To: Forum Island Countries (FICs)

Date: 14 February 2019

From: Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
       World Trade Organization, and Other International Organizations in Geneva

Subject: PIF-Geneva Update 6/2018

Please find attached, for your records, an update on Trade Negotiations and Aid-for-Trade activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in November-December 2018.

2. For further clarifications or follow-up on Trade Negotiations, please contact Mr. Alex Kerangpuna, Trade Policy Officer, on alex.kerangpuna@pifs-geneva.ch

3. For further clarifications or follow-up on Aid-for-Trade, please contact Mr. Andrea Giacomelli, Trade Policy and Aid-for-Trade Adviser on andrea.giacomelli@pifs-geneva.ch

Mere FALEMAKA

Ambassador

PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
1. BACKGROUND

The Pacific Islands Forum Geneva Office (PIF-GVA) comprises two sections: Trade Negotiations and Aid-for-Trade (AfT). The Trade Negotiations Section provides strategic policy and technical advice on multilateral trade issues to Forum Islands Countries (FICs) which are members of the World Trade Organization (WTO), and coordinates their participation in multilateral negotiations. The AfT Section assists FICs to make a better use of AfT opportunities provided by Geneva and Europe-based organisations and promotes their trade-related interests and needs.

2. TRADE NEGOTIATIONS & REPRESENTATION

As per the Work Program submitted by the Chair of the Rules Negotiating Group, WTO Members continued to intensify discussion during the November and December clusters of meetings on fisheries subsidies. The following elements were discussed: Illegal, Unreported and Unregulated (IUU) Fishing; overfished stocks; overcapacity and overfishing; Special and Differential Treatment (SDT); transparency; and standstill. Despite the efforts to intensify discussion, there was very little achieved in terms of progressing the legal text (W/274). Members are committed to do more to meet the deadline of concluding negotiations in 2019.

PIF-GVA sent five circulars on the main meetings and negotiations at the WTO, including (i) PIFS-WTO-World Bank workshop on trade facilitation; (ii) state of play on the WTO fisheries subsidies negotiations; (iii) General Council meeting held in December 2018; (iv) WTO reform; and (v) Trade Negotiation Committee (TNC) meeting held in October 2018. The Office interacted with individual FIC officials on technical WTO and trade-related issues, and provided a technical briefing to capital-based officials who attended the 37th WTO Geneva Week.

The Office prepared and delivered the Pacific statement at the December TNC meeting, and held bilateral meetings with representatives of the co-sponsors of new initiatives such as e-commerce, and WTO reform to gain a deeper understanding of these Members’ views.

Ambassador FALEMAKA presented the Pacific perspective on Fisheries Subsidies at the Sustainable Blue Economy Conference in Nairobi, Kenya, on 26 November 2018.

3. AID-FOR-TRADE ACTIVITIES

3.1 Networking

As of 31 October 2018, the Office’s database included 160 Aid-for-Trade connections.

3.2 Representation

On the 14 December 2018 the Office attended the second Symposium on Trade and Natural Disasters. The purpose of the symposium was to discuss ways in which the trade dimension can support disaster response, recovery and resilience. On that occasion, the WTO presented the preliminary scoping of an Australian-funded research on this subject. Preliminary findings of the WTO research will be presented in April 2019, whilst research report will be launched in July 2019 at the Aid-for-Trade Global Review.

3.3 Projects

3.3.1 Implemented

PIF-GVA coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund (TAF). Under output 1 of the TAF project (Geneva Weeks), the TAF team provided briefings face-to-face sessions at the start of the December’s Geneva Week, in particular covering fisheries subsidies, WTO reform, e-commerce and agriculture. Under Output 2 (coordination) the Pacific Group held their second quarterly strategy meeting on 11 December. Under output 3 (technical advice), support has continued to centre on fisheries subsidies negotiations.
In November and December 2018, the PIF Geneva Office undertook the procurement process for the provision of technical assistance to support PNG’s WTO Trade Policy Review. An independent consultant was selected for the assignment and will commence work in January 2019.

In December 2018 preparations commenced to support an e-Commerce Readiness Assessment for Tonga.

The summary document of the October 2018 Trade Facilitation workshop organised by the PIF Geneva Office, the World Bank Group, and the WTO Trade Facilitation Agreement Facility was circulated in December 2018, and is attached to this document as Annex 1

3.3.2 Completed/Secured

The Office secured technical assistance from the German Government implemented by the Physikalisch-Technische Bundesanstalt (PTB) for a survey to provide an update on the state of play of Quality Infrastructure in the Pacific. The assistance is worth about USD 20,000. The survey will be distributed to FICs in the coming months and its results will be presented during a regional workshop which will take place in the second or third quarter of 2019.

3.3.3 Ongoing

The three TradeCom project proposals submitted by FICs with support from PIF-GVA were prioritised by the TradeCom Project Management Unit, but are still to be assessed by the EU.

3.4. Apply! Demand-driven Aid-for-Trade facilities accepting applications

(1) TradeCom II (2) Trade Advocacy Fund II (3) Standards Trade and Development Facility (4) Global Alliance for Trade Facilitation (5) Fit for Market (6) SIDLEY Emerging Enterprises

3.5 Did you know? Aid-for-Trade secured in 2018

In 2018 PIF Geneva Office has supported FICs to secure Aid-for-Trade projects worth USD 1,478,500. A disaggregation of this amount by donor partner is provided below.

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>AID-FOR-TRADE (USD)</th>
</tr>
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<tbody>
<tr>
<td>EU TradeCom Program</td>
<td>537,000</td>
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<tr>
<td>UK Trade Advocacy Fund 2</td>
<td>507,500</td>
</tr>
<tr>
<td>World Trade Organisation</td>
<td>189,000</td>
</tr>
<tr>
<td>Enhanced Integrated Framework (thorough UNCTAD)</td>
<td>120,000</td>
</tr>
<tr>
<td>Australian Mission in Geneva</td>
<td>47,000</td>
</tr>
<tr>
<td>Standards Trade and Development Facility (STDF)</td>
<td>38,000</td>
</tr>
<tr>
<td>World Bank Group</td>
<td>35,000</td>
</tr>
<tr>
<td>Physikalisch-Technische Bundesanstalt (PTB, Germany)</td>
<td>20,000</td>
</tr>
<tr>
<td>Global Alliance on Trade Facilitation</td>
<td>5,000</td>
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<tr>
<td>TOTAL</td>
<td>1,498,500</td>
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Report on the Pacific Islands Workshop on Trade Facilitation

WTO, Geneva Switzerland – 11 October 2018

A. Introduction

1. The PIF Geneva Office, the WTO Secretariat and the World Bank co-hosted the Workshop on 11 October 2018 at the WTO Secretariat in the margins of the WTO Trade Facilitation Workshop and Committee Meeting that was held between the 9-11 October 2018.

B. Background

2. The Pacific Members that participated in the Workshop were Federated States of Micronesia (FSM), Kiribati, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. The WTO funded one representative from each of the five WTO Members present. The World Bank funded two participants each from the four non-WTO Members. A List of the participants is attached.

3. There were five participants from the WTO Member countries (Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu), and eight (ie, two per country) from the non-Pacific WTO Members (Kiribati, FSM, Palau, and Tuvalu). The WTO funded the five WTO Members participants, and the World Bank funded the non-WTO Members participants.

4. Apart from the WTO Secretariat and the World Bank, the development partners ‘representatives that attended the Workshop were; Australia, World Customs organisation (WCO), Standards and Trade Development Facility (STDF), Enhanced Integrated Framework (EIF), and International Trade Centre (ITC), World Customs Organisation (WCO), UNCTAD, and the UN Office of High Representative for SIDs, Landlocked countries and LDCs (UNOHRSLL). The development partners were invited to share information on technical assistance programs their respective organisations are providing to build the capacity of the developing countries on the Trade Facilitation. The representatives also provided information on the services that the Pacific countries could benefit from in future.

5. Mr Bill Gain from the World Bank chaired the meeting. He welcomed the Pacific Trade officials and extended a welcome to the development partners. Mr Gain then invited Ambassador Mere Falemaka of the Pacific Islands Forum Geneva Office to open the Workshop. The Opening Statement of Ambassador Falemaka is attached.

6. In welcoming the Pacific Officials, Ambassador Falemaka thanked the World Bank and the WTO Secretariat for helping to organise the Workshop and for funding the Pacific-focused side event for the Pacific countries. She stressed that TF was important to all Pacific members irrespective of whether they are WTO Members or not as many of them depend on trade and imported inputs for their export industries as well as to trade under the various regional trade agreements they have. She informed the participants that the objectives of the workshop, were to: (i) assist the Forum Island Countries with the implementation of the Trade Facilitation Agreement; and (ii) to help build the capacity of the Forum Island
Countries Officials in engaging with external partners that could aid on Trade Facilitation issues.

7. On the state of play of the Trade Facilitation Agreement implementation, all 6 Members have submitted notifications with 5 Members completing notifications for all categories – A, B, and C. One member, Papua New Guinea, has submitted notification of category A and is working on finalizing categories B and C. On Ratifications – 3 Members – Samoa, Fiji and Papua New Guinea have ratified the TFA and the other 3 are still at different stages of completing ratifications.

8. The Pacific members made a presentation of their trade facilitation challenges and the needs.

9. The development partners made interventions to highlight the types of assistances they have been providing and areas that the Pacific Island Countries could access if they wanted to address their challenges on the Trade Facilitation.

C. Key issues resulting from the discussion

10. Provided are some of the issues that participants had raised in their country presentations:

- The meeting noted that all six WTO Members have submitted Notifications with five that have submitted notifications on all three categories A, B and C. Only one Member (PNG) submitted only Category A and is finalising categories B and C;
- Three Members; Samoa, Fiji and Papua New Guinea have ratified the TF Agreement;
- Three Members (the Solomon Islands, Tonga and Vanuatu) are at different stages of completing the domestic processes to ratify the TF Agreement. Members were reminded about the notifications of categories that they could shift B between C but will not change A once they make the Notification;
- The meeting noted that the TF Agreement could contribute towards addressing the high trade costs of the island countries due to the smallness and isolations to major markets, and issues such as the non-tariff barriers to enable Members to participate and benefit from the international trading system;
- Members raised concerns about the resistance to change, particularly by the boarder agencies that need targeted capacity building assistance through coalition-building workshop by development donors;
- Some participants raised concerns about the lack of positive response from the private sector, partly due to lack of cooperation among the private sectors and lack of understanding of the benefits of the trade facilitation. Private sector should participate in national workshops on TF;
- The priorities of the trade facilitation challenges that the WTO Members have in common were: Article 1: Publication and availability of information, Article 2.2
Consultation Article 3: Advance ruling, Article 7.1: Pre-Arrival Processing; Article 7.4: Risk Management; Article 8, Border Agency cooperation and Article 10. Formalities connected with importation, Exportation and transit. Some pointed out the single window as priority and status of the national undertaking and International Standard. These common issues could potentially require a regional solution for countries in future, similar to other regional groupings from the developing countries;

- The non-WTO Pacific Members provided updates on the different level of compliance with their obligations in the Kyoto protocol, to which they are a party. Many acknowledged that the provisions of the Revised Kyoto Convention, for example, Advance ruling, Boarder agencies cooperation, Risk management are similar to the TFA. They have similar challenges like the WTO Members in the implementation of the Trade Facilitation obligations, and they expressed the desire for the donors to consider assisting them. The common TF challenges that the non-WTO countries faced are; Boarder agency cooperation, lack of understanding/lack of cooperation from the private sector and trade facilitation infrastructure;

- Some of the participants highlighted gaps in SPS/biosecurity capacity, which hinder trade and increase transaction costs. Several of the priorities discussed related to the need to improve collaboration across all border management agencies (including Customs and SPS agencies), to align border processes and streamline procedures, to promote the use of risk-based approaches in SPS/biosecurity agencies, and to develop regional approaches. The lack of cooperation among boarder agencies was one of the common challenges that the participants highlighted in their presentations. It was noted that national consultations, headed by the Trade Departments, in bringing together the boarder agencies, could help them to work together in implementing the TFA. The participants stressed that more effort was needed in synchronising the capacity of the boarder agencies, for example, ensuring the biosecurity (quarantine agencies) have common internet portal or ASYCUDA at the Customs agencies to streamline documents and cut costs on paper, time and improve the procedures involved; and

- Countries also provided an overview of their trade policies. Some Members have enacted national trade policies that are guiding their trade reforms, and some have established National Trade Facilitation committees as sub-committees under the national trade development committees (as per Article 23: Institutional Arrangements of the TFA) to help co-ordinate the implementation of the TFA. Samoa informed the meeting about the loss in preferential access for some of their exports as a result of its graduation from LDC status to developing, a real challenge for Vanuatu and Solomon Islands in future.

D. Donors Presentation

11. Australia’s representative assured the Pacific Islands countries of the Australian government commitment to support the Pacific TFA Needs. At the same Australia urged the Pacific countries to utilise different opportunities offered by different international organisations, including those organisations present at the workshop, many of whom Australia is providing funding to. The representative also informed the meeting about the
A$7m Australia-New Zealand funded ‘PACER Plus Readiness Package’ and A$25m PACER Plus Implementation Package, which would include trade-facilitation capacity building.

12. The other development partners provided brief on the types of assistance they are providing to address developing countries trade facilitation needs. The World Bank, STDF, UNCTAD, WCO and ITC briefed the participants about the work they are doing to assist Pacific Island countries, and urge the countries not benefiting from such assistance to explore how they could benefit from these assistances.

13. The examples of the assistances provided by these respective development partners are reflected in the Annex.

E. Conclusion

14. The chair thanked the participants and development partners for their fruitful discussions. Ambassador Falemaka closed the meeting and said the presentations demonstrated that countries are at different stages of the Trade facilitation implementation. She urged countries to take note of the different assistance that the development partners are providing and utilise them in order to address their trade facilitation challenges that they had highlighted in the presentations. Ambassador Falemaka assured both the donor partners and participants that PIFS is available to link the two parties, in ensuring that the Pacific Island countries secure necessary TF assistance.
# ANNEX - TYPES OF TRADE FACILITATION ASSISTANCES PROVIDED BY DEVELOPMENT PARTNERS

<table>
<thead>
<tr>
<th>DEVELOPMENT PARTNER</th>
<th>FACILITY</th>
<th>NATURE OF FACILITY</th>
<th>CONTACT POINTS</th>
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<tbody>
<tr>
<td>WORLD TRADE ORGANISATION</td>
<td>Trade Facilitation Facility</td>
<td>(i) Project preparation grants at a maximum value of US$30,000. Project Implementation of Category C (ii) Project Implementation of up to USD200,000</td>
<td>Ms. Sheri Rosenow Counsellor WTO Secretariat Email: <a href="mailto:Rsheri.rosenow@wto.org">Rsheri.rosenow@wto.org</a> Website: <a href="http://www.tfafacility.org/grant-program">http://www.tfafacility.org/grant-program</a></td>
</tr>
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</table>
| AUSTRALIA | Department of Foreign Affairs and Trade (DFAT) | Australia is providing funding to a number of facilities providing TF support. These include:  
- WTO Trade Facilitation Agreement Facility  
- World Bank Trade Facilitation Support Program  
- Global Alliance on Trade Facilitation  
- PACER Plus  
- Enhanced Integrated Framework (EIF)  
- Standards and Trade Development Facility (STDF)  
- Pacific Islands Forum Secretariat (PIFS)  
- Pacific Trade and Invest | Mr Oliver Doraisamy  
Second Secretary, Australian Permanent Mission to the WTO  
[Oliver.doraisamy@dfat.gov.au](mailto:Oliver.doraisamy@dfat.gov.au)  
Mr Andrew Lloyd  
Assistant Director, Multilateral Aid for Trade Section  
Department of Foreign Affairs and Trade  
[Andrew.lloyd@dfat.gov.au](mailto:Andrew.lloyd@dfat.gov.au) |
The STDF is a global partnership (established by FAO, OIE, WHO, WTO and the WBG) that helps developing countries to gain and maintain access to markets by tackling sanitary and phytosanitary gaps (SPS).

[www.standardsfacility.org](http://www.standardsfacility.org)

**Project Preparation Grants** (PPGs) of up to US$50,000 are available to prepare project proposals, apply SPS-related capacity evaluation and prioritization tools or prepare feasibility studies that precede project development.

**Project grants** are available to address SPS gaps and opportunities and facilitate trade. Preference is given to projects that are innovative, collaborative, regional and that identify, develop and disseminate good practice. Application forms, eligibility criteria and details on how to apply are available on the STDF website.

STDF’s thematic work provides good practice and recommendations to improve SPS capacity and facilitate safe trade. This includes guidance to build SPS capacity to facilitate safe trade (including to promote risk-based approaches, enhance cooperation between SPS and Customs agencies, and support electronic SPS certification).

Examples of recent PPGs and projects benefitting the Pacific region include:

- **STDF/PPG/461**: Ongoing PPG, implemented by Kalang Consulting, to identify and analyse options to establish a Regional SPS Platform for the Pacific.
- **STDF/PPG/657**: Ongoing PPG in Kiribati to assess the costs, benefits and feasibility of support to food safety and laboratory capacity.
- **STDF/PPG/Niue**: Recently approved PPG to assess the feasibility and SPS requirements to establish a bee sanctuary in Niue.
- **STDF/PG/521**: Ongoing project in the Solomon Islands to build capacity of the National Public Health Laboratory to conduct microbiological testing and facilitate fish exports. Project implemented by FAO. STDF contribution: US$355,408.
- **STDF/PG/553**: Ongoing project in Papua New Guinea to improve SPS capacity and competitiveness of cocoa exports.

**Mr Melvin Spreij**
Counsellor & Head of the STDF Secretariat.
Email: [Melvin.Spreij@wto.org](mailto:Melvin.Spreij@wto.org)

**Ms Marlynne Hopper**
Deputy Head of the STDF Secretariat Email: [Marlynne.Hopper@wto.org](mailto:Marlynne.Hopper@wto.org)
implemente by the Cocoa Board of PNG. STDF contribution: US$523,275.

- STDF/PG/504: **Samoa** is one of the pilot countries benefitting from the ongoing STDF-funded e-Phyto project, focused on the production, sending and receipt of electronic phytosanitary certificates. Project implemented by IPPC with other partners. STDF contribution: US$1,120,000.

| The other Development Partners that attended have not provided comments to include in this matrix. | }
OPENING STATEMENT BY MERE FALEMAKA, PIF PERMANENT REP TO WTO

1. Let me first of all welcome the Pacific Trade Officials to this Pacific Trade Facilitation Workshop. I wish to also welcome the presence of the development partners in this event.

2. On behalf of the Pacific Islands Forum Secretariat I wish to acknowledge the assistance of our partner institutions – the WTO Secretariat and the World Bank – that enabled us to organize this event for the Pacific Forum Island Countries who are WTO Members as well as to invite the four Pacific non-WTO members – the FSM, Palau, Kiribati and Tuvalu.

3. Trade Facilitation issues affect all Forum Island Countries, whether they are WTO Members or not. I am thankful to the ongoing assistance of the WTO and in particular, to the World Bank in its work in our non-WTO Members and to bring them alongside the WTO Members, to expose them to the TF work in the WTO and to participate in discussions with development partners in this event.

4. It is well recognised in the WTO that the Pacific region is a region with high trade costs owing to our smallness and isolation as well as to the range of non-tariff measures that we face. The Pacific Forum Island countries also recognise that the Trade Facilitation Agreement could contribute to lowering trade costs by improving the efficiency of border procedures. This is particularly important for Pacific Island countries that depend on trade and whose export industries are highly dependent on imported raw materials. TF also supports the regional trade agreements to which the FICs are signatories such as the MSGTA, Micronesian Trade Treaty, PICTA, PACER Plus and EPAs.

5. On the state of play of the Trade Facilitation Agreement in the Pacific WTO Members:
   a) On Notifications all 6 Members have submitted notifications with 5 Members completing notifications for all categories – A, B, and C. One member, Papua New Guinea, has submitted notification of category A and is working on categories B and C.
   b) On Ratifications – 3 Members – Samoa, Fiji and Papua New Guinea have ratified the TFA and the other 3 are still at different stages of completing ratifications.

6. This Pacific TF Workshop complements the TF activities that you have been attending this week, namely the TF Workshop and the TF Committee meetings. The Workshop have given you a better understanding of the TFA and the work of TFC regarding implementation.
7. When PIFS Geneva planned this event there were two objectives in mind:
   a) The first, is to assist the Forum Island Countries with the implementation of the Trade Facilitation Agreement; and
   b) Second, to help build the capacity of the Forum Island Countries Officials in engaging with external partners that could provide assistance on Trade Facilitation issues.

8. In preparation for this Workshop we requested Forum Island Countries to submit country reports indicating priority areas where challenges in the implementation of the TFA are being faced and where assistance is needed. I wish to thank the Pacific Officials for the responses we received. A quick glance at the country reports indicate a range of areas that pose challenges for implementation and where assistance is needed. These areas include provisions relating to publication and availability of information online, pre-arrival processing, detention, post-clearance audit, test procedures, single window design and operation, risk management, advanced ruling, electronic payments, international standards and economic operators. A common request in all these areas is training and capacity building for stakeholders.

9. These country reports have been shared with our development partners and will be presented and discussed at this clinic.

10. I therefore wish to encourage the Pacific Trade Officials to make good use of this opportunity to present your cases clearly and engage actively with partners.

11. With these brief remarks, I wish you all fruitful discussions and Thank you for your kind attention.

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