the NZ Biosecurity Pacific Programme.

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392. The representative of Palau noted that the northern part of the region had been left out in relation to NZAID assistance and asked if Palau (and others like RMI, FSM etc) were eligible under this bilateral aid.

393. The NZAID representative confirmed that NZ did not have bilateral assistance in the northern region but certainly Palau could benefit from a number of regional programmes as a member of the PIFS.

394. The President of the Niue Island Organic Farmers Association (NIOFA) asked whether the point about civil society needs in trade policy had been communicated to civil society organizations.

395. The NZAID representative responded that communication would be sent out to umbrella groups such as PIFSO etc. and that she was aware it had been mentioned at the recent civil societies meeting in Auckland prior to the Forum Leaders meeting in Niue.

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She confirmed that the work would look at development needs and what was already underway; it would also look at the national level and groups to see what was actually needed in terms of civil society needs related to trade policies.

396. The representative of TEFA stated that although there were lots of other benefits in relation to regional programmes, she was not just concerned about information not being disseminated, but also the problem of information deliberately not being disseminated.

397. The NZAID representative responded that NZ wanted whatever information given out to reach the national level and stated that this had been one of the challenges for NZAID- trying to identify the best mechanism by which this information could get to the right people.

398. The representative of RMI supported Palau's point and repeated their question about whether the northern region was actually eligible for funding from NZAID. She noted that the only area that the north had participated in (re: RMI) in relation to NZ funding was through one of the programmes run by PITIC.

399. The NZAID representative responded she was not sure if there were any guidelines but asked the representative to contact their formal contact in-country. She was aware of PITIC activities that had been conducted in the north.

400. The representative of RMI clarified that in her previous role of Secretary of Foreign Affairs, she was aware that RMI was eligible for funding from NZAID but it would probably require someone to formally ask NZ for assistance.

401. The representative of Samoa acknowledged NZAID support to attend RTF and as well thanked NZ for funding the Biosecurity (Pacific Advisor) position.

402. The PIFS representative provided clarification in relation to the question by RMI and pointed out that there had been a lot of assistance to RMI delivered through regional organizations and programmes, for example – Customs training etc.

403. The Facilitator ended the session by saying that there had never been any occasion when NZ had split assistances that came through multilateral assistance. For example, the RTF was funded by NZ and so every country participating at the RTF were benefiting from NZ assistance.

SPC FACT: Facilitating Agricultural Commodity Trade

404. Mr Grant Vinning presented FACT's objectives and goals and spoke on options that could be utilised by PICs in relation to niche marketing. He reported that the programme was funded by EU (Euro4million) over a period of 5 years. The objective was not focused on just trade to NZ and Australia but looked also at trade within and between PICs as well as NZ and other international markets. He stated that the supply chain consisted of 3 parts (i) production (iii) marketing and the bit in the middle!!! He informed that they were looking at how they could increase production whilst also

looking at the processing side of things – was the problem because of the equipment or was it something else.

405. He clarified that his role was more on marketing and therefore was interested in negotiation skills and that they would teach business people marketing skills to fit the situation. He stated that the biggest fallacy was that exporters sell to consumers and proceeded to ask participants how they perceived 'quality'. He informed the meeting of a retailer's definition of quality which was "cooperative advertising" and stated that the exercise clearly showed that there were different perspectives and definitions of quality depending on what side of the marketing chain you were sitting on.

406. He informed the meeting that the FACT Scheme put out applications for people who were interested in the project and an analysis of assistance being sought (through the applications) showed that most countries needed marketing advice (labeling, negotiating, market access etc). He advised that there was a dedicated processing technology expert within the project. He reported that there had also been requests for assistance in certification (i.e.: to match ISO standards). He also informed the meeting that the project would concentrate on the First XV but were already looking at other programs such as soap making and from there, knowledge on how to market the soap. He also explained that they'd be looking at handicrafts based on the belief that handicrafts were produced and sold mainly by women of rural areas. The funds from sale of handicraft would go directly into purchasing food which was a basic food security approach. FACT will look at developing these programmes with the Second XV.

407. The representative of NIOFA asked if FACT could help them identify what products to market to which the Presenter responded that for Niue, it would be weaving but the key was identifying why their weaving was better than the other PI weaving. He explained that when selling something, you had to take the "sell the sizzle before the sausage" approach (i.e.: story about Niue not having enough people etc.). He also stressed that once you get contracts (for markets), you had to stick to it.

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408. The representative of SFA enquired whether after selecting the First XV, what would happen with the Second XV to which the Presenter responded that the approach used with the Second XV would be slightly generic as the First XV was the pilot phase.

409. The representative of RMI asked why RMI's name was not on the list. Mr Vinning responded that this had been rectified and that he has since corresponded with an officer in RMI in relation to pandanus.

410. The representative of Kiribati asked for clarification in relation to the application and also who the application had been sent to in Kiribati. The Presenter responded that the deadline was the 22nd Sept 2008 but urged participant to contact Lex Thomson as soon as possible to ask for an application.

SESSION 15: EVALUATION, WRAP UP AND CLOSING

Facilitator: Dr. Vili A. Fuavao

411. Dr Fuavao in his closing remarks informed the meeting that the RTM was a standing agenda item of the biennial meetings of the FAO South-West Pacific Ministers for Agriculture and that he had at one stage considered phasing out the RTM but Ministers had said that this was the only open forum where participants of every level could discuss issues openly without fear of repercussions. He did state though that FAO was also mindful that when people traveled they missed out on implementing their work back at home. He reiterated that the Ministers had endorsed the continuation of the RTM but acknowledged that if the evaluation given out during the meeting concluded that the RTM was not useful, then certainly FAO would need to review the running of such RTM series. He also pointed to the usefulness of the RTM in relation to information sharing in that the information usually available during these RTMs were not usually available to participants back in country.

412. He thanked NZAID for their continuous assistance given that they were the only remaining original donor partner (aside from FAO) since the RTM series started. He thanked IFAD for coming on board and in seeing the value of financing programmes in the PICS. He thanked the Government of Italy for their financial assistance and as well MAFNZ and MFAT for their service and assistance saying that they were always ready and willing with their help and support. He acknowledged the appointment of a Pacific Advisor in the Biosecurity Office of NZ as a step forward and thanked again the Government of NZ for that initiative.

413. He expressed his appreciation of all the regional organizations and in particular Grant Vinning of SPC for his lively presentation. He realised that regional organizations covered their own costs in relation to travel and accommodation and he fully appreciated their participation at the RTM. He also thanked the MORDI for their effort and work in the community and in their firm stance and belief in community projects which meant a lot to FAO. He acknowledged and thanked the representatives of the private sector for their contributions during the meeting saying that their being vocal about issues relating to the civil societies proved the usefulness of continued participation of this group within the RTM.

414. He especially thanked all the member countries and assured that FAO would always look at the best possible way of implementing country activities keeping in mind that these were all country-driven projects. He also acknowledged and thanked colleagues from FAO Headquarters in Rome, Ron Hartman of IFAD Italy and Siale Vete of IFAD Fiji. He saw the participation of dedicated people from the staff in Italy in having to bear the long distances, as showing a firm commitment of these people and he genuinely appreciated that.

415. He assured RMI that FAO would not forget them and asked that the meeting reflect the Pacific as one as opposed to the north vs. south idiom. He also thanked his team from FAO SAPA for the organisation of the meeting and the work that had gone into it. He concluded by stating that no matter what science and scientific things you used – the

question to ask (in layman's terms) was: "has it made a difference" only then can you say for certain that your project and/or programme had been successful.

416. The 11th Roundtable Meeting was then officially closed.

**11th FAO ROUNDTABLE METING FOR PACIFIC ISLAND COUNTRIES ON WTO
AND REGIONAL TRADE AGREEMENTS AND PROVISIONS
Portland Hotel, Wellington, New Zealand
15-19 September, 2008**

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Welcome Address by Dr Vili Fuavao
FAO Subregional Representative for the Pacific Islands

*Honourable Luamanuvao Winnie Laban. Minister of Pacific Island Affairs
and Associate Minister of Trade of New Zealand;
Distinguished Delegates from member countries;
Representatives of Regional Inter-governmental Organizations,
Representatives of the Private sector and NGOs;
Fellow Colleagues from FAD Headquarters in Rome;
Ladies and Gentlemen*

It is a great privilege and an honour to extend a warm welcome to you all to the 11thRTM for PICs on WTO and Regional Trade Agreements and Provisions. I, on all of our behalf, extend our appreciation for the presence in our midst of the Honourable Luamanuvao Winnie Laban, Minister of Pacific Island Affairs and Associate Minister of Trade of New Zealand. Malo 'aupito for taking time out from you busy schedule to address us this morning. Your presence, Honourable Minister, testifies to the continued support and commitment of New Zealand to assist the development aspirations of the neighbouring Pacific Island Nations.

I would like to acknowledge with great appreciation the financial and technical assistance provided by NZ, an integral partner of this series for the eleventh year in a row. In addition to the ongoing financial and technical assistance of the New Zealand Government for the RTM series, I would also like to acknowledge with gratitude the continuing financial and technical partnership of IFAD to the series. It is with great comfort to us in the FAO office in Apia to be a part to the forging and development of the closer relationship between FAO and IFAD in terms of their works in the Pacific. I acknowledge the ongoing financial support of the Italian Government, through its trust fund on food security to FAG, for the RTM series. Partnership and support of CROP agencies such as SPC, PIPS, PITIC, FFA, through providing speakers and materials for the series are once again acknowledged with appreciation. The RTM has developed into an effective mechanism of bringing development partners, CROP agencies to provide much needed capacity building and sharing of information thus keeping the Pacific countries abreast of trends in the development of agriculture in the world and their impacts on us.

At this juncture, I wish to express our appreciation and gratitude to the participants from the PICs for your presence and support. I note with satisfaction the evolution of RTM series to include private sectors and NGOs, a most welcome development indeed.

The agenda of the RTM series have evolved throughout the years to reflect the ever changing nature of the development in agriculture (forestry and fisheries included) sector.

You will note that climate change adaptations, organic farming, soaring food prices are but few of the new items in the agenda. Some of these agenda items were identified and discussed at the High Level conference held in Rome in June of this year and recently Reinforced by the Communiqué of the recently held Pacific Leaders summit in Niue. In the Communiqué, we note the importance inferred by our leaders on food security for our region.

In ending my short welcoming remarks, I extend to you again our appreciation, honourable Minister for your presence this morning, to the Pacific countries for your support, to our financial and technical partners namely, NZ government in particular (NZAID, MAF, MFAT), IFAD, Italian Government, CROP agencies, private sectors, NGOs; and last but not least to my colleagues and friend from FAO in Rome. SAP has for years enjoyed excellent support from Rome and we thank you for that.

I wish you well in your sharing and learning this week.

SOIFUA

Statement by Mr. Ron Hartman, International Fund for Agricultural Development

Honorable Minister, Distinguished Pacific country representatives, representatives from our host Government of New Zealand, representatives from regional organisations, and civil society.

Dr Vili Fuvao and the team from FAO Sub-regional Office in Apia, and FAO colleagues from Rome

Friends from MORDI, and IFAD's Sub-regional Representative, Mr Siale Bain-Vete.

Ladies and gentlemen,

1. I am very pleased to be here in Wellington to participate in this 11th Roundtable Meeting for Pacific Islands Countries on WTO and Regional Trade Agreements and Provisions. This is the third time that IFAD has participated and co-financed this important event, and I am pleased that our role is becoming more substantive each year.

2. The overall objective of this meeting is to increase awareness and understanding of multilateral and regional trade agreements, provisions and negotiations relating to agriculture and fisheries in the PICs. This aims to facilitate enhanced capacity in the PICs to plan and formulate informed and appropriate policies promoting sustainable rural development and food security, thereby reducing poverty and improving the socio-economic conditions in the Pacific region.

3. I don't need to remind you that the one of the ultimate target groups of this event is the people and the communities who derive their livelihoods from agriculture and fisheries in the Pacific Island Countries (PICs). This includes small farmers and fishermen, who are among the most vulnerable populations.

4. IFAD's strategy for Pacific Island countries identifies the need and opportunity to promote and support interventions based on the principles of community ownership, self reliance and sustainability. Specific development outcomes, relate to strengthening the capacity of the rural poor and their organisations, improving equitable access to productive natural resources and technology and increasing access to financial services and markets. We focus on the development of rural communities in atolls, outer islands and upland areas; support for vulnerable groups such as rural youth and women; support improvements in local food security and import substitution; and of course the development of market opportunities and income generation in rural areas. I look forward to the presentation from the MORDI team later this week to share experience in some of these areas.

5. As we have known for some time, Pacific Island Countries are greatly affected by higher food and fuel costs. The Pacific Islands also face challenges of access and remoteness from both international and domestic markets. A reliance on food imports also leaves countries vulnerable to rising global food prices and has a major impact on balance of payments and the purchasing power of households.

6. The current increase in food prices impacts on the poorest members of society most adversely as they spend a greater proportion of income on food. These people are predominately rural.
7. Import substitution presents an opportunity for the agricultural sector as consumers return to traditional staples to limit the impact of imported products. Price increases in staples are being witness as a result of consumer substitution.
8. Particularly exciting is the question of how we can ensure that the poor smallholders will actually benefit from increasing agricultural commodity prices and emerging niches such as organic agriculture. How can we ensure food security in terms of availability, access, utilization and stability? How can we ensure they gain from the bio-energy opportunities? How will we ensure that our more productive, more commercial and more competitive small farmers and microentrepreneurs will access markets and secure supply in a greener, more sustainable way? How can we ensure the retention of traditional knowledge and promotion of local ownership?
9. These are just some of the questions that I look forward to discussing with you over the coming days.
10. I thank you for your kind attention.

Statement by the Ambassador of Italy, H.E. Gioacchino Trizzino

For the third year in a row, Italy participates in this **Roundtable Meeting for Pacific Islands Countries on WTO and Regional Trade Agreements and Provisions** as a tangible sign of its continuous and growing commitment in the development of the Pacific region. This is an engagement that since the initiation of the Italian-funded FAO Regional Program for Food Security (which this Roundtable will discuss later this week) extended progressively to programs in the area of climate change and renewable energy, education and training, sustainable development, acquisition of much needed health equipments and much more. The amount of funds currently financed by Italy both bilaterally and through international organizations is remarkably considering our recent involvement in the region. These come on top of the Italian contributions to the Pacific through the European Development Fund.

As a matter of fact, today Italy is the **second biggest European contributor** of development assistance to the Pacific. A position that was crowned last year when Italy joined the Post Forum Dialogue of the Pacific Island Forum. A much rewarded achievement through which Italy can now further contribute to the wellbeing of the area by offering guidance, policy orientation and other forms of assistance besides development funds.

The **FAO Regional Program for Food Security** for the small Island States of the Pacific financed by Italy since 2004 has been a watershed in our engagement in fostering a more stable, more secure and wealthier Pacific. Never before Italy enforced such a vast and comprehensive assistance program in this area of the world, traditionally far away from our areas of geopolitical interests. However, the Program was a great success from the beginning, it was further extended and when it will come to conclusion later this year will reach the amount of USD\$7million.

Without any doubts, it constitutes an example for many future development assistance programs in this as in other sectors. It was indeed so successful and very much appreciated by recipients countries that the FAO has decided to propose an **expansion phase**; that is a similar program but of much wider magnitude that will build up of the achievements realized with the Italian program. And it is exactly now that the most challenging part starts. That is to convince the international community, major and local donors, international and regional organizations that the outcomes of these last four years should not be wasted, but become the foundation of a much more ambitious program.

All efforts must be made to take together all interested parties and convince them of the benefits of the expansion phase. I assure you that I will do my outmost to convince my authorities of this and I call upon all other donors' representatives to do the same.

Let me finish by expressing heartfelt thanks to the organizers and wish all participants a very success Roundtable.

Thank you

**Opening Address by Hon. Luamanuvao Winnie Laban, Minister of Pacific Island
Affairs and Associate Minister of Trade for New Zealand**

Talofa lava, Malo e lelei, Fakaalofa lahi atu, Ni sa bula vinaka, Namaste, Kia orana, Ia Orana, Gud de tru olgeta, Taloha ni, Talofa, Kia ora tatou and Warm Pacific Greetings to you all this morning.

It is a pleasure to welcome you to Wellington for this meeting, the eleventh in this series of Round Tables, and the seventh to be held in Wellington. I also had the honour of opening the eight meeting held in 2005.

I believe that these roundtable meetings are a very useful capacity-building and awareness-raising activity, and I would like to congratulate the organisers for their continuing enthusiasm and commitment to this event.

Although only four Pacific Island countries are WTO members – and we hope Samoa will join them soon - it is necessary for all of us to be aware of WTO provisions and of developments in multilateral trade negotiations. All regions are affected in one way or another by the global trading system.

The Doha Development Round has had some difficult patches, and it seems we may be currently back in that territory at the moment. Unfortunately Ministerial-level talks in the second half of July in Geneva failed to achieve an outcome. That breakdown is intensely disappointing, because we were closer than we ever have been to a deal for liberalising agricultural and industrial goods trade.

The fundamental question remains whether talks broke down because a few key WTO members were unable to bridge the gaps on technical aspects of an agricultural safeguard for developing countries, or whether this was symptomatic of a larger gap in ambition.

There has also been a lot of political activity over recent weeks with Brazil's President Lula pressing for high-level engagement. My colleague Trade Minister Phil Goff has been active in making contact with the key players, and has been on the phone to his ministerial colleagues in Washington, Canberra, and Brussels. He met the Brazilian Foreign Minister in Auckland, and remains in close touch with WTO Director General Pascal Lamy.

The message we are hearing is that there is wide political agreement that there should be efforts to wrap up a deal by the end of the year. There are looming election deadlines in Washington and New Delhi which add a sense of urgency. We will be doing our part to support a resumption of negotiations.

I recently attended the Forum Trade Ministers' meeting in Rarotonga, where the focus was on opportunities to enhance regional trade and economic integration. The original PACER Agreement recognised the important role which regional trade and economic integration has to play in helping Pacific economies deal with the phenomenon of globalisation.

Globalisation comes with immense benefits as markets expand for Pacific exports and Pacific people are able to purchase a wider range of goods, at vastly cheaper prices. But global interdependence has its risks too, and the potential for a global economic downturn to affect the Pacific is greater than it ever has been before. The effects of rising food and fuel prices show that globalisation affects even the smallest and most isolated of our Pacific neighbours.

While SPARTECA and PICTA have helped Island countries to meet the challenges which globalisation poses, their impact is limited due to the nature of the agreements. At the Forum Trade Ministers meeting, Ministers from around the Pacific affirmed their view that PACER Plus would be more than a typical FTA, with sufficient flexibility to take account of different capacity, country contexts, and stages of development in the region.

It stands to reason that a comprehensive agreement will best serve to enhance trade and economic integration to the point where it is supportive of sustainable development in the Forum Island countries, promoting economic prosperity and creating jobs.

As Forum members continue to work towards PACER Plus, New Zealand is committed to continuing and enhancing our support for regional trade through the Regional Trade Facilitation Programme, commonly known as RTFP. RTFP has four main components - quarantine; standards and conformance; customs; and trade facilitation.

At the Forum Trade Ministers meeting I was pleased to be able to announce an additional NZ\$500,000 to support the remainder of the programme through to 2009/2010. A review of the programme, and a newly formalised steering committee, will make recommendations on the shape and funding of the programme after that time.

New Zealand also provides assistance to trade facilitation from other parts of NZAID's programme including support to the Pacific Islands Trade and Investment Commission (PITIC) in Auckland and support for PC Trade (customs automation software) throughout the region.

Some Pacific Island countries have also prioritised trade facilitation assistance in bilateral programmes. NZAID has funded the attendance of the Pacific representatives to this roundtable while the Ministry of Agriculture and Forestry, Ministry of Foreign Affairs and Trade, and the Ministry of Fisheries have contributed their resources in terms of staff time and expertise.

I'm pleased to see that again this year there is a day dedicated to the particular interests of the fisheries sector. We all know that sustainability of the fisheries sector in the Pacific is crucial – economically, culturally and socially.

New Zealand has led calls in the WTO for a broad prohibition on fisheries subsidies. The case is clear - subsidies that encourage over-capacity in the sector, and additional fishing effort make no sense given the crisis in world fish stocks.

We in the Pacific share a common interest in disciplining fisheries subsidies, both to ensure that fishery resources are available to future generations and to take advantage of fair trade opportunities for our unsubsidised fleets.

New Zealand is keen to see an outcome that addresses sustainability concerns and also helps Pacific Island countries and other developing nations to realise the full economic potential from their fisheries resources.

New Zealand is committed to supporting opportunities to develop trade capacity amongst all trade stakeholders in the Pacific.

At the Forum Trade Ministers meeting in Rarotonga I announced New Zealand's support for a trade capacity building programme designed specifically for non-state players. This programme will target the private sector, NGOs and civil society, helping these groups to better understand and engage on trade policy. NZAID is currently working on the design of this programme with the intention of having it running in 2009.

I know you have lots to talk about. I encourage you to participate actively in all the deliberations - lively discussion and sharing of experiences will maximise the value of this event.

I wish you all well in this meeting. It is my honour and pleasure to declare this Eleventh Round Table meeting officially open.

Thank you.

MEETING AGENDA AND PROGRAMME

SESSION/TIME	TOPICS	SPEAKERS
DAY 1		
8:30am-9:00am	Registration	
9:00am-9:30am	Official Opening Welcome Address: Mr. Vili A. Fuavao, FAO Subregional Representative for the Pacific Statement by IFAD: Mr R. Hartman Statement by Italian Government: H.E. Gioacchino Trizzino, Italian Ambassador (read on his behalf) Opening Address: Hon Luamanuvao Winnie Laban, Minister of Pacific Island Affairs, Associate Minister of Trade, New Zealand	
9:30am-9:45am	Group Photo	
9:45am-10:15am	Morning Tea	
Session 1 10:15am-10:45am	Introduction (Facilitator: Mr V. Fuavao) <ul style="list-style-type: none"> Adoption of the Agenda, Working and Administrative Arrangements and Introduction of Participants 	Mr Schulz (FAO)
Session 2 10:45am-12:00am	WTO Doha Round Negotiations (Facilitator: Mr N. Fraser) <ul style="list-style-type: none"> Update on the current Status of WTO Agricultural Trade Negotiations and Outlook for 2009 	Mr Young (NZMAF) Ms Graham (NZMFAT)
12:00am-1.00pm	Lunch	
Session 3 1:30pm-3:00pm	WTO Accession and other Bilateral Trade Negotiations (Facilitator: Mr J. Morrison) <ul style="list-style-type: none"> Panel Discussion on WTO Accession and Experience of Membership (discussion led by a facilitator and based on specific lead questions)	Countries' Representatives
3:00pm-3:30pm	Afternoon Tea	

Session 4 3:30pm-5:00pm	Regional Trade Agreements (Facilitator: Mr. N. Fraser) <ul style="list-style-type: none"> • Update on PICTA / PACER <ul style="list-style-type: none"> – Issues related to PICTA – Issues related to PACER (incl. Review of RTFP) • Pacific ACP-EU Economic Partnership Agreement Negotiations <ul style="list-style-type: none"> - Status of Negotiation Process at National Level - Next Steps 	Ms Kempkers (NZMFAT) (Mr Antas/Ms Young) PIFS
DAY 2		
Session 5 8:30am-10:00pm	Soaring Food Prices (Facilitator: Ms N. Scialabba) <ul style="list-style-type: none"> • Perspectives of Soaring Food Prices: Causes, Impacts and responses 	Mr Hallam (FAO)
10:00am-10:30am	Morning Tea	
Session 5 cont. 10:30am-12:00pm	Soaring Food Prices (Facilitator: Ms N. Scialabba) <ul style="list-style-type: none"> • FAO Initiative on Soaring Food Prices (ISFP) • IFAD Initiative on Soaring Food Prices 	Mr Poonyth (FAO) Mr Bain Vete (IFAD)
12:00am-1:00pm	Lunch	
Session 6 1:00pm-3:00pm	Climate Change, Biofuel and the Impact on Food and Agriculture (Facilitator: Mr J. Morrison) <ul style="list-style-type: none"> • FAO High Level Conference on Climate change and food Security • Case Studies on climate change in Cook Islands, Marshall Islands and Vanuatu 	Ms Scialabba (FAO) Mr Reti (FAO consultant)
3:00pm-3:30pm	Afternoon Tea	
Session 7 3:30pm-5:00pm	Forestry and Trade (Facilitator: Mr. I. Reti) <ul style="list-style-type: none"> • Illegal Logging • Sustainable Forestry • Non Wood Forest Products 	Ms Avery (NZMAF) Ms Irvine (NZMAF) Mr Mathias (FAO)

DAY 3		
PARALLEL SUB-GROUP SESSIONS FOR AGRICULTURE AND FISHERIES BEGIN		
DAY 3 SESSIONS FOR AGRICULTURE		
Session 8 (For Agriculture) 8:30am-10:00am	Development of Sector Strategy: Fruit and Vegetable (Facilitator: Mr. D. Hallam) <ul style="list-style-type: none"> Value Chain Analysis: Concepts, approaches and use in the Pacific Fruit & Vegetable Sector Strategy Development (All ACP Agricultural Commodity Programme) Organic Agriculture 	Mr Morrison (FAO) Mr Morrison (FAO) Ms Scialabba (FAO)
10:00am-10:30am	Morning Tea	
Session 9 (For Agriculture) 10.30am-12:00am	Market Outlook, Potential and Challenges for Agricultural Exports in the Pacific (Facilitator: Mr K. Pouono) <ul style="list-style-type: none"> Market Outlook for Agricultural Exports in the South Pacific: Potential and Challenges Exporting Organic Products: Virgin Coconut Oil (Samoa Case Study) Development of Regional certification Standard for Organic Agriculture (IFAD/IFOAM) 	Mr Sio (Samoa Farmers Association) Ms Tafuna'I (WIBDIS) Ms Tafuna'I (WIBDIS)
12:00am-1:00pm	Lunch	
Session 10 (For Agriculture) 1:00pm – 3:00pm	Biosecurity and Trade Facilitation (Facilitator: Mr N. Mataio) <ul style="list-style-type: none"> Current Situation in the Pacific Capacities of Biosecurity Services in PICs Exploring Market Opportunities for Exporting Coconut Embryos 	Mr Fakava (NZMAF) Mr Masamdu (SPC) Mr Purea (FAO)
3:00pm-3:30pm	Afternoon Tea	
Session 11 (For Agriculture) 3:30pm-5:00pm	Codex, Food Standards and Food Safety (Facilitator: Mr. F. Sengebau) <ul style="list-style-type: none"> Update on current developments Codex and food safety related issues of interest to the region 	Mr Schulz (FAO) Mr Rajasekar (NZFSA)
DAY 3 SESSIONS FOR FISHERIES		
Session 8 (For Fisheries)	Emerging Issues in Fisheries Development and Fish Trade (Facilitator: Mr. R. Cain)	

8:30am-10:00am	<ul style="list-style-type: none"> Overview of Global Trends and Issues in Fisheries Development and Fish Trade Tuna Fisheries Development and Management in the Pacific region: the Forum Fisheries Agency and the Western and Central Pacific Fisheries Commission 	Mr Izumi (FAO) Mr Rodwell (FFA)
10:00am-10:30am	Morning Tea	
Session 9 (For Fisheries) 10:30am-12:00am	Market & Preferential Access and Fisheries Subsidies (Facilitator: Mr. S. Tuilacala) <ul style="list-style-type: none"> Status of the Fisheries Subsidies Negotiations 	Mr Brown (NZMFish)
12:00am-1:00pm	Lunch	
Session 10 (For Fisheries) 1:00pm-3:00pm	Market & Preferential Access and Fisheries Subsidies (Cont.) (Facilitator: Ms N. Tupou) <ul style="list-style-type: none"> Market Potentials and Status of Pacific Tuna Exports Pacific ACP-EU Economic Partnership Agreement Fish Export to EU (Fiji perspective) 	Mr Rodwell (FFA) Mr Rodwell (FFA) Mr Tuilacala (Fiji)
3:00pm-3:30pm	Afternoon Tea	
Session 11 (For Fisheries) 3:30pm-5:00pm	Quality, Safety and Certification Aspects for Fish Trade (Facilitator: Mr. L. Rodwell) <ul style="list-style-type: none"> Certification and Ecolabelling in Fisheries MSC Certification in WCPFC CITES and OIE issues – case of giant clams export to Europe from PICs Risk assessment in aquaculture development – trans-boundary movement of live aquatic animals 	Mr Brown (NZMFish) Mr Rodwell (FFA) Mr Izumi (FAO) Mr Izumi (FAO)
MORNING DAY 4		
Session 12 8:30am-10:00am	FAO Regional Programme for Food Security (Facilitator: Mr. B. Sorenson) <ul style="list-style-type: none"> RPFS (Extension Phase) & Food Security and Sustainable Livelihood Programme (FSSLP) in the Pacific Island Countries 	Mr Crawley (FAO) Mr Fuavao (FAO)
10:00am-10:30am	Morning Tea	
Session 13	Regional Food Security Initiatives (Facilitator: Mr. R. Hartman)	

10:30am-12:00am	<ul style="list-style-type: none"> • IFAD Mainstreaming Rural Development Innovations Programme in the Pacific (MORDI) 	Mr Taomia Mr Tororo Mr Robinson Mr Patolo (MORDI)
12:00am-1:00pm	Lunch	
AFTERNOON DAY 4		
Session 14 1:00pm-2:00pm	Regional Trade Development Assistance Programmes (Facilitator : Mr. V. Fuavao) <ul style="list-style-type: none"> • Update by Development Partners on Respective Programmes • SPC FACT: Facilitating Agricultural Commodity Trade 	Ms J. Young (PIFS) Mr J. Fuavao (PITIC) Ms V. Plater (NZAID) Mr G. Vinning (FACT)
Session 15 2:00pm-3:00pm	Evaluation, Wrap Up and Closing (Facilitator: V. Fuavao) <ul style="list-style-type: none"> • Programme for field trip in Auckland • Evaluation • Closing Remarks 	PITIC FAO
3:00pm-3:30pm	Afternoon Tea	
Departure for Auckland		
DAY 5: FIELD VISIT (IN AUCKLAND)		
	Programme organized by PITIC	

PROGRAMME FOR FIELD VISITS (19TH SEPTEMBER 2008)

AGRICULTURE TOUR

TIME	PLACE
08:30am	Depart Hotel
09:00am	MAF Ports of Auckland Office 23 Quay Street, Central Auckland Contact: Mike Hogg Tel: 029 9098629
10:30am	Depart Ports of Auckland
11:00am	Turners & Growers Monahan Road, Mt Wellington Contact: Gordon Hogg Tel: 025 942 382 Objective of this visit will be to look at how successful exporters package produce for export. Delegates will get to see Turners & Growers preparing a sea container of produce for export as well as see the state of imported produce on arrival.
12:30pm	Depart Turners & Growers
01:00pm	COMBINED LUNCH at Vertigo Restaurant Mercure Hotel, Customs Street, Central Auckland
03:00pm	FINISH

PROGRAMME FOR FIELD VISITS (19TH SEPTEMBER 2008)

FISHERIES TOUR

TIME	PLACE
05.45am	Depart Hotel
06.00am	Auckland Fish Market
06.40am	Depart Auckland Fish Market
06.50am	Arrive Hotel for Delegates to have Breakfast
07.30am	Depart Hotel for Warkworth
09:00am	Leigh Fisheries, 10 Pakakri Road, Leigh, Contact: Greg Bishop Tel: 09 422 6424
09:45am	Depart Leigh Fisheries
10:05am	Mahurangi Technical Institute (MTI), 29 Woodcocks Rd, Warkworth Aquaculture Facility, E Block, Contact: Paul Decker (MTI Director) or Tagried Kurwie (Head Scientist) Tel: 09 425 8493
11:15am	Depart Mahurangi Technical Institute (MTI)
01:00pm	COMBINED LUNCH at Vertigo Restaurant Mercure Hotel, Customs Street, Central Auckland
03:00pm	FINISH