



TRADE LINKAGES WITH  
PUBLIC AND PRIVATE SECTOR  
ORGANIZATIONS  
REPORT

**LISE KALAVI**  
finikasoconsultants@gmail.com

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## Glossary

<b>ASYCUDA</b>	-	<b>Automated System for Custom Data</b>
<b>CFC</b>	-	<b>Community Fishing Centers</b>
<b>DoA</b>	-	<b>Department of Agriculture</b>
<b>DoB</b>	-	<b>Department of Business</b>
<b>DoL</b>	-	<b>Department of Labor</b>
<b>DoT</b>	-	<b>Department of Trade</b>
<b>DTIS</b>	-	<b>Diagnostic Trade Integration Study</b>
<b>EDF Program</b>	-	<b>European Development Fund Program</b>
<b>EIF</b>	-	<b>Enhanced Integrated Framework</b>
<b>FOFA</b>	-	<b>Fishermen on Funafuti Association</b>
<b>GAC</b>	-	<b>Government Advisory Committee</b>
<b>GAD</b>	-	<b>Gender Affairs Department</b>
<b>MFATTEL</b>	-	<b>Ministry of Foreign Affairs, Trade, Tourism, Environment &amp; Labour</b>
<b>NAFICOT</b>	-	<b>National Fishing Corporation of Tuvalu</b>
<b>NTDC</b>	-	<b>National Trade Development Committee</b>
<b>NTO</b>	-	<b>National Tourism Office</b>
<b>NZ RSE</b>	-	<b>New Zealand Recognized Seasonal Employer</b>
<b>OAG</b>	-	<b>Office Attorney General</b>
<b>PAC</b>	-	<b>Pacific Access Category</b>
<b>PACER PLUS</b>	-	<b>Pacific Agreement on Closer Economic Relations</b>
<b>PALM Scheme</b>	-	<b>Pacific Australia Labor Mobility Scheme</b>
<b>PBACD</b>	-	<b>Planning, Budget and Aid Coordination Department</b>
<b>PLS</b>	-	<b>Pacific Labor Scheme</b>
<b>PHAMA PLUS</b>	-	<b>Pacific Horticultural and Agricultural Market Access Program</b>
<b>SPS</b>	-	<b>Sanitary and Phytosanitary</b>

<b>SSP</b>	-	<b>Sustainability Support Phase Project</b>
<b>SWP</b>	-	<b>Seasonal Workers Program</b>
<b>TANGO</b>	-	<b>Tuvalu Association of Non-Government Organization</b>
<b>TFD</b>	-	<b>Tuvalu Fisheries Department</b>
<b>TK 1</b>	-	<b>Te Kakeega I</b>
<b>TK 11</b>	-	<b>Te Kakeega II</b>
<b>TK 111</b>	-	<b>Te Kakeega III</b>
<b>TMTI</b>	-	<b>Tuvalu Maritime Training Institute</b>
<b>TNPSO</b>	-	<b>Tuvalu National Private Sector Organization</b>
<b>TNSC</b>	-	<b>Tuvalu National Trade Steering Committee</b>
<b>TNTDS</b>	-	<b>Tuvalu National Trade Development Strategy</b>
<b>Tourism Policy</b>	-	<b>The Tuvalu Sustainable Tourism Policy 2022-2032</b>
<b>TPF</b>	-	<b>Trade Policy Framework</b>
<b>UNCTAD</b>	-	<b>United Nation Conference on Trade and Development</b>

## Executive Summary

The Trade Linkage study presents findings on how to improve collaboration between the Department of Trade and its stakeholders including Government Departments and other agencies as outlined in the 2016 DTIS, TNTDS, and the Trade Policy Framework among others. The study explored the linkage between the DoT priorities and its stakeholders' priorities, with close consideration of Te Kete which constitutes Tuvalu's overarching development framework. The study also looks at establishing close relations between the Department and its key partners, mainstreaming the Department's objectives with related government departments, design a pathway on areas in which the Department can support its partners.

### Trade Linkages – Key Areas

Agriculture: The Agriculture sector is a priority sector under the Trade in Goods Component, faced with a number of challenges, the Department of Trade has been aiding its counterpart in the Department of Agriculture (DoA) in the areas of capacity building, sanitary and phytosanitary measures, packing materials among others through the support of the EIF Project, SSP and PACER Plus. Additional initiatives under DoT are underway to provide further support for the Department of Agriculture, which includes the multi-million-dollar Coconut Rehabilitation Project under the EDF program and the recruitment of a National Activity Coordinator to oversee and ascertain the feasibility to manage regulatory aspects associated with exporting under PHAMA Plus. Through consultation with DoA, the Department of Trade is encouraged to focus on assisting the Biosecurity Section of DoA, continue to support the Local Food Trade Mechanism under the Tuvalu Sustainable Healthy Food Security Project, and collaborate further on the implementation of the Coconut Rehabilitation Project.

Fisheries: The Fisheries sector managed by the Tuvalu Fisheries Department (TFD) has been identified under the TPF, 2016 DTIS, and the TNTDS as a priority under the Trade in Goods component. This is Tuvalu's major resource and a potential market for Trade. The Department of Trade over the past years has provided a number of supports to the TFD, Fishers' Association on Funafuti and the outer islands, as well as Community Fishing Centers through capacity building programs, provision of materials to increase the capacity of value-added fish production. The revival of the National Fishing Corporation of Tuvalu (NAFICOT) complements the efforts of the DoT in aiding farmers to increase local fish production as well as value-added fish processing. Through consultation with the TFD, the Department of Trade is encouraged to support the TFD by (i) Conducting a study to Identify markets (domestic and foreign) for CFCs in the outer islands to trade to, and the type of fisheries products that are in high demand in those markets. (ii) Coordinate and communicate with Tuvalu's overseas mission on exporting requirements to enable the trade of fish/fish-related products to the Tuvaluan diaspora.

Tourism: Tourism is one of the main priorities under the Trade in Services component. One of the sectors that were mostly affected by border restrictions due to COVID-19, the Department of Trade through initiatives under the EIF project has amped up its support of the National

Tourism Office (NTO) to ensure and strengthen the recovery of the sector. Through the EIF Project, the NTO was able to develop the Tuvalu Sustainable Tourism Policy, supported NTO at the World Expo in Dubai, an annual national competition for fishing and cooking, and grants to support the infrastructure development of the Waimasiri Lodge, Afelita Resort, and the Funafala Island Resort. Evident in its Policy and supported by consultations, the Department of Trade is encouraged to support the Sector by attracting investment to Tourism-related infrastructure, as well as activities such as tour guides, tour operators, and culinary staff. These priorities are aligned with Te Kete, the Tuvalu Sustainable Tourism Policy, as well as the 2016 DTIS and TNTDS.

Labor Mobility: Labor Mobility is a priority sector under the Trade in Services component. Through PACER Plus, the DoT has assisted the Department of Labor in negotiating new opportunities in New Zealand in addition to accessing other sectors like the food industry, hospitality, construction, and aged care from the traditional fruit picking scheme in both New Zealand and Australia. From consultations with the Department of Labor, it was identified that support is needed by Department to progress its work on Tuvalu's seafaring sector and thus, the Department of Labor has requested for DoT to assist the DoL in TMTI Reforms and develop a strategy and action plan for the revival and maintenance of the seafaring sector. The activity proposed by the DoL directly aligns with the 2016 DTIS, TNTDS, and the Trade Policy Framework.

Private Sector & Investments: The Private Sector of Tuvalu is relatively small compared to Tuvalu's public sector. With the current inflation rates, the cost of doing business in Tuvalu has steadily increased. DOT continues to render its support to DoB on Investment-related activities, and one of its main collaborations with TNPSO is the development of the first ever business incubator in Tuvalu. Through consultations, DoB and TNPSO have encouraged the DoT to maintain its close working relationship as well as supporting initiatives spearheaded by the two entities.

E-Trade: As the world becomes more digital, the Government of Tuvalu has launched a number of initiatives aimed at improving access to affordable and reliable telecommunication services, with a particular emphasis on strengthening ICT infrastructure across Tuvalu. The Department of Trade has taken the lead in developing an enabling environment for e-commerce in Tuvalu. The UNCTAD-led Tuvalu Rapid eTrade Readiness has guided the work of the Department with the support of regional organizations such as the Pacific Islands Forum Secretariat to progress on e-commerce-related activities. The Department of Trade is now collaborating closely with the Department of ICT on the finalization of the UNDP-funded

Digital Readiness Assessment Study that will provide further baseline data on the eTrade ecosystem of Tuvalu.

Women's Economic Empowerment: Gender equality and employment of women have been recognized under the Tuvalu Trade Policy as an important tool for promoting Tuvalu's sustainable development objectives. The National Gender Policy further identifies Women's Economic Empowerment as a priority for sustainable development. Gender as a cross-cutting issue plays a major role in the way the Department of Trade designs its activities and programs under the Department. Through the EIF project, the Department has supported activities such as the TAU-MAKETI and the Talofa Trade Fair which provides a platform for women and youths to market and trade their products. EIF has also provided financial support for capacity-building programs organized by the Tuvalu National Council of Women. The Gender Affairs Department (GAD) through consultations has recommended for the DoT continue to collaborate on activities such as Trade Fair and TAU-MAKETI, supporting capacity building programs for women in areas such as domestic and international trade.

Government Legal Frameworks: Through the progress of Trade-related activities arises the need for a better legal framework to support such initiatives. The Office of the Attorney General (OAG) provides technical support to the Department of Trade in activities such as the implementation of the PACER Plus Agreement, as well as providing backstopping support on the development of e-commerce laws. Aligned with recommendations under the Trade Policy Framework, the OAG recommends that the Department include the OAG in any work related to the development of new legislation or policies.

Sourcing and Coordinating Support from Development Partners: Priorities implemented under the Department of Trade are largely supported by development partners as compared to funding from its recurrent budget. Mobilizing resources under Aid for Trade is a priority for the Department, to garner the assistance of development partners to address the constraints of Trade in the country. The Department of Foreign Affairs and the Aid Section under the Planning, Budget, and Aid Coordination Department (PBACD) are the responsible Departments under Government that appraise and facilitate project proposals for funding by development partners. They are key partners of the DoT and have encouraged DoT to maintain a close working relationship.

### **Governance Framework for Implementation, Monitoring and Evaluation**

Mainstreaming trade facilitates national ownership, prioritization of objectives, policy coherence, the effectiveness of institutional arrangements, and the development impact of trade policies. For trade to be fully mainstreamed, the process needs to take place at three levels (i) at the policy level (ii) at the institutional level (iii) at the international cooperation level. Through consultations with the Department of Trade, action matrices were developed

to guide the work of the Department to progress on its Trade mainstreaming efforts focusing on the three levels.

### **Conclusion**

The Trade Linkage Study has endeavored to pinpoint areas in which the Department of Trade can support its stakeholders, in addition to providing a way forward for the mainstreaming of trade into various sectors. With the substantial progress made by the Department in implementing its agenda, stakeholders of the Department have provided recommendations for collaboration in activities related to their respective sectors. The lack of human resources within the DoT and its stakeholders, compounded by a number of competing priorities, the recommendations provides an opportunity for the Department of Trade to maximize its resources and manpower, and complement and add value to the activities that are currently being implemented by stakeholders.



## Chapter 1: Introduction

### 1.1 Importance of Trade and Trade Policy for Tuvalu’s development.

A strategic approach to Tuvalu’s trade policy must fulfill two conditions. First, it must address the issues identified in the analysis of Tuvalu’s trade performance and linkages to key sectors (public, private, and civil). Second, it needs to align with “Te Kete”, which constitutes Tuvalu’s overarching developmental framework, as well as existing policies, strategies, and sector plans in order to ensure policy coherence.

Regarding the latter, the Te Kete establishes Tuvalu’s overall developmental objective – “a peaceful, resilient and prosperous Tuvalu” – as well as key principles for the conceptualization of “be pragmatic and address the real challenges”. The challenge for trade policy (as well as any other economic policy) formulation is the fact that a peaceful, resilient and prosperous Tuvalu concept transcends the classical economic policy objective of increasing incomes.



Applying the conceptualization of a peaceful, resilient, and prosperous Tuvalu to trade policy, a triangle of three equally important objectives results (Figure 1):

First, the trade policy should aim at enhancing the dynamics of Tuvalu’s Internal then external trade performance, with “trade” to be understood in a comprehensive way; this is the classical economic objective of income generation through enhanced international competitiveness and trade. Second, the trade policy should ensure that benefits are not concentrated in a few sectors or groups of Tuvaluans but shared inclusively; this is the primary social objective, which is not normally considered explicitly in trade policy. Third, the trade policy should also be viable in the long term, without compromising future generations; this sustainability objective has environmental, social, cultural and health dimensions. Like inclusiveness, it does not normally constitute an explicit objective of trade policies, but in Tuvalu’s context and the necessary alignment of Tuvalu’s trade policy with the Te Kete, all three objectives need to be explicitly considered and trade policy measures are defined to address them.

In sum, trade policy will contribute to the national impact as defined in the Te Kete. In line with this, the overall trade policy will only be realized if there is a cohesive channel of communication and linkage between key public, private and civil society stakeholders.

Table 1.1 Trade Policies Snapshot – Tuvalu

	Thematic Areas	# of Activities
<b>Trade Policy Framework (2016)</b>	7	96
<b>National Trade Development Strategy (2022)</b>	19	54

Whilst trade-related policies have been written, re-written, and updated over the years, the underlying fact that remains constant is that, in order to achieve and implement the activities set within the respective trade policy documents there needs to be a coordinated effort amongst key stakeholders. More importantly the sectoral and sub-sectoral policies most relevant and linked to the Tuvalu Trade Policy include:

- Te Kete 2021-2030
- Tuvalu Diagnostic Trade Integration Study 2016
- Tuvalu Agriculture Strategic Marketing Plan 2016-2025
- Tuvalu eTrade Readiness Assessment 2019
- Tuvalu Fisheries Sector Plan
- Tuvalu Coconut Market Study 2020
- Tuvalu Healthy Food Sustainable Strategy
- Tuvalu National Climate Policy
- Tuvalu Sustainable Tourism Policy

With some exceptions, the degree of effective utilization of trade-related policies could be improved. In particular, whilst the above documents have sometimes helped to build consensus around strategic priorities and/ or specific projects, monitoring of their implementation has rarely been undertaken in a systematic manner. Lack of systematic monitoring makes it difficult to link a sector’s performance to the degree of policy implementation and to support the government to achieve its stated objectives of sectoral growth.

In order for trade to be at the center of the country’s development strategy, the Tuvalu National Trade Development Strategy (2022) was developed as a practical, strategic framework to guide the Tuvalu Department of Trade. For a small country like Tuvalu, domestic demand is not enough to stimulate competitive production processes and generate decent employment opportunities for all. Therefore, increasing domestic intra-island trade and targeting niche market exports of goods and services in areas of comparative advantage remains the most viable option to promote economic development.

Moreover, the need to focus on export promotion is dependent on the increasing share of domestic demand satisfied by local production. Firstly, there needs to exist some primary sub-sectors in Tuvalu where import substitution policies are aligned with good international practices and can result in sustainable retention of value for the local economy. Secondly, when import substitution policies are targeting international tourists, they can increase the competitiveness of the tourism industry by leveraging Tuvalu’s unique features.

In this connection, the Government of Tuvalu considered it necessary to put in place a trade development strategy framework with an accompanying implementation matrix, which

specifies policy measures and activities that will position trade to be the key driver for growth and development. The strategy will achieve this mainly through the development of a vibrant domestic trading sector and seeking enhanced and guaranteed export markets for Tuvaluan products, addressing supply-side constraints and creating an enabling environment for private sector growth.

Further, the Government will use the Trade Policy Framework in conjunction with the Tuvalu National Trade Development Strategy and other related policies to attract investment in the key sectors of the economy and position Tuvalu as a key player and regional center for global value chains processes, with the ultimate objective of enhancing Tuvalu's position in regional and global trade.

International trade makes a vital contribution to enabling a country to make the best possible use of its available resources. Trade is especially vital for a small open economy like Tuvalu, which cannot produce all the goods and services required by its community. Trade policy provides the framework for a country to make the best use of international trade, by addressing the issues relating to a country's access to its overseas markets and the terms on which its trading partners have access to its own markets, and by promoting the mobilization of resources to take advantage of the opportunities open to the country through international trade.

Trade policy is the guiding document towards any future agreements between Tuvalu and her trading partners to ensure effective participation in the changing regional and global trading environment, as well as to enhance the country's economic dynamism.

## Chapter 2: Trade Linkages – Key Areas

### 2.1 Agriculture

The Agriculture Sector is a priority sector under the Trade in Goods component. Faced with several challenges which include small land area, poor quality of soil, water shortages, saltwater inundation, and limited arable lands, the Agricultural sector consists mostly of subsistence activities where artisanal farmers tend the land for domestic and family use.

The Department of Trade through the Enhanced Integrated Framework (EIF Tier 2) Project, PACER Plus, and the Sustainability Support Phase (SSP) Project have aided the Department of Agriculture and its stakeholders through capacity-building programs for farmers in addition to providing farming materials and tools for farmers across the outer islands. Earlier this year, the Department of Trade provided the Niulakita Community with cooking facilities to improve the production of red toddy. Additionally, a multi-million-dollar project that directly involves the Department of Agriculture is the proposal for the Coconut Rehabilitation project submitted to the European Union to be funded under the next phase of the European Development Fund (EDF) Program.

Through PACER Plus, the Department of Trade aims to increase the capacity of the Biosecurity Section under the Department of Agriculture to survey, manage and treat biosecurity threats. PACER Plus balances the rights of member countries to adopt sanitary and phytosanitary (SPS) measures against requirements not to restrict trade between member countries. Hence through the negotiations with the PACER PLUS Implementation Unit, the Department of Trade has successfully secured assistance from Pacific Horticultural and Agricultural Market Access Program or PHAMA PLUS to recruit a National Activity Coordinator to be based within the Department of Agriculture to oversee and ascertain the feasibility to manage regulatory aspects associated with exporting (if any or possible potential) primary and value-added products. This encompasses gaining access for Tuvalu products into new markets, and helping to manage issues associated with maintaining, improving or creating new trade opportunities. Additionally, EIF has provided further support for the implementation of the Local Food Trade Mechanism under the Tuvalu Sustainable Healthy Food Security Strategy by providing packing materials for the safe and hygienic transportation of goods from the outer islands to Funafuti.

The Ministry of Local Government and Agriculture's Corporate Plan (2021 – 2023) has identified the following priorities for the Department of Agriculture which are closely linked with priorities identified under the 2016 DTIS and the TNTDS; (i) implement a national integrated coconut replanting scheme and (ii) Develop agricultural commercial activities including agribusiness.

As a result of consultation with the Department of Agriculture, these were the following recommendations captured:

Continue to support the Biosecurity Unit through a capacity building program on sanitary and phytosanitary (SPS) measures under PACER Plus.

- Assist the Department in securing a biosecurity scanner
- Identify exchange programs in the region that Biosecurity Staff can participate in.
- Continue to support the Local Food Trade Mechanism under the Tuvalu Sustainable Healthy Food Security Strategy.
- Work closely together on the implementation of the Coconut Rehabilitation Project.

## 2.2 Fisheries

The Fisheries sector managed by the Tuvalu Fisheries Department (TFD) has been identified under the TPF, 2016 DTIS and the TNTDS as a priority under the Trade in Goods component. With a total lagoon area of around 500 sq. km and 900,000 sq. km EEZ, Tuvalu marine resource provides a potential market for Trade. The Tuvalu Fisheries Department under its mandate focuses on (i) generating revenue from its Offshore Fisheries through the sale of fishing licenses; and (ii) Ensuring food security through Coastal/Inshore Fisheries by monitoring and managing the health of its inshore fisheries, promoting different fishing techniques, providing capacity building programs ranging from sea-safety to pre and post-harvest fish processing to name a few.

Until recently, the TFD owned and managed the Community Fishing Centers (CFCs) spread across the outer islands of Tuvalu, the ownership and management of CFCs have since been transferred to the respective Island Kaupule with the view that each Island Kaupule will work together with the respective Fishers' Association on each island to supply fish to the CFCs and the CFCs will provide value-adding services and the end product will be sold to the local population and any surplus to be shipped to the Funafuti market. In addition to the transfer of ownership and management of CFCs, TFD continues to provide technical assistance to CFCs and has recently purchased and distributed freezers to upgrade the storage capacities of each CFC. Moreover, TFD provides capacity-building programs targeting Fishers' Association, as well as recruiting island-based data collectors and community fisheries officers.

The Department of Trade through the Enhanced Integrated Framework (EIF) Tier 2 Project has provided support for the Fisheries Sector including capacity building program for post-harvest fish processing, procurement of packaging material for CFCs in the outer islands, and meat packing materials and other tools to the Fishermen on Funafuti Association (FOFA) Fish Market as well as the National Fishing Corporation of Tuvalu (NAFICOT). One of the Objectives identified under the Tuvalu Fisheries Department Corporate Plan (2020 – 2022) is to improve

opportunities for the marketing of fish and fish products from the outer islands. This activity is directly aligned with recommendations provided under the Domestic Trade Integration Study (DTIS) 2016, as well as the Tuvalu National Trade Development Strategy (TNTDS).

The Tuvalu Fisheries Department has recommended several activities for the Department of Trade to focus on, and in turn, the TFD will focus on complementing those activities through direct support to Fishers' Association and CFCs on each island.

**Recommendation from Fisheries:**

- a) Conduct a study to Identify markets (domestic and foreign) for CFCs in the outer islands to trade to, and the type of fisheries products that are in high demand in those markets.
- b) Coordinate and communicate with Tuvalu's overseas mission on exporting requirements to enable trade of fish/fish related products to Tuvaluan diaspora.

### 2.3 Tourism

Tourism is one of the main priorities under the Trade in Services component. The Tourism Industry in Tuvalu is plagued by several challenges consisting of Tuvalu's geographical isolation, high cost of travel to Tuvalu, and limited infrastructure to support Tourism to name a few. Compounded by COVID-19, the Tourism industry was one of the major sectors in Tuvalu that was affected when border restrictions were put in place.

The Tuvalu Sustainable Tourism Policy 2022 – 2032 (Tourism Policy) has identified six overarching goals focusing on (i) Environment Sustainability and Resilience (ii) Inclusive Economic Prosperity (iii) Unique Culture (iv) Respectful Relationships (v) Health, Safety, and Security (vi) Sustainable Experiences and Products. The Policy aims to utilize Tuvalu's vulnerability to the impacts of climate change to create a niche market and attract "voluntourists" to contribute to environmental conservation and climate change adaptation work in the country. (cite Tourism Policy).

The Department of Trade through its EIF Project has supported a number of tourism-related activities including, providing financial support for the World Expo in Dubai and the development of the National Sustainable Tourism policy. The EIF Project has further provided grants of \$10,000 to improve the infrastructure needs of Waimasiri Lodge, Afelita Resort, and Funafala Island Resort in addition to providing funding for activities such as the annual fishing competition and cooking competition. The National Tourism Office has stated that due to the success of the annual fishing and cooking competition, they will endeavor to continue these activities in the future.

Pillar 4 of the Tourism Policy identifies the need for Investment in tourism-related infrastructure. Although there has been significant development in relation to the establishment of the new International Airport and the Domestic Air Services in Tuvalu, issues such as the lack of financial facilities particularly ATMs and credit card facilities have been detrimental to the development of tourism in Tuvalu. The Tourism policy has identified investment in areas such as tour guides, tour operators, and culinary staff as vital to Tourism development. Investment is closely aligned with recommendations provided under the 2016 DTIS and the TNTDS.

After consultation with the National Tourism Office (NTO), it is recommended that the Department of Trade continues its assistance through the EIF Project to the NTO as well as assisting the Department in drawing domestic and foreign investment to develop Tourism-related products and services. The NTO has also encouraged the Department of Trade to maintain close communication with NTO through one-to-one consultations in addition to maintaining the good working relationship that currently exists between the Departments.

## 2.4 Labor Mobility

Labor Mobility is a priority sector under the Trade in Services component. A number of labor-mobility-related initiatives have been negotiated under PACER Plus, which resulted in New Zealand opening up its Fisheries Pilot Initiatives for Tuvalu and Kiribati. Since the beginning of the temporary laborer migration schemes, Tuvaluans were mostly employed in the fruit-picking and hospitality sectors. With the assistance of PACER Plus, Tuvalu will endeavor to access other sectors under both New Zealand and Australia's Labor Migration Schemes, increase the quota for Tuvaluan migrant workers, and more favorable and easy conditions for entry into the two countries.

With the scarce availability of job opportunities in Tuvalu and the fall in demand for Tuvaluan seafarers, the Government of Tuvalu has prioritized the migrant workers' schemes offered by Australia and New Zealand to provide opportunities for the staggering number of unemployed Tuvaluans. Today, more sectors are available for Tuvaluans including the food industry, hospitality, construction, and aged care. Currently, Tuvalu participates under the NZ Recognized Seasonal Employer (RSE) Scheme, the New Zealand Pacific Access Category Scheme (PAC), and the Australian PALM Scheme (an amalgamation of the Seasonal Workers Program (SWP) and Pacific Labor Scheme (PLS)).

In the past, Tuvaluans have been working as seafarers on merchant ships all over the world providing remittances to their families back home. However, as a result of the financial crisis, the number of seafarers working abroad has decreased dramatically leading to the return of

seafarers back to Tuvalu with limited options for local employment. (Source: 2016 DTIS, pg. 108). Reviving the seafarers' sector is a priority under the Department of Labor's Work Plan, which is closely aligned with the Trade Policy Framework and recommendations under the TNTDS.

As a result of consultation with the Department of Labor, these were the following recommendations provided:

- Continue to work closely together on the implementation of Commitments under PACER Plus particularly the chapters on Labor Mobility Arrangements and Movement of Natural Person
- Assist the Department of Labor with TMTI Reform and Expansion.
- Assist the Department of Labor in developing a Strategy and Action Plan for the Seafaring Sector
- Yearly one-to-one discussion on related activities to enable alignment of work plans and identify synergies for further collaboration.

## 2.5 Business Climate, Investment and Private Sector Development.

The Private Sector of Tuvalu is relatively small compared to Tuvalu's public sector. Over the past national development strategies (i.e. Te Kakeega I, Te Kakeega II & Te Kakeega III), developing the private sector has been high on its agenda. Despite this, the private sector continues to grow at a very slow pace. This can be largely attributed to the lack of capital, capacity, and access to finance, the small size of the country, and Tuvalu's isolation from major markets. In the current national strategy, Te Kete, some of the priorities are identified in building a conducive environment for business as well as decreasing the cost of doing business.

The Department of Business, the Tuvalu National Private Sector Organization, and the Chamber of Commerce and Industries are the main entities working towards these priorities. Compounded by COVID-19, the war in Ukraine, and rising inflation, coupled with the high cost of telecommunication and electricity, the cost of doing business has steadily increased.

Private Sector Growth, Investment, and the business environment are vital to the Department of Trade as raising the participation of locals in private sector activities will increase the overall number of private sector businesses operating in Tuvalu, thus, attracting investment which will eventually result in value addition for niche agricultural, tourism and fisheries commodities.

The Department of Trade has collaborated with the Department of Business and the Tuvalu National Private Sector Organization on a number of initiatives including market promotion activities such as the monthly TAU-MAKETI and the annual Talofa Trade Fair. Under the EIF



Project, the Department of Trade is working closely with TNPSO to develop a business incubator. The DOB and TNPSO are also part of the National Trade Steering Committee and have been invited to numerous consultations including the development of the e-commerce laws and strategy and the development of the National Trade Development Strategy. The DOB and TNPSO have also participated actively in capacity-building programs that DOT has organized with partners, including, Social Media Masterclasses, and E-Commerce Discipline Training to name a few.

Through the EIF Project, the Department of Trade will support the Department of Business in reviewing its Foreign Direct Investment Act as well as the development of an Investment Strategy for Tuvalu. The Department of Business has encouraged the Department of Trade to continue its collaboration on Investment work, as well as the work under PACER Plus and E-Commerce. TNPSO on the other hand has encouraged the Department of Trade to continue its collaboration on the business incubator and capacity-building programs for its members.

## 2.6 E-Trade

As the world becomes more digital, the Government of Tuvalu has launched a number of initiatives aimed at improving access to affordable and reliable telecommunication services, with a particular emphasis on strengthening ICT infrastructure across Tuvalu. Despite the significant progress made by the Government and the Internet Service providers, the cost of the internet is still significantly higher compared to other countries in the region. This has affected communications in the country, increased the cost of doing business, and impacted the efficient delivery of services. The Tuvalu Rapid eTrade Readiness Assessment has stated that the overall e-commerce enabling environment requires further support and development.

E-Commerce in Tuvalu has slowly progressed with examples such as the Tuvalu Customs & Revenue transitioning to the ASYCUDA World system under UNCTAD and supported by PACER Plus, the National Bank of Tuvalu trialing the introduction of POS and ATM, the Tuvalu Telecommunication Corporation introducing a mobile phone-based money transfer and the Development Bank of Tuvalu Introducing Online Banking. The Department of Trade had made significant progress in implementing the recommendation provided by the Tuvalu Rapid eTrade Readiness Assessment through the establishment of a National E Commerce Committee endorsed and empowered by Cabinet to oversee the development of E-Commerce bucket of laws focusing on the electronic transaction, consumer protection, privacy, and data security and cybercrime. In addition, the Department of Trade with the assistance from the Pacific Island Forum Secretariat is developing an E-Commerce Strategy, a framework that will further create a conducive ecommerce environment.

E-Commerce is a priority under the Department of Trade's Corporate Plan which closely aligns with the Department of ICT's Corporate Plan. The Department of ICT has stated in the consultations that the lead taken by the Department of Trade to progress E-Commerce in Tuvalu through the development of the E-Commerce Strategy, the E-Commerce bucket of laws, and capacity building on e-commerce negotiations has provided tremendous assistance to the ICT's workload, allowing them to focus on other competing priorities. The Department of ICT has recommended that the Department of Trade take the lead in all activities related to E-Commerce, and ICT will in turn provide the necessary support through the improvement of the ICT infrastructure. Moreover, the Department of Trade is now collaborating closely with the Department of ICT on the finalization of the UNDP funded Digital Readiness Assessment Study that will provide further baseline data on the e-trade ecosystem of Tuvalu.

## 2.7 Women Empowerment

Gender equality and employment of women have been recognized under the Tuvalu Trade Policy as an important tool for promoting Tuvalu's sustainable development objectives. The effects of trade policy on economic and social activities tend to be different between men and women and they have different economic and social roles in addition to different access to, and control over resources, due to socio-cultural, political, and economic factors.

The Tuvalu National Gender Policy identified priorities to be achieved during the inception period (2014-2019) focusing on (i) increasing capacity within all sectors of the Government to address key issues of concern in achieving gender equality and women's economic empowerment within each sector (ii) Reflect Government commitments to gender equality and women's empowerment in legislation and in sector policies affecting government and civil society (iii) Create an enabling environment for full participation of women in economic development (iv) Take measures to ensure women's and men's equal access and full participation in decision-making as a means of enhancing leadership and governance leadership and governance at all levels (v) Eliminate all forms of violence against women. The policy aim is to achieve recognition of women and girls in Tuvalu as partners and beneficiaries equal to men and boys in all aspects of development and decision-making and to ensure the progressive realization of women's rights.

Te Kaakega II (TKII) identified two gender-related objectives: promote gender equity and expand the role of women in development. One of the priority outcomes under the Tuvalu National Gender Policy is creating an enabling environment for the full participation of women in economic development. This is closely aligned with the DOT Corporate Plan 2020 – 2022's objective of promoting marketing activities by increasing domestic and international

trade. This would be achieved through (i) increasing the number of women in business both in Funafuti and in the Outer Islands in traditional and non-traditional sectors; (ii) increasing the number of women engaged in technical areas of work; and (iii) increasing women's access to land and ownership of productive assets.

The Department of Trade has collaborated with Gender Affairs Department (GAD) and other stakeholders in facilitating initiatives such as the monthly TAU-MAKETI and the annual Talofa Trade Fair, which has provided a platform for women to market and trade their products as well as to grow their networks. Participation in these marketing events has shown that 90% of participating vendors are mostly women.

As a result of this consultation with the Gender Affairs and the Tuvalu National Council of Women, the following recommendation was captured:

- Continue to work closely together with Gender Affairs under the TAU-MAKETI and the Talofa Trade Fair initiative
- Provide training for women in areas such as domestic and international trade, business-related training, social media, etc.
- Support TNCW in the development of its project proposals.

## 2.8 Government Legal Frameworks

Tuvalu currently has in place a wide range of legislation relating to importation and exportation of goods. Through the progress of Trade-related activities arises the need for a better legal framework to support such initiatives. One such example is the progress made on E-Commerce, and the need to develop the E-Commerce bucket of laws. There are a lot of gaps in Tuvalu's legal system, particularly in the areas of information and technology, thus, the assistance provided by the Department of Trade for the development of the E-Commerce laws has been welcomed by the Office of the Attorney General. It would be practical, therefore, for new legislation to be subject to appropriate review to ensure that each is fit-for-purpose in Tuvalu and not in need of updating.

The assistance provided by the Department to provide technical support to the Office of the Attorney General on the development of the E-Commerce laws, was a recommendation under the Trade Policy Framework.

The Office of the Attorney General has recommended that the Department of Trade maintain close communication through OAG through consultation, transparency and maintaining the good working relationship between the Departments.

## 2.9 Sourcing and Coordinating Support from Development Partners

Priorities implemented under the Department of Trade are largely supported by development partners as compared to funding from its recurrent budget. The projects that are currently implemented by the Department and funded by development partners include (i) the Enhanced Integrated Framework (Tier 2), (ii) the Sustainability Support Phase Project (iii)

PACER Plus and E-Commerce. A multi-million-dollar proposal for the Coconut Rehabilitation Program led by the Department was recently approved for funding under the European Development Fund Program. Mobilizing resources under Aid for Trade funding is a priority for the Department of Trade, to garner the assistance of development partners to address the constraints of Trade in the country.

The Department of Foreign Affairs and the Aid Section under the Planning, Budget and Aid Coordination Department (PBACD) are the responsible Departments under Government that appraise and facilitate project proposals for funding by development partners. Due to funding limitations under the Government, it is crucial for the Department of Trade to work together with the said departments to secure funding for the proposed activities.

The Aid Section of PBACD has recommended better collaboration and communication to improve understanding of proposals submitted by DOT for donor funding. The Department of Foreign Affairs, on the other hand, has recommended that any funding proposal must be properly prepared (and if the need arises, communicated clearly to Tuvalu's overseas mission) to facilitate the better matching of project proposals to the priorities of Tuvalu's diplomatic allies.

## Chapter 3: Governance Framework for Implementation, Monitoring and Evaluation

Mainstreaming trade facilitates national ownership, prioritization of objectives, policy coherence, the effectiveness of institutional arrangements and, the development impact of trade policies.

Mainstreaming trade can be defined as the process of integrating trade into national and sectoral development planning, policymaking, implementation, and review in a coherent and strategic manner. This implies taking trade-related issues into account in planning and executing broader development objectives. Its further entails using trade proactively to attain specific national development goals, including poverty reduction.

Mainstreaming trade takes place at three levels: 1) policy; 2) institutions; and 3) international cooperation.

- At the **policy level**, mainstreaming involves setting a vision and strategic goals and defining action plans. It also involves enhancing understanding and awareness of how trade can contribute to the broader good and ensuring that trade is considered in setting national priorities. As trade is a cross-cutting issue, integrating it into the policy cycle requires interaction with nearly every government entity at national and sub-national levels—a complex task. However, trade on its own cannot deliver development objectives; complementary policies are required and must be properly sequenced.
- At the **institutional level**, the active leadership of the main department or entity responsible for trade is vital in mainstreaming trade. Closely related to this is the dynamic engagement by the lead trade entity of the main stakeholders as required: government departments and local authorities, private sector, women, civil society, academia, trade unions, youth, vulnerable groups, etc. Management and analytical capacity are also needed in the lead trade agency to conduct the necessary analyses, and facilitate coordination, implementation, and review. Capacity in the institutional set-up is particularly important for ensuring that the vision and priorities defined at the policy level are effectively resourced, implemented, and monitored.
- At the **international cooperation level**, the international community can play an important role in mainstreaming trade. It must systematically integrate trade into its country and sector analyses and strategies, assistance programs, and activities. Development partners, governments, the private sector, and civil society must all work together to ensure that trade-related aid focuses on priorities that will deliver the strongest impact on development. To this extent, mainstreaming trade is a joint responsibility of both developing countries and development partners.

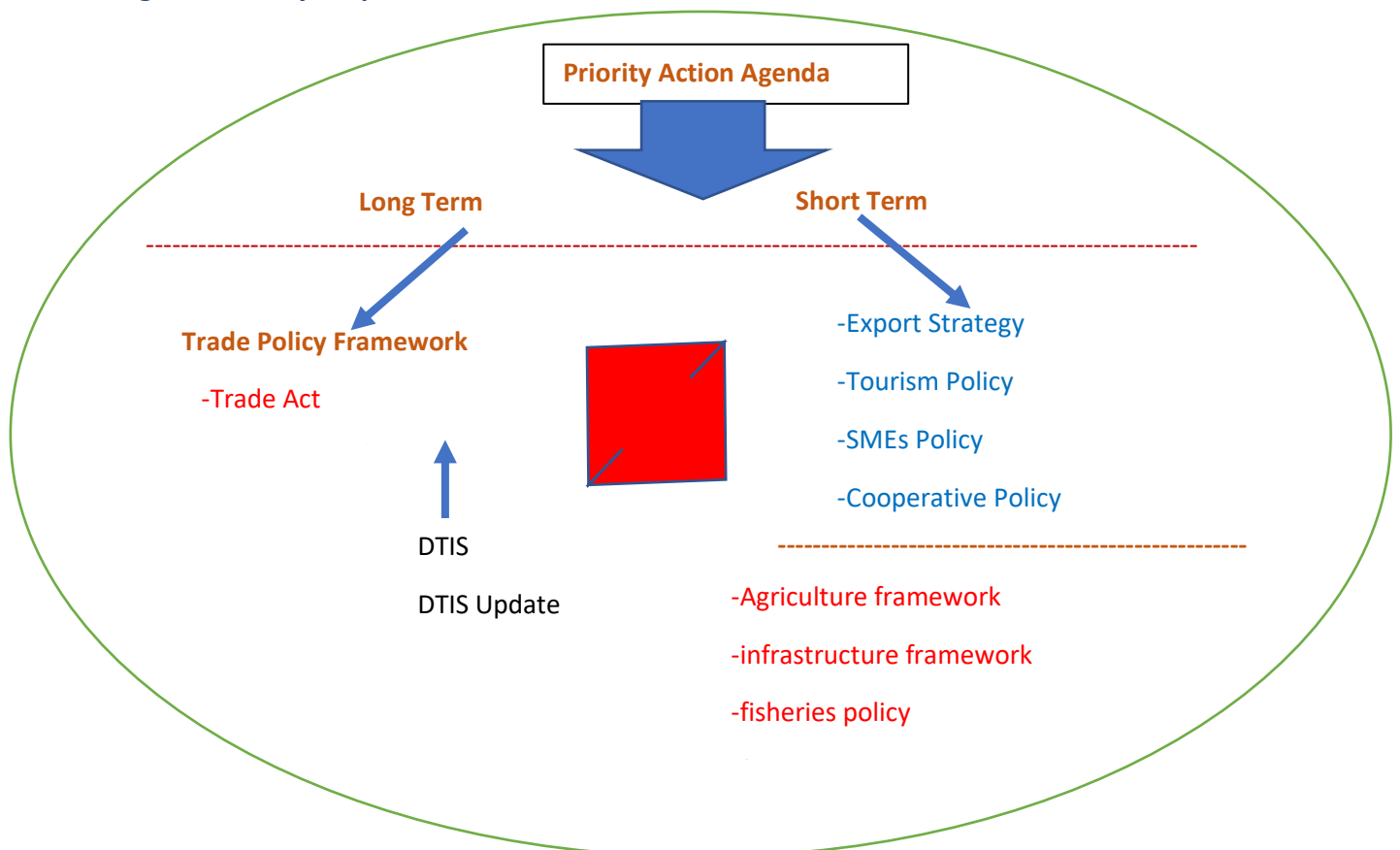
### 3.1 Policy level

A vision of Tuvalu’s future and broad development objectives are elaborated in the Te Kete. However, regarding trade specifically, they do not contain detailed strategies and implementation plans with strong linkages between trade and the productive sectors.

An initial mapping of the policy landscape reveals that the 2016 DTIS, Trade Development Strategy, and Trade Policy Framework coexists with policy frameworks for tourism, SMEs, cooperatives, transport, investment, employment, and export.

A Trade Act, as well as sectoral policies for agriculture, industry, energy, infrastructure, and foreign economic policy, would prove advantageous to mainstream trade and strengthen linkages across public, private, and civil society sectors. For sectoral work that is in progress, there is still potential to ensure that trade-related priorities are clearly identified or fully “mainstreamed”.

**Figure 1: Policy Map**



It is expected that the National **Trade Policy Framework** and the **Tuvalu National Trade Development Strategy (TNTDS)** will provide the basis for a medium-term plan as the means of establishing coherence, assuring orderly implementation of actionable measures, while also matching capacities and resources provided through both government budgetary provision and development partners’ support. The TNTDS will fill the gap in actionable measures related to trade. In addition, it will further provide the means to ensure that pro-

poor concerns are prioritized while linking trade policy commitments at the bilateral, regional, and multilateral levels with national trade development objectives. The trade policy framework and trade development strategy will also provide a common basis for coordination and monitoring through the institutional arrangements that are being proposed as part of this road map.

To enhance local capacity development, it is proposed that academia associated with the University of South Pacific and local think tanks are involved in substantive policy reviews.

### 3.2 Institutional level

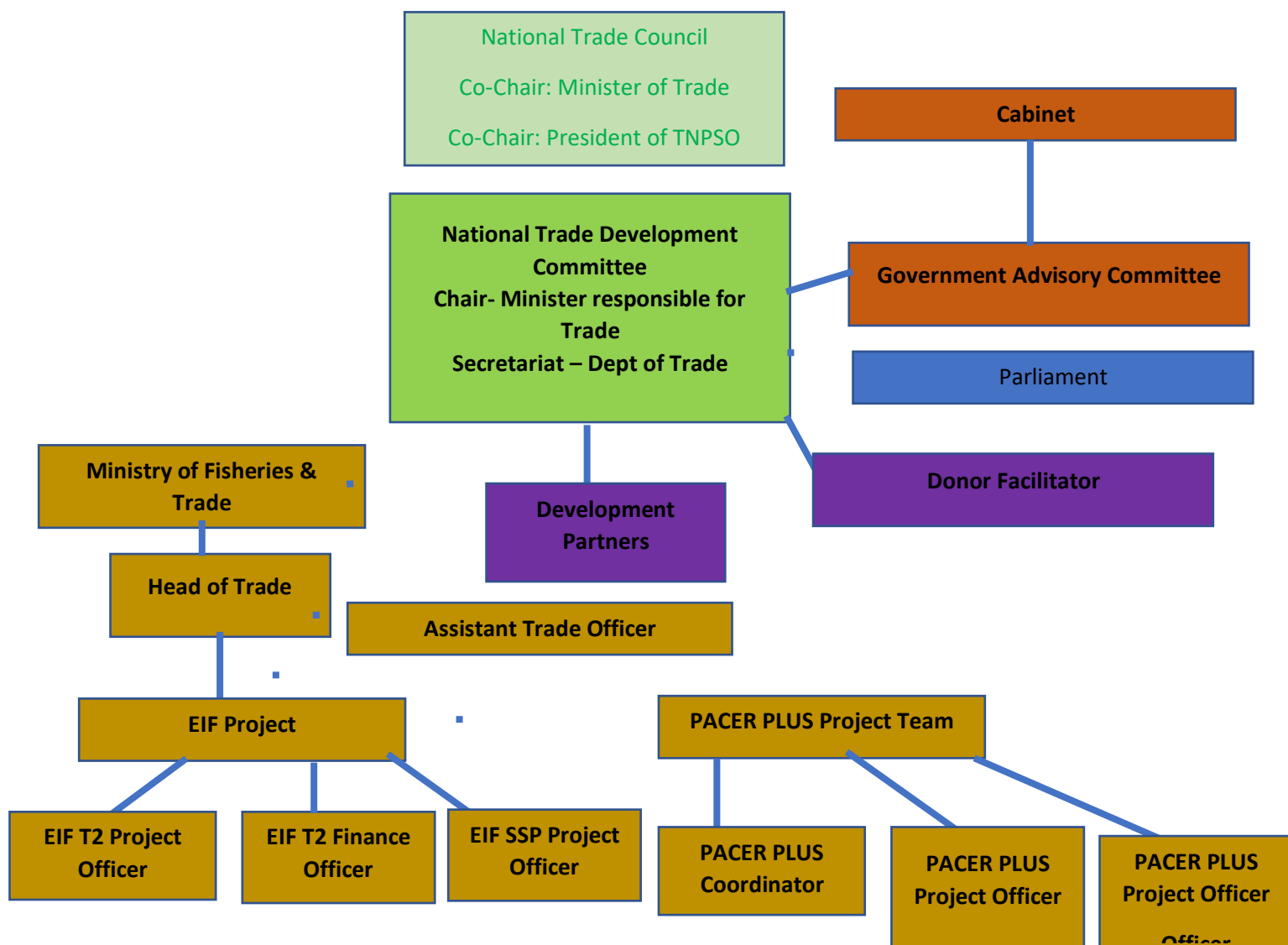
There is common agreement that the existing institutional arrangements for mainstreaming trade have not been effective. Interdepartmental coordination has been weak. Stakeholder consultation and participation have been limited. Capacities generally have been inadequate. As a result, consensus on key national trade policy objectives has been difficult to sustain. The challenges for policy coherence that were noted in the discussion of mainstreaming trade at the policy level are also related to these difficulties at the institutional level.

In response to this situation and considering views that were expressed by government officials and stakeholders, a streamlined institutional arrangement for mainstreaming, coordination, and monitoring is proposed as shown in figure 2. The main highlights of Figure 2 are as follows:

- A new high-level coordinating forum - the National Trade Development Committee (NTDC), chaired by the Minister responsible for Trade. The TNTDC, in which the private sector, civil society, and the main sectoral departments and other relevant governmental entities will be represented, will establish strategies, and priorities and provide recommendations to the Government Advisory Committee (GAC) and will replace/revise the current National Trade Steering Committee (NTSC)
- The NTDC will further provide the institutional basis for coordination and monitoring of the medium-term plan for trade.
- It is further proposed that the TNTDC operates with sufficient flexibility that will enable it to meet as a subsidiary working group made up of a subset of its main membership, as needed.
- The Department of Trade in the Ministry responsible for Trade will provide secretariat services to the NTDC.
- The NTDC will provide periodic reports to Cabinet and the National Parliament and/or its relevant subsidiary body
- An annual National Trade Council co-chaired by the Minister responsible for Trade and the President of the TNPSO Commerce to provide strategic guidance and oversight of the work of the NTDC.

It is understood that the Cabinet remains the ultimate decision-making body on all executive matters and that the GAC provides technical advice and coordination for the Ministers.

**Figure 2: Policy Map**



### 3.3 Tuvalu National Trade Steering Committee

Below is an extract from the Trade Policy Framework 2016

“Acting on recommendations in the DTIS, and with a view to formalizing the above trade consultation process, an NTSC has been established by the Government of Tuvalu as an important national institution.

The mission of the NTSC is to: (a) advise Government on both national and international trade matters and how trade-related initiatives may most effectively contribute to Tuvalu’s sustainable development objectives as set out in TK II and (b) carry out the instructions of Government with a view to mainstreaming trade in the country’s overall sustainable development programme. It has a number of designated functions the object of which is to enable the Committee to fulfill its mission, including acting as the National EIF Steering Committee.



The NTSC comprises senior officers of key government departments as well as representatives of the Tuvalu National Private Sector Organization (TNPSO), the Tuvalu Association of Non-Governmental Organizations (TANGO), the Tuvalu National Council of Women (TNCW) and the United Nations Country Development Manager. The NTSC is chaired by the Permanent Secretary of the Ministry of Foreign Affairs, Trade, Tourism, Environment and Labor (MFATTEL) with the Vice-Chairperson being the President of the TNPSO, thus reflecting the need for close collaboration between the Government and the private sector in national trade policy matters. For the successful formulation and implementation of Trade Policy initiatives, especially those highlighted below, it is also very important that all NTSC members play an active, constructive role in NTSC activities.

The NTSC meets at least quarterly, with provision made for the establishment of NTSC sub-committees on specific issues (e.g. agriculture and tourism) to meet more frequently to discuss trade-related issues within the Committee's mandate."

Nonetheless whilst the NTSC has continued to function since its inception its effectiveness and compositions need to be re-evaluated to ensure that the fundamental principles that were used to establish the committee are fully realized. For this reason, a revamp of the NTSC is necessary and was alluded to under the "Institutional Level" component above.

### 3.4 Link with Government Round Table Mechanisms

Development cooperation and Government buy-in have been one of the least successful pillars of the trade mainstreaming program, and the Department of Trade needs now more than ever to grasp the assistance of supportive partners, including Australia, New Zealand, the European Union, and USAID to name a few. With the closure of the Enhanced Integrated Framework Program globally and in Tuvalu a strategic resource mobilization plan needs to be developed and implemented.

Beyond this core group, the Department of Trade has been less successful in mobilizing support, including from donors and agencies such as Japan, the Asian Development Bank (ADB), and the World Bank. Whilst the infrastructure focus of these partners partly explains their limited engagement with the Department of Trade, the latter could nonetheless try to open new development cooperation channels, including through the direct involvement of its technical and political leadership.

The possibility of securing projects that blend aid and private (local and foreign) finance could also be considered, as this is an area that the Department of Trade has still to explore. The Department of Trade could promote a roundtable or an Aid for Trade Forum on this topic with like-minded partners to initiate dialogue on possible options.

### 3.5 Link with the Region

According to the OECD’s Aid for Trade database, commitments to Tuvalu indicate considerable volatility as shown in Figure 3. This state of affairs was generally attributed to the absence of a clear implementation of a policy framework, active trade mechanism, and inadequate prioritization of trade-related issues in discussions with development partners. This has made alignment and coordinated approaches difficult to establish.

On the other hand, Tuvalu has taken an active lead among Pacific LDCs in participating fully in the Integrated Framework and the new EIF. The Australian High Commission Office in Tuvalu has recently taken on the role of Tuvalu’s donor facilitator, and this can be a catalyst for more leveraging of ODA.

**Figure 3: ODA TO OCEANIA – SUMMARY**

(<https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Oceania-Development-Aid-at-a-Glance-2021.pdf>)

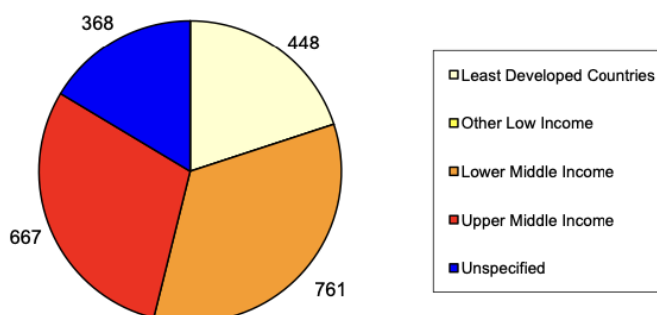
6.1.1. Top 10 ODA receipts by recipient USD million, net disbursements in 2019			
1	Papua New Guinea	649	29%
2	Solomon Islands	224	10%
3	Vanuatu	131	6%
4	Fiji	129	6%
5	Samoa	124	6%
6	Wallis and Futuna	114	5%
7	Tonga	108	5%
8	Micronesia	93	4%
9	Marshall Islands	66	3%
10	Kiribati	57	3%
	Other recipients	550	25%
<b>Total</b>		<b>2 243</b>	<b>100%</b>

6.1.3. Trends in ODA

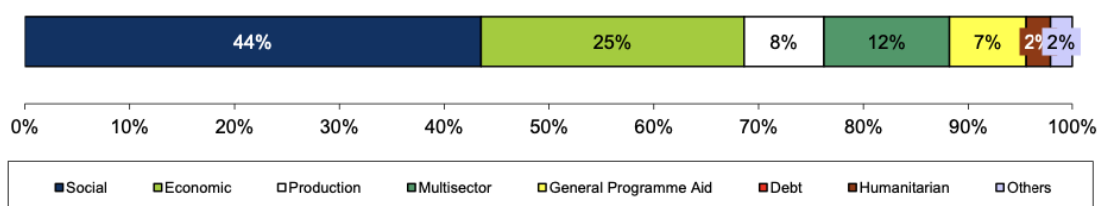
	2018	2019	% change
ODA net disbursements (2019 constant USD million)	2 277	2 243	-1.5%
ODA gross disbursements (2019 constant USD million)	2 368	2 338	-1.3%
ODA commitments (2019 constant USD million)	2 643	2 855	8.0%
Population (thousands)	11 091	11 298	1.9%
Net ODA per capita (USD)	205.3	198.5	—

6.1.2. Top 10 ODA donors USD million, net disbursements in 2019			
1	Australia	820	37%
2	New Zealand	314	14%
3	Japan	206	9%
4	IDA	145	6%
5	EU Institutions	142	6%
6	United States	140	6%
7	France	129	6%
8	Green Climate Fund	86	4%
9	Asian Development Bank	60	3%
10	Global Fund	24	1%
	Other donors	176	8%
<b>Total</b>		<b>2 243</b>	<b>100%</b>

6.1.4. ODA by income group  
USD million, 2019, net disbursements



6.1.5. Sectors in 2019  
commitments



Going forward it will be essential for Tuvalu to develop a strategy for mobilizing development assistance and resources, including through Aid for Trade. In this regard, the trade policy framework and the Tuvalu National Trade Development Strategy will not only facilitate a comprehensive approach to resource mobilization, but also provide a basis for alignment, harmonization, and mutual accountability.

POLICY LEVEL – ACTION MATRIX	
YEAR 1 – 2023	YEAR 2/3 – 2024-2025
<p>Trade Development Strategy and Trade Policy Framework implemented drawing upon key policy areas prepared</p> <p><i>Responsibilities: Trade Department (Technical assistance (through PIFS Secretariat EIF Tier II))</i></p>	<p>Medium-term plan implementation and monitoring</p> <p><i>Responsibilities: Trade Department; Sectoral Departments</i></p> <p><i>National Trade Development Committee</i></p>
<p>Monitoring framework and tools for the trade policy framework plan and Trade Development Strategy in place and aligned with Corporate Plan and Te Kete</p> <p><i>M&amp;E cycle Responsibilities: Trade Department Technical assistance (through EIF Tier II)</i></p>	
<p>Trade related priorities mainstreamed in on-going sectoral policy work</p> <p><i>Responsibilities: Trade Department; Sectoral Departments &amp; National Trade Development Committee</i></p>	

<p>Trade Act passed</p> <p><i>Responsibilities: Trade Department; National Parliament</i></p>	
	<p>DTIS update informed by Trade Policy Framework and Trade Development Strategy M&amp;E outcomes</p> <p><i>Responsibilities: Trade Department Technical assistance</i></p> <p><i>(through EIF Tier II)</i></p>

INSTITUTIONAL LEVEL – ACTION MATRIX	
YEAR 1 – 2023	YEAR 2/3 – 2024-2025
<p>Establishment of the National Trade Council, National Trade Development Committee, and its subsidiary working groups to enhance private sector and civil society participation.</p> <p><i>Responsibilities: Trade Department</i></p>	<p>On-going strengthening of the new institutional arrangements and capacities</p> <p><i>Responsibilities: Trade Department Technical assistance</i></p>
<p>Capacity development interventions to support the new institutional arrangements through the EIF project.</p> <p><i>Responsibilities: Trade Department Technical assistance</i></p>	

<p>Adequate resources mobilized through both government budgetary and development partners' support</p> <p><i>Responsibilities: Trade Department</i></p>	
<p>Stronger consultation, outreach and advocacy achieved through a well-developed communication strategy, taking into consideration as necessary the government's information and communication technology policy</p> <p><i>Responsibilities: Trade Department</i></p>	

NATIONAL/INTERNATIONAL COOPERATION LEVEL – ACTION MATRIX	
YEAR 1 – 2023	YEAR 2/3 – 2024-2025
<p>Utilize the Trade Development Strategy and Trade Policy Framework as the basis for a new round of discussions with both national, bilateral, regional and multilateral development partners</p> <p><i>Responsibilities: Trade Department; PBACD; DFA</i></p>	<p>Development partners to establish arrangements for alignment, coordination and accountability on trade as part of ongoing engagement with the TNTDS and TPF and in line with the Te Kete</p> <p><i>Responsibilities: Development partners</i></p>
<p>Engage with Donor Facilitator</p> <p><i>Responsibilities: Trade Department</i></p>	<p>On-going facilitation of donor support in line with the TNTDS, TPF and Te Kete</p> <p><i>Responsibilities: Trade Department</i></p> <p><i>PBACD</i></p>

<p>Formulation of sustainable projects</p> <p><i>Responsibilities: Trade Department</i></p> <p><i>Technical assistance (through EIF Tier II)</i></p>	<p>On-going Implementation</p> <p><i>Responsibilities: To be defined depending on type of project</i></p>
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## Way forward

1. To facilitate the adoption of the above action matrices as a government initiative it is proposed that the Department of Trade should prepare a brief with the main recommendations for the information and action of Cabinet
2. The legal mandate of the National Trade Council, the NTDC and of a subsidiary body on trade of Parliament should be considered for inclusion in a Trade Act.
3. Progress on the implementation of the above action matrices should be reported to the NTDC by the Department of Trade on a regular or as defined by its ToR on scheduled meetings.
4. The action matrices should itself be reviewed and evaluated towards the end its implementation cycle

## Chapter 4: Recommendations and Way Forward

Based on the consultations with stakeholders and the linkages of priorities of the stakeholders 'respective plans, policies, or strategies and the priorities identified in the 2016 DTIS, the TNTDS 2022, and the TPF, these are the following recommendations:

### **Sectoral Trade:**

#### **i) Agriculture**

- Assist the Department in securing a biosecurity scanner
- Identify exchange programs in the region that Biosecurity Staff can participate in.
- Continue to support the Local Food Trade Mechanism under the Tuvalu Sustainable Health Food Security Strategy.
- Work closely together on the implementation of the Coconut Rehabilitation Project.

#### **ii) Fisheries**

- Conduct a study to identify markets (domestic and foreign) for CFCs in the outer islands to trade to, and the type of fish products that are in high demand in those markets.
- Coordinate and communicate with Tuvalu's overseas mission on exporting requirements to enable the trade of fish/fish-related products to Tuvalu's diaspora.

### **iii) Tourism**

- Continue EIF's assistance to the National Tourism Office.
- Drawing domestic and foreign investors to develop Tourism-related products and services.
- Maintain close communication between NTO and DOT.

### **iv) Labor Mobility**

- Continue to work closely together on the implementation of Commitments under PACER Plus particularly the chapters on Labor Mobility Arrangements and Movement of Natural Person
- Assist the Department of Labor with TMTI Reform and Expansion.
- Assist the Department of Labor in developing a Strategy and Action Plan for the Seafaring Sector
- Yearly one-to-one discussion on related activities to enable alignment of work plans and identify synergies for further collaboration.

### ***Business Climate, Investment, and Private Sector Development***

- Maintain collaboration on market promotion activities such as the monthly TAU-MAKETI and the annual Talofa Trade Fair
- Through the EIF Project, provide financial support to TNPSO to develop a business incubator.
- Through EIF Project, provide financial support to the Department of Business on the development of an Investment Strategy as well as the review of the FDI Act.
- Through PACER Plus, assist the Department of Business in the implementation of Chapter 7 Trade in Services and Chapter 9 Investments.
- Continue to support TNPSO in capacity-building programs for its members.

### ***Women Economic Empowerment***

- Continue to work closely together with Gender Affairs under the TAU-MAKETI and the Talofa Trade Fair initiative
- Provide training for women in areas such as domestic and international trade, business-related training, social media, etc.
- Support TNCW in the development of its project proposals.

### ***Government Legal Frameworks***

The Office of the Attorney General has recommended DOT to maintain close communication with OAG through consultation, transparency, and maintaining the good working relationship that currently exists between the Departments.

### ***Coordinating Donor Support:***

#### **i) Planning, Budget and Aid Coordination Department**

Recommended for better collaboration and communication to improve understanding of project proposals appraised by the Department.

#### **ii) Department of Foreign Affairs**

Encouraged the DOT to properly prepare its project proposals (and if needed, proposals must be communicated clearly to DFA Staff and Tuvalu's overseas mission) to facilitate the better matching of project proposals to the priorities of Tuvalu's diplomatic allies.

### ***Governance Frameworks for Implementation, Monitoring and Evaluation***

#### **iii) Policy Level**

- Use TNTDS to recognize the key role played by trade in the national development policy.
- Draft a Trade Act to clearly define the DoT's responsibilities and the institutional arrangements to mainstream trade. The Trade Act should be delivered by the end of 2023
- Creation of an Aft Monitoring and Evaluation system (M&E) to track and coordinate Aid for Trade initiatives. The system, to be managed by the DoT in close cooperation with the Aid Coordination Unit, should also be used to further engage donors with the national trade policy agenda in order to secure additional Aid for Trade.

#### **iv) Institutional Level (Tuvalu National Trade Steering Committee)**

- The review of the NTSC and have it re-established as the National Trade Development Committee (NTDC), chaired by the Minister of Trade. The NTDC, in which private sector, civil society, the key government departments and other relevant entities will be represented, will provide the institutional basis to coordinate trade policy by agreeing on key strategies and priorities and by providing recommendations to Cabinet. The Department of Trade should act as Secretariat to the Committee.
- The convening of an annual National Trade Conference chaired by the Prime Minister to provide high-level guidance on trade policy.

#### **v) Linkage with Government Round Table Mechanism and the Region**

- Utilize the TNTDS and the TPF and the Aft M&E system as the basis for a new round of discussions with bilateral, regional and multilateral development



partners. The Department of Trade and the Aid Coordination Unit should jointly lead this process.

- Create a mechanism to achieve the structural integration of the donor community into the NTDC. To achieve this purpose, donor partners should be given observer status in the NTDC and a donor facilitator should facilitate donors' engagement with the national trade agenda.

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## Annex 1: List of Stakeholders interviewed

<b>Name</b>	<b>Designation</b>	<b>Department/Organization</b>
1. Lilian Falealuga	Acting Coordinator	Tuvalu National Council of Women
2. Laigane Italeli Talia	Acting Attorney General	Office of the Attorney General
3. Pulaalofa Saulo	General Manager	Tuvalu Post Limited
4. Jessica Marinaccio	Technical Adviser	Department of Foreign Affairs
5. Opetaiia Simati	Director	Department of Information, Communications & Technology
6. Fakapoga Fakapoga	Quarantine Officer	Department of Agriculture
7. Samasoni Finikaso	Director	Department of Fisheries
8. Taasi Pitoi	Director	Department of Marine & Ports Services
9. Fulimai Poolo	Senior Economist – Aid	Department of Planning, Budget, Aid Coordination Department
10. Tilou Talia	CEO	Tuvalu National Private Sector Organization
11. Paufi Afelee	Principal Tourism Officer	Department of Tourism
12. Paul Elisala		Department of Labor
13. Telieta Manuela	Ag. Labor Officer	Department of Labor
14. Maho Homasi		Gender Affairs Department
15. Petesa Finikaso	Director	Department of Business
16. Sania Teisini	Director	Tuvalu Revenue & Customs Department
17. Darryl Ikbal	EIF Project Officer	Department of Trade