Resource Mobilization Strategy

DEPARTMENT OF TRADE
Executive Summary

The Department of Trade (DOT) has identified four key objectives from its Corporate Plan (2020-2022). These objectives include the following:

1. Building institutional and staff capacity
2. Participation in trade negotiations to expand market access opportunities for Tuvalu products.
3. Implementing the Trade Policy Framework and Diagnostic Integration Study.
4. Enhancing promotion and marketing activities

However, a key issue that the DOT has faced is a lack of funding and technical assistance for the implementation of the prioritized objectives.

The DOT aims to summarize and analyze recent trends in official development assistance (ODA) and Aid-for-Trade (Aft) in Tuvalu in order to gain support from development partners for its trade policies and strategies. The data suggests that ODA and CPA disbursement to Tuvalu can fluctuate significantly from year to year, and Aft disbursement makes up a relatively small portion of overall ODA and CPA. Remittances have also become an increasingly important source of financing for Tuvalu.

Overall, the DOT faces significant challenges in implementing its objectives due to lack of funding and technical assistance and will need to continue to seek support from development partners to achieve its strategic vision and mission.

The Resource Mobilization Strategy for DOT focuses on identifying new development partners and securing funding for trade and private sector development initiatives. The strategy involves working closely with stakeholders to build partnership and increase transparency to attract Aft funding and private investments.

This strategy also includes ongoing initiatives such as the thematic subcommittees under the National Trade and Sustainable Development Committee (NTSC) to prioritize and translate actions into project proposals for the consideration of interested donors, and tracking and monitoring of aid for trade flows.

The resource mobilization strategy is expected to be crucial in addressing Tuvalu’s unique structural and geographical constraints, and in continuing to fund the country’s agenda beyond the end of the Enhanced Integrated Framework (EIF) support.

Moreover, the strategy is intended to complement and accelerate the impacts of ongoing resource mobilization efforts in the country and address challenges in securing funding to strengthen trade capacity. It will focus on the following:

- Pursuing investment from various sources
- Develop tailored proposals to maximize existing and new funding avenues
- Linking trade explicitly to domestic and international challenges and opportunities
The goal is to ensure that the required assistance and country-owned efforts are sustainable beyond 2023 when EIF Phase 2 ends. Increasing funding for trade can help LDCs like Tuvalu continue to build their trading capacity and make the most of the global trading system.

The DOT in Tuvalu relies heavily on resource partners to fund its activities and works to ensure that these partners' assistance is aligned with national priorities. The DOT seeks to deepen its partnerships with existing resource partners and reach out to new potential donors as well as international financial institutions and multilateral development banks. It also aims to diversify its donor base through partnership with the private sector and philanthropic organizations.

In order to mobilize resources effectively, the DOT will need to maintain a good reputation for managing current resources and communicate the results, benefits, and impact of its work to donors. The DOT will also seek to engage donors at the regional level, organize round-table AfT forums and present its added value approach to the donor community. In addition, the DOT will work to increase transparency and accountability in its resource mobilization efforts using effective financial management tools and reporting mechanisms.

To successfully implement the Resource Mobilization Strategy, the DOT has identified key support mechanism for implementation including:

- Professional Development.
- Technical Assistance.
- Collaboration and Networking
- Capacity Building; and
- Communication

Furthermore, support from potential sources identified including:

- Bilateral agencies
- Multilateral agencies
- Business and Corporate Sector
- Government Departments
- National Trade Steering Committee

The strategy recommends building relationships with these agencies and aligning of funding with priorities under the DOT strategic plan, leveraging the support of civil society to mobilize resources. To effectively implement this strategy, the DOT should also work on increasing transparency and accountability in its resource management strategies.

The Resource Mobilization Plan 2023-2026 aims to identify, engage, negotiate, and manage resource partners in order to secure resources needed to achieve the outlined DOT priorities. The plan outlines a number of practical steps and activities that will be undertaken over the four-year period to achieve these objectives.
In the first year of the plan, the department will develop a matrix of resource partners, mapping their interest to the department’s guiding strategic framework. The department will also use various methods to identify partners, such as meetings, field visits and forums. In the medium term, the department will review or develop concept notes and proposals and will refine the resource partner matrix to match specific concept notes and proposals. In the longer run, the DOT will need to develop communication plans and promotional materials to engage resource partners on a regular basis, and to engage them through field visits, workshops, and meetings.

In the area of negotiation, the department will liaise closely with resource partners to ensure that their mandates are compatible with DOT objectives.

Finally, the department will manage and report on its resource mobilization efforts, ensuring that reporting is conducted in a timely fashion. The DOT will also develop project highlight sheets to widely communicate the success of its programs and projects, and will set up regular communication channels with resource partners in order to foster relationships and build trust.

In support of these efforts, the DOT will institutionalize resource mobilization as a key function, and assign donor focal points within the team. The resource mobilization strategy will be integrated into DOT work plan and reflect on lessons learned in this area. Overall, the ultimate goal is to secure resources needed to achieve the DOT goals and impacts.
**Glossary**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AF</td>
<td>Adaptation Fund</td>
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<tr>
<td>Aft</td>
<td>Aid for Trade</td>
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<tr>
<td>CBI</td>
<td>Confederation of British Industry</td>
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<tr>
<td>CDP</td>
<td>Capacity Development Plan</td>
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<tr>
<td>CPA</td>
<td>Country Programmable Aid</td>
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<tr>
<td>CRS</td>
<td>Credit Reporting System</td>
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<td>DF</td>
<td>Donor Facilitator</td>
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<td>DTIS 2016</td>
<td>Diagnostic Trade Integration Study 2016</td>
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<td>DoT</td>
<td>Department of Trade</td>
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<tr>
<td>EIF</td>
<td>Enhanced Integrated Framework</td>
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<td>EDF 12</td>
<td>European Development Fund 12</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GCF</td>
<td>Green Climate Fund</td>
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<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
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<tr>
<td>IDA</td>
<td>International Development Association</td>
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<tr>
<td>IPoA</td>
<td>Istanbul Programme of Action</td>
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<tr>
<td>IEPA</td>
<td>International Economic Partnership Agreement</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>KOICA</td>
<td>Korea International Cooperation Agency</td>
</tr>
<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<tr>
<td>NTSC</td>
<td>National Trade Steering Committee</td>
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<tr>
<td>NZ</td>
<td>New Zealand</td>
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<tr>
<td>NORAD</td>
<td>Norwegian Agency for Development Cooperation</td>
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<td>OCO</td>
<td>Oceania Customs Organizations</td>
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<tr>
<td>ODA</td>
<td>Overseas Development Assistant</td>
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<td>PACER Plus</td>
<td>Pacific Agreement on Closer Economic Relations Plus</td>
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<td>PIFS</td>
<td>Pacific Islands Forum Secretariat</td>
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<td>PLMAM</td>
<td>Pacific Labour Mobility Annual Meeting</td>
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<tr>
<td>ROC</td>
<td>Republic of China (Taiwan)</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
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<tr>
<td>SPC</td>
<td>Pacific Community</td>
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<td>TPF 2016</td>
<td>Tuvalu Trade Policy Framework 2016</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>Agency</td>
<td>Acronym</td>
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<tr>
<td>UNESCAP</td>
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<td>UNICEF</td>
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<td>USAID</td>
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<td>WB</td>
<td>-</td>
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<tr>
<td>WTO</td>
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Background

Department of Trade (DOT) Corporate Plan (CP)

The DOT Corporate Plan (2020-2022) basically focuses on implementation of broad Policy objectives of TPF 2016 in line with the TKIII. These objectives are further refined to address specific targeted activities the DOT aims to achieve during the period (2020–2022).

Trade is a cross-cutting issue, therefore, key stakeholders for various activities of trade vary according to the scope of the work that is carried out by different line Ministries together with contributions by non-government organization, including private sector and outer islands ‘Kaupules’.

The Department identifies the following as its important objectives to concentrate its efforts and resources over the years to achieve its Vision and Mission:

1. Build institutional and staff capacity
2. Participate in trade negotiations to expand and improve market access opportunities for Tuvalu products (goods and services) through negotiating /implementing key bi-lateral/regional trade agreements.
3. Implement the Trade Policy Framework (TPF 2016) and the Diagnostic Integration Study (DTIS 2016)
4. Build supply-side capacity of targeted Focal Areas (Agriculture, Fisheries, Tourism, and Labour Mobility) through specific trade-related intervention under the Enhance Integrated Framework (EIF) and other AfT programs.
5. Enhance stakeholders’ coordination in trade (carry out stakeholders’ awareness and information dissemination on trade activities and trade opportunities);
6. Trade Promotion and marketing activities by increasing domestic and international trade

Hence as indicated above the DOT has a broad scope, with various activities to be implemented, but an underlying issue remains constant over the years- lack of funding/technical assistance for implementation.

Thus, it is imperative to:

* summarise and analyse recent trends in Tuvalu regarding official development assistance (ODA) in general and Aid-for-Trade (AfT) in particular.
* summarises recent work to support Tuvalu’s efforts to gain development partner support for its trade policies and strategies, including by producing a revised Trade Policy Framework (TPF) and/or Diagnostic Trade Integration Study (DTIS).
AfT Data
This part provides data on ODA inflows into Tuvalu in general, as well as those inflows which are specifically focussed on AfT interventions. It relies primarily on data from international databases, such as the OECD, as well as data provided by the government of Tuvalu.

General Data: ODA, CPA, and Financing Inflows
This section summarises key data in Tuvalu with respect to development aid in general, such as ODA and Country Programmable Aid (CPA), as well as AfT specifically. It also considers other financing inflows which may become increasingly important as an alternative to aid, such as remittances.

ODA and CPA
The following table shows annual ODA disbursements in Tuvalu from 2010 to 2019. The data suggests that these disbursements can oscillate quite significantly from one year to another.

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</tr>
</thead>
<tbody>
<tr>
<td>Tuvalu</td>
<td>11,56</td>
<td>22,13</td>
<td>18,17</td>
<td>17,49</td>
<td>21,74</td>
<td>37,65</td>
<td>13,09</td>
<td>12,85</td>
<td>11,88</td>
<td>19,83</td>
</tr>
</tbody>
</table>

It is also useful to consider CPA as an alternative measure of aid to complement ODA statistics. The advantage of CPA is that it focusses on the type of continuous and regular aid which beneficiary countries can play a key role in programming. It excludes aid which is unpredictable by nature such as humanitarian aid and debt relief. It further excludes aid which does not entail any cross-border flows, such as administrative costs for the donor or imputed student costs. In this sense, CPA is viewed in some circles as a stronger indicator of aid that actually flows to the beneficiary country than ODA.

Tuvalu’s CPA over the last decade is summarised in the following table.

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</thead>
<tbody>
<tr>
<td>Tuvalu</td>
<td>9,71</td>
<td>13,23</td>
<td>16,58</td>
<td>16,65</td>
<td>21,24</td>
<td>36,42</td>
<td>12,70</td>
<td>12,52</td>
<td>11,58</td>
<td>19,35</td>
</tr>
</tbody>
</table>

The data suggest that CPA into Tuvalu largely track ODA disbursements, although there have been years where there were significant discrepancies, such as 2011 where ODA represented $US22.33 million, but CPA only represented $US13.23 million of that overall amount. As with ODA, there appear to be some significant oscillations in Tuvalu’s CPA from one year to another.
The following table provides a more detailed description of Tuvalu’s sources of CPA from 2014.

<table>
<thead>
<tr>
<th>Top 10 CPA Providers: Tuvalu, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
</tr>
<tr>
<td>Australia</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>International Development...</td>
</tr>
<tr>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>EU Institutions</td>
</tr>
<tr>
<td>Korea</td>
</tr>
<tr>
<td>UNDP</td>
</tr>
<tr>
<td>ADB Special Funds</td>
</tr>
</tbody>
</table>

It indicates that the leading development partners providing CPA are bilateral donors, especially New Zealand, Australia, and Japan as well as multilateral banks and institutions such as the IDA (World Bank Group), ADB and UNDP.¹

**AfT Data**

The concept of AfT has been defined by the WTO to incorporate the following five types of aid interventions:

1. Technical assistance for trade policy and regulations – this could include such issues as support to Tuvalu with the development and revision of its TPF and DTIS or support with the implementation of trade agreements such as PACER Plus.
2. Trade related infrastructure: for example, building roads, ports, and telecommunications networks to connect domestic markets to the global economy.
3. Productive capacity building (including trade development) – this includes funds which are designed to support the private sector with business development and exports.
4. Trade related adjustment - helping developing countries with the costs associated with trade liberalisation; and
5. Other trade-related needs, especially those priorities identified in national sustainable development strategies such as Tuvalu’s Te Kete Strategy covering the period 2021-2030.

It is worth noting that AfT is a relatively amorphous concept whose impact can often be felt well beyond the traditional domain of trade. For example, large projects which contribute to transport or ICT infrastructure can be viewed through the lens of AfT, although the impact of such interventions is broader. While there is no doubt that this type of aid can contribute to trade growth, it should also be recognised that it makes a broader contribution to the overall economy and can also have other social benefits.

¹ It is worth noting that since this table reflects CPA, it therefore incorporates sources of funding which are unrelated to AfT, such as the Global Environment Facility.
DAC-CRS Data

The OECD maintains global data on AfT through its Creditor Reporting System (CRS) database. For Tuvalu, AfT represents a large and growing proportion of its overall ODA inflows. AfT increased from $US4.9 million in 2006 to $US17.6 million in 2017 which represents an increase of 260%. Indeed, in 2017, AfT represented around two-thirds of Tuvalu’s overall ODA inflow of $US26.9 million.

Tuvalu’s sectoral distribution of AfT is captured in the following table. It indicates that most of Tuvalu’s AfT is being delivered in transport & storage; agriculture, forestry & fishing; and communications. According to the OECD/WTO partner questionnaires, Tuvalu’s top priorities for AfT are connecting to value chains, trade facilitation and trade finance access.

<table>
<thead>
<tr>
<th>AfT DISBURSEMENTS BY SECTOR (million current USD)</th>
</tr>
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<tbody>
<tr>
<td>Trade policy and regulations</td>
</tr>
<tr>
<td>Trade facilitation</td>
</tr>
<tr>
<td>Transport and storage</td>
</tr>
<tr>
<td>Communications</td>
</tr>
<tr>
<td>Energy generation and supply</td>
</tr>
<tr>
<td>Business and other services</td>
</tr>
<tr>
<td>Banking and financial services</td>
</tr>
<tr>
<td>Agriculture, forestry, fishing</td>
</tr>
<tr>
<td>Industry</td>
</tr>
<tr>
<td>Mineral resources and mining</td>
</tr>
<tr>
<td>Tourism</td>
</tr>
<tr>
<td>Trade-related adjustment</td>
</tr>
</tbody>
</table>

Source: OECD, DAC-CRS Aid Activities Database

Tuvalu’s main AfT donors are captured in the following table. It suggests that multilateral banks have been playing an increasingly important role in terms of delivering AfT to Tuvalu, while its main bilateral partners - such as New Zealand, Australia and Japan - have remained relatively steady over time.

<table>
<thead>
<tr>
<th>AfT DISBURSMENTS: TOP DONORS (million current USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/08</td>
</tr>
<tr>
<td>value</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>New Zealand</td>
</tr>
<tr>
<td>Korea</td>
</tr>
<tr>
<td>Australia</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: OECD, DAC-CRS Aid Activities Database
Anecdotal Data

As part of this research, some data was also provided by the Department of Planning and Budget in the Ministry of Finance about specific AfT projects which the Government of Tuvalu has tracked in its national data from 2013-2021. This AfT has come in the form of technical assistance, sectoral support, and financial assistance from a range of multilateral, regional and bilateral partners.

In recent years, most of the support has been small grants aimed at supporting Tuvalu’s private sector through the Tuvalu Trade Fair or Tau Maketi. Overall, the largest donor has been UNDP providing support to Tuvalu through the EIF Tier 1 and current Tier 2 Project. Moreover, there has been an increased engagement recently with PIFS, PPIU, UNESCAP and UNCITRAL in terms of supporting DOT activities.

It is worth noting that there are some important gaps in the AfT data from both international and national sources. Under the EIF SSP project, it could be useful to improve tracking of AfT sources to identify where future support is needed and where it can be accessed.

Data Gaps

The ability to make data-based decision about Tuvalu’s AfT priorities is hampered by a lack of data in some key areas. For example, the Aid-for-Trade at A Glance 2019 publication notes that Tuvalu lacks data on certain key issues such as:

- Employment trends across sectors including agriculture, manufacturing, industry, and services.
- Logistics performance indices
- Trade facilitation indicators
- Competitiveness indicators
- Trade costs and time to trade
- Poverty and inequality indicators

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2 The full table is available in Annex 1.
3 One of the reasons for Tuvalu’s data gaps is that the international bodies who produce some of these indicators do not include Tuvalu within their list of covered countries.
Annex 1

Table on Recent AfT Projects from 2013-2021.

<table>
<thead>
<tr>
<th>Project</th>
<th>Year</th>
<th>Development Partner</th>
<th>Amount (YTD)</th>
<th>Type of Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PACER Plus Temporary Post</td>
<td>2019</td>
<td>DFAT</td>
<td>8,678.20</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>2. EIF - Tuvalu Trade Capacity Development</td>
<td>2013</td>
<td>UNDP</td>
<td>532,971.12</td>
<td>Sectoral Support</td>
</tr>
<tr>
<td>3. Tau Naketi</td>
<td>2021</td>
<td>PTI - Australia</td>
<td>1,000.00</td>
<td>Financial assistance</td>
</tr>
<tr>
<td>4. Tau Naketi</td>
<td>2021</td>
<td>DFAT</td>
<td>39,046.00</td>
<td>Financial assistance</td>
</tr>
<tr>
<td>5. Tuvalu Trade Fair</td>
<td>2013</td>
<td>ROC</td>
<td>15,500.00</td>
<td>Financial assistance</td>
</tr>
<tr>
<td>6. Tuvalu Trade Fair</td>
<td>2015</td>
<td>INDIA</td>
<td>9,980.00</td>
<td>Financial assistance</td>
</tr>
<tr>
<td>7. Tuvalu Trade Fair</td>
<td>2013</td>
<td>PTI</td>
<td>940.00</td>
<td>Financial assistance</td>
</tr>
<tr>
<td>8. Tuvalu Trade Fair</td>
<td>2014</td>
<td>FORUM SEC</td>
<td>9,995.00</td>
<td>Financial assistance</td>
</tr>
</tbody>
</table>

Source: Government of Tuvalu

Department of Trade (DOT) Financial Targets

This Resource Mobilization strategy focuses on identifying new development partners. It is noteworthy to highlight that the DOT has managed to secure including a Donor Facilitator (DF)\(^4\), the Australian High Commission in Tuvalu, in January of 2022, to champion, support and fund the activities of the DOT including the Trade Policy, the DTIS Action Matrix, Tuvalu’s National Trade Development Strategy and Tuvalu’s international commitments such as PACER Plus, IEPA, and other agreements. There are a number of opportunities that lend themselves to resource mobilisation.

As the DOT transitions from EIF funding and support, the government will need to work more closely with the DF. The DF, as an advocate of the AfT program in Tuvalu, can facilitate the building of partnerships between the government and other donors who are interested in supporting the government in the fields of trade and private sector development, create more transparency and help build credibility in order to attract resources including aid for trade funding and private investments.

Other opportunities for resource mobilisation are currently ongoing initiatives. This includes activities such as the thematic subcommittees operating under the NTSC to work on prioritising the actions in the PACER Plus implementation plan and the DTIS Action Matrix and translating them into short, medium, and long-term project profiles or proposals for the consideration of interested donors and development partners. These documents would be the basis for discussing priorities and mobilising resources to implement selected projects.

\(^4\) “The Donor Facilitator” or “DF” means the donor counterpart for the EIF in an EIF Country. DFs play a key role in the engagement of donor partners at the national level of the EIF in supporting resource mobilization efforts to address priority needs; linking to, and assisting in, the coordination of the trade and private sector development-related donor community and representing the EIF Donors in project preparation and monitoring (Compendium for EIF Phase 2: 2016-2022, p.6).
In addition, following the conclusion of the PACER Plus trade negotiations and entry into force of the agreement, new and broader trade-related development assistance from Australia and New Zealand will be made available to address capacity weaknesses and supply-side constraints as outlined in the Trade Policy and the updated DTIS Action Matrix.

Tracking and monitoring of AfT flows constitutes another important element of the resource mobilisation strategy. The DOT will work closely with the Department of Planning and Budget, Ministry of Finance, to track trade-related aid flows and report back to the NTSC and the Donor Facilitator on trends in spending and gaps or areas being neglected that need the attention of decision-makers.

Reliance on development partners to fund the trade agenda beyond EIF support is expected to continue due to Tuvalu’s unique structural and geographical constraints. However, the role of DF in resource mobilization will be crucial.

**Values**

EIF operates in a competitive and increasingly results-oriented environment for funding. Creating inclusive and sustainable trade for LDCs is at the heart of EIF’s work. But this goal can only be achieved if countries have access to funding and investment opportunities. This strategy is intended to complement and accelerate the impacts of ongoing resource mobilization efforts in Tuvalu.

It aims to address the most pressing resource mobilization challenges and bring to light exciting opportunities for LDCs, including:

- pursuing greater investment from domestic sources, development partners and banks
- developing tailored proposals to maximize existing and new funding avenues
- linking trade more explicitly to domestic and international challenges and opportunities

Trade can play a key role in Tuvalu’s economic transformation and lead to positive development outcomes. Yet Tuvalu has not fully leveraged trade as a means of creating jobs, increasing per capita incomes, and diversifying their economies.

Many LDCs, including Tuvalu face significant challenges in securing the levels of funding they need to strengthen their trade capacities. This in turn prevents countries from harnessing the opportunities offered by the global trading system.

Resource mobilization is an area that requires immediate and focused attention to ensure that the required assistance and country-owned efforts are sustainable beyond 2023 (end of EIF Phase 2 support to all LDCs). To achieve this, Tuvalu needs to make most of EIF’s support to secure funding, both during and beyond the duration of the programme.

Increasing funding for trade can ensure LDCs will continue to build their trading capacity. The greater the resources available from government and bilateral, multilateral, and private sector partners, the more sustainable trade investments in LDCs will be.
Guiding Principles

- Increased attention to and investment in aid for trade, economic development and global trade provides opportunities to mobilize funding
- EIF may provide initial or back-up funding for areas that may fall short of domestic or international support, to assist in pooling or leveraging other resources
- The urgent need to accelerate work towards achieving the Global Goals may open new opportunities for trade to play a bigger role in development

We want to further EIF’s mission to assist LDCs such as Tuvalu, to own and implement a trade agenda conducive to sustainable pro-poor growth and we can mobilize the funding we need to deliver on the above-mentioned principles. We hope that it will encourage discussion and shared learning within the EIF partnership and beyond.

Objective

The main objectives of the Resource Mobilization Strategy are to secure potential sources of funding from:

- domestic resources
- development partners
- multilateral and regional
- development banks
- the private sector
- corporate foundations
a. **Domestic Resources**

Domestic resources consist of funding from finance, planning and other line ministries with a mandate to implement ODA and allocate domestic resources. Their priorities centre on national development, achievement of the Global Goals and opportunities to reduce national deficits.

**Tips:**
- Raise awareness of national trade priorities identified in EIF’s Diagnostic Trade Integration Studies and associated funding needs
- Showcase examples of how trade works to benefit national development goals, and detail DOT’s assistance toward this effort
- Submit timely annual budget requests to ministries of finance, backed by high-quality, tailored proposals
- Engage line ministries, public institutions, and professional associations as technical partners for trade development projects

b. **Development Partners**

Development partners are countries that provide ODA for and/or invest in aid for trade. Their priorities for LDCs centre on activities that will help achieve the Global Goals, reduce poverty, promote economic and rural development, mitigate climate change, and adapt to its effects. They support sectors such as agriculture, health, education, and infrastructure.

**Tips:**
- Promote a sector-wide approach using existing DOT or other in-country coordination mechanisms, e.g., the NTSC that bring government and development partners together to finance trade-related activities in a strategic and coordinated way
- Develop high-quality funding proposals that make a strong case for investing in trade. Detail how planned activities will explicitly contribute to development partners’ country strategies to build strong and long-term relationships based on shared goals

c. **Multilateral And Regional Development Banks**

Multilateral or regional development banks are institutions created by a group of countries that provide financing and professional advice for the purpose of development. These banks have large memberships, including both developed funding countries and developing borrower countries. They are well placed to help make Agenda 2030 a reality, by helping to mobilize finance, tackle issues that cross national borders and reach the poorest and most vulnerable people in fragile contexts.
**Tips:**

- Identify projects or activities that require significant scaling up and additional investments to meet national trade development goals
- Work closely with finance, planning and other line ministries responsible for your country’s collaboration with these banks to develop a funding proposal that could be supported by a range of financing products best suited to your country
- Obtain assistance from EIF to develop a Project Preparation Grant (up to a maximum of US$100,000) to design a bankable project that targets funding from the bank(s) whose mandate is most aligned to support your country

**d. Private Sector and Corporate Foundations**

A number of private sector companies and corporate foundations are aligning strategies and operations to take action to advance the Global Goals. These may be a potential source of funding for LDCs while LDC efforts are still at an infancy stage. Corporate foundations are private foundations that derive their grant-making funds primarily from the contributions of a profit-making business. This type of support is motivated by a combination of philanthropy and business interests.

**Tips:**

- Identify causes that align with specific companies’ business interests and highlight mutual goals
- Involve companies and foundations in projects that focus on specific value chains to highlight how they can benefit from investing in a specific work area
- Work closely with your country’s investment promotion board and/or public-private sector coordination group to leverage existing connections
**Key Programmes**

As outlined in the DOT corporate plan presented below is its action matrix with key activities that was identified from 2019-2022. Moreover as the DOT reviews its corporate plan, the below policy goals may remain the same while also encompassing a wider range of activities. In addition, other key programmes are comprehensively highlighted in the action matrix of:

1. Tuvalu National Trade Development Strategy
2. Tuvalu Policy Framework
3. Tuvalu E Trade Readiness Assessment Study
4. Tuvalu Cross Border Paper Less Trade Readiness Assessment Study
5. Tuvalu (Updated) Diagnostic Trade Integrated Studies (2016)

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<tr>
<th>POLICY GOAL</th>
<th>EXPECTED OUTCOME</th>
<th>STRATEGIES</th>
<th>ACTIVITIES</th>
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<th>BUDGET/ SOURCE</th>
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<tbody>
<tr>
<td><strong>1. Build institutional and staff capacity</strong></td>
<td>DOT and NTSC strengthened</td>
<td>Restructuring of DOT (i) Strengthening of NTSC (ii) Establish NTSC thematic sub-committees</td>
<td>(i) Prepare DCC paper and Cabinet paper for restructuring of the DOT as recommended in the Exit strategy and Capacity Development Plan (CDP) (ii) Organize capacity building activities as recommended in the CDP (iii) Establish specific thematic sub-committees under NTSC (iv) Finalize individual staff job description for new posts (v) Finalize TORs for NTSC sub-committees (vi) Closely work together with HRM unit on the new structure of the Department (vii) Work towards finalizeing</td>
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<td>POLICY GOAL</td>
<td>EXPECTED OUTCOME</td>
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</table>
| 2. Participate in Trade negotiations (bilateral and regional) and trade training program | GOT / DOT effectively and efficiently participating in ongoing trade negotiations | (i) PICA, PICTA TIS and TMNP | (i) PICA, PICTA TIS and TMNP  
- Provide input on the review of the Pacific Islands Countries Trade Agreement  
- Monitor the implementation of PICTA, PICTA TIS and TMNP |  |  |
| 2. Participate in Trade negotiations (bilateral and regional) and trade training program | GOT / DOT effectively and efficiently participating in ongoing trade negotiations | (ii) PACER Plus | (ii) PACER Plus  
- Consult with the MOF on necessary action, on revenue loss assessment (adopt IMF recommendations or a new study/assessment)  
- Engage in the implementation of the required activities to complete before acquiring endorsement from cabinet on ratification (ratified in January 2021)  
- Depositary (Tonga) on Tuvalu ratification has been notified  
- Work has begun on PACER Plus activities in Tuvalu  
- Participate in PACER Plus implementation plan activities to ensure market access and development  
- Attend/Participate in related events organized by PIFS and other agencies  
- Dedicated team in place at the DOT with national Coordinator funded by PPIU and two PACER Plus officers funded by MFAT |  |  |
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<th>ACTIVITIES</th>
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</table>
| 2. Participate in Trade negotiations (bilateral and regional) and trade training program | GOT / DOT effectively and efficiently participating in ongoing trade negotiations | (iii) EPA | - Keep up to date with the current status of the post-Cotonou negotiations and the EPA negotiations  
- Keep up to date with the Fisheries issues on the IUU not only with EU but with other treaties and arrangements  
- Work towards understanding our obligations and opportunity that could take advantage under the EBA (Everything but Arm) arrangement by the EU 0 market access quota free  
- Liaise with the Tuvalu Mission in Brussels for possible trade-related capacity support from EU and other bilateral donors |
| 2. Participate in Trade negotiations (bilateral and regional) and trade training program | GOT / DOT effectively and efficiently participating in ongoing trade negotiations | (iv) PLMAM | - Continue participation in the annual meeting of the labour mobility as it is part of PACER Plus agreement and the DOT have negotiated the agreement  
- Keep up to date data of Tuvaluans recruited under the RSE, SWP and PLS schemes |
| 2. Participate in Trade negotiations (bilateral and regional) and trade training program | GOT / DOT effectively and efficiently participating in ongoing trade negotiations | (v) Trade Trainings | (v) Trade Trainings  
- Participate in Trade trainings organized |
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<th>POLICY GOAL</th>
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</table>
| 3. Implementation of the Trade Policy 2016 and DTIS 2016 and mainstreaming trade in Te Kakeega II and TK IV | TPF and DTIS implemented in a timely manner | (i) Implementation of TPF  
(ii) Implementation of DTIS Action Matrix | (i) Priorities for TPF/ DTIS recommendations  
(ii) Engage NTSC thematic sub-committees in TPF/ DTIS implementation | | |
| 4. Build supply capacities through EIF/ AfT including PACER Plus implementation fund and other regional AfT windows resource mobilization | EIF/ AfT resources mobilized as per the DTIS/ TPF recommendation  
(i) Prepare project proposals for AfT mobilization  
(ii) Engage dialogue with development partners to mobilize funding / AfT resources | (i) Implement EIF Tier 1 Phase 2 project  
(ii) Organize stakeholder's consultation on gaps and needs and inputs for project proposals  
(iii) Engage stakeholders (outer islands and private sector) in project preparations  
(iv) Draft project proposals for EIF Board and other AfT funding windows  
(v) Submit project proposals to EIF board and other AfT windows  
(vi) Implement EIF Tier 2/ AfT projects  
(vii) Organize regular meetings with the AfT donors and attend global/ regional AfT forum  
(viii) Encourage the outer islands in contributing to local product development and process for the purpose of domestic and international trade  
(ix) Work closely with the Fisheries department of improving local product and also encourage micor-canning activities  
(x) Assist with improving opportunities for marketing fish and fish products at the domestic level and training n how to go about labelling and well packaging of fish products  
(xi) Assist in carrying our possible ways to use micro-canning in Tuvalu with the assistance of the Fisheries department  
(xii) Assist with plan and work towards reviving and strengthen the coconut industry and explore opportunities for alternative coconut products | | |
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<th>TIMEFRAME</th>
<th>BUDGET/ SOURCE</th>
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</table>
| 5. Enhance stakeholders' coordination | Strengthened stakeholders' coordination (public and private) in trade and development issues | (i) Engage stakeholders, private sector and outer islands in DOT work  
(ii) Organize awareness programmes for stakeholders  
(iii) Develop communication means to disseminate DOT achievements to wider stakeholders | (i) Organize NTSC meetings timely and ensure stakeholders participation and strengthen the coordination amongst members  
(ii) Organize outer islands awareness programs each year  
(iii) Prepare DOT website/ Facebook page and regularly update it  
(iv) Establish strong and regular communication means (email, phone, etc.) with outer islands and disseminate DOT work | | |
| 6. eTrade related activity | e-Commerce and modern technologies in trade adopted/developed | (i) Implement Tuvalu eTrade Readiness Assessment to accomplish its recommendations  
(ii) | (i) Launch of the eTrade report/ Disseminate the Action Matrix/Recommendation of Assessment to the relevant stakeholders  
(ii) Work closely with the relevant department and ministries to explore Tuvalu possibilities in adopting e-Commerce/ e-Trade activities  
(iii) Assist with the implementation of the action matrix e-Trade assessment for Tuvalu  
(iv) Monitor the progress of the Action Matrix Implementation | | |
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<tr>
<th>POLICY GOAL</th>
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<th>TIMEFRAME</th>
<th>BUDGET/ SOURCE</th>
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<tbody>
<tr>
<td>7. Trade promotion and marketing</td>
<td>Domestic and International trade promoted</td>
<td>(i) Support trade between outer islands</td>
<td>(i) Organize annual TALOFA trade fair in Funafuti (ii) Support outer islands' Mini Trade Fair(s) (iii) Build local producers’ capacity to meet international standards (iv) Facilitate export of Tuvalu local products in overseas markets</td>
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<td></td>
<td></td>
<td>(ii) Promote Tuvalu made products overseas</td>
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<td>(i) Organize annual TALOFA trade fair in Funafuti</td>
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<td>(ii) Support outer islands' Mini Trade Fair(s)</td>
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<td>(iv) Facilitate export of Tuvalu local products in overseas markets</td>
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<tr>
<td>8. Monitoring &amp; Evaluation</td>
<td>Enhanced efficiency and effective planning in DOT work</td>
<td>(i) Regular monitoring of the DOT corporate plan (ii) Regular monitoring of progress in TPF/DTIS and other trade related policies/documents</td>
<td>(i) Present DOT work progress to the Ministry on a regular basis (ii) Present DOT work progress in quarterly NTSC meetings (iii) Engage NTSC thematic sub-committees in monitoring and evaluation of specific areas of TPF/DTIS and PACER Plus implementation plan (iv) Conduct semi-annual and annual reviews/evaluation of the progress (v) Present semi-annual and annual progress reports to the Ministry and in quarterly NTSC meetings</td>
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</table>
Proposed development Partners

In 2018, the Government of Tuvalu produced a Donor Directory which identifies key multilateral and bilateral donors who can provide development support to Tuvalu, including many which are active in the AfT space. While the donor matrix considers broader funding priorities related to ODA and CPA in general, the analysis in this report focusses exclusively on AfT opportunities.

Tuvalu’s donor matrix indicates that there are a range of development partners who are available to assist Tuvalu with different aspects of its AfT priorities. This includes development partners who are able to assist with:

- Economic growth and development (e.g., Australia, Japan, PIFS)
- Trade diagnostic work (e.g., Korea, PIFS, EIF)
- Regional cooperation and integration (e.g., ADB, EU, PIFS)
- Sectoral support for agriculture, fisheries, tourism, and other key sectors (e.g., NZ, ADB)
- General budget support (e.g., ROC)
- Small-scale projects (e.g., Canada, Germany, and Japan Grant Assistance for Grassroots Projects)
- Civil society organisations (e.g., EU)

There are also a range of different types of donors, including:

- CROP agencies, such as PIFS and SPC
- Bilateral donors, such as Australia, New Zealand and the EU
- Multilateral donors, such as UNDP, UNICEF and the Commonwealth
- Multilateral banks, such as the ADB and World Bank

Tuvalu intends to update the Donor Matrix. It is worth noting that there may be some important partners who are not mentioned, such as OCO, UNESCAP, UNCDF, UNCTAD and others who are doing some useful work in the customs and trade facilitation space. Other donors may have some important updated information, such as EDF 12 funding under the regional integration pillar which is currently being rolled out as well as the PACER Plus implementation package.

To ensure an effective Resource Mobilisation Strategy, we need to identify and map out key development partners and their scope/mandate within Tuvalu, in simple terms – WHO IS FUNDING WHAT?
## Focus Areas for Trade DPs in LDCs

<table>
<thead>
<tr>
<th>Donors</th>
<th>Traditional Aid-for-Trade focus</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Infrastructure, Private Sector Development, Transport</td>
</tr>
<tr>
<td>World Bank (*)</td>
<td>Cross cutting issues: trade facilitation, investment, economic development, IPR, customs, TFA</td>
</tr>
<tr>
<td>UN agencies (**)</td>
<td>Poverty-reduction, smallholders, policy advisory services, SDG related work, inclusiveness</td>
</tr>
<tr>
<td>EU</td>
<td>Natural resources management, regional integration, export enhancement, market access</td>
</tr>
<tr>
<td>SIDA, CBI, NORAD, etc.</td>
<td>Sector-specific (export development), T-VET, tourism development, private sector development</td>
</tr>
<tr>
<td>GIZ</td>
<td>Capacity development, regional integration, support to private sector development, negotiations,</td>
</tr>
<tr>
<td></td>
<td>competition, digital economy</td>
</tr>
<tr>
<td>JICA, KOICA</td>
<td>FDI generation, promotion, industrial development, law drafting, e-commerce, infrastructure</td>
</tr>
<tr>
<td>IFAD</td>
<td>Grants and Loans for agriculture development, value chain development, focus on processing.</td>
</tr>
</tbody>
</table>

(*) Through core funding or partner’s funding  
(**) Through donor contributions (no own financial resources)
Funding support from development partners enables us to undertake additional priority projects that have been unable to be funded from within the core budget. The Aid Coordination Unit within the Budget and Planning Department is responsible for sourcing funding for projects that have been approved within the Budget for external budget assistance. The Aid Coordination Unit manages the Donor Matrix (Annexed) that provides a brief description of each donor and their relevance to Tuvalu.

In addition to the traditional donors identified in the Donor Matrix through the Aid Coordination Department, there are other new forms of financing that the DOT and Tuvalu Government can access namely:

1. **Vertical Climate Funds**

   - Global Environmental Facility (GEF)
   - Global Adaptation Fund (AF)
   - Green Climate Fund (GCF)

   The LDC funds works with partner agencies to bolster technical and institutional capacity at the national and local level, to create a policy environment that encourages investment in adaptation solutions, to reduce systemic barriers to progress, and to promote innovation and private sector engagement.

2. **Blended Finance Funds**

   The strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets, resulting in positive results for both investors and communities.

   An Action Agenda to harness the blended finance potential for LDCs was developed by the OECD. The Action Agenda aims to improve the practice of blended finance and help ensure that its application can support LDCs to mobilize resources to finance the SDGs.
Some Sources of Information
Resource Mobilization Strategy

Component 1: Engagement with Donors

The bulk of the Department of Trade’s activities are supported by resource partners. To guide the priorities of the Department and ensure that the assistance provided by resource partners are aligned to national priorities. The Department’s work is guided by the following:

- Te Kete: Tuvalu’s National Strategy for Sustainable Development
- Trade Policy Statement/ Trade Policy Framework
- Department of Trade’s Corporate Plan
- Tuvalu National Trade Development Strategy
- Tuvalu Coconut Rehabilitation Market Study
- Diagnostic Trade Integrated Study Update 2016
- Tuvalu E Trade Readiness Assessment 2019

This is where the Department articulate and communicate all dimensions of what needs to be done, and resource partners coming into Tuvalu are able to align its assistance to the priorities of the Department.

Deepen DOT’s Partnership with Resource Partners

Each resource partner that provides resources to the Department comes with a train of requirements, for instance, a partner can dictate where the office should be located, how reporting should be done, security requirements, and so forth. Uniform to most resource partners are the need for reporting, how funds will be managed and spent, and most importantly how the resource provided brought about change and its impact to the beneficiaries.

To maintain the support and interest of each resource partner, the Department will maintain the relationship including discussion on opportunities for deepening existing partnership. In situations where a particular donor has more than one potential “funding arm”, such as different funding envelopes for Trade and perhaps eCommerce, DoT will ensure to engage with both sides.

Reach out to new donors

There are several contributors to Trade-related development who are not part or have not previously supported the Department. The Department seeks to widen its outreach, especially to new potential donors such as the Government of the Republic of China (Taiwan) and Government of New Zealand. The Department has successfully appointed the Australian High Commissioner to Tuvalu as the Donor Facilitator with the vision of engaging more resource partners, through an Aid for Trade Forum in Suva.
The Department is also eager to strengthen its partnership with International Financial Institutions, including the World Bank Group, the Asian Development Bank, and other multilateral and regional development banks, and the National Development Bank.

There are also opportunities to tap into multilateral resource partners who are supporting Trade-related initiatives in the region, such as UNDP and USAID Fiji Office.

**Action: (to be included in the Resource Mobilization Plan)**

- The Department must maintain a good reputation for managing current resources, providing timely reporting, managing of funds, and the communication of results, benefits, and impact.
- Explore opportunities for engagement at the Regional Level.
  - Organize a Round-Table Aid for Trade Forum and invite existing and potential partners.
  - Actively seek the support of resource partners to assist the Department on trade agreements in which Tuvalu is party to.
  - Present DOT’s added value and approach to donor community
  - Share lessons learnt and best practices
  - Bilateral presentation and donor round table discussions in Suva
- **RM at country level** – Resource mobilization is not only about seeking new resources, but also ensuring that resources that have been secured, are fully utilized and well managed.

**Component 2: Diversify donor-base through Private Sector partnerships**

Despite the small size of Tuvalu’s private sector, there are opportunities for the DoT to promote public-private sector partnership and encourage the private sector to provide financial and in-kind contribution for Trade-related work. Similar to the Arab & Islamic world, Tuvaluans are strong on philanthropic contributions, however, most of these contributions are channelled towards community work. Ever since the introduction of the Talofa Trade Fair nine years ago, the Department of Trade has been successful in garnering the support of the private sector to contribute both financial and in-kind to the operation of the Talofa Trade Fair. This is a stepping-stone to mobilizing the private sector to work collaboratively with the Department. Resource partners such as the International Finance Corporation (under the World Bank Group) and Grameen Foundation channels their support through private sector bodies which the Department can mobilize. The Department should also look at ways to invest, through its support for innovation and its in-country investments to develop models, systems, processes, and tools to sustain the private-sector engagement in trade work.
Actions

- Engage actively with Private Sector communities by including them in decision making processes for the project, engaging them in public-private sector dialogues, etc.
- Develop the systems, procedures and governance needed for managing and mobilizing potential income and contributions from individual-giving, businesses, and foundation.
- Reach out to foundations and businesses that support trade-related and private sector development.
- Engage global and national private sector in co-financing trade-related work, mapping of co-finance opportunities with the private sector.

Component 3: Develop innovative finance approaches

Innovative Finance is a set of financial solutions and mechanisms that create scalable and effective ways of channelling both private money from the global financial markets and public resources towards solving pressing global problems.

1. Innovative financing is a complementary source of capital to development aid
2. Innovative financing in a way of making development more effective and efficient by linking financing to results, redistribution risk, improving the availability of working capital, and leveraging of technology.

Innovative finance can be categorized on the basis of key technical attributes and goals

1. Financial products: Mobilization and raise funds from capital market
2. Risk Mitigation Mechanism: Aims at reducing (perceived) risks
3. Result based. Financing: Payments are link to certain outcomes being met
4. Technology Enabled Solutions: Mechanism that leverage technology
5. Taxes and Obligatory Charges: Compulsory contribution to a states or country’s revenue
6. Voluntary solidarity Contributions: Voluntary contributions to a social or environmental cause
7. Debt Management: Reducing or extending a country’s debt when certain outcomes are met

The Government of Tuvalu (GOT) and DOT with huge financial needs, find it challenging in finding the necessary resources for implementation. This has been hindered by several factors including:

- Unattractive risk return profile
- Inefficient markets
- Insufficient knowledge and capability about the markets
- Lacklustre investment climate

ODA, including finance from concessional Development Assistance Committee (DAC) and multilateral organizations, forms the BULK of financial flows to LDC including Tuvalu, but is still severely short of what is needed to reach SDG targets and therefore innovative finance is most needed.

The DOT Innovative finance strategy will focus on non-traditional, catalytic approaches to external donor financing. It encompasses many aspects of financing, from identifying additional funding to more effective use of funds. Innovative financing also considers the financing value chain. This financing value chain includes non-traditional approaches to resource mobilization to supplement official contributions, innovative ways of pooling resources, channelling resources and implementation of programs.

Innovative Finance is imperative to secure more financing, additional to existing funds from bilateral donors and better financing by improving the efficiency and effectiveness of DOT priorities and activities. Furthermore, the Department needs these resources in a timely and predictable manner, in order to maximize and produce positive achievements and outcomes.

Innovative finance is an evolving field and finding the right approach and initiative tailored to DOT mandate, risk management and expertise is critical to ensure success. Innovative finance offers opportunities to complement income mobilized through DPs. It will position DOT more broadly within the priorities of key DPs.

For innovative financing to contribute to DOT’s strategic goals and operational success, it is pursued strategically, from identification of new opportunities to prioritization, implementation, and mainstreaming:

a. Identification of opportunities
b. Prioritization of activities
c. Incubation and implementation
d. Integration and mainstreaming

Furthermore, DOT needs to mobilize necessary financing to meet the gaps identified when a review is done on the DOT Corporate Plan 2020 – 2022.

Action:

DOT will prioritize financing challenges that were identified over the years including

- To secure and generate additional funds by tapping new funding sources (looking beyond conventional mechanism) or by engaging new partners (such as emerging donors and actors in the private sector)
• Exploring resource mobilization opportunities from potential sources that have not provided funding to any of DOT activities including Asian Development Bank (ADB), World Bank, USAID who are present and visible in Tuvalu
• Opportunities for resource mobilization exist at global, regional, and country levels. These opportunities need to be systematically explored to maximise positive outcomes for DOT.

**Component 4: Advocacy and Communication**

The Advocacy and Communication Strategy will aim at supporting the DOT in achieving its strategic objectives outlined in the Department of Trade Corporate Plan 2020 – 2022. DOT advocacy and communications work will be closely related to resource mobilization efforts to support effective engagement with existing and potential donors as well as key influencers.

Components of the Advocacy and Communication Strategy supporting resource mobilization efforts will include engagement and outreach targeting the following audiences:

• Existing donors
• Potential donors
• Government Departments specifically the Department of Planning and Budget to track and monitor AfT
• Encourage donor engagement and on the ground presence through the use of donor logos on relevant marketing materials and promotions.

The vastly changed communications landscape offer unprecedented opportunities. The rise of social media in particular has enabled direct dialogue with audience who use digital platforms as a way to access information but also to engage and take action to bring about change.

Communication objectives and key messages geared at the various audiences will focus on address the following issues:

• Raise awareness on the scope of need and requirement identified by DOT
• Demonstrate the case for investment in projects funded under EIF which may fall short of domestic and international support and linking them with other key issues identified as priorities under Te Kete (Tuvalu National Strategy for Sustainable Development 2021-2030)
• Showcase DOT investments results and success stories
• Provide visibility to donors
• Ensure transparency and accountability of investments

The Advocacy and Communication Strategy will include a mixture of tactics to be used to disseminate messages and reach objectives, including:

• A range of information and advocacy products to be rolled out by DOT
• Public campaigning, including through the use of digital platforms
Resource Mobilization Strategy

- Media relations
- Building and strengthening alliances
- Strengthening of Linkages between DOT and its stakeholders as per the recommendation made under the Trade Linkage consultancy

This Strategy will include a series of performance indicators to ensure progress can be evaluated.

**Component 5: Develop Capacity for Resource Mobilization**

The DOT will strengthen and further develop its advocacy, communication and resource mobilization structure and capacity is a critical priority to steward relations with existing donors and foster partnerships with new ones, while advancing on innovative finance and diversifying source of future funding from the private sector and foundations.

Effective communication and partnership are crucial for the success of the Resource Mobilization Strategy. The DOT must be properly skilled in advocating, communicating to succeed with the targets they have outlined in their Corporate Plan.

Training to be conducted with the aim of helping DOT to appreciate their unique roles, and responsibilities in resource mobilization, contribution management cycle and effective partnership management. The focus of the training will be on principles of resource mobilization and partnership building, grant management, proposal development and quality reporting.

**Actions:**

- Develop the RM plan and use as a guide to determine financial resources and human resources needed for successful implementation
- Develop the RM structure and processes for DOT to fulfill the 3 focus areas in this strategy
- Mainstream RM across DOT and its stakeholders, thus strengthen linkage and coordination
Key Support Mechanisms for Implementation Strategy

The Department of Trade should focus on the following strategies to support the implementation of the Resource Mobilization Strategy:

1. Professional Development: Providing training and professional development opportunities for staff and other key stakeholders can help build the skills and knowledge to effectively mobilize resources.
2. Technical assistance: Seeking technical assistance from experts or consulting firms can help with the development and implementation of resource mobilization plans and strategies.
3. Collaboration and networking: Building partnerships and collaboration with other organizations, institutions, and individuals can provide access to a wider range of resources and expertise. Networking with others can also help identify potential sources of funding and other resources.
4. Capacity Building: Providing resources and support to help DOT build their capacity to mobilize resources can be an effective way to sustain this strategy.
5. Communication: Communicating effectively with stakeholders and the public can help build support and generate resources. This may involve using social media, public relations, and other efforts to raise awareness.

Bilateral Agencies

Bilateral donor countries have diverse and specific respective priorities for allocating support, as well as preferred strategies/approaches, and understanding these tendencies is crucial before discussing support for specific programmes. Bilateral donors generally transfer funds directly to another country, making the use of funds – and resulting outcomes and impacts – more transparent and accountable. Bilateral funding can be core and/or earmarked for specific programmes and priority areas.

Potential motivation exists for countries to provide development aid. This will help build standing among global nations:

- Build a relationship: Aid can be part of bilateral agreement that includes trade agreement
- Alleviate global poverty
- Build partnership: To be part of a group of participating countries
- Foreign Policy: A country may have various geopolitical objectives, and aid can help them meet those goals
- Economic improvement: Investment in global development and growth will ultimately impact the future of each nation

Bilateral agencies present in Tuvalu that would be able to support DOT RM include:
1. **ROC Taiwan – Tuvalu**: Tuvalu has diplomatic relations with Taiwan and supports their bid to join the United Nation. The Taiwanese government has been supporting Tuvalu with various projects since 1993 and has contributed a large assistance programme to the Government of Tuvalu. Tuvalu recently signed a treaty this year to renew friendship and cooperation with ROC Taiwan. ROC Taiwan has supported the Department of Trade with their support of the Tuvalu Trade Fair as well as Tau Maketi.

2. **United States – Suva**: Tuvalu signed a friendship agreement with the United States in 1979. The relationship and support that the Tuvalu Government is receiving from the US is agreements as parties of the South Pacific Tuna Treaty as well as the Pacific Island Forum Agency. The USAID office in Fiji has not provided any support for the Department of Trade in Tuvalu. However, consultation is underway to determine whether the USAID office is able to support any trade-related activities in Tuvalu. The USAID supports Women’s civic and economic empowerment. This could be utilised by DOT to get funding to support Women Empowerment.

3. **Australia High Commission – Tuvalu**: Australia works in partnership with Tuvalu to promote peace, stability, and prosperity across the region and help to support Tuvalu’s development objectives. The Australian development cooperation program in Tuvalu continues to align with Tuvalu’s priorities and the Sustainable Development Goals (SDGs). The Australian government has contributed an estimated ODA of $15.5 million for fiscal year 22-23 and has assisted Tuvalu with many different programs. The DOT has received an estimate of 3% of this funding. The Australia High Commission in Tuvalu is a Donor Facilitator for Tuvalu EIF. DOT identified various projects that AHC Tuvalu may be able to assist with including:

- Aid for Trade (Table project that needs funding)
- Leverage fund outside of EIF
- Support with AfT strategy
**Multilateral Agencies**

Multilateral agencies are those established, supported and/or governed by a range of different countries in collaboration. Examples include ADB, WTO etc.

Most of the resources made available to these organisations are from member state contributions or other direct contributions.

**Business and Corporate Sector**

Business and corporate social responsibility (CSR) are closely linked and frequently seen as synonymous. However, CSR is distinguished as business practices that integrate goals and outcomes regarded as ‘social good’

Businesses and CSR contribution will generally depend on company performance and profit and may be an investment aimed at encouraging a particular perception about them or influence future profitability. Some of the many reasons companies support Government initiatives includes

- Aligns with priorities and interest
- Improve company image
- Indirectly promotes their interest
- Generates publicity or exposure

**Government of Tuvalu**

Building strong relationship and linkage for Government department that has special mandate to coordinate development assistance

The DOT has identified several Government Departments as great support mechanisms for the DOT RM strategy. These include:

1. Tuvalu National Provident Fund
2. National Bank of Tuvalu
3. Tuvalu National Private Sector Organisation
4. Tuvalu Chambers of Commerce
5. Tuvalu National Council of Women
6. Foreign Affairs Department
7. Planning Budget and AID coordination Department

Each department has a different role in supporting and implementation of DOT RM.
National Trade Steering Committee

The National Trade Steering Committee (NTSC) mission is to

1. Advise Government on both national and international trade matters and how trade-related initiatives may most effectively contribute to Tuvalu’s national sustainable development objectives as set out in the TK 111
2. Carry out instructions of Government with a view to mainstream trade in the country’s overall sustainable development programme.

The NTSC would work together with the Government and advocate for the Department of Trade for funding on the various activities and core targets.
## Annex:

### Part 1 Resource Mobilization Action Plan

<table>
<thead>
<tr>
<th>Practical Steps</th>
<th>Activities</th>
<th>Responsible</th>
<th>Time-Frame</th>
</tr>
</thead>
</table>
| Identify        | • Develop the country’s sub-regional, regional, national, and sub-national matrix of resource partners, mapping their interest to the Department’s guiding framework.  
• Use various methods to identify resource partners, for e.g., meetings, field visits, AfT forums, etc.  
• Ensure each resource partner is an acceptable partner who shares the same values as the Department. | • Department of Trade  
• Planning, Budget & Aid Coordination Department  
• Department of Foreign Affairs  
• Donor Facilitator (AHC to Tuvalu) | 2023 (High Priority) |
| Engage          | • Review or develop concept notes and programme/project proposals, to ensure they are in-line with the Department’s policies and strategies.  
• Refine the resource partner’s matrix, matched to specific concept notes/proposals.  
• Develop a communication plan detailing how each resource partner identified will be engaged. Review the Resource Partner matrix where applicable.  
• Make sure all communications are in line with the Government of Tuvalu’s guidelines.  
• Develop promotional materials and update website to communicate key priority programmes and projects.  
• Engage resource partners through field visits, workshops, meetings | • Department of Trade  
• Planning, Budget & Aid Coordination Department  
• Department of Foreign Affairs  
• Tuvalu’s overseas missions  
• National Trade Steering Committee. | 2023 (High Priority) |
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| **Negotiate**                | • Liaise closely with resource partners and their liaison officers to ensure the resource partner is an acceptable source and their rules and regulations are compatible with the Department.  
  • Engage the assistance of the Office of the Attorney General and relevant Government authorities when negotiating MOU and other agreements. | • Department of Trade.  
  • Attorney General’s Office. | 2023-2024 (Medium Priority) |
| **Manage and Report**        | • Ensure reporting is conducted in a timely fashion, both via the Department’s reporting mechanisms and as agreed with the resource partner. | • Department of Trade  
  • National Trade Steering Committee. | 2024 (Medium Priority) |
| **Communicate Results**      | • Develop Project Highlight sheets to widely communicate the success of programmes and projects.  
  • Communicate and disseminate success stories particularly the impact of resources from partners to the Department and other beneficiaries.  
  • Set up regular communication channels with resource partners e.g., newsletters, emails, field visits, social media etc. to foster relationships and build trust. | • Department of Trade | 2024 (Medium Priority) |

**In support of the above**

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| **Reflect on lessons learned in RM.** | • Monitor programme and project’s budget vs. funding approvals to keep track of meeting the RM target.  
  • Refocus efforts, where needed, through further outreach to resource partners. | • Department of Trade  
  • National Trade Steering Committee | 2024 (Medium Priority) |
# Resource Mobilization Strategy

## Resource Partner Matrix Template

<table>
<thead>
<tr>
<th>Partner Agency</th>
<th>Sectors relating to the DOT’s mandate</th>
<th>Period of current funding or country strategy</th>
<th>DOT programmes or projects funded in the last 5 years</th>
<th>Total contribution in the past 5 years</th>
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<th>Potential volume of resources to be mobilized</th>
<th>Deadlines for submissions</th>
<th>Any other comments</th>
<th>Contact at partner agency / focal point</th>
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<tbody>
<tr>
<td>World Bank Group (WB)</td>
<td>(1) Development of port-harbours in the outer islands (Trade Facilitation)</td>
<td>July 2022 - June 2025 (IDA 20)</td>
<td>(1) Provided technical support on expedited shipment clearance under trade facilitation</td>
<td>IDA 19 - $65 million</td>
<td>Work together with Private Sector bodies to seek the support of the International Finance Corporation</td>
<td>&gt; USD$1 million</td>
<td>Proposals for funding under IDA20 are due in July 2023</td>
<td>Any proposal to be considered under IDA20 must have the support of the Ministry of Finance (technical point of the World Bank) who prioritizes budget</td>
<td>Fakavea Taomia <a href="mailto:ftaomia@worldbank.org">ftaomia@worldbank.org</a> Taufia Patolo <a href="mailto:tpatolo@gov.tv">tpatolo@gov.tv</a></td>
</tr>
<tr>
<td>ROC Taiwan</td>
<td>(1) Agriculture (2) Tau Maketi</td>
<td>Ongoing</td>
<td>(1) Support to the Tau Maketi on Funafuti and outer islands in collaboration with the Australian High Commission (2) Support capacity building training for businesses</td>
<td>Bilateral trade agreement between Taiwan and Tuvalu with a focus on handicrafts, fisheries and agricultural products such as red toddy</td>
<td>Small Grants Program (DAP) is available every year for NGOs</td>
<td>Tuvalu needs to focus on product development for small businesses</td>
<td>Would like to focus on farming and small agriculture (chicken/ piggy) to support local needs</td>
<td>May Tseng</td>
<td></td>
</tr>
<tr>
<td>Australia’s DFAT</td>
<td>(1) Economic diplomacy (2) Economic development under the aid budget</td>
<td>Ongoing</td>
<td>(1) Pacer Plus Implementation Unit (2) Labour Mobility - Agriculture Schemes (3) Policy Reform Matrix (4) Economic Resilience and Growth (ie Tau Maketi)</td>
<td>$5 million (2022)</td>
<td>Development assistance via budget support for government for national determined priorities</td>
<td>Small Grants Program (DAP) is available every year for NGOs</td>
<td>Tuvalu needs to focus on product development for small businesses</td>
<td>Hon. Robin Mackenzie</td>
<td></td>
</tr>
<tr>
<td>NZ’s MFAT</td>
<td>(1) Provided funding to the Pacer Plus Implementation Unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Belinda Malefou</td>
<td></td>
<td></td>
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<tr>
<td>Pacific Islands Forum Secretariat (PIFS)</td>
<td>(1) Development of e-commerce strategy (2) Sponsored Trade Fair (3) TNDs (4) TPF / TPS (5) Implementation of PICTA (6) Implementation entity for IEPA</td>
<td>Period of current funding or country strategy</td>
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<td>PACER plus Pacific</td>
<td>(1) Transposition of Harmonised system to HS 2020 (2) Capacity Building assistance for ePhyto (3) Regional workshop on Sanitary and Phyto-Sanitary and equipment (4) Strengthening Pacific Qualifications Frameworks and system to facilitate recognition (5) Training on tourism sector development (6) Capacity Building for update on National Trade Information Portal (7) e-Commerce - New partnership and resources for e-Commerce development (8) PLMAM 2022</td>
<td>Period of current funding or country strategy</td>
<td>DOT programmes or projects funded in the last 5 years</td>
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Andrea Ibba

Aloisio Alipate Tavo

(1) Peer to peer exchange is a great initiative and this would be raised on the next meeting agenda. There is not much interest in the Pacific Islands for secondment in 2018 there was a vacancy posted, and this was closed as there was no interest or application for this role.
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| UNESCAP Bangkok     |                                      | Readiness Assessment for cross border paperless trade |                                                     |                                                      | (1) Specific request for funding can be taken into consideration depending on proposal made by DOT  
(2) Support will be provided with drafting and reviewing of e-commerce laws  
(3) Support with implementation in collaboration with development partners. |                                                      | (1) Specific request for funding can be taken into consideration depending on proposal made by DOT  
(2) Support will be provided with drafting and reviewing of e-commerce laws  
(3) Support with implementation in collaboration with development partners. | Soo Hyun Kim                                                                                           |
| UNCTAD              | (1) eTrade readiness assessment  
(2) Trade information portal  
(3) Training for PICs for Trade Officials on the National Trade Facilitation  
(3) ASYCUDA     | (1) Support for GO for eCommerce Tuvalu project  
(2) Training and Building capacity on all projects  
(3) Pacific Digital Economy Programme |                                                      |                                                      | Tuvalu is not part of the Inception phase of the Pacific digital economy program.  
This program has the potential to support the DOT with their activities and mandate |                                                      | Tuvalu is not part of the Inception phase of the Pacific digital economy program.  
This program has the potential to support the DOT with their activities and mandate |                                                                                                        |
| UNCITRAL           | (1) Access to the UN Convention on the use of electronic communication in international contracts.  
(2) Accession to the Framework Agreement on facilitation of cross-border paperless trade in Asia and the Pacific  
(3) Assist with development and implementation of its legal framework for eCommerce  
(4) Assisted with the review and update of national trade related lws and regulations to ensure consistency with international standards |                                                      |                                                      |                                                      | (1) Access to the UN Convention on the use of electronic communication in international contracts.  
(2) Accession to the Framework Agreement on facilitation of cross-border paperless trade in Asia and the Pacific  
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<td>WTO Enhanced Integrated Framework (EIF)</td>
<td></td>
<td></td>
<td></td>
<td>(1) Tier 1 (2) Tier 2 (3) Tier 3 (4) SSP (5) Review of Tier 2</td>
<td>(1) Implementation of recommendations (2) Support development of Go for eCommerce Tuvalu Project</td>
<td></td>
<td></td>
<td>EIF ends in June 2023. There are no funds to support Go for eCommerce Tuvalu project. However, if EIF is extended, there is a possibility of funding for the Go for eCommerce Tuvalu project</td>
<td>Tran Hang</td>
</tr>
</tbody>
</table>