

Foreign Affairs & Trade Bulletin



Ministry of Foreign Affairs and Trade

Apr-Jun 2011

Samoan Artesian Water in China

Beijing, China (Samoa Embassy) - A Samoa based exporter of water, Pacific Water Company (PWC) Ltd, has begun its expedition on breaking into Asia's biggest market, China. PWC, the producer and exporter of *Samoa Artesian Water*, participated in the 4th China High-End Bottled Water Trade 2011 that was held in Shanghai from 27th to 29th April 2011. The trade show was held at the Everbright Convention and Exhibition Centre.

Over 100 companies from China and around the world participated in the exhibition. PWC was the only company from the Pacific Islands to attend. Other companies from the Asia-Pacific region included those from New Zealand (NZ), Taiwan and other neighboring Asian countries.

The participation of the Pacific Water Company was organized and facilitated by the Samoa Embassy in China with the aim of successfully exporting water to China. PWC is currently exporting to NZ, Australia, USA and

Canada and is now moving to penetrate the Asian market.

Samoa Artesian Water has a huge potential to enter the Chinese market successfully. There is currently a niche market for high quality water like *Samoa Artesian Water* as there are very few imported water products in China.



From left: First Secretary Louis Ofele Lene (Samoa Embassy, Beijing); Jeremy Bardsley (General Manager of Pacific Water Company); Lealailepule Rimoni Aiafi; Ambassador Tapusalaia Terry Toomata (Samoa Embassy, Beijing).

Samoa, as a dedicated partner of China, was granted duty free tariffs to 95% of its exports on a gradual basis whereby 60% of its commodities are currently granted duty free entry since July 2010 and will eventually be extended to 95% of Samoa's exports within a 3 year period. Under this scheme, bottled water is imported into China duty-free.

The arrangement is China's special preferential treatment for 33 LDCs who have diplomatic relations with China including Samoa. Other local commodities with great potential for export under this treatment include noni juice, honey and kava.◆



- ◆ Samoa Present at the Fourth UN Conference on LDCs
- ◆ IRENA Scholarship Programme
- ◆ LDCs and Productive Capacities
- ◆ Foreign Affairs and Trade Quiz
- ◆ The ACP-EU Support Programme to the ACP Cultural Sector
- ◆ USA Generalized System of Preferences
- ◆ MFAT/STA Touch Team 2011
- ◆ Joint ACP-EU Council of Ministers Meeting
- ◆ WTO Reference Centre Information

Our MFAT Bulletin is also available online at www.mfat.gov.ws

Third Aid For Trade Roundtable Meeting

The third meeting was organized by the Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Community in April at the Tanoa International Hotel Nadi.

The objectives were to provide direction and finalize key work programs such as the regional status analysis of trade facilitation programs, the refresh and renew of the Pacific Aid for Trade (Aft) Strategy, and the identification and mobilization of Aft funds. The following are some of the key issues discussed during the two day meet-

ing.

- ◆ The PIFS provided an update on the €30 million received (EU for April 2011 – 2014) for EDF-10 for the Strengthening Economic Integration through Trade (SPEITT) program. Its purpose is to improve economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and market access.

- ◆ An Aft unit will be set up under PIFS to assist Pacific Island Countries (PICs) and Timor-Leste to identify and secure additional Aft support from development partners.
- ◆ The Oceania Customs Organization also gave an update on its work programme, noting that the work started under the Regional Trade Facilitation Programme (RTFP) was incomplete, and development part-

Continue on next page

ners were asked to consider the provision of additional assistance to support the continuation and completion of this work. Some of this work includes customs automation in the Pacific region.

Extensive discussions were on the Renew and Refresh of the Pacific AfT Strategy which was mandated by PACP Trade Ministers in February in Apia, with the objective of clarifying and fine tuning its current form. The meeting agreed on:

- ◆ full ownership by PACPs of the renew and refresh process;
- ◆ the resulting Strategy needed to be

upheld;

- ◆ the strategy would be tabled for the PACP Trade Ministers for endorsement;
- ◆ other linkages such as involvement of Non State Actors and cross sectoral coverage needed re-looking and;
- ◆ synchronizing of existing AfT Strategy with national development strategies and projects.

One element highlighted was that donors had different requirements for project proposals and the Pacific AfT Strategy would work on streamlining these requirements.

The Pacific Trade and Development Facility (PTDF) is a long term mechanism to channel AfT resources to the region; and the revised PTDF has been circulated to members for comments. From a donor's perspective, the EU felt the PTDF was a useful tool in order for funds from EU and member states to be pooled together and to ensure better donor coordination.

Countries are awaiting the amendments to the AfT strategy by PIFS before finalization and tabling it for the Trade Ministers for approval.◆

Samoa Present at the Fourth UN Conference on LDCs

Delegations from Least Developed Countries (LDCs) convened at the Fourth United Nations (UN) Conference on Least Developed Countries (LDCs) in Istanbul, Turkey from the 9th to the 13th May 2011. Among them were Samoa's Prime Minister (PM), high level officials and private sector representatives.

The Hon. Tuilaepa Lufesoliai Sailele Malielegaoi expressed in his statement at the Conference that this occasion was of great significance to Samoa during their preparation to graduate from LDC status in 2014. Despite recent additional challenges, he added that Samoa is prepared to focus on a strategic direction to strengthen partnerships with the country's development partners.

The Istanbul Program of Action held interest to Samoa in terms of support measures for countries in transition towards graduation. The PM welcomed the call for commensurate support measures for graduating LDCs.

Tuilaepa expressed Samoa's readiness to continue and deepen dialogue with its development partners to set a realistic and consolidated pathway forward into the future. He also acknowledged that technical support from international agencies in

mapping out such pathways would be welcomed by Samoa.

The PM acknowledged Samoa's development partners' generous support in Samoa's transition towards LDC graduation. He also acknowledged the important roles played by national parliamentarians, civil society and private sector to help achieve national ownership of development in general.

As an LDC, Samoa must face the pervasive challenges involved; however, Samoa continues to require assistance from the international community for financial, technical and institutional support as well as a higher degree of preferential trade related treatment.

The PM stated that there is a need to find an appropriate and adequate mix of aid allocation between the social sector, infrastructure and productive sectors. This must reflect country priorities and be consistent with achieving the Millennium Development Goals and the Program of Action for LDCs. He acknowledged that there has been reinvestment in the agriculture sector in Samoa and increased investment in the tourism sector; and that these initiatives have been underpinned by the simultaneous development of human resources.

Tuilaepa stated that it has taken more

than a decade for Samoa to accede to the World Trade Organization (WTO). Improved market access will not be sufficient to improve trade in Samoa's case alone, when faced with supply-side constraints. He highlighted the Enhanced Integrated Facility for Trade for LDCs as a promising initiative, but urged that there was a need for expansion and for implementation to be expeditious.

The Istanbul Program of Action was described by the PM as an opportunity to strengthen and improve on international support measures for LDCs. He raised for consideration the notion that LDCs might be clustered so that there would be more targeted and tailor made responses to address particular common problems faced by certain countries, such as that of Small Island States who are vulnerable to environmental and economic shocks.

Climate change and its imminent impacts on LDCs were recommended for inclusion in the Program of Action. Also that support measures should include new global arrangements for climate change financing, especially adaptation financing, and that this must respond to the particular and differing needs and constraints of LDCs.

Finally, the need to enhance policy co-

Continue on page 5

IRENA Scholarship Programme

IRENA (International Renewable Energy Agency) is calling for applications for the IRENA Scholarship Programme at the prestigious MASDAR Institute for Science and Technology in Abu Dhabi, which was established in cooperation with the Massachusetts Institute of Technology (MIT).

With the generous support of the Government of the United Arab Emirates, up

to 20 scholarships are offered to interested Master of Science students in eight areas such as Electrical Power Engineering, Water and Environmental Engineering, and Engineering Systems and Management.

Special consideration will be given to applicants from developing countries in order to support countries that are severely affected by today's challenges such as en-

ergy access, energy security and climate change.

Please find further information on the Scholarship Programme, entry requirements and the selection process on the IRENA website (www.irena.org) or contact the following email address: scholars@irena.org.◆

LDCs and Productive Capacities

Least Developed Country (LDC) is the name given to a country which, according to the United Nations, exhibits the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. The concept of LDCs originated in the late 1960s and the first group of LDCs was listed by the UN in its resolution 2768 (XXVI) of 18 November 1971. A country is classified as a Least Developed Country if it meets the three criteria:

- ◆ Low income
- ◆ Human resource weakness
- ◆ Economic vulnerability (based on agricultural production, instability of exports of goods and services, economic importance of non-traditional activities, merchandise export concentration, handicap of economic smallness, and the percentage of population displaced by natural disasters)

LDC criteria are reviewed every three years by the Committee for Development Policy (CDP) of the UN Economic and Social Council (ECOSOC). Countries may “graduate” out of the LDC classification when indicators exceed these criterias. The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS) coordinates UN support and provides advocacy services for Least Developed Countries. The classification currently (as of 1 January 2011) applies to 48 countries.

Since the LDC category was initiated, only three countries have graduated to

developing country status. The first country to graduate from LDC status was Botswana in 1994. The second country was Cape Verde, in 2007. Maldives became the third country to graduate to *developing country* status on 1 January 2011. In 2011 the UN suggested that Equatorial Guinea, Samoa, Tuvalu, and Vanuatu are among the candidates for promotion from LDC status. At the UN’s fourth conference on LDCs held in May 2011, delegates endorsed a goal targeting the promotion of at least half the current LDC countries within the next ten years.

As part of its initiative to disseminate the findings of its Report on the LDCs, UNCTAD’s Division for Africa, Least Developed Countries and Special Programmes (ALDC) organized a series of regional workshops on “Productive Capacities, Economic Growth and Poverty Reduction”. The first workshop, for East and South African LDCs, was held in Addis Ababa on 22-23 February 2007.

The second workshop, for Central and West African LDCs, was held in Dakar on 27-28 February 2008. The third workshop, for Asian LDCs, was held in Phnom Penh on 28-30 October 2008. The fourth workshop, for Asian and Pacific LDCs, took place in Kathmandu on 22-24 March 2011. The workshop included representatives and Trade Officials from LDC countries Samoa, Timor Leste, Myanmar, Nepal, Bangladesh, Laos and Cambodia. In addition to this, representatives from UNCTAD’s African LDC division were also facilitating participants.

With specific focus on LDCs, the main objectives of the workshop were to provide an opportunity for UNCTAD to share its

knowledge about economic development and poverty reduction in LDCs. It also provided an opportunity for UNCTAD to learn from the experiences with poverty reduction strategies in the LDCs. The workshop aimed to provoke fresh thinking about development strategies and poverty reduction in the LDCs by both Governments and their development partners.

All developing countries, but in particular the LDCs, are facing a multi-prolonged global crisis: food, energy and climate crises, compounded by a severe economic crisis. Moreover, structural vulnerabilities render the LDCs more prone to crises than most developed and other developing countries.

It was generally agreed that developing countries, particularly the LDCs, need to have access to additional sources of external funding, especially during the recovery phase of the crisis. The external funding would provide credit and liquidity funding for infrastructure investments, climate change mitigation, government support, public and private investments that could facilitate corporate borrowings and long term development of their productive capacities. New and innovative sources and uses of finance need to be elaborated and found quickly in order to avoid further deepening of the crisis or creating a lost decade of development.

The development and utilization of productive capacities should be the primary focus of national and international policies to promote development and poverty reduction in LDCs. It requires good development governance at the national level and new

Continue on page 7

Foreign Affairs & Trade Quiz!!!

1. How many overseas missions does the Samoa Ministry of Foreign Affairs and Trade have?
2. Who is the Minister responsible for Trade Negotiations for Samoa?
3. What does PICTA stand for?
4. Who is the High Commissioner of Australia to Samoa?
5. What is the name of the bottled water produced and exported by Pacific Water Company Ltd?
6. What UN committee is responsible for reviewing and granting Least Developed Country status?



Answers are at the bottom of the next page

The ACP-EU Support Programme to the ACP Cultural Sector

Brussels, Belgium (Samoa Embassy) - An information session on the ACP-EU Support Programme for the ACP Cultural sector was held at the ACP Secretariat building on Wednesday 23 March 2011. It was attended by representatives from several Embassies in Brussels as well as from the film and culture industries in Europe.

The ACP Secretariat and Europe Aid presented the requirements of the support programme and the following is a summary of the key issues during the session:

Objectives:

- ◆ Enhancement of the creation and production of cultural goods and services in the ACP States in an interregional ACP context;
- ◆ Support for better access to local, regional, intra-ACP, European and international markets for ACP cultural goods and services;
- ◆ Strengthening of the capacities of cultural stakeholders, operators and entrepreneurs in the ACP States.

Priorities:

- ◆ Special attention will be given to actions whose partnership includes the Caribbean and/or Pacific regions due to their special geographical situation;
- ◆ Intra-ACP co-operation is in essence geographical and occurs at supra-regional level;
- ◆ Emphasis is placed on support of South-South co-operation;
- ◆ Proposed actions must take account of the economic and social dimension of culture;
- ◆ Priority will be given to actions with real relevance for ACP final beneficiaries.

Applicant and partners:

- ◆ Non-government organizations (NGO) or private sector bodies, nationals of eligible ACP States, a European Union applicant or EEA Member, whose bylaws are registered from at least two years.

Geographical coverage:

Actions must take place in one or several eligible countries:

- ◆ 3 geographical areas (Africa, Caribbean and Pacific);
- ◆ 6 ACP regions;
- ◆ 27 member states of the European Union and 78 eligible ACP States;
- ◆ Final beneficiaries must be in ACP countries; (Cuba, South Africa, and OCTs are under special rules).

Partnership:

- ◆ At least three (3) partners, including the applicant, from two ACP states;
- ◆ When a partnership involves African countries only, partners must come from two (2) African regions;

Grant Amount:

- ◆ 100,000 to 500,000 Euros (up to 800,000 Euro for cinema/audiovisual distribution/promotion) and may not exceed 80% of the eligible budget.

Sectors or themes:

Lot 1: ACP Films II. Cinema/Audiovisual (7 Million Euros)

- ◆ **Production**
Documentaries, TV series and films, animation films, full length films, radio programmes etc.
- ◆ **Distribution/Promotion**
Distribution and dissemination of ACP works, support for programming of ACP works, broadcasters, networking or professionals, digital dissemination and exploitation, radio programming.

- ◆ **Training/Profession development**

Developing capacities in cinema, audiovisual and radio activities so as to build the professionalism of these sectors in the intra-ACP area through initial or continuing training and training of trainers.

Lot 2: ACP Cultures II. All cultural sectors other than cinema and audiovisual (5 million Euros)

- ◆ Theatre, music, dance, written and oral literature, books and publishing, the plastic and visual arts, photography, applied arts, performing arts, development of the material and immaterial heritage, architecture, design, fashion, artisan/crafts activities, cultural tourism, etc...

◆ Branches of activity related to the creation, production and distribution

Encouraging ACP cultural operators to co-operate and work at trans-national level, to develop common cultural activities and to foster the emergence of an 'industrial fabric' of ACP cultures.

◆ Branches of activity related to training and professional development

Developing capacities in artistic and cultural occupations as to improve the professionalism of the cultural sector in the intra-ACP area through ongoing training and the training of trainers.

Deadline for submissions of application for this call for proposals is **30 June 2011**.

For more information, guidelines and application pack, go to www.acpfilms.eu (Lot 1) and www.acpcultures.eu (Lots 2).◆

USA Generalized System of Preferences

The Office of the United States Trade Representative has announced that the Generalized System of Preferences (GSP) scheme providing preferential treatment for exports from LDCs to the United States of America (USA) has expired as of 31 December 2010.

As an LDC, Samoa's exports to the US will no longer be eligible for duty free access. Therefore, exporters have now been advised through MFAT to pay normal

duty rates but may continue to label GSP-eligible exports to the USA with the applicable Special Program Indicator to help facilitate possible duty refunds if the program is reinstated.

At this time, there is no exact timeframe as to when the US GSP will be reinstated.◆

Quiz Answers

1. 8 missions (American Samoa; Auckland, New Zealand; Wellington, New Zealand; Beijing, China; Brussels, Belgium; Tokyo, Japan; Canberra, Australia; New York, USA)
2. Deputy Prime Minister Hon. Fonotoe Nuafesili Pierre Lauofo
3. Pacific Island Countries Trade Agreement
4. H.E Mr. Stephen Henningham
5. Samoan Artesian Water
6. The Committee for Development Policy (CDP) of the United Nations Economic and Social Council (ECOSOC).

MFAT/STA Touch Team 2011



Above: MFAT/STA touch team after playing National Bank of Samoa (NBS) team in the semi-finals

The Ministry of Foreign Affairs and Trade (MFAT) together with the Samoa Tourism Authority (STA) entered a team in the Business House Touch Tournament for 2011. The competition ran for 6 weeks that started from the 4th April and ended on 20th May 2011. After six weeks of playing, MFAT/STA team came 4th their pool of 10 teams. ♦



Samoa Present at the Fourth UN Conference on LDCs cont.

herence by consolidating links between strategies was emphasized. Furthermore, the PM recommended that the Program of Action should continue to focus on national ownership by LDCs and be a realistic list of goals which will be well matched with resource availability that is supported by the international community.

During the conference, Samoa's high level delegation attended the Green Growth and LDCs Event as well as the Economic and Social Commission for Asia and the Pacific (ESCAP) Event where Samoa's achievements, challenges and envisioned opportunities were expressed by the Prime Minister.

Other representatives from Samoa's private sector were also present during the Conference, as a Private Sector Track convened including a Trade Fair, Investment and Partnership Summit and a Global Business Partnership Forum for participating LDCs. ♦



Joint ACP-EU Council of Ministers Meeting in Brussels

Brussels, Belgium (Samoa Embassy) - During the 36th Council of Ministers meeting in Brussels on 31st May 2011, a report by the Joint ACP-EU Ministerial Development and Finance Committee was discussed after which views from the two sides were presented:

The EU reaffirmed that a total amount of €100 million from the Flex Mechanism would be made available, from which 17 countries are eligible to receive grants from.

The Ministers also had the opportunity to be briefed by the European Investment Bank (EIB) on its lending operations to ACP regions. According to the EIB, about €972 million had been committed in the form of loans to ACP States in the infra-

structure and economic development sectors in 2010. Furthermore, the EU confirmed the availability of resources to the ACP Group after 2013, at least until 2020 when the Cotonou Agreement ends.

The ACP states, on the other hand, were largely concerned about whether or not there would be another multi-annual financial framework after the 10th EDF. This issue was raised in the Joint Council in Burkina Faso last year but the EU declined to take a firm position on the matter.

The Joint ACP-EU Committee of Ambassadors had been mandated to carry out the Performance Review of the 10th EDF and to hold preliminary discussions on the multi-annual financial framework. It is not clear at this stage in what form (and

amount) the next multi-annual financial framework would look like.

On the Economic Partnership Agreements (EPAs), the EU expressed their disappointment with the slow progress of concluding negotiations, despite the EU's commitment to consider flexible Rules of Origin on Clothing and Textiles and on Fisheries.

The EU again reaffirmed its commitment on Aid for Trade (AFT) and reasserted its belief that AFT should complement the Doha Development Agenda.

The Joint Council decided that the Joint Ministerial Trade Committee should meet before the end of 2011, before the next meeting of the Council takes place in Vanuatu in 2012. ♦

WTO Reference Centre

1. What is a WTO Reference Centre?

A WTO Reference Centre (RC) is defined as a dedicated location where WTO information and e-Learning material can be accessed.

2. What is the importance of a WTO RC?

The RCs enables Least Developing Countries (LDCs) who do not have permanent representation in Geneva to exercise their rights as Members of the WTO. WTO efforts are now being directed towards further developing and refining the WTO RC Programme, ensuring that it responds adequately to the primary needs of LDCs.

3. What are the key features of the WTO RC Programme 2010?

- ◆ Provide trade-related information from Geneva to Capital
- ◆ Provide training and Technical assistance on WTO matters on ongoing negotiations, especially on the Doha

Round

- ◆ Create a sense of ownership of the multi-lateral process within each RC country.

4. What is the difference between an RC and a National Enquiry Point?

A Reference Centre is established by the WTO following official requests expressed by the Government of a Member country. The establishment of RCs is not a compulsory requirement nevertheless RCs contribute to the attainment of one of the main objectives contained in the Marrakesh Agreement establishing the WTO, i.e. to increase the fuller participation of LDCs in the Multilateral Trading System.

Enquiry Points on the other hand are compulsory for WTO members to establish as stipulated under the Agreements on Technical Barriers to Trade, Sanitary and Phytosanitary Measures and the General Agreement on Trade in Services (GATS).

5. Does Samoa have a WTO RC?

Yes, Samoa's RC was established in 1998 and is currently located within the Ministry of

Foreign Affairs and Trade, Level 3 of the Government Building, Matagalalua.

6. Who has access to the Samoa's WTO RC?

The RC is open to government officials, business representatives, members of the civil society, and members of academia including university professors, students and media groups.

7. What is E-Learning?

E-learning are free WTO internet based courses that aim to enhance participant's knowledge of the WTO basic principles and legal structure of its agreements, understand the multilateral trading system and improve knowledge on interpreting WTO related issues.

The experience allows participants to better understand, interpret and communicate information within their respective organizations regarding WTO related matters. Registration to receive a WTO certificate is done via endorsement of the Ministry housing the WTO RC. ◆

WTO

Reference Centre

"Your gateway to trade-related information"

| Are YOU a... | Do you need information on... | We offer... |
|---|--|---|
| <input checked="" type="checkbox"/> Government official? <input checked="" type="checkbox"/> Business representative? <input checked="" type="checkbox"/> Civil society group? <input checked="" type="checkbox"/> College or Tertiary Student/Lecturer/Professor? | ➤ The World Trade Organization? ➤ Regional Trade Agreements? ➤ Free Trade/Protectionism? ➤ International Market Access requirements? ➤ Imports/Exports ? | <input checked="" type="checkbox"/> DVD/CD-ROMs; <input checked="" type="checkbox"/> Computer / Internet access; <input checked="" type="checkbox"/> WTO e-Learning; <input checked="" type="checkbox"/> WTO/FAO/UN/WIPO/ICT publications; <input checked="" type="checkbox"/> Helpful staff (we try our best). |

*Bookings required. Contact our Trade Division to make a booking today.

Address: Ministry of Foreign Affairs and Trade, Level 3, FMFM II Building, Matagalalua | Opening Hours: 9:30am-4:00pm, Mon-Thurs | Tel: 21171

LDCs and Productive Capacities cont.



The UNCTAD Regional Workshop on Productive Capacities, Economic Growth and Poverty Reduction for Asian and Pacific LDCs, Nepal, 22-24 March 2011

international development architecture (NIDA).

In realizing good development governance it is important to enhance further the productive capacities within LDCs. These being the productive resources (natural and human resources, financial and capital resources), Entrepreneurship capabilities (technology capabilities) and production linkages (exchange of goods and services, information flows, human and financial resource flows between sector and enterprises).

In developing productive capacities some of the core processes to be undertaken include capital accumulation, technological advancement and structural change. In retrospect it was also discussed that productive capacities only create potential for growth and development and the underlying issue is how these capacities can be fully utilised. In most LDCs, productive capacities are most likely underutilized such as underemployed labour, unmobilized savings and untapped natural resources. Additionally, it was outlined that employment is a key link to economic growth and the processes towards alleviating poverty in LDCs.

Specifically for Samoa, many of these initiatives, mechanisms, policies and frameworks are already in place to address the shortfall in production capacities but there is still room for further development of these policies. Samoa indicated that the recently stakeholder endorsed Diagnostic Trade and Integrated Study (DTIS) outlines the need to create a business enabling environment to address shortfalls in employment and also encourage private sector led development in the form of moving into

the production of value added products not only for export but to minimise the number of import commodities in the form of export substitution. Financial and capital assistance is also addressed by finance institutions as well as initiatives by government in the form of the Private Sector Support Facility (PSSF).

Financial development was a key issue discussed outlining the key weaknesses evident in LDCs. The main challengers discussed were the low domestic savings and investment, and high levels of Aid dependency. In addition to this, there is a lack of country ownership within some LDCs with a continuing debt overhang.

In this regard, discussions were geared towards promoting domestic resource mobilization at the national policy level as well as improving domestic financial systems. The importance of ownership was highly emphasised and is essential for countries to be drivers of all development initiatives in the pipeline and play a more primary role in the process. LDCs were encouraged to take the lead role on development in terms of policy development to ensure that it is aligned with their national priorities and development strategies. This was seen as a major challenge for LDCs.

Consequently, weak ownership contributes to the poor integration of macro-economic framework with sectoral policies and trade policies. This will also lead to the inadequate level of financing for production sectors and infrastructure. There are highlighted inconsistencies in the increasing focus of Poverty Reduction Strategy Papers (PRSPs) on production and increasing focus of donors on social sectors.

UNCTAD called on all LDCs to reinforce ownership by supporting home grown development solutions by building development capacities and enhance production of

knowledge. Also, implementing aid management policies at the national level by which Samoa already has in place with the development of Samoa's Aid Policy.

Looking at Trade and the links to poverty, unsuccessful LDCs case studies indicated that some LDCs have had rapid trade liberalisation with export promotion but very weak agricultural development policy. There was job creation in export sectors but this was offset by job losses in vital import substitution sectors. Rising food imports also creates LDC vulnerability to external price shocks.

In retrospect, successful LDCs have seen to be agriculture focused in productivity with developed strong domestic demand linkages to local industries and services and the reduction of poverty through expansion of employment opportunities in agriculture and non-trade-able sectors. The key idea is having export growth which enables accelerated employment expansion through greater agricultural growth.

Followed with a brief breakout sessions for the EIF and Aid Effectiveness, the workshop concluded with a reiteration of the issues discussed in relation to the Productive Capacities, Economic Growth and Poverty Reduction. Samoa as an LDC in the midst of graduating to developing country status will need to examine closely the implications to other areas of trade including accession to the WTO as well as the implementation of the EIF through the greater Aid for Trade Strategy so as to ensure a smooth transition from LDC to developing country status taking into consideration the loss in flexibilities currently enjoyed by Samoa. Samoa's representatives for the workshop in Kathmandu were from the Ministry of Foreign Affairs and Trade and the Ministry of Women, Community and Social Development. ♦

Publisher:

Ministry of Foreign Affairs & Trade

P.O. Box L1859

Apia, Samoa

Ph: (685) 21171

Fax: (685) 21504

www.mfat.gov.ws

**Readers are welcome to use and reprint the information
contained in this document provided proper
acknowledgement is given of its source.**