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GOVERNMENT OF
SAMOA

PACPs Meet EC to Advance EPA Discussion

What's Inside



**Samoa's
delegation
together with
EC Lead
Technical
Team at the
JTWG dis-
cussions in
Brussels.**

(L-R) Mr. Joseph Chan Ting (First Secretary, Embassy of Samoa, Brussels) Ms. Yana Popelkova (Co-ordinator of Trade Relations with the Pacific EC); Mr. Jacques McMillan (European Commission Head of Unit C/1, Director General Enterprise and Industry) Mr. Ulupale Fuimaono (Attorney General's Office Samoa); Ms. Nella Tavita Levy (MFAT, Apia); Mr. Stephen Musubire (Samoa Trade Policy Analyst (Commonwealth Hubs and Spokes Project).

A Joint Technical Working Group (JTWG) meeting between the Pacific ACP (PACP) Trade and Legal Officials and the European Commission was convened in Brussels, Belgium on the 23 September - 2 October 2009.

The meeting aimed to advance discussions on a range of technical issues relating to a comprehensive Economic Partnership Agreement (EPA) between the PACP region and the European Union (EU).

Four PACPs – Cook Islands, the Federated

States of Micronesia, Niue and Samoa tabled draft market access offers in good faith. These offers were conditional on the resolution of current outstanding issues including export taxes, infant industry provisions, the Most-Favoured-Nation provisions, the non-execution clause and the inclusion in the EPA of duty-free and duty free access for fisheries products and improved rules of origin for fresh chilled and frozen fish.

The PACP region is negotiating the comprehensive EPA with the EU as a sin-

gle region. The PACPs continued to emphasize that the EPA being negotiated is an instrument that will form the foundation of a long-term, evolving partnership based on economic and trade cooperation between Europe and the Pacific. The PACPs also continued to highlight the unique circumstances of the Pacific region to achieve the objectives set out in the Cotonou Agreement.

While the region maintained its positions as mandated by its Leaders in August 2009, there was also little movement from the EC on the outstanding issues. While acknowledging the draft conditional offers received and the need for these offers to be technically improved, the EC has further indicated that it would like to see more market offers from the region. The EC has also maintained that the threshold for 'Substantially All Trade' is 80% of tariff lines / trade value.

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PACP Trade Officials will report back to PACP Trade Ministers at their next meeting on the results of the JTWG Meeting and seek directions on a way forward with negotiations.

Pacific Leaders meet and make decisions on crucial issues including Trade for the Region.

Pacific ACP Leaders from the Cook Islands, Federated States of Micronesia, Niue, Nauru, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, and representatives of Kiribati, Republic of Palau and Timor Leste met at the Cairns Convention Center, in Australia, on 4 August 2009. The meeting was chaired by the Hon Premier of Niue, Toke Tufukia Talagi. Samoa was represented at the meeting by the Prime Minister and Minister for Foreign Affairs and Trade; Hon. Tuilaepa Lupesoliai Sailele Malielegaoi and the C.E.O, Ministry of Foreign Affairs and Trade, Aiono Mose Sua.

A number of issues were discussed including; Economic Partnership Agreement with the European Union and also PACER-Plus and the Aid for Trade Strategy and a Proposal to establish a regional pacific office in Brussels to manage the pacific regional indicative programme.

A snap shot summary of decisions from the leaders as quoted from Summary of decisions undertaken by the PIFS is presented below.

Economic Partnership Agreement (EPA)

On Economic Partnership Agreement, the Leaders were informed that given the limited progress on negotiations through electronic exchanges, a proposal had been submitted to the EC requesting that a JTWG be held as soon as possible in order to continue detailed discussions to narrow as much as possible the outstanding issues in the draft EPA text and to resolve the contentious technical issues of importance to the PACPS.

Leaders noted the above developments in progressing the PACP-EU

EPA negotiations and reaffirmed the PACP region's commitment to the conclusion of a comprehensive EPA that acknowledges the unique circumstances of the PACPS. The Leaders thanked the Hon. Hans Joachim Keil and commended him for the work done on the EPA as the lead spokesperson for the region. The Leaders also commended the PACP Trade officials and Ministers for the ongoing good work being undertaken in the negotiations of the PACP-EU EPA.

PACER-Plus

Leaders raised concern regarding the pace of engagement in PACER Plus, particularly with respect to the launch of PACER plus negotiations without adequate national consultations. The importance of national consultations in the PACER Plus process was emphasized as well as the need for allocation of adequate time to ensure broader consultations on PACER Plus with all relevant stakeholders. The need for PACER Plus to be much more than a free trade agreement, which incorporates a significant development dimension as well as labour mobility initiatives was also emphasized by the Leaders.

Leaders discussed the current exclusion of Fiji in the discussions relating to PACER Plus and other trade initiatives and agreed that further discussions be held at the Forum Leaders' Retreat. The need for the Secretariat to undertake an independent legal assessment as directed by PACP Trade Ministers on Fiji's exclusion from discussions relating to the PICTA, PACER and EPA was also discussed.

Leaders noted the progress made by the PIFS with respect to the

establishment of the OCTA, and directed the Secretariat to continue to approach potential donors who could contribute to the OCTA. Leaders also directed the Secretariat to facilitate the transfer of the OCTA from PIFS to Vanuatu as soon as possible. The Leaders noted the status of the draft Joint PACER Plus Roadmap and the need for this document to form the basis of any future negotiations.

Aid For Trade

Leaders noted the developments with regards to Aft Strategy for the Pacific region and urged all Pacific development partners as well as the international community to support the Pacific Aft Strategy as a framework for addressing and delivering trade-related assistance to the FICs and Timor Leste in a cost effective and efficient way.

Proposal to establish a regional pacific office in Brussels to manage the pacific regional indicative programme

Leaders noted the national paper submitted by Samoa providing a case for the establishment of the regional pacific office in Brussels to ensure the effective and timely coordination and implementation of the RIP as well as seeking additional resources from other non EDF sources and donors. The Leaders directed the Secretariat to conduct further research into the establishment and funding of this office, with the involvement of the trade officials and Ministers.

Samoa continues to participate in regional initiatives and negotiations so as to enable regional integration, cooperation and development for Samoa and the Pacific region.

15th Introduction Course on the WTO for Least Developed Countries (LDCs), 13-31 July 2009, Geneva, Switzerland

This course was organized specifically for officials from Least-Developed Countries (LDCs) to broaden their knowledge and understanding of the WTO and the multilateral trading system. There are approximately 30 LDCs that are members of the World Trade Organization that has a total of 153 Member countries. Samoa is an observer country and is currently in the process of becoming a WTO member.

The WTO recognizes that developing countries especially LDCs have different needs that cannot be addressed if dealt with on the same level as developed countries. Some of these needs are dealt with by the WTO through special and differential treatment for LDCs in WTO agreements, technical assistance (mainly training such as the above-named course), and a Committee on Trade and Development (with a sub-committee on LDCs) that is focused solely on dealing with these issues.

The underlying theme of this course was centered on the familiarization and understanding of the legal texts of the WTO. Government officials from Developing countries and LDCs must be well versed with the WTO legal texts in order to be well aware of their countries' rights, and be in a better position to defend these rights

during negotiations.

During some of these negotiations, special and differential treatment for LDCs is practiced where developed countries treat LDCs more favourably than other WTO members. For instance, non-reciprocity between developed countries and developing countries. This is the case when developed countries give trade concessions to developing countries and should not expect developing countries to return the favour. Additionally, all the WTO agreements and WTO developing member countries recognize that the greatest flexibility possible must be shown to LDCs during negotiations. For example, developed members making the effort to decrease import barriers on least-developed countries' exports.

The outcome of the WTO Ministers Meeting in Singapore in 1996 saw the establishment of a technical assistance programme that was aimed at facilitating LDCs' integration into the multilateral trading system. The "Integrated Framework" is such a programme that is exclusively for least-developed countries. LDCs have also benefited in the past several years by the lowering of import duties and quotas from a number of developed and developing countries on all exports from LDCs.

Nevertheless, these benefits and other concessions of being an LDC Member country of the WTO is not enough to deal with other issues that arises for the LDC group, such as insufficient funding. For instance, only a third of the LDC group has a permanent office of representative in Geneva where the WTO conducts most of its meetings and work. The Swiss government has agreed to provide subsidized office space for delegations from least-developed countries but this is not enough. Most of these offices double as representative offices for other United Nations activities leaving employees overworked and understaffed.

Samoa will be graduating from LDC status in December 2010. This will impact the eligibility of Samoa for special and differential treatment of LDCs, including the accession process and entitlement to certain technical assistance under the WTO as well as the Integrated Framework.

Sources contributing to this article: 'Understanding the WTO', World Trade Organization, February 2008. Members and Observers, http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

WTO Reference Centre

The Trade Division of the Ministry is currently in the process of updating its database of information contained in its Reference Centre. This is a valuable source of information for those interested on the impacts of Samoa's bilateral and multilateral agreements. We have a range of up to date publications from the following international organizations:

- World Trade Organization
- World Health Organization

- Food and Agriculture Organization
- World Intellectual Property Organization
- United Nations Organization

In addition we also hold selected publications on Samoa's economic status. The RC also offers free limited internet access for its users to view the WTO website and other trade related sources. Academic students are strongly encouraged to utilize these

resources available for their assignments and general knowledge. Members of the general public are also welcome to peruse our shelves and online database for information.

Feel free to contact *Ms. Soifualupa Tinai-Wulf* (soifualupa@mfat.gov.ws) or *Ms. Theresa Penn* (theresapenn@mfat.gov.ws) of the Trade Division to book an appointment or for further information.

UPDATE ON THE IMPLEMENTATION OF NATIONAL EXPORT STRATEGY (NES)

The steering committee at its meeting in September 2008 had established a sub-committee of 11 members, to closely monitor and oversee progress of all implementation activities. The responsible agencies should submit a report of the progress of each of their activity to MFAT for records purposes come the review period in 2010.

The sub-committee has met two times since it was established (April and July 2009) discussing activities due within those months. As such, seven activities were due in April, one in June and one in July, and these have been successfully implemented by the responsible agencies. However, for these activities, only MCIL had submitted their reports, but we have yet to receive reports from other responsible lead agencies. There will be more activities due its implementation in October, and the Ministry expects the lead agencies to implement accordingly and provide update in the next sub-committee meeting.

The tentative dates are for:

- **Sub-committee meeting**
– 4th November 2009;
and
- **Steering committee meeting** – 6th November 2009.

The Ministry is exercising its co-ordination role through reminders and follow ups to various lead agencies for activities due in the coming months.

In addition to the above progress, the Commonwealth Secretariat confirmed and approved their assistance for the establishment of the Samoa National Export Authority (NEA). In light of this assistance, the Commonwealth Secretariat's mission is expected in mid November 2009 to look at developing a possible framework for the establishment of NEA. Should there be a need for additional information required by ComSec, the Ministry will advise NES stakeholders to provide accordingly, prior to the mission.

The Ministry is also facilitating particular requests by sectors (fisheries, manufacturing, agriculture, and tourism) basically on

capacity building activities that were submitted to ComSec for assistance. Work is in progress for all these requests i.e. responsible agencies have provided additional information needed by ComSec and it's now awaiting ComSec for way forward of each request.

Please do not hesitate to contact the NES team of the Trade Division, *Ms. Soifualupa Wulf, Ms. Terozita Uitime, and Ms. Theresa Penn*, should you require more information and updates of the NES project.



Marketing Support Fund On Hold

The Marketing Support Fund which was administered by the Pacific Islands Forum Secretariat (PIFS) has now been transferred to Pacific Islands Private Sector Organization (PIPSO), as per Circular dated 7th August 2009 from PIFS. PIPSO will be reviewing MSF guidelines to provide a simpler procedural framework in place before its anticipated new funds are received.

In this regard, the Ministry advices that applications to this scheme is put on hold until PIPSO has further advice through Samoa's Chamber of Commerce.

The Ministry regrets any inconvenience caused due to the abovementioned matter

Integrated Framework (IF) Trade Related Technical Assistance Update

Following the official approval of the Aide Memoire by Cabinet in May 2009, the main mission of the DTIS process is now underway with the review of current available reports and literature related to key issues to be addressed in the study and sourcing other relevant reports that will assist with the drafting of the DTIS chapters. The study's trade poverty and development related chapters will be researched and drafted by the International Consultant under the direction of the Team Leader.

A key issue that may become significant in the IF process is Samoa's intended graduation from LDC's status in December 2010. As the IF Project is primarily administered for Least Developing Countries, the post graduation may very well affect the implementation stage of the IF process. Access to additional funds for implementation of the project may no longer be available to Samoa once it has graduated which can pose significant implications on the IF Project.

In any event, Samoa may need to request a transitional period in order to fully realise the IF Project post LDC graduation which likens the case with Cape Verde who we granted by the EU a two year transitional period after graduating from LDC status.



The New IF Project Officer based with the Ministry of Foreign Affairs and Trade is Mr. Justin Lima.

WTO Advanced Regional Seminar on Multilateral Negotiations under the GATS for Asia and Pacific Economies

The Secretariat of the World Trade Organization (WTO) with the financial assistance of the Doha Development Agenda Global Trust Fund organized the Advanced Regional Seminar on Multilateral Negotiations under the General Agreement on Trade in Services (GATS) for Asia and Pacific Economies. This was held in Bali, Indonesia where Trade officials from Asia and the Pacific region were invited .

This seminar is one of the many advanced trainings offered by the WTO on the General Agreement on Trade in Services (GATS) with the emphasis on updating officials on the developments in the ongoing services negotiations in the multilateral trading system. Trade officials were invited from Asia and Pacific countries to build technical capacity on the legal and negotiating framework of the GATS as well as providing an oppor-

tunity for participants to broaden their understanding on current regional developments on issues related to services trade under GATS.

The programme focused discussions on key services sectors where liberalization has already achieved major success such as Telecommunication, Finance and Education to name a few and how liberalized sectors impact national trade policies and decision making especially in the implementation process. Some successful case studies were presented with examples drawn from Asia and the Pacific region. Telecommunication service is seen as the most successful liberalized sector that has had dramatic impact in other parts of the world and the Pacific including Samoa. In the past, telecommunication services have traditionally been provided by national monopolies in the Pacific but

with the introduction of competition in the telecom sector and mobile phones, a number of countries are moving towards competitive arrangements that have shown impressive results.

Participants had the opportunity to share their experiences on key sectors that have been liberalized and the regulatory challenges encountered within their countries; as well as practical exercises in services scheduling to enhance participants' skills basically with the general understanding that services is a cross-cutting issue, very technical and involves a lot of work especially in preparations for scheduling commitments, but no doubt will bring economic benefits to all economies.

WTO and Negotiating Issues For Pacific Island Economies

Government officials from around the 14 Pacific islands met in Nadi, Fiji from the 11th -15th August 2008 for an advanced course on the WTO and DDA (Doha Development Agenda) Negotiating Issues pertaining to the Pacific island economies. This yearly course is part of WTO's capacity building assistance to the Pacific region aiming to enhance knowledge of officials on the WTO and related issues. Of the region alone, 6 countries are involved with WTO matters and are also engaged in regional agreements and arrangements amongst themselves to better facilitate trade in light of its distant and isolated location from major traders of the world.

The programme was structured to address the specific circumstances of the Pacific economies, particularly with regards to the impact of and linkages with WTO rules and disciplines on regional trade agreements and other trade-related matters deemed necessary for trade in this region to improve and be beneficial to the greatest extent possible. The range of topics discussed included the current status of the DDA, Agriculture agreement, TRIPS and Public Health, Regional Trade Agreements, NAMA negotiations, SPS and TBT, Agreement on Subsidies and Countervailing Measures, Fisheries, Disputes Settlement Procedures and Aid for Trade with emphasis to the Pacific Region.

The two perhaps most important topics to the region and Samoa were the RTAs and AFT. Samoa has been in its accession process for WTO membership for approximately 11 years now and this initiative goes side by side with membership to other trading agreements and arrangements amongst the Pacific islands. AFT on the other hand has been a recently developed concept which integrated all trade aid to each developing country as they battle to survive the current financial crisis. This initiative is not only handled at the national level but also dealt with in the region as a whole for a stronger push.

RTAs like PICTA and SPARTECA are increasingly becoming the trend of today's world trading efforts. Countries participate in RTAs for market access,

deeper integration (PACER Plus), etc. In the context of the WTO, three distinct legal basis covers RTAs or where they are recognized by the WTO. Article XXIV of GATT 1994 covers trade in goods and it is applicable to agreements concluded between the developed countries (USA-Australia) plus those concluded between developed and developing countries (SPARTECA/NAFTA). Article V of the GATS also mirrors provisions in Article XXIV of GATT but recognizes agreements in the trade in services. Agreements such as PICTA Trade in Services are covered here and must have substantial sectoral coverage and also provide for the absence or elimination of all discrimination between nationals and non-nationals of other parties in the sectors provided. The final legal basis covering other trade agreements is the Enabling Clause where developing countries engaging in agreements will seek waivers here and get recognized under WTO. RTAs can complement the multilateral trading system but can not in any way substitute for it as there are other issues which can only be addressed in the multilateral level. All RTAs involving members of the WTO need to be notified to WTO for recognition.

Tonga, Vanuatu and Samoa were invited to present their experiences on the accession process with the rest of the Pacific countries. Tonga who recently became a member in 2007 underwent the process for 15 years and was the first Pacific island country to have acceded through the process. An interesting point from Tonga's presentation was that concessions and commitments as a result of the process helped its export industry. This is in terms of processed or value adding products exported. Inputs are now imported at a lower tariff compared to the time before accession. Vanuatu's experience was just as interesting as Tonga's too. Its accession process recently resumed after it was put on hold for a few years due to government and political issues. This resumption saw Vanuatu withdraw some of the commitments they had signed bilaterally with its working

party members after extensive consultations and re-negotiations. Vanuatu has completed all of its bilateral negotiations and left with a few issues in the QnA from the draft working party report. Samoa's presentation focused on the accession process as contained in the "Guidelines of Accession for LDCs" and updated the participants of the current status of work with WTO accession.

AID FOR TRADE – Aft emerged during the 2005 Hong Kong ministerial when it was decided that the global community would need to help the developing country members and LDCs in particular, build their supply side capacities and trade related infrastructure. The intention was to build on the existing pool of funds by donors and not creating a new funding or an Aft fund. In July of this year (2009), the WTO held its 2nd Global Review of Aft and taking it down from the multilateral level to the macro or regional and national levels. The Pacific through PIFS was represented at this review. Countries and regions were encouraged to prioritize their needs and proposals aiming to utilize the available funding to build capacities and improve trade infrastructure.

The Pacific Aft Strategy was endorsed by Trade Ministers at their meeting in Apia in June of this year (2009). There have been on-going changes to needs and priorities which have been also updated into the implementation matrix of the regional strategy. There is a tentative regional technical group and high level meeting scheduled to be held in Bangkok before the end of this year and it has been expected that the regional Aft strategy will be sold here for funding. The implementation of this integrated strategy has been proposed in the report for 5 years (2010-2014) with the primary responsibility with focal points in each island country. This is further clarified in the implementation matrix still in its draft form by the consultants, which will be circulated to all the 14 forum island countries for further comments before it is finalized.

Australian Leadership Award Trade Fellowship – Module 5 Adelaide, Australia

The Pacific Fellowship Training on Module 5 is part of a series of 10 modules that was organized and funded by the Australian Government (AusAid) in collaboration with the Institute of International Trade. The main aim of Fellowship Trainings since its inception in 2008 is to build capacity of Pacific Island Trade Officials in understanding the overall impact of each component of free trade agreements on national economies, and to effectively negotiate PACER Plus agreement for the benefit of individual countries.

Senior Officials from around the Pacific Island Countries participated in Module 5 of the Fellowship Training which concentrated mainly on Agriculture and how Agriculture products are treated in Trade Agreements. Agriculture as we all know is the backbone for the Pacific economies even in the smaller island countries and no doubt contributes to our GDP through exports of agricultural products.

The Pacific Island Countries rely mostly on agricultural products that

serves multiple purposes not only in securing food supply in the islands, act as an economic engine in terms of trade but also culturally, food is considered a priority in many traditional occasions in the Pacific.

The enlightening presentations by the experts from the Institute of International Trade (University of Adelaide) have shed light on some of the major concerns on measures that restrict market access for our agriculture products to overseas markets which have become the greatest challenge for the Pacific especially in the area of Sanitary PhytoSanitary (SPS). SPS issues are very important to the Pacific given our vulnerability to natural disasters, climate change and geographical remoteness has led to limited opportunities to develop economies by increasing production. The constraints in agriculture and the challenges in raising the standard of agriculture production in the Pacific have capitalized on opportunities that captured niche markets for our exports especially organic produce.

Participants from each country pre-

sented their home assignments focused on Agriculture and representatives presented interesting issues on the status of agriculture in their homelands. This exercise not only shared experiences of what is happening around the Pacific but also to enhance officials' research skills, reporting and presenting as well as in building capacity in negotiations as future negotiators for the Pacific.

All in all, the main issues discussed with the experience shared by the resource people were very critical in building capacity for participants particularly on critical issues that island countries including Samoa should consider while going through the various trade negotiations. Furthermore, Pacific Island Countries should be well prepared and fully understand their positions and situations of other negotiating partners prior to negotiations as these are the key factors to the success in trade negotiations.

United States - South Pacific Scholarships Program 2009

The Embassy of the United States of America in Apia circulated an announcement of the opening of applications for the US South Pacific Scholarship Program for graduate and postgraduate studies at the East West Center in Hawaii.

This scholarship program is funded by the US Department of State and all eligible countries include **Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.**

USSP provides educational opportunities for academically talented individuals from the South Pacific countries to pursue bachelor's or master's degree study at US institutions in fields that are directly relevant to development needs on the Pacific islands region. The program is also intended to al-

low participants to obtain a broader understanding of the United States.

The program targets students with proven academic ability, demonstrated leadership qualities, and a willingness for or experience in community service for studies beginning in January 2010. Priority is given to those who do not have extensive prior experience in the United States.

Applications can be downloaded from the website www.eastwestcenter.org/studentprograms or obtain a packet from the Embassy located on the 5th Floor of the ACC Building in Apia.

The application deadline is **February 1, 2010** for awards beginning in **early August 2010**. Awards are expected to be announced on the Internet site provided above by **April 1, 2010**.

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