



**Commonwealth Secretariat, FAO, New Zealand Government,  
International Fund for Agriculture Development**

**SEVENTH ROUNDTABLE MEETING  
FOR PACIFIC ISLAND COUNTRIES ON WTO MULTILATERAL  
TRADING SYSTEM, WELLINGTON, NEW ZEALAND,  
1-7 JULY 2004**

**REPORT**

**Sub-regional Office for the Pacific Islands  
Food and Agriculture Organization of the United Nations (FAO)  
Apia, Samoa**

**November 2004**

## **1. OFFICIAL OPENING**

1. The Seventh Roundtable Meeting for Pacific Island Countries on the Implications of the World Trade Organization (WTO) Multilateral Trading System on the Agriculture Sector was convened at the Terrace Conference, St John Building, 114 The Terrace in Wellington, New Zealand, from 1-7 July 2004. Senior Officials from the following countries attended: Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Resource persons and observers from New Zealand, FAO, Commonwealth Secretariat, International Fund for Agriculture Development (IFAD), Pacific Islands Forum Secretariat (PIFS), the Secretariat of the Pacific Community (SPC) and the Technical Center for Agricultural and Rural Cooperation (CTA) also attended the meeting. A list of participants is attached as Annex A.

2. The meeting was jointly sponsored by the FAO, the New Zealand Government, the Commonwealth Secretariat and IFAD, in collaboration with the PIFS, the SPC and CTA. It was held as a follow-up to the previous six Roundtable Meetings in Wellington in August 2003, April 2002 and April 2001, and in Auckland in September 1998, March 1999 and April 2000.

3. Following an opening prayer offered by Mr John Harunari of Solomon Islands, Dr Vili Fuavao, FAO Sub-Regional Representative for the Pacific Islands made a welcome statement. In his welcoming remarks, Dr Fuavao expressed his appreciation for the Honorable Jim Sutton, New Zealand's Minister for Trade Negotiations and Minister for Agriculture and Forestry for having agreed, once again, to grace the meeting with his presence and to deliver the keynote and opening statement. He also expressed his appreciation to the co-sponsoring partners for their continued support and financial contribution, which had made the meeting possible.

4. Dr Fuavao also extended a warm welcome to all participants and a special welcome remark to those who were attending for the first time. He expressed his hope that participants will find the meeting most informative and relevant to their work in their respective countries, particularly in relation to WTO multilateral trade negotiations. He went on to explain that this was the seventh in a series of meetings organized by FAO in response to a request expressed by the South West Pacific Ministers of Agriculture in their meeting of 1998 in Samoa and reiterated in subsequent meetings, for the FAO to assist in assessing the possible consequences of the Uruguay Round Agreements on agricultural and fisheries policies of countries of the region, and on trade. He stated that FAO had been able to hold these meetings since 1998 with the financial and technical contribution of collaborating partners, and is looking forward to their continued assistance and collaboration to host future meetings, as long as they are welcomed and endorsed by member countries. A copy of the welcome remarks by Dr Fuavao is attached as Annex B.

5. Honorable Jim Sutton, New Zealand's Minister for Trade Negotiations and Minister for Agriculture and Forestry, officially opened the meeting and delivered the keynote address. He extended a warm welcome to all country participants particularly Tuvalu who was admitted together with the Federated States of Micronesia (FSM) to the FAO last year. He stated that the Roundtable has proven to be very useful, and was especially appropriate now as the WTO negotiations are close to a crunch point in Geneva.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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6. The Minister stated that trade liberalization, especially the issue of export subsidy elimination and market access, was important to all trading nations, but increasingly, it was developing nations who were the most fervent in their views on it. He added that he found this to be particularly striking at last year's FAO Conference in Rome, which he chaired. He added that Associate Minister Damien O'Connor also noticed the same at the recent FAO Regional Conference for Asia and the Pacific in Beijing. He pointed out that although only three Pacific Island Countries (PICs) are WTO members, it is necessary for all to be aware of WTO provisions and of developments in multilateral trade negotiations, and that all regions are affected in one way or another by the global trading system.

7. The Minister stated that New Zealand is keen to assist where it can with facilitating accession to the WTO because it is important that everyone affected by international trading rules should have a say in how they are developed. He added that New Zealand recognizes the challenges this poses for developing countries and least-developed countries, and WTO membership is not something that people should feel forced into. However, globalization is a reality we all have to deal with, no matter how large or small a nation we are.

8. Honorable Sutton added that governments in the Pacific cannot shut their people away from the rest of the world. The social ties we share, as friends and family across our many islands in the Pacific, prevent that. We are exposed to different cultures, and this can bring about changes in our societies, which is hard to adjust to sometimes. Also, economic changes forced upon us by globalization can sometimes be hard to deal with, which is something that governments must come to grips with, so that we can do the best for our citizens.

9. He further stated that we are standing on the brink of what appears to be a major shift in the international trading system. And that it is a seismic shift equivalent to that of 10 years ago, when for the first time agriculture was included as an integral part of the multilateral negotiations known as the Uruguay Round. This time, in the Doha Development Round, the economic superpowers of the WTO have recognized that agriculture is a vital part of this round and as a consequence, have registered a readiness to see an end-date for export subsidies as an integral part of the outcome. The significance of this is huge: for more than 50 years, they have been defending the use of export subsidies. Their recognition that export subsidies will have to go in this negotiation is an enormous step forward.

10. He pointed out that developing nations have a key role to play in these negotiations noting that the majority of the WTO members are developing nations. New Zealand places importance on special and differential treatment for developing nations, and it recognizes that developing countries have particular development needs that require special treatment. A copy of the Minister's speech is attached as Annex C.

11. Representatives from the other collaborating organizations were then invited to make some opening remarks. Mr Rodney Cooke, Director of the Technical Advisory Division of IFAD delivered an opening statement on behalf of the Fund. He explained that IFAD's presence in the region arose from consultation with Pacific Island Member States last December which began the process of redefining its Regional Strategy for the Pacific. Such a strategy would be based on IFAD's focus on enabling the rural poor to overcome poverty. The consultation identified trade, market development, micro-finance and the associated capacity development required to link rural development to markets, as likely themes for IFAD's future programme and future policy dialogue in the region.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

12. Mr Cooke stated that IFAD's evolving Regional Strategy in the Pacific includes approaches to market development, but also encompasses other aspects of rural development. He emphasized that IFAD was very concerned about coordinating with and supporting ongoing programmes and strategies, and looked to harmonizing with other donors, where appropriate. He then expressed his appreciation for the opportunity for IFAD to collaborate with other development agencies on this important area and wished the meeting would have productive discussions on trade development and WTO agreements in the context of the Pacific. Mr Cooke's opening statement is attached as Annex D.

13. The Director of the Land Resources Division (LRD), Mr 'Aleki Sisifa delivered an opening statement on behalf of the SPC. In his opening remarks, Mr Sisifa stated that SPC was pleased to continue to be involved in the Roundtable which it considered to be extremely useful particularly in terms of keeping countries informed of developments in the ongoing negotiations on WTO related Agreements. He added that this year's Roundtable was significant to SPC in that it was now being represented, along with IFAD, as one of the partners convening the meeting. He also acknowledged, on behalf of SPC, the leadership of the Government of New Zealand, FAO, Commonwealth Secretariat and the PIFS in supporting the annual Roundtables.

14. Mr Sisifa advised that for more than fifty years SPC has been active in the effort to strengthen the plant protection services of Pacific Island Countries and Territories (PICTs), with the support particularly from Australia, New Zealand and the European Union. However, over the past ten years or so, SPC's focus on this area had shifted to biosecurity and made trade facilitation in line with the emerging importance of the globalization of trade. This new focus has sharpened even further with the promulgation of the Pacific Agreement for Closer Economic Relations (PACER). He added that LRD of SPC was currently working towards integrating the services it was providing to the agriculture and forestry sectors of the PICTs. A new Strategic Plan for 2004 – 2008 was in place in which Biosecurity and Trade Facilitation was one of the LRD's two main objectives and the organization is being structured to deliver the outputs more effectively and efficiently. A copy of the opening statement by Mr Sisifa on behalf of SPC is attached at Annex E.

15. Mr Pierre Berthelot, Deputy Director, Special Advisory Services Division of the Commonwealth Secretariat also made some opening remarks. He stated that the Commonwealth Secretariat was privileged to be associated with this annual event since 2000. The Round Table series has become a valued mechanism, not only for updating officials of PICs on progress in the difficult area of multilateral negotiations, but also to exchange news, views and experience on a range of topical agricultural issues. He added that management of the Secretariat has regularly questioned the need for the annual gathering but the outcome of the evaluation conducted two years ago had convinced the Secretariat to continue its support.

16. He reiterated the point made by Minister Sutton that at this juncture of the Doha Development Round there was no question of the utility and timeliness of this 7<sup>th</sup> Roundtable since a deadline has been set for a framework deal on agriculture by end of July this year. The Commonwealth Secretariat also sees the Roundtable as a major component in many activities implemented in response to an important mandate conferred upon it by Commonwealth Heads of State. This mandate is to contribute to greater integration of developing member countries in the multilateral trading system. A copy of Mr Berthelot's statement is attached as Annex F.

## **2. ADOPTION OF THE AGENDA**

17. The meeting considered and adopted the provisional agenda and working arrangements, which is attached as Annex G. Country participants and resource persons were invited to facilitate various sessions throughout the course of the meeting. The Roundtable consists mainly of presentations followed by discussion, and a small group discussion in one session. It ended with a field visit to some import/export and distribution operations in Auckland.

18. Working documents and papers were distributed to participants during the meeting. A full set of the papers presented is available at the FAO Sub-Regional Office for the Pacific Islands (SAPA). The overall objective of the meeting is to improve PICs' awareness of the implications of the WTO multilateral trading system on the agriculture sector. Specific objectives of the Seventh Roundtable are:

- i) Improve the knowledge of Agriculture (including Fisheries) and Trade officials on the current issues and development on agriculture in the context of the WTO Agreements and international trading system;
- ii) Discuss emerging agricultural trade related issues of interest and identify possible strategies to be undertaken at the regional and national levels;
- iii) Address non-trade issues and concerns such as food security and rural poverty with the view to integrating them into trade policies and trade negotiations of participating countries; and
- iv) Inform officials on development assistance available and regional initiatives being undertaken on trade in agriculture that can be accessed by PICs.

## **3. SESSION 1: INTRODUCTION**

19. Session 1, facilitated by Mr Neil Fraser of New Zealand, comprised two broad topics. A summary of the main points raised during the presentations and discussions on the two topics are as outlined below

### **Main Outcomes and Developments Following Previous Roundtables**

20 Mr Manase Felemi provided a brief summary of the broad topics and related issues discussed, and some interesting findings pertaining to participation, in the past six Roundtables. This was followed by a brief but more detailed presentation by Dr Mat Porea on the key issues and outcomes of the Sixth Roundtable. In his presentation, Mr Felemi highlighted some of the issues discussed over the past six Roundtables under following broad topics:

- i) WTO Agreements and Membership
- ii) SPS and TBT Agreements
- iii) International Trade and Marketing
- iv) Codex and Food Trade
- v) Other Issues

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

21. He also made a presentation on some of the important outcomes of the past six sessions of the Roundtable in relation to participation of PICs. He pointed out that since the first session in 1998 there has been a steady increase in the number of countries participating as well as in the number of participants, albeit with fluctuations. In terms of the number of individuals attending, there was an increasing trend with the highest number of 29 country participants recorded in 2003. Also, since 1998 there had been a total of 86 individuals attending the Roundtable, of which 34 (40%) were from Agriculture, 16 (19%) from Fisheries, 23 (27%) from Trade and the balance (14%) from Foreign Affairs or other ministries. In terms of attendance by gender, 85 per cent of the participants attending since 1998 were male and only 15 per cent were females.

22. In his presentation, Dr Porea reminded the meeting of the objectives of the Sixth Roundtable and highlighted the main issues discussed. These are as outlined below.

- **WTO AoA Update**

23. Dr Porea reminded the meeting of the presentation made by Berendt and Hudson on the topic of WTO Agreement, which provided an update on the status of development and negotiations on WTO Agreement on Agriculture (AoA). The presentation highlighted issues including: the context of the negotiations; the three pillars for the negotiations (market access, export subsidies and domestic support); and special and differential treatment issues.

- **Update on WTO Membership**

24. Dr Porea also reminded the meeting of the update provided by countries' representatives on the status of the WTO membership. The status reports provided by three existing member countries - Fiji, Solomon Islands and PNG - highlighted some of the activities being undertaken to facilitate compliance with WTO requirements, as well as some of the constraints they experienced. These included:

- Fiji opting for Ceiling Binding (CB) instead of Price Caps, and that all agricultural products are subject to a CB of 40% except milk powder and rice which are subject to CB of 60%;
- Fiji considers its domestic support to be falling under the "Green Box" and Special and Differential Treatment category;
- PNG has undertaken internal tariff cuts across the board since 1999 except for milk products, and internal duties reduced in most basic imports from 75% to 25%;
- For Solomon Islands, very little domestic legislation has been enacted to make relevant sectors WTO consistent due to internal social disagreement;
- Main common constraints faced include lack of capacity and technical expertise to meet SPS requirements; lack of trained personnel in WTO issues and lack of funds;
- Need for training and capacity development in the areas of WTO issues, multilateral trading systems; negotiation skills; and in national policy formulation.

25. In terms of the progress made by Tonga, Samoa and Vanuatu in their accession process, Samoa was in the working party/question and clarification stage and first draft of report of the working party was issued in June and a response was to be made by August last year. In the case of Tonga which was on the eighth year of accession negotiations, it was noted that Tonga has submitted its responses to the second round of questions in January 2003

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

and has requested for a second Working Party meeting. It had also held bilateral meetings with Australia, Canada, Panama, the EU and the US. Vanuatu had reported that the accession process slowed down in 2002 and resumed in 2003 with its National WTO Committee being reactivated. Priority focus has been on reviewing its accession package to consolidate its policies on taxes. Vanuatu also made the point that it will join WTO on terms and conditions that are manageable and sustainable for its people.

26. For the countries that have yet to join WTO, the reports provided indicated that countries would like to learn from other member countries' experiences on the practical problems and challenges they faced on accession to WTO before they make their decision.

- **Study on the Implications of WTO Membership for Non-Member Countries**

27. The main findings of the study, which was based on a survey carried out in all non-member and non-observer PICs focusing on regional trend in various sectors, included: agricultural production, the main core activity in most PICs, was largely subsistence and semi-subsistence farming; there was increasing dependence on imported food; and most PICs heavily relied on agricultural export. In terms of the constraints to agriculture development, the study had highlighted limited agricultural land and limited access to finance; high interest rates coupled with lack of suitable securities to be held against loans; vulnerability to natural disasters; geographical isolation resulting in high cargo and transport costs.

28. In regards to fisheries, the study also highlighted that many countries rely heavily on fisheries, which provided up to 50% of total foreign earnings. Domestication of fishing fleets was increasing resulting in increase in domestic employment. Constraints faced by fisheries in PICs included limited access to international markets; limited downstream processing; limited coordination between government agencies and limited private sector involvement or consultation in the development of fisheries trade policies.

- **Status of Export to New Zealand Markets**

29. It was highlighted that agriculture remains a leading sector for New Zealand, contributing about 6% to total GDP, generating \$16.6 billion of foreign exchange earnings annually and providing employment for 148,000 people. In terms of imports, approximately \$200 million worth of fruits and vegetables are being imported into New Zealand annually of which \$14.5 million are sourced from PICs comprising mainly fruits, vegetables and root crops with Fiji, Cook Islands, Samoa, Tonga and Niue as the principal suppliers. It was also noted that New Zealand has an effective biosecurity system, protecting agriculture from pests and diseases. This however, posed some difficulties for PICs in trying to meet the SPS standards of New Zealand.

- **Preparing for Cancun**

30. Key issues discussed under this topic included: special and differential treatment in the context of PICs; comparing issues of small economies with small island states; the new partnership agreement between PICs and the EU to be finalized in 2007; and the two new agreements on antidumping and on subsidies and countervailing measures, within the area of rules and trade remedies.

- *Status of Fisheries in the Pacific*

31. Current constraints faced by PICs in regards to development of fisheries include high transportation costs to major markets; limited air freight capacity; poor fishing capacity and skill level. Emerging issues of priority included the development of capacity and sanitary standards and guidelines for marine products for human consumption. In terms of future outlook there was scope for improved sustainable income from fisheries noting that PICs have high value reef fish, have potential for aquaculture and the development of eco-tourism and aquatic sports.

### **Agriculture Development Policy: Trends and Developments**

32. Messrs Manase Felemi and ‘Aleki Sisifa made a joint presentation on the trends and developments in agriculture development policies in the Pacific, some of the lessons learned and the challenges that lay ahead. Historical trends of development approaches over the past decades were highlighted, which revolved around two dominant themes: (i) agricultural growth based on small-farm efficiency paradigm and (ii) bottom-up, grassroots, and process-oriented approach. Approaches to agriculture development had shifted from support through community development in the 1950s to small farm growth in the 1960s, followed by integrated rural development for small farm growth in the 1970s, and later to state-led rural development, market liberalization, and participatory/process approaches. Now, the prevailing framework for fostering rural (and agricultural) development is based on encouraging sustainable livelihoods and mainstreaming rural development in poverty reduction strategy programmes. Lessons learned from experiences over the past decades were also highlighted.

33. In regards to future challenges that will be faced by agriculture and rural development, it was noted that these are demographic, environmental, economic and social by nature. In terms of areas for regional policy focus and development, the following areas were highlighted as those of high priority:

- (i) **Poverty reduction** through development of sustainable livelihoods, strengthening cross linkages to education, health, population growth and tourism, recognizing vulnerabilities and promoting good governance;
- (ii) Improving access to and management of **land** through improved land use, reverse declining soil fertility, improve watershed management, reducing over-exploitation of forests and attention given to improved agro-forestry systems.
- (iii) **Rural development** and the challenges faced as result of increasing urbanization, lack of infrastructure, uneven allocation of development resources, and the need to focus on role of youth and women and promoting downstream processing.
- (iv) **Improving livestock and crop production and animal health**, focusing on pest and disease control, improving the production of small animals, maintaining and improving plant genetic resources and bio-diversity.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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- (v) **Trade facilitation** through compliance with international and regional trading system and requirements, establishing and nurturing produce markets and establishing and harmonizing food standards.
- (vi) Promoting **environmental sustainability** through development of guidelines for sustainable management of forests, proper land use and watershed management, animal waste management and proper use and disposal of pesticides and agri-chemicals.
- (vii) Minimizing impacts of **natural disasters** through development of disaster response and mitigation plans, and prevention of entry, eradication and control of invasive pests and diseases.
- (viii) Improving the collection, analysis and dissemination of **statistics** for policy development and decision making.

#### **4. SESSION 2: AGRICULTURE IN THE CONTEXT OF WTO NEGOTIATIONS**

35. The session was facilitated by Mr Kosi Latu, Special Adviser (Legal) & Head of the Economic and Legal Section of the Commonwealth Secretariat's Special Advisory Services Division. Presentations were made under the three broad topics outlined below.

##### **WTO Doha Development Agenda**

36. Ms Alana Hudson of the Trade Negotiations Division of the New Zealand Ministry of Foreign Affairs and Trade provided a brief update on the development following the Ministerial Meeting in Cancun, particularly on the Doha Development Agenda. The Doha Development Agenda, which was launched in November 2001 at the Fourth Ministerial Conference in Doha, Qatar covered many areas including agriculture, services, environment, rules (including fisheries subsidies), developing country issues, Singapore issues and NAMA. The Cancun Ministerial was held in September 2003 and it closed without agreement on most issues. Since Cancun, there had been a General Council Meeting in December 2003 and constructive reengagement and negotiations on way forward commenced in 2004. In addition, there had been a range of Ministerial meetings held. A significant outcome of these meetings and negotiations had been the consensus on the package of issues to be tabled for the July 2004 Ministerial meeting

37. In terms of the "July package" of issues for discussion, Ms Hudson advised that this included a framework (without numbers) for agriculture and NAMA, a way forward on Singapore issues (based on trade facilitation) and progress on other issues. The process after July, however, was less clear. In regard to the negotiation on Agriculture, which will be the central issue for July, this would be highly sensitive for both developed and developing countries, and the success would depend on the flexibility of key players and a neutral framework without number being developed. NAMA, on the other hand, was also important since it encompasses 90 per cent of the global goods trade and thus like to provide counterbalance for some countries on agriculture. The agreement to NAMA framework, however, is not expected to be concluded until after progress on agriculture has been made.

38. On the Singapore issues, which covered trade facilitation, transparency in government procurement, investment and competition, Ms Hudson advised that trade facilitation was the current focus, particularly on the Lamy/Fischler letter and the Oshima's General Council statements. In regards to Services, the negotiations are operating on parallel track to other Doha issues. Although many members have yet to present their offers, this was an area for huge potential gains given the expected contribution to most economies.

39. The Developing Country issues had been the central focus of the discussion in Doha. These recognize the special issues and situations facing the developing countries. An important element of the developing countries' special needs is the need for capacity building and technical assistance to assist with reform process.

40. Given the developments and progress made following the Cancun meeting, it was considered that things were shaping up for a balanced July outcome. Also, the Round will contribute to global economic growth and development and provide vital opportunity for the less powerful economies. Thus, it is considered important for all members to participate.

### **WTO Agriculture Negotiations**

41. An update of the negotiations on Agriculture was presented by Ms Jenny McGregor of the New Zealand Ministry of Agriculture and Forestry. She pointed out that the long term objective of the Doha Development Agenda on Agriculture Reform is to achieve a fair and market oriented trading system. As such, the continuing reform of the agriculture sector remains important for this objective as no other sector is as distorted as agriculture. In 2002, for example, the OECD countries transferred US\$318 billion to agriculture via subsidies, tariffs and other transfers.

42. Within the broad issue of market access, there were specific areas of negotiations which included tariff cuts, improvement in tariff quotas and special and differential treatment. Guiding the negotiations on market access were a number of generally accepted principles, which included the followings:

- The approach must deliver on the mandate of making "substantial improvements";
- All members must contribute, however, the extent of contribution will differ between countries;
- At least part of the tariff reduction formula should be harmonizing in terms of cuts on higher tariffs, removal of tariff peaks and addressing tariff escalation;
- No reduction commitment for LDCs, lower reduction commitments and longer timeframes for implementation for developing countries; and
- Recognition of need for extra flexibility for genuine development needs such as rural development, food security and poverty alleviation.

43. There were still a number of outstanding issues relating to tariff cuts; improvement in tariff quotas; and preferences. In regards to tariff cuts, the question of a reduction formula to be used and some of the related technical difficulties (e.g., proportionality) are among the outstanding issues to be resolved. On the subject of tariff quota improvements, it is considered that even with large cuts in tariffs, there may be no market access gains unless tariff quota volumes are expanded (tariff quota expansion). Also, there is a need to ensure that quotas are administered in a way that provides the promised level of access (tariff

administration). In regard to preference, some developing countries were concerned that further tariff reductions will reduce their preferential market access.

44. Another important issue in relation to the Agriculture negotiations is export subsidies. The mandate on this issue is “reduction of, with a view to phasing out, all forms of subsidies”. Related issues include export credits particularly government-backed credit facilities for exports on better-than-market terms; the use of food aid as a means of disposing of surplus production causing local production displacement; trade diversion and price distortion; and state trading enterprises operating under some subsidy element.

45. There is general acceptance that there will be an end date for export subsidies agreed by the end of the Round, and that special and differential treatment will be provided through lower reduction commitments and longer timeframes for implementation. The EU in return, however, required comparable reduction commitments for all other forms of export competition (parallelism/equivalence). Thus, the outstanding issues within the context of export subsidies include parallelism/equivalence; timing of reduction commitments noting that it is possible for some products of interest to developing countries to be phased out faster; and consideration of special exceptions for developing countries that would give flexibility in export credit rules.

46. Also covered under the Agriculture negotiations is the issue of domestic support, within the given mandate of making “substantial reductions in trade-distorting support”. There has been general agreement that there should be substantial reduction in trade-distorting domestic support, and that the most distorting support should be cut the most. Also, there is agreement that special and differential treatment will be provided through lower reduction commitments and longer timeframes for implementation. Furthermore, developing country exemptions will be maintained on the basis they are important development tools such as exemptions for development subsidies and subsidies to diversify from narcotics. Issues still outstanding within the domestic support debate relate to the processes through which substantial reductions in trade-distorting support could be achieved, and the criteria to be used to limit the type of support that can be moved into the “blue box” (trade-distorting but production-limiting support) category and to ensure that those under the ‘green box’ are truly minimally trade distorting.

### **PIC Positions in Agriculture Negotiations and Status of Small Economies Work Programme**

47. Ms Mere Falemaka, Trade Policy Adviser of the Pacific Islands Forum Secretariat provided a brief update on the positions of PICs in the current negotiations on agriculture and on the status of the Small Economies Work Programme. She stated that the meeting of the Forum Trade Ministers in 1999 recognized the significant impact of WTO rules on Forum Island Countries (FICs), particularly on FICs’ commercial and trade policies and the erosion of existing trade preferences. Ministers also foresaw negotiations of new WTO compatible trading arrangements with the EU, which is now covered under Article 36 of the Cotonou Agreement. She pointed out that the 1999 Forum Trade Ministers Meeting agreed to enhance FICs participation in the WTO through developing common positions on WTO issues and forming alliances with WTO members of similar interests. In addition, the meeting directed that the Forum Representative Office in Geneva follow WTO developments and assist in policy advice to FICs.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

48. At the 2001 meeting of the Forum Trade Ministers, FICs agreed to participate in the Doha Round provided the interests of small vulnerable economies were addressed; the negotiations on basis of principles of less than full reciprocity for developing countries were covered; and the Round will result in a balanced outcome for all including small vulnerable economies. At the Doha Ministerial Meeting in 2001, FICs launched negotiations on a wide range of issues under the Doha Development Agenda, including agriculture (paragraph 13); fisheries subsidies (paragraph 28); rules on regional trade agreements (paragraph 28); and small economies work programme (paragraph 35).

49. In regards to their positions on Agriculture, the FICs supported for a linear tariff reduction formula as opposed to a harmonizing formula approach; for flexibility to use subsidies to mitigate against costs disadvantages; for the 10% diminimus provision for developing countries to be retained; and for no reduction for LDCs. The FICs faced a number of challenges in agriculture negotiations including the need to manage their participation as negotiations intensify to meet the end of July target on framework and ensuring their positions are reflected in alliances they form.

50. In terms of the Small Economies Work Programme, (SEWP) it was noted that the mandate, as provided under paragraph 35 of the Doha Development Agenda, aims at framing response to trade related problems of small vulnerable economies. Work undertaken so far includes 7 dedicated sessions of the committee of trade and development. Key proposals included preservation of existing trade preferences and concessional financing to support adjustments; flexible RTA rules for asymmetrical commitments, longer transition periods to accommodate new EPA with EU and possible new FTA with Australia and New Zealand under PACER; and flexibility to use subsidies to mitigate against high costs of production.

51. A major challenge in SEWP is giving a definition of small vulnerable economies (SVEs) without creating a new category of members, since Doha mandated no new category of members. Related to this is the threat of other members electing themselves as SVEs.

52. The meeting was also briefed on the progress made in regard to the establishment of the Forum Representative Office in Geneva. The office was established in January 2004 and was fully operational from March 2004. It comprises one full time representative and one person on attachment and rotating every six months. The rotating representation provides an opportunity for capacity development in FICs, with the first attachment commencing in April 2004 and the next one due to start in October. Funding for the office is expected to be provided under the 9<sup>th</sup> EDF in 2005.

**5. SESSION 3: PROGRESS OF WORK AND ISSUES ON SANITARY AND  
PHYTO-SANITARY (SPS) MEASURES**

53. The Session was facilitated by Mr Neil Fraser of MAF, New Zealand. Presentations were made by Mr Keawe Woodmore of New Zealand's Biosecurity Authority and Ms Mere Falemaka of the PIFS on the two topics outlined below.

**SPS Issues under the WTO Negotiations**

54. Mr Keawe Woodmore, Acting Manager of New Zealand's Biosecurity Authority made a brief presentation on current and future WTO negotiations and on a review of the SPS

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

Agreement. He stated that the current WTO negotiations do not include the SPS Agreement and that there was general reluctance of members to reopen the text of the SPS Agreement. Further, assessment to date has not identified any flaws in the SPS agreement.

55. In line with Article 12.7 of the Agreement, it provides that 'the Committee shall review the operation and implementation of this Agreement three years after the date of entry, and thereafter as the need arises. Accordingly, the first review of the SPS Agreement was conducted in 1998/99, which examined a number of issues including transparency, equivalence, special and differential treatment, regionalization and technical assistance. A second review is scheduled for 2004/05 and at its 22-23 June 2004 meeting, the Committee adopted the procedure for this review. The following key dates were worth noting in relation to the second review:

- 30 July 2004: submission of issues (no need to submit papers) to be considered;
- 12 October 2004: submission of papers and identification of any further issues;
- November-December 2004: submission of any further papers;
- March 2005: meeting during which issues will be discussed and identification of future work items;
- April 2005: circulation of first draft of the report of the review; and
- June 2005: consideration and possible adoption of report of the review.

56. Mr Woodmore also gave a brief outline of the SPS initiative of the Americas, as a possible model for the Pacific. A joint initiative of the United States Department of Agriculture and the Inter American Institute for Cooperation on Agriculture (IICA), the initiative's objective is to strengthen the capability of the countries to enhance their effective participation in the SPS Committee. It focused on strengthening the institutional base at the national level and on fostering inter-linkages between Geneva missions and capital institutions. The initiative has resulted in some positive developments as follows:

- Improved Institutional Coordination: Recognizing the need for an adequate level of inter-linkage among the different institutions involved in the field, there has been improved coordination between capital institutions and the permanent missions to the WTO, and countries have undertaken actions to develop or strengthen the formal or informal mechanisms for internal communication and dialogue;
- Bilateral Meetings: Countries held bilateral meetings aimed at analyzing trade-related problems, which helped participants to better understand the issues and, in some cases, to arrive at workable solutions. This made countries more aware of the advantages of being present at the meetings of the SPS Committee and of the opportunities they afford participants;
- Regional Coordination: At least one region made interventions in the SPS Committee as a bloc, and another is considering the possibility of doing the same at upcoming meetings. Also, some countries state that it may be possible to develop hemispheric positions which can be presented in the SPS Committee;
- Participation in the SPS Committee: It was clear that capital experts contributed much more to the technical discussions at the WTO and through their presence at the

meetings of the SPS Committee, and the countries of the Americas are much more active participants in the forum than previously;

- Institutional Strengthening: the initiative helped to foster institutional relations with the WTO/SPS Secretariat and the international reference organizations (Codex Alimentarius Commission, International Plant Protection Convention and the World Organization for Animal Health), which provided logistic support for and contributed technical presentation to workshops.

### **SPS and TBT Issues under Regional Trade Agreements**

57. Ms Mere Falemaka of the PIFS made a brief presentation on SPS and TBT issues within the context of Pacific regional trade agreements (RTAs). She stated that RTAs aim to create market access through reduction of both tariff and non-tariff barriers to trade. She pointed out that RTAs do not remove the right of countries to impose measures to protect public interests such as health and security, however, such measures must not be used as disguised restrictions on trade.

58. The principal and important regional trade agreement, the Pacific Islands Trade Agreement (PICTA), entered into force on 13 April 2003 with 9 FICs (Cook Islands, Fiji, Kiribati, Nauru, Niue, PNG, Samoa, Solomon Islands, Tonga) being party to the Agreement. The Agreement essentially aims to establish free trade in goods among the FICs, over a timeframe of 8 years for developing FICs and 10 years for smaller FICs (Cook Islands, Kiribati, Nauru, Niue, Palau, Marshall Islands and Tuvalu) and the LDCs (Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu). It is also considered as a stepping stone approach to wider integration.

59. Provisions for market access for agricultural products under PICTA allow for free trade in goods originating from a party that include live animals, plants, and products from animals and plants raised in the party's territory. It also includes products of sea fishing and other products taken from the sea outside the territory of a party but where the party is the country of registration of the vessel that carries out those fishing operations. Manufactured goods are also included provided the final process of manufacturing was performed in the territory of the party and not less than 40% of the expenditure being attributed to originating materials, labor costs and overhead costs. The provision for compliance with the SPS and TBT agreements are covered under Article 16.1 of PICTA.

60. Ms Falemaka also provided a brief update on PACER. She highlighted the fact that PACER is an agreement that provides for economic and trade cooperation but not a free trade agreement. It entered into force on 3 October 2002 and is open for FICs as well and Australia and New Zealand. Two key elements of PACER are the provision for (i) future negotiations of FTA between FICs and Australia and New Zealand and (ii) trade facilitation and promotion for FICs. The provisions for FTA negotiations require a FIC that commences formal negotiations with one or more developed non-Forum country to undertake consultation, as soon as practicable, with Australia and New Zealand with a view to commencing negotiations on free trade arrangements. It also requires that if Australia and New Zealand commence formal negotiations for free trade arrangements with any non-Forum country, they shall offer to undertake consultations, as soon as practicable, with FICs with a view to commencement of negotiations for improved market access.

61. Within the provisions for trade facilitation and promotion under PACER, parties are required to establish detailed programmes for development, establishment and implementation of trade facilitation measures in accordance with Article 9(2) of the PACER Agreement. Also, the provisions under Article 9(3) require that trade facilitation measures shall, to the extent practicable, be consistent with other regional and international trade facilitation agreements and initiatives, so as to assist in integrating FICs into international economy. As such, significant additional resources will be required for programme of work in trade facilitation and promotion, capacity building and structural adjustment. To date, a regional trade facilitation programme has been developed aiming at improving the following three areas in FICs: (i) standards and conformance (e.g., metrology); (ii) customs (e.g., harmonization of tariff clarification, customs valuation); and (iii) biosecurity/quarantine.

62. A brief update was also provided on the Cotonou Agreement, which provides for a new partnership framework between the EU and ACP countries for 20 years based on three pillars: strengthened political partnership; development cooperation; and new economic and trade cooperation framework. The Agreement recognizes the importance of trade facilitation in economic partnership agreements (EPA), as reflected under Article 47. In regards to SPS, the Agreement also recognizes the “right of all parties to adopt or enforce SPS measures necessary to protect human, animal or plant life or health, so long as they are not means for arbitrary discrimination or a disguised restriction on trade”.

## **6. SESSION 4: TRADE FACILITATION AND BIOSECURITY ISSUES**

63. Two presentations were made during this session. One was on trade facilitation and biosecurity issues for PICs and the other covered issues related to the export marketing and certification of organic products. The Session was facilitated by Mr Sidney Suma, Biosecurity Officer of SPC.

### **Trade Facilitation and Biosecurity Issues for PICs**

64. Ms Bronwyn Wiseman from the Biosecurity Authority of New Zealand presented a brief outline of the work currently being undertaken by New Zealand in the area of trade facilitation for PICs. She advised that the post of National Biosecurity Adviser for the Pacific, which she was currently holding, was created in December 2003 for the purpose of assisting PICs on biosecurity issues for fresh produce exports (fruits, vegetables, cut flowers and foliage) to New Zealand. As part of her duties, she also looks at PICs Biosecurity priorities, including the type of commodities available, new market access for these products (Import Health Standards), improving existing access, overcoming problems with existing access and ways of improving communication with MAF requirements and interceptions.

65. Work on market access is determined in consultation with countries. There had been 47 initial requests from 33 different countries covering mainly banana, breadfruit, citrus, cucumber, eggplant, ginger, papaya, pineapple and cut flowers. There had also been new requests from multiple countries, following a regional biosecurity meeting in Fiji in March 2003, for a group of commodities such as rock melon from Fiji & Tonga and citrus from Vanuatu, Samoa & New Caledonia. There was also country specific work for existing trade and reviews including taro from Fiji, coconuts from Tuvalu, cooked breadfruit and chilies from Cook Islands. In terms of the key achievements so far, the followings were highlighted:

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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- New access for Papaya from Samoa, which was approved in June 2004.
- New access for Breadfruit from Samoa, which is anticipated to start in July 2004
- New access for Limes from Vanuatu, which has started in the early part of the year.
- Improved access for Cucumbers from Vanuatu, which is anticipated to start July 2004.
- Audit of Heat Treatment Facilities for Samoa (completed in May – June 2004), Vanuatu (on going), Tonga (under review), and Cook Islands (completed auditing for 2003).

66. In terms of future activities planned for Pacific Island Countries, the followings were highlighted, which are based on the priority requirements expressed by countries:

- Pest Risk Analysis and Import Health Standards for citrus, eggplant, papaya, squash and rock melon
- Review of MAF Standards for fruit flies
- Review of Bilateral Quarantine Arrangements (BQA)
- Audit of heat treatment facilities in Fiji & Tonga

67. Ms Wiseman concluded her presentation by highlighting the main issues and activities required to be pursued/addressed by PICs to uphold compliance with the New Zealand Biosecurity requirements, as follows:

- Completing the Pest Risk Analysis and Import Health Standards
- Availability of feasible quarantine risk management measures
- New market access versus existing market access
- Non-conformance of consignments such as interception of quarantine pests in NZ, and incorrect certification.

**Export Marketing and Certification of Organic Products: Opportunities and Challenges**

68. Ms Shapland, Assistant Director, Plant Products and Organics of New Zealand made a presentation on the work being undertaken by New Zealand and some of the important requirements for the export marketing and certification of organic products. She explained that the mandates of the New Zealand Food Safety Authority (NZFSA) are to protect and promote public health and safety, and to facilitate access to markets for all food and food related products. In addition, NZFSA is guided by the following government policies:

- People processing and selling food should take responsibility for producing safe and suitable food as well as meeting market access requirements;
- Regulatory compliance costs and interventions are minimized consistent with adequate regulatory control;
- Trade and commerce in food and food related products is facilitated; and
- Food borne illness is reduced and consumers are protected

69. Established under the NZFSA, the key functions of the Plant Products and Organics Service are to administer government policies, official organic assurance programmes and legislation; negotiate official market access requirements; and participate in the development and review of international standards. In relation to official assurance programmes, the relevance of the programmes on wine regulation and export certification, organic official assurance, residue compliance and plant products grade assurance was noted.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

70. In regards to organic farming and markets in New Zealand, only 983 farms were certified, which represents about 63,438 hectares of land (0.38%) of New Zealand's total agricultural area. This represents \$70 million of products exported in 2002 – 2003 of which 79%, in terms of volume, were mainly kiwifruit. In terms of export marketing, there are 65 registered exporters although there are only two main operators: AgriQuality with 35 members and Bio-Gro with 374 members. Organic products being exported are mainly honey, meat and fresh fruits.

71. The Organic Programme framework involves three main groups of players; the organic operators; the third party agencies; and the NZFSA. Reporting to the third party agency (TPA), the organic operators provides organic management plans for the production, packing, processing, storage, transport and export of produce. The TPA, on the other hand, is responsible for registration of operators, verification of organic management plans, and production of verified export documentation. The TPA reports to the NZFSA, which is responsible for providing official assurances, interpreting overseas market access requirements (e.g., standards), approval of TPA and enforces compliance. In addition, NZFSA monitors the performance of the overall programme. The following standards were noted as relevant guide in relation to the organic assurance programme framework:

- MAF Standard OP1: *Accreditation, Recognition and performance Criteria for Third Party Agencies and their Personnel - Organic Products*
- MAF Standard OP2: *Third Party Agency Responsibilities - Organic Products*
- MAF Standard OP3: *Registration and Performance Measurement Criteria for Operators - Organic Products*

72. In regards to residue control procedures, it was noted that the base level is established by initial on-site assessment to determine the use of prohibited substances. Tests are then carried out by accredited laboratories. It was also noted that a random testing regime is still to be considered. Official control for compliance is enforced by random checks, imposing sanctions and dispute resolution. Actions taken on non-compliance include suspension and/or termination of TPA approval, operator registration and/or access to official assurances.

73. It was also noted that New Zealand imports organic products mainly from the EU. Opportunities also exist for imports from other countries with standards of either EU or NZ equivalence, and that the certifying body is recognized by NZFSA, US Department of Agriculture (USDA), the EU, Japan Ministry of Agriculture and Fisheries (MAFF) or the Australian Quarantine Inspection Service (AQIS).

74. In order to promote and facilitate the development of organic farming and marketing in New Zealand, a number of initiatives had been undertaken by government, including the establishment of the Primary Production Committee, the development of a New Zealand Standard, the implementation of a Small Growers Certification Scheme and the development of an Organic Sector Strategy. Despite these, note was made of the challenges and constraints still facing the sector, which included the fact that a myriad of standards still exists, the need for international harmonization, competition and requirements from markets in the US and the EU, and consumer perceptions.

**7. SESSION 5: PLANT PROTECTION SERVICES AND WTO**

75. The session was facilitated by Dr Porea. Two presentations were made: one by Mr Sidney Suma of the SPC on the roles of the Pacific Plant Protection Organization (PPPO) and its contribution to addressing WTO issues, and the other by Mr Richard Ivens, Director of New Zealand MAF Plants Biosecurity Service on the International Plant Protection Convention (IPPC) and its implications and benefits for the PICs.

**Roles of PPPO and its Contributions to Addressing WTO Issues**

76. Mr. Suma briefly reported that the PPPO was formed by Pacific Island Countries and Territories (PICTs) in 1995 and the SPC Plant Protection Service has since been the secretariat. Members of PPPO consist of all the 22 SPC member island states plus the 4 metropolitan members of France, USA, New Zealand and Australia. The main purpose of the PPPO is to coordinate the harmonization of phytosanitary measures and for fostering cooperation in plant protection and other phytosanitary matters amongst members, and between member countries and countries and organizations outside the Pacific region. As such, it was approved that it shall act for the members in developing contacts with, and where appropriate, providing input into other global and regional organizations that have authority in such matters.

77. Mr Suma also explained that the purpose of the PPPO is to provide advice on phytosanitary measures in order to facilitate trade without jeopardizing the plant health status of the importing members and countries. In addition, the PPPO has been tasked with the responsibility of ensuring that views and concerns of the Pacific members are adequately taken into account in the development and implementation of global phytosanitary measures, and assisting in the development and implementation of effective and justified phytosanitary regimes. As such the PPPO provides a framework for regional and global co-operation in phytosanitary matters consistent with international principles for trade in plants and plant products. It also facilitates the flow of information among members and with other regional plant protection organizations, and collaboration with SPC/PPS on specific issues including pesticides and integrated pest management.

78. He stated that the PPPO has implemented a wide range of activities including the development of emergency response plans; training; biosecurity (quarantine) law review, update and harmonization; provision of technical services; public awareness and promotion; the maintenance of a pest list database for member countries; and the development of national systems to generate pest list for trade purposes. In the area of trade facilitation, Mr Suma pointed out that PPPO was instrumental in the creation of the dedication officer position in NZMAF Biosecurity Authority; has assisted in the establishment of the import-export biosecurity technology center, and has carried out a number of commodity and sector feasibility studies.

79. Regarding emerging activities, Mr Suma reported that PPPO was putting forward a proposal for a Biosecurity Officer to be located in Australia to carry out trade related issues for the Pacific islands. As reported PICs were also being encouraged to join IPPC and to increase participation in standard setting process and commodity pathway trade facilitation.

### **IPPC and its Implications for Pacific Island Countries**

80. In his presentation, Mr. Ivess explained the purpose and the work of the International Plant Protection Convention (IPPC) and some of the opportunities for PICs. He stated that IPPC was an international Treaty relating to plant health, and has 127 contracting parties around the seven FAO regions of the world. The IPPC is located at the FAO headquarters in Rome, Italy and has been in existence since 1951. The purpose is to secure common and effective action to prevent the spread and introduction of pests of plants and plant products, and to promote appropriate measures for their control and provides a framework and a forum for international cooperation, harmonization and technical exchange between contracting parties.

81. The implementation of the Convention involves the collaboration of national plant protection organizations established by governments to discharge the functions specified by the IPPC and regional plant protection organizations, which may function as coordinating bodies on a regional level for participation in IPPC activities to achieve the objectives of the Convention. Its purpose extends to protection of natural flora and plant products including both direct and in-direct damage by pests including weeds. The provision includes conveyances, containers, storage places, soil and other objects or material capable of harboring plant pests. In terms of membership, Mr Ivess reported that PNG and Solomon Islands are the only PICs that are contracting parties to the Convention.

82. The IPPC was revised in 1997 to include and to reflect contemporary phytosanitary concepts and the role of the IPPC in relation to the Uruguay Round Agreements of the WTO, particularly the SPS Agreement. In addition, the SPS Agreement identifies the IPPC as the organization providing international standards for phytosanitary measures (ISPMs). The FAO Conference has approved the new revised text, which emphasizes cooperation and the exchange of information towards the objectives of global harmonization, addresses important elements of international cooperation for the protection of plant health and the establishment and use of ISPMs. The new text also provides for the establishment of a Commission on Phytosanitary Measures that will serve as the global agreement's new governing body and the members of the Commission will be the contracting parties to the Convention and will be the governing body.

83. The functions of the Commission would be to promote the full implementation of the objectives of the Convention. This would include the review of the state of plant protection in the world and the need for action to control the international spread of pests and their introduction into endangered areas. The Commission will also be tasked to establish and keep under review, the necessary institutional arrangements and procedures for the development of and adoption of international standards; establish rules and procedures for the resolution of disputes in accordance with Article XIII; and establish such subsidiary bodies of the Commission as may be necessary for the proper implementation of its functions.

84. Under the IPPC, an interim Commission was established as an interim measure by FAO until the revised text comes into force (i.e., ratified by two-thirds of the contracting parties). The main tasks of the interim Commission are to:

- review global plant protection needs;
- develop and adopt international standards for phytosanitary measures;

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

- establish procedures for the resolution of disputes;
- promote the provision of technical assistance to develop the phytosanitary capacity of contracting parties;
- cooperate with RPPOs and other relevant international organizations on matters relating to the Convention.

85. The Interim Commission has two standing bodies. One is the Standards Committee which manages the standard-setting process and assists in the development of ISPMs that have been identified by the Interim Commission for Phytosanitary Measures (ICPM) as priority standards. Membership at the ICPM includes three representatives from the Southwest Pacific. The other standing body is the Subsidiary Committee on dispute settlement, which manages the dispute settlement functions of the ICPM and provides assistance to the ICPM with regard to dispute settlement in the WTO and other organizations. This body comprises one member from each of the 7 FAO Regions.

86. Apart from the two standing committees, there are also ad hoc working groups/committees established to address specific issues/areas. For example, the glossary of phytosanitary terms is maintained by the IPPC Secretariat using the Glossary Working Group for expert input. There is also a Strategic Planning and Technical Assistance Working Group, which is involved in a number of specific activities. At the Sixth meeting of the ICPM it was decided that the Secretariat facilitates the participation of two representatives from developing countries per FAO Region at the next SPTA. There are also Expert Working Groups for which guidelines have been developed for their composition and organization. Membership per working group comprises 6-10 participants with appropriate skills/experience/knowledge, ideally representing a wide geographic area and including proportional developing country participation.

87. For the membership of ICPM, Mr Ivess reported that this was organized and authorized under provisions of the FAO constitution and basic text and is open to all FAO members. Members from the Pacific region are Cook Islands, Fiji, Kiribati, Marshall Islands, FSM, Niue, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. However when the amended convention comes into force, then the permanent commission will only comprise of the contracting parties to the IPPC, i.e., PNG and Solomon Islands, while the rest of the PICs are left out, unless they sign and become contracting party to IPPC. As such, it was considered important for PICs to become contracting parties to the IPPC before the new Commission is established.

88. Regarding IPPC and International Trade Agreement, Mr Ivess informed the meeting that obligations under the IPPC are consistent with and complementary to the WTO SPS Agreement and most of the major trading partners and WTO members are contracting parties to IPPC. This allows opportunities for members to interact with the WTO SPS committee through the Phytosanitary community.

## 8. SESSION 6: GROUPS DISCUSSION AND CASE STUDY

### Groups Discussion on WTO Membership

89. The main purpose of this session was to look at the common problems and issues facing the PICs in terms of their work pertaining to WTO membership. Of the 14 PICs, only three were WTO members (PNG, Fiji, Solomon Islands); three were in the process of accession; and the rest (Cook Islands, Kiribati, FSA, Marshall Islands, Nauru, Niue, Palau and Tuvalu) have yet to make a decision. As such, country participants were divided into three groups based on their membership status.

90. For Group 1 (comprising countries already members of WTO), it was asked to report on the main focus of their work, key issues and challenges they face and any lessons learned that would be useful to the other countries. Group 2 comprised those that were in the accession process. For this group, participants were asked to make a brief report on the status of their accession process, key issues and challenges and any experience that will be worth noting by other countries. For Group 3 (those that have yet to make a decision) members were asked to report on the key issues or constraints they face, and types of assistance they need to facilitate decision on whether to become a WTO member or not.

91. The session was facilitated by Mr Felemi of FAO. At the end of the small group discussion, each group was asked to nominate a person to present the outcomes of its discussion. The following is a summary of the presentations made by the three groups.

#### Group I (existing WTO members)

- The main focus is on the implementation of WTO requirements. This is a gradual effort in terms of structural adjustment, considering schedule of commitments, e.g. administration, reform, etc.
- In the area of Institutional Strengthening, there is recognition of the need for someone to be permanently based in Geneva in order to maintain liaison with the WTO secretariat and to facilitate representation at ongoing meetings and discussions. However, the biggest constraint is the cost involved in sustaining such an office. As such, the need for cost sharing with other member countries in the region should be looked at as a possibility. Assistance from EU, NZ and AusAID are being sought.
- Priority needs included capacity building in the area of trade negotiation skills, trade policy analysis and development, training in dispute settlement area, and training in scientific analysis including laboratory and manpower.
- In regards to the way forward, technical assistance in priority areas above was identified and for donor Governments and development partner to assist in these areas.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

**Group 2 (Acceding Members)**

- Main focus revolves around acceding activities: reviewing questions of accession package, bilateral meetings with WTO members on getting good deals such as lowering of tariffs of acceding member, etc.
- Main concern is the fact that attendance at the various meetings as part of the accession process is expensive. In terms of bilateral meetings, there will be a meeting organized later this year in Apia for New Zealand and Australia in Apia.
- In terms of fiscal implications, the group reported that this was a difficult area because Samoa, Tonga and Vanuatu are small players globally. With Cambodia and Nepal now being accepted into WTO, this means it will open up for the three islands to accede faster.
- In terms of problems acceding countries reported that their national front lacks coordination and with regards to cohesion, it is difficult to formulate a national position.
- There is a need for national staff to be trained in negotiation skills, valuation, etc and the need for legislation reform to comply with WTO Agreements.
- Acceding is an expensive exercise financially.

**Group 3 (Non-members)**

- Major issues of concern were presented as follows:
  - decrease in revenues – tariffs as source of income for governments will be reduced
  - Lack of WTO information and awareness at national level
  - Poor collaboration between CROP agencies and country members
  - Lack of technical expertise/assistance to countries at national level.
  - Cost involved in acceding is too high.
  - Still unclear on the benefits and costs of becoming WTO members.
- No plan to join WTO at this stage. However countries would like to be well informed on the implications (costs and benefits) of joining WTO.
- In terms of future work, countries would like more meaningful assistance in capacity building and awareness, advice (taxation reform) and information dissemination at national level.

**Trade-related Legislation Review: Samoa Experience**

92 Mr Kosi Latu of the Commonwealth Secretariat presented a paper on the review of trade-related legislation: Samoa's experience. Mr Latu expressed that it was necessary to be aware of rules of the multilateral/global trading system. Accession to WTO, which is a rules-based organization, will require a review of domestic trade-related legislation. The multilateral trading system is underpinned by legally binding obligations, rules and principles. Mr Latu explained the Memorandum on Foreign Trade Regime (MFTR) which describes trade policy, relevant legislation and related administrative measures and practices. The

MFTR is submitted to the WTO Working Party and reviewed by the members. The trade regime must be compliant with WTO principles (e.g. MFN, NT, transparency). The Working Party proposes suggestions/modifications to legislation and policies as necessary to conform to the WTO rules and obligations.

93. A legislative review methodology was outlined. The review could be undertaken internally or externally in the light of available resources, expertise and time. Also, it could be a comprehensive approach for all trade-related legislation or a narrow approach (“exception approach”) based on issues raised by the WTO Working Party. In Samoa’s case, over 70 pieces of trade-related legislation and regulations were reviewed. Most of them were WTO compliant, but some areas of inconsistency were identified during the review. Analysis of legislation against WTO rules and principles was undertaken. As a result of the review, amending/new legislation were recommended. Key areas identified in the review are Customs valuation (transparency), trade remedies (aspects of inconsistency in application), intellectual property (compliance and enforcement issues including penal sanctions) and services (discriminatory requirements in terms of recognition of qualifications of non-Commonwealth professionals. Timeframe for review depends on nature, extent and complexity of legislation required. In Samoa, it is in process of developing findings of the legislative review process into legislative proposals.

94. Mr Latu explained about advantages of legislative review, such as requirement of a WTO National Legislative Plan, inputs of a legislative review into development of a WTO National Legislative Plan and Planning for WTO Working Party sessions. In conclusion, he expressed that legislative review is necessary even if adjustments required are minimal, all legislation are not necessary to be in place before accession, and it is technical assistance.

## **9. SESSION 7: IFAD’S SUB-REGIONAL STRATEGY FOR THE PACIFIC**

95. The Session was devoted to the presentation and discussion of the preliminary findings of IFAD’s Sub-Regional Strategy mission. The findings of the mission were presented by Messrs Rodney Cooke and Mattia Prayer Galletti of IFAD, and the session was facilitated by Mr Tuala Falani Chan Tung of Samoa.

96. Mr Cooke reported on the background of IFAD and its operation. Its main objective is to reduce rural poverty. In terms of its operation, IFAD has financed 657 projects valued at US\$8.15 billion of which 32% were for the Asia-Pacific region, 16% for Latin America and the Caribbean, 35% for Africa and 17% for the Near East and North Africa. In addition, funding of \$6.7 billion has been provided through co-financing arrangements, and \$8.1 billion through domestic contribution.

97. He reported on what IFAD was willing to do for the rural community in the region, referring to 25 years of experience in rural development. He diagrammatically presented IFAD’s strategic framework and highlighting strategic objectives in order to overcome poverty in rural communities. The IFAD team of seven members had been in the region for a month and had visited 10 Pacific island countries by splitting into three groups and visiting the regions of Micronesia, Melanesia and Polynesia. The other countries were not visited due to time constraints and difficulties in flight connections.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

98. Mr Galletti described the trend of events carried out by IFAD on the road to re-engage in the Pacific region. This began in June 2003 when IFAD management decided to re-activate the Pacific programme. The consultation with the Governments started in December 2003, followed by regional civil society consultation in June 2004 in Apia, and finally the Sub-Regional Strategic Opportunities (SRESOP) Mission which took place in June-July 2004.

99. The Pacific sub-regional strategy recognizes three main aspects of poverty: lack of access to basic needs; poverty of opportunity; and vulnerability to poverty (especially women and youth). It also identifies development opportunities in relation to human and social assets such as family ties and indigenous knowledge, productive assets and technology which involves land and resource development activities and financial assets and markets.

100. The lessons learnt from IFAD's many years of experience highlighted the importance of government involvement and ownership; having partnership with non-government organizations (NGOs) and community-based organizations (CBOs); targeting rural youth and women; the need to operate at the small or micro level and the need to develop market linkages. The need for innovative rural finance delivery mechanisms, for flexible & simplified implementation arrangements were also highlighted. Further, there was a need for cost effective supervision and to work with existing institutions.

101. Mr Galletti pointed out IFAD's strategic niche as developing and testing innovative ideas, up scaling of existing successes, forging new partnerships and advocating the importance of agriculture and rural development. These would enable the rural poor to overcome hardship by enhancing livelihood opportunities and by reducing vulnerability. He explained that IFAD's strategic thrusts focus on improving local food security and reducing reliance on processed imported foods.

102. With regard to IFAD's main development approaches, Mr Galletti emphasized the importance of building multi-stakeholder partnership, linking the needs and strengths of rural communities to private enterprises and strengthening local governance, i.e., institutional strengthening of local institutions. In terms of its co-financing schemes, Mr Galletti stated that there have been messages complimenting IFAD for ongoing support to EU and FAO-funded regional projects and for its effective financing investment equity schemes. There are also other successful initiatives such as the up-scaling of micro-level operations through MORDI funds, and lending at country level such as the one for PNG, which involves funding of participatory research on atoll agriculture/aquaculture and extending corporate activities to the region. He highlighted IFAD's policy linking to action through investing in agriculture development and promoting a sharper focus on rural areas and marginal lands. IFAD also looks at addressing trade issues, land tenure issues and encouraging greater involvement of civil society.

103. In response to a query on the criteria for lending, it was explained that IFAD has a lending policy based on income levels, repayment period of 40 years with a grace period of 10 years but with an annual 0.75% service charge). In terms of organizational structure, IFAD has no regional offices since donors want a small but efficient organization, but has established counterparts/contact points with countries.

104. In relation to turnaround time for preparation of project, it was noted that this depends largely on the nature of the project being considered. Time for implementation depends on

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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the nature and type of project which could be up to 12 years. Such projects usually target very neglected, remote and difficult areas, and often they involve institutional and capacity building, which takes time.

105. The following points were made during the discussions of the draft regional strategy for the Pacific:

- The mission report, and the draft regional strategy, was considered to be comprehensive in its coverage. Noting the declining amount of resources that go into agriculture in the region, the strategic thrust of IFAD is appreciated and is very much in line with governments' needs. Emphasis put on the national supply side is also relevant, and should include diversification of supply.
- Proposed work and emphasis on land tenure is supported but there was still some skepticism on what IFAD will be able to do in this area.
- Based on the success of the series of RTM on WTO, there may be merit in staging a parallel series on supply side and diversification, rural development and food security since the two go hand in hand.
- IFAD needs to clearly demonstrate the comparative and competitive advantages it is able to offer to PICs, as compared to the Asian Development Bank (ADB) and other financing institutions. This could be in terms of competitive interest rates, friendlier or simple processes. Note should also be made of the fact that there are a lot of grant assistance programmes from which the PICs benefit such as that provided by the EU. As such, the problem faced by the region is not so much the lack of development finance but the accessibility of these resources. Related to this is the need to ensure that such assistance is well directed.
- Importance for IFAD to have physical presence in the region, which should help speed up the processing of loan requests. It will also facilitate the flow of information and promote better understanding and appreciation of the culture, values, and rural conditions and situations of the countries of the region.
- Note was made of the newly approved grant policy of IFAD. The new policy allows management to approve small grants up to US\$200,000 while big grants are subject to approval by the Executive Board which only meets three times a year.
- There is a need to ensure that IFAD complements and not duplicates the work of others. As such, there may be a need to focus on a few viable options that are not adequately covered by others such as the ADB and the World Bank (WB).

106. The session concluded with Mr Cooke explaining the process the draft sub-regional strategy for the Pacific will undergo before it is adopted. He advised that a further review of the draft sub-regional strategy will be made by IFAD based on views and comments made. Efforts will be made so that the revised draft will be ready to be submitted to the Executive Board's session on 6-7 September 2004. Once the Board has approved the strategy, work will commence immediately on designing the new operations for the Pacific.

**10. SESSION 8: AGRICULTURE IN THE CONTEXT OF REGIONAL  
TRADE AGREEMENTS**

107. Two presentations were made under this broad topic. The first presentation was made by Ms Mere Falemaka of the PIFS on the Regional Trade Facilitation Programme. The second presentation was made by Ms Gesa Wessler of CTA, on Economic Partnership Agreement, with a focus on Agricultural Negotiation. The Session was facilitated by Mr William Rauwal Gwiseuk of Papua New Guinea.

**Trade Facilitation under the Regional Trade Facilitation Program**

108. Ms Falemaka explained that the Regional Trade Facilitation Programme (RTFP) was developed in 2003, based on three studies commissioned covering customs, quarantine and standards and conformance. The aim is to improve the efficiency and effectiveness of these services to facilitate FIC's trade. A draft was tabled at the Regional Trade Facilitation Forum (RTFF) in April 2003 and endorsed in July 2003 by Forum Trade Ministers Meeting (FTMM). In December 2003, the Forum Trade Ministers met to finalise funding for the RTFP. They noted that, although funding commitments from Australia and NZ were announced, it was insufficient for the endorsed RTFP. They endorsed Year 1 fund allocation and indicative allocation for years II to V and recommended a reprioritisation of the RTFP to take place in line with available funds. They directed the implementing agencies to reprioritise within available funds, which is to be formalised by FTMM in 2004.

109. In April 2004 the FTMM considered the reprioritised RTFP but agreed that RTFP remain unchanged and tasked officials to consult and agree on funding and finalisation of MOU. An implementation plan is to set out how all priorities would be implemented. Based on an initial budget estimate of F\$ 7,977,658 and F\$ 4,614,300 already pledged by NZ, Australia and France, there is a shortfall of F\$ 3,363,358. Additional funding is needed.

110. Other implementation plan issues include the need to ensure that no duplication with other agencies' work programme takes place. The customs component is to be delivered by Oceania Customs Organisation (OCO) with 8 specific projects to be implemented over a 5 year period. The quarantine component is to be implemented by SPC/PPPO. Project 1 focuses on the establishment of sanitary and phytosanitary commodity pathways for FIC Agriculture Exports and Project 2 on a Centre for import-export biosecurity technical support ("IMPEXTEK").

111. The Standards/Conformance component will be handled by the Forum Secretariat for now until members' decision is made on possible regional organisation to take this on. It consists of studies in year 1 and an integrated food standards project to be implemented jointly by FAO, USP and WHO in years 2 and 3. The responsibility for the coordination component rests with the Trade Facilitation unit of PIFS. Technical and trade officials will meet in year 1 to discuss findings of the Customs and Standards/Conformance studies.

112. In conclusion, it was recommended that the WTO-RT meeting recognises that RTFP will contribute to Pacific region's shift towards regional and multilateral trade needs and endorses efforts for further funding support for the Standards/Conformance and Quarantine components of the RTFP. It was also recommended that any trade facilitation programme of FAO provide support to the initiatives in the region.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

113. In response to a question on how long before Forum officials make a decision on the issue bearing in mind that PICTA is already in effect/coming into effect shortly, it was advised that officials will have a meeting to sign the MOU. In response to a query on whether the Forum Secretariat RTFP requires financial commitments or whether an agency could take on board a project and implement with its own funds as some agencies are not donors, it was advised that lead agencies will receive funds pledged for implementation. However lead technical agencies could take on certain parts of the RTFP.

**Economic Partnership Agreement with Focus of Agricultural Negotiations**

114. Ms Wessler provided a brief background on CTA saying that the Center was founded in 1983 under the Lomé Convention and was since 2000 under the framework of the ACP-EU Cotonou Agreement. The Center's Headquarters is in Wageningen, the Netherlands where about 40 staff are based. CTA has a regional branch office agreement for the Pacific with IRETA (USP, Samoa). CTA works with 78 countries in Africa, Caribbean and Pacific.

115. The overall objectives of CTA are poverty eradication, sustainable development, and gradual integration of ACP countries into the world economy. Its sectoral focus is agriculture and rural development. Strategically CTA concentrates on Information and Communication Management, while operationally the provision of information services and strengthening of information communication management (ICM) capacities is a priority. Its activities include publications; seminars & study visits; training courses; websites and portals; studies; support to local organisations and to regional networks and Q&A services.

116. In regards to the ACP-EU partnership, she explained that key timelines in the EPA timetable were the signing of Cotonou Agreement in 2000; the start of ACP-wide negotiations in September 2002; the start of regional negotiations in September 2003; the regional negotiations re expected to start in September 2004 and the new FTAs will enter into force on 1 January 2008.

117. EPA objectives are the integration of ACP States into the world economy; poverty eradication and sustainable development. The scope includes tariff reduction programmes (10-12 years); simplification and reduction of administrative obstacles to trade; and other trade-related areas (competition policy, IPRs, standards, SPS, environment, labour, etc.) as well as trade in services. Basic EPA principles are WTO-compatibility, Reciprocity ("two-way"), inclusion of substantially all trade (80-90%), regional integration, to build on previous achievements, special arrangements are possible for LDCs and a review of alternatives to non-LDCs in 2004.

118. Free, non-reciprocal market access for LDCs to the EU exists under the "Everything but Arms (EBA)" initiative. By entering into an EPA together with non-LDCs, market access will have to become reciprocal. Additional benefits of EPAs to LDCs are unclear. Pacific ACP-LDCs are Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu.

119. Effects on existing trade agreements are as follows. Australia and New Zealand (ANZ): Article 6 of PACER requires Forum Island countries to negotiate the same trade arrangement with ANZ as with the EU (or other countries). FSM, Palau and RMI are signatories to Compacts of Free Associations (CFA) with the US. This requires them to grant at least the same rights to the US as to other countries. While an EPA with the EU might

cover only a small proportion of trade by Pacific ACPs, the effects on the other two agreements have much stronger implications

120. The CAP reform in the EU is causing a shift from price support to direct aid payments for EU farmers that leads to declining prices in the EU market. This means lower gains of ACP (and other) exports to the EU. Greater competitiveness of EU producers may lead to increased EU exports to ACP markets as the CAP reform undermines the benefits of trade preferences in agriculture. It is clear that external effects of CAP reform need to be addressed in the EPA negotiations

121. Sugar is a “sticky issue” in that regard. Market access is provided under the Lomé Sugar Protocol. This has only one member in the Pacific, Fiji, which provides 165,348 tonnes/year or 12.75% of the total (the second largest allocation). There is a commitment by the EU for an “indefinite period” and at “guaranteed prices”, but guaranteed price is to reflect the internal EU price, and that is under heavy pressure. Policy options for negotiations include a development dimension; umbrella agreement and subsidiaries; regional EPA vs. individual EPA or no EPA. It also includes trade facilitation provisions and the extension of rules of origin for processed products.

122. Ms Gessler explained that AgriTrade, the CTA’s web portal on international agricultural trade issues in the context of ACP-EU relations; was established in 2001 (<http://agritrade.cta.int>). The target group is ACP negotiators, as well as stakeholders in ACP states, with the aim to facilitate their internal debates and to help fashion their negotiating positions on agriculture and fisheries. Specific objectives are to create or heighten awareness of the critical issues, deadlines and the fora of discussions; to provide information on the recent developments pertinent to the key trade issues; to facilitate the dissemination of this information, its analysis and the exchange of views on such analysis and its implications; and to establish and maintain a platform for the exchange of ideas and formulation of proposals by ACP states and stakeholders.

123. In response to the question of what effect the changes in the CAP will have on tropical agricultural products from the Pacific, it was suggested that mainly sugar as a commodity will be affected. However, it was pointed out that although the EU says that countries are not be worse off under the EPAs than under Lomé, already the Rum Protocol is gone and so as the Banana Protocol and now sugar is under threat.

## **11. SESSION 9: CODEX AND INTERNATIONAL FOOD STANDARDS**

124. Two presentations were made during this session. The first one was by Mr Dirk Schulz, FAO Food and Nutrition Officer from the Sub-regional Office for the Pacific Islands, who provided an update on recent development and issues on Codex and food standards in the international arena, as well as progress, priorities and challenges faced by the Pacific. The second presentation was made by Mr Kosi Latu of the Commonwealth Secretariat, which gave an update on negotiations and issues relating to the Kava ban in Europe. The session was facilitated by Mr Tevita Faka’osi of Tonga.

### **Update on Recent Development and Issues on Codex**

125. Mr Dirk Schulz provided an update on Codex and Food Control in the Pacific region. He began by reminding the meeting that food (and water) is not only a concern for plant and animal diseases, but also a vector of many microbiological, chemical and physical hazards. Although information on food borne diseases is limited and not being collected in a systematic harmonised manner in PICs, the existing data indicates the significance of food borne illness. He added that very little of this data are specifically applied to better risk management through effective and focused food safety programmes.

126. Food safety must be considered within a global context that is dynamic and evolving as part of the globalisation process. Increased international trade, more integrated markets, adoption of new technologies in food production & processing, increased market concentration & information transfer brought about increased food safety risks: e.g. increased intensification of food production practices increases risk of chemical contamination through pesticide & veterinary residues. Given the more integrated and global nature of food trade, once unsafe and/or contaminated food enters the food chain, it is very likely to be more rapidly distributed to other countries.

127. Countries of the region have seen changes in lifestyles and dietary patterns, parallel to increasing urbanization/monetization of food system. Most PICs are now highly dependent on food imports to meet their dietary requirements. In line with urbanization, there is an increasing tendency to eat away from home in commercial settings or street-food vendors and in general the dietary change has also led to an increase in non communicable diseases. Food is also a key foreign revenue earner and PICs are increasingly exporting high value food products such as fish and seafood products with high requirements for food safety. At the same time destination countries have increasingly strict regulatory requirements in the area of food safety, packaging and labelling and have stringent inspection systems to ensure adherence.

128. All of these factors have important implications, both positive and negative, for food control systems, which are under unprecedented challenges. Addressing current problems in relation to food regulation requires sound structures, relevant legislation and effective enforcement, surveillance, monitoring and analytical services, as well as the delivery of information, education, training and advice to stakeholders across the farm-to-table continuum. Food control should rely on over-arching concepts of coordination and collaboration between stakeholders, the harmonisation of standards and approaches, and focus on priority goods.

129. Many PICs have outdated prescriptive legislation (mainly reactive than preventive), although many countries have begun the review/reform process. PICs are at varying stages of development in regards to food legislation (Fiji completed reform, Tonga planning reform, Nauru does not have specific food legislation). Given the importance of sound legislation to promote food safety and facilitate trade, it is essential to get high level commitment to reform food legislation as a priority area for action. While decisions on what kind of food control structure and legislative framework to establish should be made only after taking into account the particular situation and needs of each country it has been proposed at a recent meeting of food regulators from the region that PICs can benefit from pursuing a regional approach.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

130. Food control management is another important building block for food control, with core responsibilities being the establishment of regulatory measures, providing overall policy guidance, monitoring of performance, and facilitating continuous improvement. It was noted that progress in the region has been limited, although there were some examples of management reforms taking place such as in Tonga.

131. Inspection and certification services form “eyes and ears” of the food control system and are important to ensure the safety of both food exports and imports. The implementation of food laws require a qualified and trained inspection service and in order to be effective food inspectors one needs to be aware of modern developments in food technology, food law-power and obligations; inspection/sampling certification procedures, inspection reports, HACCP audit to mention but a few areas.

132. Food monitoring and surveillance and analytical services are other important building blocks. In order to determine compliance with food standards and/or link contamination with disease, physical, microbiological and chemical analysis of food samples is required. In view of enabling financial sustainability, a regional referral approach towards food analytics has been advocated (microbiological analysis at national level, basic food analytics for nutrients as well as selected contaminants (heavy metals, pesticide residues) at the Institute of Applied Science (IAS) at the University of the South Pacific (USP) and highly advanced analytics at international referral laboratories (e.g. POPs in breast milk at German Laboratory). Mr Schulz also informed the meeting that IAS/USP had been going through the international accreditation process and that in order to encourage analytical work at this regional facility, IAS would match quotes from overseas laboratories. A regional round table on food composition would be held in August 16-20 at USP and invitations had been sent to 11 PICs.

133. In regards to IECT, Mr Schulz informed the meeting that during last year the following capacity building events had been held: a Sub-Regional Training Course (SRTC) on Food Regulation and Standards - Food Control and Quality Assurance; SRTC on Import/Export Inspection and Certification; STRC on Basic Food Analysis; STRC on Food Contaminant Analysis; Training course on FSANZ Food Standards (NZAID/FAO); Regional Conference on Food Safety for Asia and the Pacific (FAO/WHO); and the FAO/SPC/WHO Meeting on Future Action on Food Safety in the Pacific (FAO/SPC/WHO).

134. The meeting was told that the WTO SPS Agreement cites Codex standards, guidelines and recommendations as the preferred international measures for facilitating international trade in food and the benchmarks against which national food measures and regulations are evaluated within the legal parameters of the WTO. The strategic priorities for Codex are promoting sound food regulatory systems; use of science based standards; promoting international harmonization; promoting maximum membership and participation and strengthening capacity to respond to new issues and members’ needs. These priorities were being supported by a strategic plan being implemented by Codex Alimentarius Commission (CAC).

135. The meeting was advised that the Codex Trust Fund is now operational and has already funded several PICs to attend a number of Codex meetings (CCFH, CCGP, CAC). Applications for next year (2005) close in October 2004 and it is very important for the Pacific countries to take advantage of this fund to enable participation in the work of Codex.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

136. Current trade related issues in Codex include work by the labelling committee (CCFL) on Biotech labelling guidelines, principles being developed for Traceability/Product tracing, the revision of the Code of Ethics for International Trade in Foods, and the adoption of a draft Code of Practice on Good Animal Feeding by the Ad Hoc Intergovernmental Task Force on Animal Feeding in May 2004, which is to be followed an FAO Manual of Good Practices for the Feed Industry and Guidelines for Trade in Animal Feed to facilitate implementation of the Code when adopted by CAC.

137. Mr Schulz also raised awareness that the International Portal on Food Safety, Animal and Plant Health was launched recently ([www.ipfsaph.org](http://www.ipfsaph.org)). This is a joint undertaking among SPS-recognised standards setting organizations (Codex, CBD, FAO, IPPC, OIE, WHO) and WTO and presents a unified source of official, current standards and legislation on Food Safety, Animal and Plant Health.

138. In conclusion, Mr Schulz reminded countries of the importance to strengthen their national food control systems, including food legislation & standards as well as the need to strengthen Codex Contact Point and national Codex administration. Furthermore he recommended maximum use of the Codex Trust Fund to increase participation in Codex and other international standards development, as well as regional networking. He recalled that Samoa was the current coordinator of the Codex region of North America & South West Pacific and announced that the Regional Coordinating Committee would meet from 19-22 October 2004, in Apia, Samoa. It is hoped that all members of the region would be present.

**Kava Ban in Europe: An Update on Negotiations and Issues**

139. In providing an update of the Kava Ban in Europe, Mr Kosi Latu from the Commonwealth Secretariat explained that Kava is sold as a sedative drug/anti-depression in Europe/South America and as a supplement/anti-depression in the USA, as opposed to its traditional use in the Pacific as a beverage for ceremonial purposes. The beginnings of the kava ban in Europe were in April 2001 with the recall of the registration of a kava product in Switzerland followed by the withdrawal of 97 kava products from 49 companies in Germany by the Drug Regulatory Authority (BfArM) in June 2002.

140. Regulatory measures against kava included the withdrawal in other European countries such as Austria, Belgium, France, Greece, Netherlands, UK and withdrawal of kava products from Singapore, Canada, and Malaysia. A voluntary recall took place in Australia, New Zealand (traditional kava products not concerned) and, in the USA, the FDA issued a warning. The basis for the withdrawals was an alleged linkage between kava toxicity and severe liver damage.

141. There has been a substantial impact of the kava ban on the Pacific leading to an economic downturn for trade in kava in several PICs (Fiji, Samoa, Tonga & Vanuatu). Since 2001 the loss of export earnings to Pacific is estimated at more than US\$200 million. The resulting unemployment of kava growers and producers in rural areas has led to kava producers turning to more lucrative but illegal crops such as marijuana.

142. In response to the Kava ban, a scientific study by Phytopharm entitled “Investigation of EU member states restrictions on kava products” was initiated by Pacific Island Forum and commissioned by the Centre for Development of Enterprise (CDE). Findings of Phytopharm

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

scientific study concluded that kava can be regarded as a safe and effective herbal medicinal product and measures taken by health authorities were inappropriate and scientifically unjustified.

143. Kava has received world wide attention since the ban in 2002 and a European-Pacific kava stakeholders Meeting was held in Brussels, Belgium from 25-26 August 2003 organised by CDE and PROINVEST. The meeting had the objective to explore ways to re-establish the kava trade between the EU and Pacific island countries and endorsed the findings of the scientific study undertaken by Phytopharm.

144. The meeting agreed to establish an International Kava Executive Committee (IKEC) comprised of representatives of the stakeholders and relevant organisations to address the immediate and future issues relating to the management of kava as proposed by the Phytopharm scientific study. Goals of the IKEC are to provide consumers and patients a safe usage of kava; the reactivation of the kava trade between kava producing ACP states and European states and a reduction of financial damage for kava exporting countries.

145. Other international developments included the ACP Council of Ministers Resolution on Kava Trade, Brussels, 1ST October 2003, which called on EU to initiate as a matter of urgency, the reversal of the ban, restrictions and market recalls of kava based products in EU member states based on scientific evidential information. The Communiqué of Commonwealth Heads of Government Meeting, Abuja, Nigeria, December 2003 “stressed the importance of market access for traditional products of small and vulnerable states to enhance export earnings. In this context they noted the concern of small Pacific island states on the economic implications of a ban on kava imports by some developed countries and urged that this issue be resolved expeditiously.” Furthermore, WHO was requested by the European and Pacific Stakeholders Meeting in November 2003 to re-evaluate all available scientific data. WHO has agreed to undertake re-evaluation and results are expected by the end of 2004.

146. In political developments, the Prime Minister of Samoa visited the German Chancellor Gerhard Schröder and Health Minister Ulla Schmidt in December 2003, followed by a visit of the Ambassador of Fiji with Deputy Health Minister Dr Schröder.

147. A kava resolution by the ACP/EU Joint Parliamentary Assembly on 20 February 2004 called on the European Union member states to “urgently initiate measures to secure reversal of the bans they have imposed on kava.” In other recent developments a meeting between IKEC and German Health Authorities (30-31 March 2004) agreed with German manufacturers and pharmaceutical producers of kava to a 6 months period to undertake studies/evaluation on the toxicology of kava. In the UK, a meeting between IKEC and the UK Medicines and Healthcare Products Regulatory Authority (MHRA) on 2 April 2004 in London showed a willingness by MHRA to evaluate new evidence. It was evident that new scientific evidence was required before reversal of ban could take place. The IKEC is to present new scientific evidence to the UK MHRA.

148. It was concluded that Pacific Islands need to look at variety of issues such as quality control, health issues, regulatory measures (e.g. legislation) and to keep up political engagement with EU member countries. There are positive signs following IKEC meetings with German and UK Health Authorities and the International Kava Conference. The

objective for PICs is to develop a common strategy on the scientific discussion and to establish an International Advisory Board on kava issues.

## **12. SESSION 10: FISHERIES DEVELOPMENT**

149. The Session was facilitated by Mr Paula Taukei of Fiji. Four presentations were made, covering the topics: fisheries development issues in the Pacific Region; fisheries subsidies; fisheries market access issues; and sanitary standards for marine products.

### **Fisheries Subsidies Debate**

150. Mr Tony Lynch from the Trade Negotiations Division of MFAT, New Zealand made a presentation on progress of WTO negotiations on Fisheries subsidies from a NZ perspective. The unique nature of Fisheries Subsidies was recognised in the 2001 WTO Doha Mandate. Fisheries Subsidies are currently covered by the WTO Agreement on Subsidies and Countervailing Measures (ASCM). The ASCM prohibits export subsidies and disciplines subsidies with “adverse effects”. Subsidies are defined as government financial contributions that confer a benefit. Mr Lynch explained that as part of the “traffic light approach”, subsidies that are contingent upon export performance are prohibited (RED BOX). Subsidies specific to an industry that cause “adverse effects” to another WTO member can be countervailed (AMBER BOX). Environmental and Research exemptions expired in 1999 (GREEN BOX). Mr Lynch pointed out that the current WTO rules on subsidies are not working for fisheries.

151. In early 2004, New Zealand put forward a proposal, which focuses on the red box with the rationale that fisheries subsidies that increase revenue or decrease costs should be prohibited. The proposal also argues for special and differential treatment provisions for developing countries. Green light could possibly be given for environment management and development programmes and it would be up to other WTO members to suggest exemptions. The intended effect of the NZ proposal is to decrease international competition and increase world fish prices. It is expected that there will be no effect on the right to charge access fees as these are legitimate mechanism and developing country exemptions would mean artisanal fishing and domestic fisheries development would remain unaffected. Decrease international competition would increase world fish prices.

152. A group of small developing countries including Fiji, PNG and Solomon Islands submitted a WTO paper in July 2003, outlining three concerns, i.e. Access Fees and Development Assistance, Fiscal Incentives to Domestication and Fisheries Development and Artisanal Fishing. While there is a wide range of views, all parties now agree on the need for specific rules for fisheries subsidies. Work on fisheries subsidies is progressing in the WTO rules negotiating group. New Zealand wants to target the main developed country subsidies (Japan, Korea) since developing countries’ subsidy programmes are not the problem.

153. Asked what the implications would be for developing countries subsidy programmes, Mr Lynch responded that New Zealand recognises that PICs have an important interest in this process because fisheries are key resource for them. New Zealand has been talking to the FFA to capture concerns and provide an input so that these concerns are addressed. However the real issue is the subsidies of developed countries. Over time it will be difficult for Small Developing Countries to compete with heavily subsidised foreign fishery fleets. It is also

important to address fisheries management issues. Japan and Korea are now recognising that they need to change their regimes. New Zealand is seeking a win-win strategy.

154. Asked whether the USA proposal to prohibit over exploitation refers to resources within US waters or globally, Mr Lynch responded that this addresses global waters, not just EEZs. Ms Falemaka of the Forum Secretariat advised that members have varying degrees of interest on this topic – for small countries like Kiribati access fees is the key revenue earner (hard to establish their own fleets) while other countries need fiscal incentives to establish fishery industries. She then asked how NZ proposal will address this. In response, Mr Lynch stated that this message was well delivered by the 2003 paper submitted by a group of Small Developing Countries. The main issue is to ensure that states like Kiribati are still able to access fish stocks and that this resource does not diminish.

155. From the ensuing discussion, it was pointed out that in regards to over-capacity and over-exploitation the main concern is management of stocks. It is not PICs that are over-exploiting, but the distant countries. Also, it was clear that there has to be a relationship between the new management regime and developments on subsidies. It was noted that the financial cost of establishing own fisheries is too great for small countries.

#### **Progress of the Tuna Commission and Fisheries Development Issues in the Region**

156. Mr Paul Ash from New Zealand presented a paper on the progress of the Tuna Commission and fisheries development issues in the region. He explained that although the total economic value of fisheries is approximately NZ\$2.2 billion per annum, the amount retained by PICs is comparatively small (approximately NZ\$70-80 million). Fisheries present an important employment opportunity with an estimated 20-30 thousand jobs or 5-8% of employment across Pacific. There is a balance of interests between costal states and fishing states. Mr Ash informed that the key regional agencies dealing with fisheries are the new Tuna Commission, FFA, and SPC's Coastal and Oceanic Fisheries Programmes. He further explained that tuna rich states have 3 sub-regional agreements in place: the Nauru Agreement; the Palau Arrangement and the FSM Agreement.

157. In regards to the Tuna Commission, this is being set up under the Western and Central Pacific Fisheries Convention (WCPFC) which entered into force on 19 June 2004. Currently its 14 parties are all Forum members. The European Union was ready to join and waiting for an invitation. Korea, Taiwan and China were also close to joining, while Japan and the USA could take longer to join. The convention presents the most significant fisheries initiative in Pacific ever. The approach was to use a commission with management, science and compliance functions to manage highly migratory fish stocks.

158. Developing conservation and management issues poses several challenges. One of these was the WCPFC context, i.e. management decisions regarding overall catch/efforts limits, the allocation of fisheries resources, and the bigeye and yellowfin tuna stock status. Scientific issues included the need to reduce uncertainty and the issue of National vs. Commission Science. Further challenges are boarding and inspection issues on high seas, observer programmes (whose observers go on whose vessels, what enforcement/vessel monitoring system will be put into place). Finally the appointment of an executive director posed a challenge for countries to agree on.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

---

159. There are big changes in operating environment and capacity issues have become evident in a recent review. There is a need to re-set FFA's strategic direction and a strategic planning process is underway. FFA's role post-Review should reflect member priorities. Other important questions include whether the FFC should take on a more strategic role and the FFA to be re-equipped to deliver for members; a greater devolved role for the FFA Director; enhanced fisheries management advice and training; enhanced economic policy role; continued treaty administration; enhanced domestic capacity-building services; and upgraded compliance services .

160. Economic challenges to PICs include how to increase return from the fishery, as well as how to control resource rights. Compliance challenges include large EEZs and limited compliance assets, as well as governance and compliance issues. Wider engagement and new issues comprise international developments (e.g. WTO, OECD, FAO fisheries subsidies discussions and links to capacity); fisheries issues in regional trade developments such as PACER, EU/ACP REPA; allocation issues, i.e. who gets access to the fish; managing new fisheries players in the region like EU, China, Philippines; a rise in illegal fishing and linkages with other fisheries fora.

161. Noting that the Commission will be based on science based information, and given that PICs find it difficult to adapt to a science-based regime an important issue is how the Commission can ensure that PICs will not be marginalised. Mr Ash advised that the experience of developing countries elsewhere has been one of marginalisation. It is important to look at differences between the Pacific Commission and other commissions, which are focused on the high seas. The Convention is addressing this through decision making by consensus giving PICs a chance to influence decisions. Science is fundamental for any sound fisheries management process. It was proposed to take a regional approach to science giving consideration that species are migratory and suggested that SPC has a core body of scientists that can be utilised. The question was whether PICs wish to use a regional body or prefer to develop their national scientific capacity. The Convention foresees the provision of scientific assistance to member countries. FFA and SPC have clear distinction on science (SPC) vs policy (FFA).

162. Asked whether the World Fish Center in Malaysia plays any role at all in the context of the Tuna Convention, it was advised that the WFC does not have a role as it is mainly focusing on inshore fishing. It was also noted that satellite based surveillance (FFA's Vessel Monitoring System) will play an important role as it was probably the only feasible regional answer given geography and resource constraints.

163. Asked about the effect of the Commission on the Palau and Nauru Agreements, it was explained that the Convention will be the overarching framework for the region. The extent to which it will be compatible with the agreements depends on the principle of "complementarity" (measures within countries should be complementary to the overarching framework of the Convention in that they will meet the objectives of the Convention). Asked about the issue of bilateral access (where a member wants to give access to a non member), Mr Ash stated that it is hoped that all members will not give bilateral access to a country that is a non member if this conflicts with the Convention.

### **Fisheries Market Access Issues: Rules of Origin Requirements, Seafood Standards**

164. Dr Vina Ram-Videsi from the University of the South Pacific (USP) but recruited by FAO as a Consultant presented a paper on fisheries development in PICs and market access under WTO. She pointed out market access under WTO is a cross cutting trade issue involving tariff and non tariff barriers. Market access negotiations usually begin with modalities for reducing or eliminating tariff and/or non-tariff barriers. Developing countries are concerned with non-linear approach. Discussions on non tariff barriers are limited and involve a four stage discussion (identification, examination, categorisation, negotiations). Pacific Islands Fisheries currently supply 60% for canning market and 30% for Japanese sashimi market and are foreign dominated. Coastal fisheries are reef and lagoon based and important for nutritional security, employment and rural development. There are possible threats of over-exploitation and the need for community-based strategies.

165. Key markets access issues for PICs concern the USA, Japan and the EU. Erosion of trade preferences is a worry for Pacific Island exporters. Rules of origin lay down criteria for the source of an imported product. Access to market depends on country's ability to satisfy Rules of Origin (RoO). Under the Cotonou Agreement success of the EPA largely hinges upon satisfying the criteria for the RoO to gain preferential access to the EU market, which is the world's largest canned tuna market. Fish caught outside the ACP's territorial sea will be originating if caught by vessels that are owned, flagged, or employ PACP, EU, OCT nationals. Third Party vessels qualify if they are under joint-ventures (ownership of 50% or more by ACP, EU or OCT, crew 50% or more by nationals of ACP, EU or OCT). Issues relating to the rules of origin include the flag state responsibility, technical and resource constraints in PICs, changes to national legislation, improvements in data collection and installation of a vessel monitoring system.

166. Dr Ram-Videsi pointed out that seafood safety and quality issues are also very important in regards to market access to the EU, USA and Japan. For example, EU regulations require all fish and fishery products imported from third countries to come from processing facility approved by a competent body in the exporting country. Health certificates need to accompany all exports. If equivalence is not achieved EU inspectors will visit the exporting country. The Codex Alimentarius plays a key role as the international reference for food safety.

167. Taking into account transportation costs, there is a question on whether PICs should really be looking at exporting to Europe given that they are not yet able to meet the requirements of closer markets such as USA and Japan. In view of this, perhaps PICs should be looking at closer markets first before looking at EU market. In response, Dr Ram-Videsi stated that there is a need to look at the commodity that can be traded: processed, canned tuna. The option is to get EU to process tuna within the region and still meet the EU requirements. The major markets are really Japanese and US markets for sashimi tuna, however, the idea is to capture some of the value adding opportunities. There is a need to emphasise the food safety standards irrespective of where we are exporting to. Within WTO fish is classified as an industrial product.

### **Sanitary Standards for Marine Products: Issues**

168. Mr Pierre Berthelot from the Commonwealth Secretariat presented a paper on Technical Assistance provided to Small Island States in the area of Sanitary Standards for Marine Products. He explained that the 12 week study was carried out by two experts in seafood technology and conformity assessment procedures, and in certification and quarantine. The study found that the supply chain is a constraint with small boats, insufficient landing sites and processing plants not HACCP compliant. Also, the laboratory capacity is very limited in OECS.

169. Socio-economic constraints include the lack of economy of scale, risk aversion of small fisher folk, high cost of air freight, belief that iced fish is not fresh fish and illiteracy barrier to recordkeeping and adherence to HACCP procedures. It was also found that the competent authority had inadequate recognition; legislation was deficient; there was a lack of trained staff; and no specialised service for fishery exports. Furthermore there were financial and staff constraints. As its main output, the project listed the identification of key constraints and related solutions, including TA needs, and the development of guidelines for improved standards throughout the supply chain.

170. Asked how this type of project can be replicated, Mr Berthelot responded that there is a need to formulate a project request and address to Commonwealth Secretariat (average project size is about 50,000 pounds). Mr Berthelot also pointed out that the Secretariat was working closely with SPC on fisheries matters. The need for a regional organisation to address food safety and food processing was highlighted. Mr Berthelot added that it is also important to ensure that domestic market needs are taken care of (hotel sector has strict standards) and this should not be underestimated.

### **13. SESSION 11: REGIONAL TRADE DEVELOPMENT ASSISTANCE PROGRAMMES**

171. The session provided an opportunity for the development and donor agencies present at the workshop to brief participants on their respective development assistance programme, and how the assistance facilities could be accessed. It also allowed country participants to raise any issue of interest with the donor/development agencies.

172. Mr Pierre Berthelot briefly explained the Commonwealth Secretariat's two main divisions (Special Advisory Division and Governance & Institutional Division) which provide the technical assistance to the member countries. Short-term and long-term technical assistances are available from the Divisions in the areas of economics, legal aspects, management, trade and integrated agriculture.

173. Ms Mere Falemaka briefed delegates on the Forum Secretariat's trade-related activities in particular the activities of its Trade and Investment Division.

174. Ms Josie Tamate, Project Economist of the Forum Fisheries Agency, explained the organization's role on the sustainable management of tuna resources (re: WCPF Convention) including trade and marketing activities.

175. Dr Ram-Videsi outlined the training and educational programmes of the University of the South Pacific's Marine Studies Programme, Institute of Marine Resources (IMR) and Pacific Islands Marine Resources Information Systems (PIMRIS).

176. Mr. Manase Felemi briefed on the FAO's trade-related activities in the region and technical assistant programmes (e.g. TCP, TeleFood, Trust-fund, regular programme).

177. Countries expressed their appreciation for informative presentations by resource persons in preparation for WTO membership. It was pointed out that while capacity building and training opportunities have been supported by regional organizations including the Forum Secretariat at regional level, it is recognized that capacity building and follow-up activities are needed at national level. For reviewing national plans, it is noted that specific issues have to be addressed.

#### **14. SESSION 12: AVIAN INFLUENZA AND ITS IMPLICATIONS**

178. Mr. Angus of SPC provided an update on the avian influenza epidemic and briefed the meeting on its possible implications to the region. The Highly Pathogenic Avian Influenza (HPAI) is a virus disease of birds and caused by Influenza Type A. He provided information on resistance to physical and chemical action (temperature, disinfectants, and survival), clinical disease, disease transmission (bird to bird, wild bird, litter or diet), laboratory diagnosis (identification of the agent), prevention and control at farm level etc. The importance of HPAI quarantine and bio-security measures was addressed. Further, the current situation of HPAI in Pacific-rim countries was briefed on.

#### **15. SESSION 13: OUTCOMES OF MEETING AND WRAP-UP**

##### **Evaluation Exercise**

179. At the end of the Roundtable Meeting, an evaluation was facilitated by Mrs Rivers, who divided the participants into small discussion groups. Each group discussed a list of topics prepared by Ms Rivers, such as lessons learnt from sharing common WTO issues, appreciation of donors' presence, technical information, implementation of actions, check-list of country progress, private sector's participation and involvement, focused objectives/themes, fisheries involvement etc. The results of the evaluation would be utilized for organizing a future meeting.

180. Although a detailed analysis of the evaluation has yet to be made, it was clear from the groups responses that the Roundtable meeting was very useful and relevant to the participating countries.

##### **Summary of Discussion and Closing Remarks**

181. The Meeting was officially closed by Dr Fuavao who summarized meeting discussions and thanked the Government of New Zealand, Commonwealth Secretariat, IFAD, CTA, Forum Secretariat and SPC for co-sponsoring the meeting. For a possible next meeting, it was

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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expressed that the importance of private sector participation and more time for discussion on fisheries issues could be considered.

182. The meeting ended with a field visit to some of the agriculture and fisheries export marketing operations in Auckland, organized by the South Pacific Islands Trade and Investment Centre (SPITIC) of the Pacific Islands Forum Secretariat. Places visited included the MAF wharf at Ports of Auckland, Turners and Growers, and a meeting with representatives of the Pacific Islands Importers.

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SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004

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SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004

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SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004

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SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004

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SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004

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**WELCOME ADDRESS  
BY DR VILI FUAVAO,  
FAO SUB-REGIONAL REPRESENTATIVE FOR THE PACIFIC**

Honourable Jim Sutton, Minister for Trade Negotiations  
& Minister for Agriculture and Forestry,  
Honourable John Tiakia, Associate Minister for Agriculture,  
Forestry and Fisheries of Niue  
Staff of the various ministries of the government of New Zealand  
Representatives from the Commonwealth Secretariat, IFAD, CTA, FAO and other  
international agencies  
Representatives from the Pacific Island Forum Secretariat, the Secretariat of the Pacific  
Community, the Forum Fisheries Agency and other regional organizations  
Distinguished Participants from FAO Pacific Member countries  
Invited Guests  
Ladies and Gentlemen

It is indeed a great honour and pleasure for me to welcome you all to the Seventh FAO Round Table Meeting on WTO Agreement Provisions. On behalf of the Director General of FAO and the co-sponsors of the Meeting, I would like to convey to you, Honourable Minister, our heart felt appreciation for having kindly agreed, once again, to grace the meeting with your presence and to deliver the keynote and official opening address. Your presence here today, despite your busy schedule, reflects the importance that you personally, as well as your government, attach to the need to promote awareness and to deepen the understanding of the Pacific island countries on the implications of the WTO multilateral trading system on the agriculture sector. We all look forward to hearing your statement, which will no doubt set the direction and guidance for the ensuing discussions over the next five days of the meeting.

As most of you are aware, this is the seventh in a series of annual meetings that has been organized since 1998. This is in response to a request from the South West Pacific Ministers of Agriculture at their meeting held in Samoa in 1998 and reiterated in subsequent meetings, for FAO to assist in assessing the possible consequences of the Uruguay Round Agreements on agricultural and fisheries policies of countries of the region, and on trade. FAO has been able to hold these meetings through financial and technical contributions from a number of donors, development partners, international agencies and regional organizations. Thus, I would like to acknowledge with appreciation, the contributions and assistance provided by the Government of New Zealand and the Commonwealth Secretariat who have been the major collaborators since 1998 and 2000, respectively. I would also like to acknowledge the technical contribution and collaboration provided by a number of regional organizations, notably the Pacific Islands Forum Secretariat and the Secretariat of the Pacific Community (SPC), who have been involved right from the beginning. The continuing assistance and collaboration of these agencies over the past years have made it possible for FAO to hold these meetings

I am also pleased to advise that, for this year, the International Fund for Agriculture Development (IFAD) has generously agreed to make financial and technical contribution towards to the meeting, in addition to the traditional collaborating partners. In addition, I wish

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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to acknowledge the presence of CTA, which participated in 2002 but was unable to attend last year. This year, CTA is not only able to attend but will also contribute by way of paper presentation. Thus, on behalf of the FAO and its collaborating partners, I would like to extend to CTA a warm welcome and express our sincere appreciation. We look forwards to your continuing involvement, assistance and contribution in the future.

Honourable Minister, as you may be aware, participants at the past meetings have been drawn mainly from agriculture (including fisheries) and trade officials. This was in view of their direct involvement and influence on agricultural development and trade policies of their respective countries. We believe that this approach has helped to build up the technical capacity within these ministries in the countries and has promoted better understanding by agricultural and trade policy officers, of the full impactions to agriculture, fisheries and forestry in respect of the new trade regime under WTO agreement provisions. On the basis of this we have continued to employ the same approach and have invited participants to the Seventh Round Table Meeting mainly from agriculture, fisheries and trade ministries.

It is pleasing to note that many participants are able to be here today. I am particularly pleased to note that some the participation of some participants have funded by their own governments, which reflects the importance they attach to this meeting. It is unfortunate that due to disruptions to flight schedules and other reasons, some participants are not able to be with us today.

I am also pleased to note the familiar faces of those who have attended some of the earlier meetings. I am particularly pleased to see new faces amongst the participants, which to me is also an indication that the Round Table series is still very much relevant and useful to the member countries of FAO. To those of you who are attending for the first time, I extend to you a very warm and special welcome and trust that you will find the meeting useful and relevant to your work in your respective countries.

Finally, I would like to take this opportunity to acknowledge with appreciation the hard work and tireless effort of the staff of the New Zealand Ministry of Foreign Affairs and Trade in making the necessary arrangements for the meeting. Special mention should be made of the contributions and dedications of Neil Fraser, Barry Glover and Sophie Ven der Meer, who have been working closely with my staff from FAO SAPA in Apia since April this year to ensure that all the necessary arrangements were put in place.

Once again, welcome to you all, and thank you Honourable Minister for taking time off your busy schedule to be with us today. I also thank those who have kindly agreed to make presentations during the meeting and to share their knowledge and experience with the participants. And I trust that the participants will find the meeting most useful and worthwhile.

Thank You, Faafetai Lava, Malo Áupito.

**OFFICIAL OPENING ADDRESS  
BY HONOURABLE JIM SUTTON, MINISTER FOR TRADE NEGOTIATIONS  
AND MINISTER FOR AGRICULTURE AND FORESTRY**

**SPEECH NOTES**

Ladies and Gentlemen: I am delighted to welcome you to this morning – the fourth time Wellington has hosted it, and the third time I have met with you.

I extend a warm welcome to you all, especially Tuvalu and the Federated States of Micronesia who were admitted to the Food and Agriculture Organization last year – are they here? Thank you for coming as well.

Trade liberalization – especially the issues of export subsidy elimination and market access – is important to all trading nations, but increasingly, it is developing nations who are the most fervent in their views on it. I found this particularly striking at last year’s FAO Conference in Rome, which I chaired. Associate Minister Damien O’Connor also noticed the same at the recent FAO Regional Conference for Asia and the Pacific in Beijing.

Only three Pacific Island Countries are WTO members, but it is necessary for all 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.

I know that Tonga, Samoa and Vanuatu are engaged in negotiations over accession to the WTO.

New Zealand is keen to assist where it can with facilitating accession to the WTO because it is important everyone affected by international trading rules should have a say in how they are developed – but we recognise the challenges this poses for developing countries and least-developed countries. WTO membership is not something that people should feel forced into.

Globalisation is a reality we all have to deal with, no matter how large or small a nation we are.

Governments in the Pacific cannot shut their people away from the rest of the world. The social ties we share, as friends and family across our many islands in the Pacific, prevent that. We are exposed to difficult cultures, and this can bring about changes in our societies. This change is hard to adjust to sometimes.

Economic changes forced upon us by globalisation can sometimes be hard to deal with too. It is something that governments must come to grips with though, so that we can do the best for our citizens.

This event has proven to be most useful, and is even more so this year as multilateral agricultural trade negotiations gather momentum in the WTO – July being a “crunch” month for DDA negotiations. Vili Fuavao and his team in the FAO Sub-regional Office in Apia are to be congratulated for the enthusiasm with which they are continuing to organise this event.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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NZ is very pleased to provide support to this event, and does so in the knowledge of the potential gains to be made from liberalisation of the world trading system. This is the seventh year NZ is pleased to share its trade policy expertise and experience.

It is especially appropriate this meeting is on now, as the WTO negotiations are close to a crunch point in Geneva.

New Zealand is cautiously optimistic that this time, agreement can be reached. There are still significant gaps in positions – the next month will be crucial.

Agriculture is still one of the key issues. Slowly and surely, it seems that a consensus might be possible.

We are standing at the brink of what appears to be a major shift in the international trading system.

It is a seismic shift equivalent to that of 10 years ago, when for the first time agriculture was included as an integral part of the multilateral negotiations known as the Uruguay Round.

This time, in the Doha Development Round, the economic superpowers of the World Trade Organisation have recognised that agriculture is a vital part of this round and as a consequence, have registered a readiness to see an end-date for export subsidies as an integral part of the outcome.

The significance of this is huge: for more than 50 years, they have been defending the use of export subsidies. Their recognition that export subsidies will have to go in this negotiation is an enormous step.

Developing nations have a key role in these negotiations. The majority of WTO members are developing nations.

New Zealand places importance on special and differential treatment for developing countries, and we recognise that developing countries have particular development needs that require special treatment.

But movement is necessary from developing nations as well, many who have their own significant barriers to trade.

Fisheries subsidies rules is another area of the Doha Round than can deliver substantial trade and development benefits.

Conservative estimates place global fisheries at a minimum of US\$15 billion; that's equivalent to 20 per cent of industry revenue. Tighter WTO fisheries subsidies rules could benefit Pacific domestic fisheries sectors by providing growth opportunities in the absence of highly subsidised products from developed countries.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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We recognise also the need to take into account the particular circumstances of the smallest coastal states – in particular where industry development and artisanal fishing are involved. New Zealand has a strong interest in a continued dialogue on this issue.

This Roundtable has emphasis on trade policy, but note also that it has elements of trade facilitation, such as quarantine issues, which are crucial for stimulating the trade of Pacific Island Countries.

We were pleased that some real gains have been made in facilitating exports from Pacific Island Nations to New Zealand through the dedicated position that has been established at MAF to work on Pacific quarantine issues. This was funded from New Zealand's RTFP allocation last year, but this financial year is to be funded from within MAF baselines. I hope that can maintain the position indefinitely. So that is additional resources for the Pacific.

Ladies and gentlemen: I wish you all well in this meeting. I encourage you to take full part in all the deliberations – lively discussion and sharing of your own experiences will maximise the value of this event.

With these few words, I have the honour and pleasure to declare the Seventh Roundtable Meeting on WTO multilateral trading system officially open.

Thank you

**STATEMENT BY MR RODNEY COOKE,  
DIRECTOR – TECHNICAL ADVISORY DIVISION, IFAD**

Honourable Minister,  
Delegates,  
Ladies and Gentlemen,

Thank you for this opportunity to make a statement at the opening of the roundtable meeting.

Why is the International Fund for Agricultural Development here?

Our participation arose from consultation with Pacific Island Member States last December which began the process of redefining our Regional Strategy for the Pacific. Such a strategy would, of course, be based on IFAD's focus on enabling the rural poor to overcome poverty.

That meeting in Rome last December, identified as one important theme – trade, market development, micro-finance and the associated capacity development required to link rural development to markets.

In other words, this is considered as one of the likely themes for IFAD's future programme and IFAD's future policy dialogue in the region.

Let me give you two examples of our role in policy dialogue on this issue. First, at IFAD's Governing Council meeting last February, we tabled as the main policy paper "Trade and Rural Development – Opportunities and Challenges for the Rural Poor". This paper underlined the fact that to benefit from trade opportunities – those opportunities that the Honourable Minister Jim Sutton, has just outlined – rural people need access to capital, relevant technology, land and water, infrastructure and opportunities to organize themselves for business development. That paper also focussed the discussion in the Governing Council on five challenges which I can summarize briefly as: i) how to reduce small-farmers' dependence on traditional exports to developed country markets; ii) how to diversify into higher-value products; iii) how to enter the value-added chain (including processing, quality control, tariffs); iv) how to forge mutually beneficial relations with the larger-scale private sector; and v) what is the optimal balance between developed country markets – as opposed to focussing on regional, national and local markets in the developing countries themselves.

A second example of a basis for policy dialogue is the paper produced by our Asia & Pacific Division on Rural Enterprises and Poverty Reduction (also tabled at IFAD's Governing Council) – this drew on IFAD's recent policy paper on rural enterprise.

Let me come back to IFAD's evolving Regional Strategy in the Pacific. This includes approaches to market development, but also encompasses other aspects of rural development. Our initial thoughts are to be discussed with you tomorrow afternoon. Today, I want to make just one point. Namely, that IFAD is very concerned about coordinating with and supporting, ongoing programmes and strategies. Similarly, we look to harmonize with other donors, where appropriate. For example, the Asian Development Bank, AUSAID and the Pacific Forum are all in the later stages of reviewing their strategies in the area. Perhaps of greater significance to us here in Wellington is a similar process ongoing with NZAID. I was fortunate to be invited to NZAID's workshop on Sustainable Livelihoods in the Pacific earlier

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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this week – together with 10 to 15 participants at this meeting from Pacific Island countries. That workshop was part of the ongoing dialogue in which NZAID is moving towards refining its own thinking on cooperation in the region.

Let me give just one example of pertinent ongoing programmes namely the SPC-coordinated Development of Sustainable Agriculture Programme (EU-funded) and our host's (FAO) Regional Programme for Food Security and Trade, both of which have an interface with UNDP's livelihoods programme in the region.

Ladies and Gentlemen, I look forward to our discussion tomorrow afternoon on those issues. Meanwhile, I look forward to productive discussions of trade development and WTO agreements in the context of the Pacific. Thank you very much for your attention.

**SPC STATEMENT AT THE OPENING OF THE 7<sup>TH</sup> ROUND TABLE MEETING FOR PACIFIC  
ISLAND COUNTRIES ON WTO AGREEMENT PROVISIONS**

**Delivered by**

**Áleki Sisifa, Director, Land Resources Division**

Hon John Sutton, Minister for Trade Negotiations and Minister for Agriculture and Forestry  
Representative of UN Food and Agriculture Organization, Dr Vili Fuavao  
Representative of the Commonwealth Secretariat  
Representative of the Forum Secretariat  
Delegates from countries of the Pacific  
Colleagues from Regional and International Organisations  
Colleagues from the New Zealand Government  
Ladies and Gentlemen

It is once again a great pleasure for me to be here with you on the occasion of the opening of another round of this series of annual meetings for PICs on WTO Agreement Provisions. For me personally, this is the fourth in the series that I have attended. I think many of you would agree that these meetings have been extremely useful particularly in terms of: keeping countries informed of developments in the ongoing negotiations on WTO related Agreements and on emerging trade related issues and those that are non trade related like food security and rural development; the identification of trade related priority capacity building needs of countries and planning for provision of support in those areas; and the sharing of information among countries delegates and collaborators relating particularly relating to development assistance that is available.

For the Secretariat of the Pacific Community, this year's round table is significant, in that, along with IFAD, SPC is represented as one of the partners convening the meeting. In saying that I would like to acknowledge on behalf of SPC the leadership of the Government of New Zealand, UNFAO, the Commonwealth Secretariat and the Forum Secretariat in supporting this very useful annual get-together.

As you know, SPC has, over more than fifty years been active in the effort to strengthen the plant protection services of PICTs, with the support particularly of Australia, New Zealand and the European Union. Over the last ten years or so, SPC's focus in this area had notably shifted to biosecurity and trade facilitation in line with the emerging importance of the globalization of trade. This new focus had sharpened even further with the promulgation of the Partnership Agreement of Closer Economic Relations (PACER).

The Land Resources Division of SPC is currently working towards integrating the services it is providing to the agriculture and forestry sectors of the PICTs. A new Strategic Plan for 2004-2008 is in place in which Biosecurity and Trade Facilitation is one of LRD's two objectives and the organization is being restructured to deliver the outputs more effectively and efficiently. In the immediate future, attention will be given to biosecurity and trade facilitation aspects of relevant animal industries operating in the region.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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Of course many of the smaller island countries of the Pacific do not trade to a significant extent nor have good potential to significantly develop agriculture or forestry export trade in the foreseeable future. The other objective of our Strategic Plan is the Sustainable Management of Forestry and Agriculture Systems. And the outputs of that objective include sustainable forest and agriculture management, proper watershed management and land use planning, plant and animal quarantine, plant and genetic resources including the regional germplasm center, crop, forestry and animal production.

I have with me in this meeting, two colleagues from the SPC Land Resources Division – Mr Sidney Suma, Biosecurity Officer and Dr Stephen Angus, Epidemiologist. We hope that our presence and participation at this round table meeting will not only contribute to another successful meeting but attest to the importance we in SPC place on collaboration in general and on the Round Table meetings for PICs on WTO Agreement Provisions in particular.

In closing, I would like to once again thank the New Zealand Government, FAO, Commonwealth Secretariat and the Forum Secretariat for inviting SPC to be a partner in this useful regional endeavour.

Thank you

**STATEMENT BY THE COMMONWEALTH SECRETARIAT**

**Delivered by**

**Mr Pierre Berthelot,  
Deputy Director, Special Advisory Services Division**

Hon Sutton, NZ Minister for Trade Negotiations  
& Minister for Agriculture and Forestry  
Dr Vili Fuavao, FAO Sub-Regional Representative for the Pacific  
Colleagues from Co-sponsoring Organizations  
Ladies and Gentlemen

The Commonwealth Secretariat is privileged to be associated with this annual event since the third year in 2000. My understanding is that this series of Round Table has become a valued mechanism, not only for updating officials of Pacific island countries on progress in the difficult area of multilateral trade negotiations, but also to exchange news, views, and experience on a range of topical agricultural trade issues, as evidenced again by the agenda.

The need to have this annual gathering has regularly been questioned; well at least by Comsec's management. The evaluation that was conducted two years ago brought out very positive feedback that convinced us to continue our support. As pointed out by the Honorable Minister in his opening speech, at this juncture of the Doha Development Round, nobody can question the utility, and indeed, timeliness of this Round Table coming up a few weeks before the July deadline for a framework deal on agriculture. And with New Zealand as new Chair of the Committee on Agriculture Special (investigating) Session, through Ambassador Tim Groser, we do look forward to an insider view on the process and progress being achieved.

The Commonwealth Secretariat sees this Roundtable as a major component in many activities implemented in response to an important mandate conferred upon it by Commonwealth Heads of State. This mandate underlined at Coolum, Australia and reiterated last year in Abuja, is to contribute to greater integration of developing member countries in the multilateral trading system. Other activities in pursuit of this mandate include:

- The well-known advocacy work of our Economic Affairs Division which takes the form of consultation meetings and publications – a recent example being the monograph by Professor Stiglitz on the Doha Development Round.
- TIAF activities
- A Geneva Adviser project, whose future is somewhat uncertain at this point in time
- On-going work on TRIPS.

We do hope that we will have the opportunity to discuss these activities and your pending requests in the coming days here. But at this point, I would like to warmly thank our partners, the FAO, IFAD, the Forum Secretariat, the SPC and of course our host, the government of New Zealand, for associating the Commonwealth Secretariat with this opportunity to further contribute to mutual understanding in this difficult area of agricultural trade.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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And finally, dear delegates, my personal thanks for accepting the invitation of the organizers of this Round Table, and for being here. I am confident that we will spend very rewarding time in Wellington.

Thank you.

**7<sup>TH</sup> ROUNDTABLE MEETING  
AGENDA AND WORKING ARRANGEMENTS**

**INTRODUCTION**

Much of the debate about globalization has been centred around the World Trade Organization (WTO) and the impact of international trade agreements negotiated under its auspices. And much of the concern about food security has been focused on the Agreement on Agriculture (AoA) negotiated as part of the Uruguay Round agreements signed in 1994.

The next Round Table Meeting (RTM) on WTO will be the seventh in a series of meetings organised by the Food and Agriculture Organization (FAO) of the United Nations, the Commonwealth Secretariat and the Government of New Zealand, in collaboration with other regional and international organizations, including the Pacific Islands Forum Secretariat (PIFS), the Secretariat of the Pacific Community (SPC) and the International Fund for Agriculture Development (IFAD) which has just become a collaborating partner this year. These meetings are being conducted with the overall objective of promoting awareness and deepening the understanding of Pacific Island Countries (PICs), of the implications of the World Trade Organizations (WTO) multilateral trading system on the agriculture sector and in particular on agricultural and food trade in the region.

This is in response to the wish expressed by the Ministers of Agriculture of South West Pacific countries for FAO to assist in assessing the possible consequences of the Uruguay Round Agreements on agricultural and fisheries policies of countries of the region and on trade.

**PARTICIPATION**

Participation at past meetings have been drawn mainly from Agriculture (including Fisheries) and Trade officials in view of their direct involvement and influence on agricultural development and trade policies of their respective countries. For the seventh RTM, it is expected that participation will continue to be drawn from the same sectors.

**OBJECTIVES**

As with the previous meetings, the overall objective of the seventh RTM is to improve PICs' awareness of the implications of the WTO Multilateral Trading System of the agriculture sector. Based on the responses to the evaluation exercise at the end of last year's RTM, the Agenda for the Seventh RTM has been developed with the view to achieving the following specific objectives:

- To improve the knowledge of Agriculture (including Fisheries) and Trade officials on the current issues and development on agriculture in the context of the WTO Agreements and the international trading system;
- Discuss emerging agricultural trade related issues of interest and identify possible strategies to be undertaken at the regional and national levels.
- Address non trade related issues and concerns such as food security and rural poverty with the view to integrating them into trade policies and trade negotiations of participating countries; and
- To inform officials on development assistance available and regional initiatives being undertaken on trade in agriculture that can be accessed by PICs.

**THE AGENDA**

The Agenda proposed for the Seventh RTM has been developed taking into account the comments and suggestions made by PICs following the evaluation of the Sixth RTM, which included an assessment of the past RTMs and the topics covered to date.

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

**ANNOTATED AGENDA**

<b>THURSDAY 1<sup>ST</sup> JULY 2004</b>	
8:30 a.m.	<b>Registration</b>
9:00 a.m.	<p><b>OPENING:</b></p> <p><i>Welcome address</i> : Dr. Vili Fuavao, FAO Sub-regional Representative for the Pacific</p> <p><i>Opening Statements by</i> : IFAD, SPC, Commonwealth Secretariat</p> <p><i>Opening &amp; Keynote Address</i> : Honourable J. Sutton, New Zealand's Minister for Trade Negotiations</p>
<b>9:30 a.m.</b>	<b>Morning Tea</b>
9:45 a.m.	<p><b>Session 1: Introduction</b></p> <p>1.1 Main outcomes and developments following the previous Roundtable Meetings and the Fifth Meeting of the FAO South West Pacific Ministers for Agriculture. <b>(Mat Purea &amp; Manase Felemi, FAO)</b></p> <p>1.2 Agriculture Development Policy: Trends and Developments in the Region <b>(Manase Felemi, FAO &amp; Aleki Sisifa, SPC)</b></p> <p><b>Facilitator: [Neil Frazer, New Zealand]</b></p> <p>[This session aims to refresh participants on key outcomes and issues discussed in the previous RTMs and the Fifth Meeting of FAO South West Pacific Ministers for Agriculture and the progress, if any, made on those issues. It should also be a good introduction to some of the issues to be addressed during the rest of the meeting.]</p>
10:15 a.m.	<p><b>Session 2: Agriculture in the Context of WTO Negotiations</b></p> <p>2.1 Post Cancun: Issues at stake – agriculture, the Singapore issues, non-agriculture market access negotiations <b>[New Zealand – (Alana Hudson)]</b></p> <p>2.2 Agriculture – domestic support, market access, special and differential treatment on market access, export competition, further work on the modalities including the issues of interest such as non-trade concerns, sectoral initiatives and geographical indications, etc <b>[New Zealand]</b></p> <p><b>Facilitator: [Kosi Latu, ComSec]</b></p> <p>[This session will update the participants on the progress of the negotiations at the WTO on agriculture and how these may impact on the PICs.]</p>
<b>12:00 p.m.</b>	<b>Lunch</b>
1:30 p.m.	<p><b>Session 2 (Continues)</b></p> <p>2.3 Progress on Negotiations in Geneva <b>[Mere Falemaka, Forum Secretariat]</b></p> <p>2.4 Participation of the Pacific Island Countries in the WTO negotiations – update of participation and new issues facing PICs <b>[Mere Falemaka, Forum Secretariat]</b></p>

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

<b>3:00 p.m.</b>	<b>Afternoon Tea</b>
3:15 p.m.	<p><b>Session 3: Progress of Work and Issues on Sanitary and Phyto-Sanitary Measures</b></p> <p>3.1 SPS and TBT Issues under the WTO negotiations [<b>Keawe Woodmore, New Zealand</b>]</p> <p>3.2 SPS Issues under Other Trade Agreements - PICTA and PACER [<b>Mere Falemaka, Forum Secretariat</b>]</p> <p><b>Facilitator: [Neil Fraser, New Zealand]</b></p> <p>[It would be important to provide participants with the SPS updates particularly on new cases within the WTO and within the Pacific itself. Participants would also be required to report on the status of their SPS work especially for those PICs who are WTO members and observers. This would allow the meeting to note any issues and for the organizations to develop strategies to assist PICs in these issues]</p>
<b>5:00 p.m.</b>	<b>Adjourned</b>
<b>FRIDAY 2<sup>nd</sup> JULY 2004</b>	
9.00 a.m.	<p><b>Session 4: Trade Facilitation and Biosecurity Issues</b></p> <p>4.1. Trade Facilitation and Biosecurity Issues for PICs [<b>Bronwyn Wiseman, New Zealand</b>]</p> <p>4.2. Export Marketing and Certification of Organic Products: Opportunities and Challenges [<b>Kay Shapland, New Zealand</b>]</p> <p><b>Facilitator: [Sidney Suma, SPC]</b></p> <p>[Topic 4.1 should provide an opportunity for NZ Biosecurity Authority to brief participants on issues of concern in relation to import of fresh produce from PICs and to share experiences. Topic 4.2 is aimed to brief participants on the opportunities and challenges faced by this particular industry.]</p>
<b>10:30 a.m.</b>	<b>Morning Tea</b>
10.45 a.m.	<p><b>Session 5: Plant Protection Services and WTO</b></p> <p>5.1. Roles of PPPO and its contributions to addressing WTO Issues [<b>Sidney Suma, SPC</b>]</p> <p>5.2. IPPC (and ICPM) and its Implications for Pacific Countries [<b>Richard Ivess, New Zealand</b>]</p> <p><b>Facilitator: [Mat Purea, FAO]</b></p> <p>[This session provides an opportunity for participants to be briefed on current issues faced or being addressed by the PPPO (Pacific Plant Protection Organization), the IPPC (International Plant Protection Commission) and the ICPM (Interim Commission on Phytosanitary Measures) and their roles and contributions to resolving WTO related issues and concerns.]</p>

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

<b>12:00 p.m.</b>	<b>Lunch</b>
<b>1:30 p.m.</b>	<p><b>Session 6: Groups Discussions and Case Study on WTO Membership</b></p> <p>6.1. WTO Membership: Experiences and the Challenges Encountered [Groups]</p> <p>Group I : WTO Members (PNG, Solomon, Fiji)</p> <p>Group II : Acceding (Observer) Members (Vanuatu, Tonga, Samoa)</p> <p>Group III : Non-Members (Cook Islands, FSM, Kiribati, Marshall, Nauru, Niue, Palau, Tuvalu)</p> <p>6.2. Trade-related Legislation Review: Samoa Experience [<b>Kosi Latu, ComSec</b>]</p> <p><b>Facilitator: [Manase Felemi, FAO]</b></p> <p>[Each group is to discuss and share experience and the major challenges they face. Group I should focus on some of the changes and adjustments they have made in compliance with WTO rules, and any experience they wish to share that will be of interest to the other two groups. Group II should share experience in relation to their accession process, the constraints and challenges encountered. Group III is expected to focus discussion on some of the major issues of concern to each individual country, any plan for accession, and likely areas for further expert advice and assistance.]</p>
<b>3:00 p.m.</b>	<b>Afternoon Tea</b>
<b>3:15 p.m.</b>	<p><b>Session 7: IFAD's Sub-Regional Strategy for the Pacific</b></p> <p>7.1. Preliminary Findings of IFAD's Regional Strategy Mission [<b>Rodney Cooke, IFAD</b>]</p> <p>7.2. Identification of Assistance Priorities and Partnerships [<b>Mattia Prayer Galletti, IFAD</b>]</p> <p><b>Facilitator: [Tuala Falani Chan Tung, Samoa]</b></p> <p>[IFAD has been an active partner in agriculture and rural development throughout the last decade. After a period of consolidation of past activities, IFAD is now committed to support new operations. This session will provide an opportunity for participants to discuss the findings of the Sub-Regional Strategy mission and to guide the mission on the identification of assistance priorities.]</p>
<b>5:00 p.m.</b>	<b>Adjourned</b>
<b>MONDAY 5<sup>th</sup> JULY 2004</b>	
<b>9:00 a.m.</b>	<p><b>Session 8: Agriculture in the Context of Regional Trade Agreements</b></p> <p>8.1. Trade Facilitation under the Regional Trade Facilitation Program – update on progress of work, new issues etc. [<b>Mere Falemaka, Forum Secretariat</b>]</p> <p>8.2. Economic Partnership Agreement Focusing of Agricultural Negotiations [<b>Gesa Wessler, CTA</b>]</p>

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

	<p><b>Facilitator: [William Rauwal Gwiseuk, Papua New Guinea]</b></p> <p>[This session will allow the meeting to be briefed and to closely follow the progress of PICTA which would enable each PIC to develop strategies to take advantage of the opportunities arising from PICTA. Participants should be able to report to the meeting on their agricultural exports to the region and to present views (if any) of their private sector on this topic. NZAID could also make a presentation on their contribution to the Regional Trade Facilitation Program.]</p>
<b>10:00 a.m.</b>	<b>Morning tea</b>
10:15 a.m.	<p><b>Session 9: Codex and International Food Standards</b></p> <p>9.1. Update on Recent Development and Issues on Codex and Food Standards [<b>Dirk Schulz, FAO</b>]</p> <p>9.2. Codex Work in the Pacific: Progress, Priorities and Challenges [<b>Dirk Schulz, FAO</b>]</p> <p>9.3. Ban of Kava in Europe: An Update of Negotiations and Issues [<b>Kosi Latu, ComSec</b>]</p> <p><b>Facilitator: [Tevita Faka'osi, Tonga]</b></p> <p>[The current status of food standards in the Pacific warrants discussions as it can impede trade. Food law and standards are of special importance since many PICs still have not developed modern food legislation, a key element of an effective food control system and a pre-requisite for successful trade under the WTO rules. The Kava issue is of high interest to PICs and this provides an opportunity for briefing and an update on the negotiations and progress made]</p>
<b>12:00 p.m.</b>	<b>Lunch</b>
1:30 p.m.	<p><b>Session 10: Fisheries Development</b></p> <p>10.1 Progress of the Tuna Commission and Fisheries Development Issues in the Region [<b>Paul Ash, New Zealand</b>]</p> <p>10.2 Fisheries Subsidies Debate – an update [<b>Tony Lynch, New Zealand</b>]</p> <p>10.3 Fisheries Market Access Issues : Rules of Origin Requirements, Seafood Standards, etc (<b>Vina Ram-Videsi, USP</b>)</p> <p><b>Facilitator: [Paula Taukei, Fiji]</b></p> <p>[This session provides an opportunity for a brief on the progress of the tuna negotiations etc. It will also provide an update on the fisheries subsidies debate, and fisheries market access issues]</p>
<b>3:00 p.m.</b>	<b>Afternoon Tea</b>
<b>3:15 p.m.</b>	<p><b>Session 10 (Con't)</b></p> <p>10.4 Sanitary Standards for Marine Products: Issues [<b>Pierre Berthelot, ComSec</b>]</p> <p>[Other issues could also be raised or revisited during this session, once discussions on Fisheries issues have been exhausted.]</p>

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

<b>5:00 p.m.</b>	<b>Adjourned</b>
<b>TUESDAY 6<sup>th</sup> JULY 2004</b>	
<b>9:00 a.m.</b>	<p><b>Session 11: : Regional Trade Development Assistance Programmes</b></p> <p>11.1 Assistance Programmes for Agriculture and Trade from Regional and International Organizations (<b>ForumSec, SPC, IFAD, ComSec, FAO, FFA, NZAID, CTA</b>)</p> <p><b>Facilitator: [Nga Mataio, Cook Islands]</b></p> <p>[This Session is for development partners to brief participants on their current development assistance programmes].</p>
<b>10:30 a.m.</b>	<b>Morning Tea</b>
11:00 a.m.	<p><b>Session 12: Avian Influenza and Its Implications</b></p> <p>12.1 Update on the bird flu epidemic and its implications to the Pacific [<b>Stephen Angus, SPC</b>]</p> <p><b>Facilitator: [Rebecca Lorennij, Marshall Islands]</b></p> <p>[The bird flu epidemic has caused concern over its possible impact on the region's meat supply and in other areas. The session is intended to brief participants on the status of the epidemic, and its full implications to the region. It will also include recommendations on procedures to follow to minimize risk of its introduction to the region].</p>
<b>12:00 p.m.</b>	<b>Lunch</b>
1:30 p.m.	<p><b>Session 13: Outcomes of Meeting and Wrap up</b></p> <p>13.1 Evaluation [<b>Mary-Jane Rivers, New Zealand</b>]</p> <p>13.2. Summary of Discussions and Closing Remarks (FAO – Vili Fuavao)</p> <p><b>Facilitator: [Kosi Latu, ComSec]</b></p>
<b>3:00 p.m.</b>	<b>Afternoon Tea</b>
<b>3.15pm</b>	<b>Meeting Adjourned - Travel to Auckland</b>
<b>WEDNESDAY 7<sup>th</sup> JULY 2004</b>	
9.00a.m.	<b>Session 14: PITIC and Field Visits</b>
9.45a.m.	<p>14.1 Update on Agricultural Marketing in New Zealand (<b>PITIC</b>)</p> <p>14.2 Field Visits to agriculture and fisheries export marketing activities/business in Auckland (<b>organised by PITIC</b>)</p> <p><b>Facilitator: [Dirk Schulz, FAO]</b></p>

**SEVENTH ROUNDTABLE MEETING ON WTO MULTILATERAL TRADING SYSTEM,  
WELLINGTON, NEW ZEALAND, 1- 7 JULY 2004**

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<b>12:00 p.m.</b>	<b>Lunch (will be provided)</b>
1:30 p.m.	<b>Field Visit Continues</b>  [Suggested sites/places to be visited include Turners and Growers to look at the handling and distribution and quality control operations, Quarantine operations to look at some of the major problems related to fresh produce imports, fresh fish marketing and processing operations, and a food processing operation]

<b>4.30pm</b>	<b>Programme Ends</b>
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**PROGRAMME FOR THE FIELD VISIT IN AUCKLAND**

Wednesday 7 July

- 8.45am : Delegates are to assemble outside the PITIC Office at 48 Emily Place, Central Auckland where a bus will be waiting to transport delegates to appointments
- 9.00am : Bus leaves for MAF Wharf, Ports of Auckland, 23 Quay Street, Central Auckland  
Purpose: To observe fresh produce inspection operation.  
Contact: Mike Fenton, Wharf Manager
- 10.30am : Visit Turners and Growers at Monahan Road, Mt Wellington.  
Purpose: View Distribution and quality control operation, for fresh produce.  
Contact: Gordon Hogg
- 12.00pm : Pacific Island Importers Roundtable Meeting  
Venue: Centra Hotel, Corner Kirkbride and Ascot Avenue, Mangere  
Purpose: Discuss practical problems of agricultural produce imports from the Pacific Islands, and explore opportunities for improving trade flows
- Lunch** will be provided
- 3.15pm : Visit to a food processing/fish marketing operation (to be confirmed)
- 4.15pm : Bus returns to PITIC Office at 48 Emily Place, Central Auckland
- 4.30pm : Arrive at PITIC Office,  
  
End of Field Visit, Delegates disbursed.

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