



GOVERNMENT OF TUVALU

TRADE POLICY STATEMENT

By the Ministry of Foreign Affairs, Trade, Tourism,
Environment and Labour

April 2016





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LIST OF ACRONYMS

ACP	African, Caribbean and Pacific
ADB	Asian Development Bank
ADF	Asian Development Fund
AGO	Attorney General's Office
Aft	Aid for Trade
APNL	Alpha Pacific Navigation Ltd
APTCL	Australian-Pacific Technical College
BID	Business and Investment Division, MFED
BPOA	Barbados Programme of Action
BSP	Bank South Pacific
CAD	Civil Aviation Department, MCT
CBD	Convention on Biological Diversity
CFC	Community Fisheries Centre
CIF	Consolidated Investment Fund
CITES	Convention on the International Trade in Endangered Species
CMM	Conservation and Management Measure
CMS	Compliance, Monitoring and Surveillance
CoT	Cost of Telecommunications
CPA	Cotonou Partnership Agreement
CPI	Consumer Price Index
C-POND	Pacific Research Centre for the Prevention of Obesity and Non-Communicable Diseases
CPSC	Central Pacific Shipping Commission
CROP	Council of the Regional Organizations of the Pacific
CSD	Central Statistics Division
CSO	Community service obligation
DBT	Development Bank of Tuvalu
DFQF	Duty-free quota-free
DoA	Department of Agriculture
DoC	Department of Customs
DoL	Department of Labour
DoT	Department of Trade
DRD	Department of Rural Development, MHA
DTIS	Diagnostic Trade Integration Study
DWFNs	Distant Water Fishing Nations
E8	Non-profit international organisations promoting sustainable energy,
EBA	Everything But Arms

EDF	European Development Fund
EEZ	Exclusive Economic Zone
EGS	Environmental Goods and Services
EIB	European Investment Bank
EIF	Enhanced Integrated Framework
EKT	Ekalesia Kelisiano Tuvalu
ENTs	Economic Needs Tests
EPA	Economic Partnership Agreement
EU	European Union
EVI	Economic Vulnerability Index
FAO	Food and Agriculture Organisation
FATTEL	Foreign Affairs, Trade, Tourism, Environment and Labour
FCA	Funafuti Conservation Area
FDI	Foreign Direct Investment
FEMM	Forum Economic Ministers Meeting
FFA	Forum Fisheries Agency
FIC	Forum Island Country
FIIP	Fisheries Investment Incentives Policy
FNU	Fiji National University
FSM	Federated States of Micronesia
FTAs	Free Trade Agreements
GAD	Gender Affairs Department, OPM
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFC	Global financial crisis
GP	Government Procurement
GSP	Generalized System of Preferences
HS	Harmonised System of Tariff Classification
HSDG	Hamburg Sud Shipping Company
IACT	Increased Agricultural Commodity Trade
IAU	Interagency Understanding
ICAO	International Civil Aviation Organisation
ICT	Information and Communication Technology
IDA	International Development Association
iEPA	Interim Economic Partnership Agreement
IFRS	International Financial Report Standards
ILO	International Labour Organisation

IMF	International Monetary Fund
IMO	International Maritime Organisation
IP	Intellectual Property
IPPC	International Plant Protection Convention
IPRs	Intellectual Property Rights
IT	Information Technology
ITA	International Trade Advisor
ITC	International Trade Centre
IUU	Illegal, Unreported and Unregulated
JICA	Japan International Cooperation Agency
JV	Joint venture
LDC	Least Developed Country
LMS	Labour Market Study
MCT	Ministry of Communications and Transport
MDGs	Millennium Development Goals
MFATTEL	Ministry of Foreign Affairs, Trade, Tourism, Environment and Labour
MFED	Ministry of Finance and Economic Development
MFN	Most Favoured Nation
MHA	Ministry of Home Affairs
MIRAB	Migration-remittances-aid-bureaucracy
MNRLS	Ministry of Natural Resources, Lands and Survey
MOCT	Ministry of Communications and Transport
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOPUI	Ministry of Public Utilities and Infrastructure
MSD	Marine and Shipping Department, MCT
MT	Metric Tonnes
MTC	Ministry of Transport and Communications
MTR	Mid-Term Review
NAFICOT	National Fishing Corporation of Tuvalu
NAP	National Aid Policy
NCC	National Co-ordinating Committee
NCDs	Non-Communicable Diseases
NEMS	National Environment Management Strategy
NES	National Export Strategy
NGOs	Non-government Organisations
NIP	National Indicative Programme
NLMP	National Labour Migration Policy
NPF	National Provident Fund
NSSD	National Strategy for Sustainable Development

NTDS	National Tourism Development Strategy
NTO	National Tourism Office
NTSC	National Trade Steering Committee
OCO	Oceania Customs Organisation
OCTA	Office of the Chief Trade Adviser
OECD	Organisation for Economic Cooperation and Development
OPM	Office of the Prime Minister
PAC	Pacific Access Category
PACER	Pacific Agreement on Closer Economic Relations
PACPS	Pacific ACP States
PASO	Pacific Aviation Safety Office
PBD	Planning and Budget Department, MFED
PCI	Price Control Inspector
PE	Public Enterprise
PEMU	Public Enterprise Monitoring Unit
PFTAC	Pacific Financial Technical Assistance Centre
PHAMA	Pacific Horticultural & Agricultural Market Access Program
PHD	Public Health Department, MOH
PIASA	Pacific Islands Air Services Agreement
PICs	Pacific Island Countries
PICTA	Pacific Island Countries Trade Agreement
PIDP	Pacific Islands Development Program
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation
PIRFO	Pacific Islands Regional Fisheries Observer
PITI	Pacific Islands Trade and Invest
PNA	Parties to the Nauru Agreement
PNG	Papua New Guinea
POETCom	Pacific Organic and Ethical Trade Community
PPA	Pacific Power Association
PPP	Public-private partnerships
PRIP	Pacific Regional Indicative Programme
PRTCBP	Pacific Regional Tourism Capacity-Building Programme
PS	Permanent Secretary
PTDF	Pacific Trade and Development Facility
PTI	Pacific Islands Trade and Invest
REMCOL	Rotuma Export & Marketing Company Ltd
RMI	Republic of the Marshall Islands
ROC	Republic of China
RSE	Recognised Seasonal Employer
RTFF	Regional Trade Facilitation Programme

RTM	Round Table Meeting
RTMAS	Regional Trademark Application System
SDE	Special Development Expenditure
SIA	Social Impact Assessment
SIS	Small Island State(s)
SOE	State-owned Enterprise
SOPAC	South Pacific Applied Geoscience Commission, now the Applied Geoscience and Technology Division of the SPC
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPBEA	South Pacific Board for Educational Assessment
SPC	Secretariat of the Pacific Community
SPEITT	Strengthening Pacific Economic Integration through Trade
SPMS	South Pacific Marine Services
SPP	Strengthening Partnerships Programme (NZ)
SPREP	Secretariat of the Pacific Regional Environment Programme
SPTO	South Pacific Tourism Organisation
SWAT	Solid Waste Agency of Tuvalu, MHA
SWOT	Strengths, weaknesses, opportunities, threats
SWP	Seasonal Worker Program
TANGO	Tuvalu Association of Non-Governmental Organisation
TCEs	Traditional Cultural Expressions
TCRBP	Tuvalu Customs Revenue and Border Protection
TCT	Tuvalu Consumption Tax
TDS	Trade Development Strategy
TEC	Tuvalu Electricity Corporation
TIG	Trade in Goods
TIS	Trade in Services
TK	Te Kakeega
TKAP	Traditional Knowledge Action Plan
TMNP	Temporary Movement of Natural Persons
TMS	Tuvalu Maritime Services
TMTI	Tuvalu Maritime Training Institute
TNAP	Tuvalu National Aid Policy
TNASP	Tuvalu National Agriculture Sector Plan
TNBSAP	Tuvalu National Biodiversity Strategy Action Plan
TNCW	Tuvalu National Council of Women
TNPSO	Tuvalu National Private Sector Organisation
TOSU	Tuvalu Overseas Seafarers Union
TPB	Tuvalu Philatelic Bureau
TPF	Trade Policy Framework

TPO	Tuvalu Post Office
TTF	Tuvalu Trust Fund
TTFAC	Tuvalu Trust Fund Advisory Committee
TTDC	Tuvalu Tourism Development Corporation
TTO	Tuvalu Travel Office
TVET	Technical and vocational education and training
UN	United Nations
UNCDM	United Nations Country Development Manager (Tuvalu)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Fund for Population Activities
UNWTO	World Tourism Organisation
US	United States
USP	University of the South Pacific
VAT	Value Added Tax
VCO	Virgin Coconut Oil
VDS	Vessel Day Scheme
VLH	Vaiaku Lagi Hotel
VMS	Vessel Monitoring System
WCO	World Customs Organisation
WCPO	Western and Central Pacific Ocean
WCPFC	Western and Central Pacific Fisheries Commission
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

TABLE OF CONTENTS

LIST OF ACRONYMS	2
FOREWORD	10
1. INTRODUCTION	13
1.1 The Importance of Trade and Trade Policy for Tuvalu's Sustainable Development	13
1.2 Mainstreaming Trade and the Trade Policy Framework	13
1.3 The National Trade Steering Committee (NTSC)	14
1.4 Tuvalu's Trade Policy Setting	15
2. MACROECONOMIC AND SOCIOECONOMIC OVERVIEW OF TUVALU.....	19
2.1 Composition of Tuvalu's Economy	19
2.2 Economic Growth and Inflation	20
2.3 Tuvalu's Budgetary/Financial Situation	20
2.4 Socioeconomic Considerations	23
3. PARTICIPATION OF TUVALU IN INTERNATIONAL TRADE	25
3.1 Trade in Goods.....	25
3.2 Trade in Services.....	27
3.3 A Trade Development Strategy (TDS) for Tuvalu.....	29
4. INTERNATIONAL TRADE FOCAL AREAS	31
4.1 Agriculture	31
4.2 Fisheries	31
4.3 Tourism	33
4.4 Labour Mobility	34
4.5 Consultations and Coordination of the TDS	37

5.	TRADE-RELATED AREAS	39
5.1	Competition Policy and Consumer Protection	39
5.2	Public (Government) Procurement	39
5.3	Intellectual Property Rights (IPRs).....	40
5.4	Trade and the Environment.....	41
5.5	Trade and Gender Issues.....	42
5.6	Trade and Public Health	42
5.7	Land Reform and Weights and Measures	42
5.8	Institutional Considerations.....	43
6.	TRADE AGREEMENTS AND TRADE NEGOTIATIONS	45
6.1	World Trade Organisation (WTO) and the Basic Trade Rules..	45
6.2	Tuvalu and Trade with the European Union (EU).....	46
6.3	Tuvalu and Regional Trade Agreements.....	47
6.4	Tuvalu and Bilateral Trade	50
6.5	Other Arrangements - the Generalised System of Preferences (GSP)	50
7.	AID-FOR-TRADE (Aft).....	51
7.1	Introduction.....	51
7.2	AfT and Tuvalu’s Bilateral Development Partners.....	52
7.3	International and Regional AfT.....	53
7.4	Conclusion.....	55
	ANNEX 1:	
	TRADE POLICY IMPLEMENTATION PLAN AND MATRIX.....	56
	ANNEX 2:	
	TRADE POLICY FRAMEWORK	102

FOREWORD



**Hon. Minister
Taukelina Finikaso**

The Trade Policy Statement (TPS) of Tuvalu articulates the Government's trade and development agenda in line with national development priorities. Its purpose is to mainstream trade in national development plans and strategies for greater policy coherence, define a clear and consistent negotiating strategy, secure the best market access possible for Tuvaluan producers and service suppliers and create a transparent and predictable trade and investment environment. This policy statement, which brings together various trade and development strands under a single framework, is aligned to important Government policies, sector plans and strategies, in particular the Te Kakeega III (2016-2020), the National Strategy for Sustainable Development.

The context of the TPS is the special, if not unique, challenges to development that Tuvalu faces as a low-lying small island state. These difficulties include its small geographical size and population, its isolation as a South Pacific Ocean archipelago, its relative lack of resources and high dependence on overseas assistance and the threat of climate change and sea level rise to its very existence. While these facts are widely known, what is much less well known are the significant steps that the Government and people of Tuvalu have taken and are continuing to take to confront these obstacles to development.

Within the public sector, for example, work is underway to improve financial management systems and strengthen and improve the efficiency of Government departments and public enterprises, especially those providing vital services to the private sector and the people of Tuvalu as a whole. Given the preponderant role played by Government operations in Tuvalu's economy, such efforts are crucial.

At the same time, however, the long-term sustainable development of Tuvalu must have as its foundation a vibrant private sector that plays an increasingly central role in the economic life of the nation. In any country, especially a microstate and a Least Developed Country like Tuvalu, that can only be achieved over time through a series of positive steps based on a well-conceived set of policies and effective institutional arrangements.

The first steps have already been taken. Recent years have witnessed the establishment and early operation of an umbrella private sector body, the

Tuvalu National Private Sector Organisation. That Organisation is recognised and fully supported by the Government. Three national trade fairs, held in 2013, 2014 and 2015, have stimulated considerable public interest in the commercial sector and the possibilities of trade, both domestic and international. The establishment in 2014 of the National Trade Steering Committee with representation by all stakeholders in Tuvalu provides the institutional framework for dealing with trade issues. The NTSC also facilitates the critically important mainstreaming of trade into Tuvalu's overall development process.

This trade policy presents the strategic vision as well as the direction to be taken and main policy principles and priorities for action to enable trade to make an effective contribution to Tuvalu's long-term sustainable development. While the TPS envisages the private sector assuming an ever-increasing, direct role in trade-related activities, it also recognises that, at this stage in the country's development, there are virtually no exports and the private sector is very small and relatively undiversified. As a result, much preliminary work remains to be done, studies undertaken and capacity developed that will form the basis of detailed programmes of action in a wide range of trade policy-related areas as highlighted in the TPS.

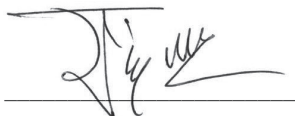
A key element of Tuvalu's overall trade policy will be the elaboration and implementation of a trade development strategy with specific goals, objectives and initiatives aimed at promoting both domestic and international trade. Without neglecting possibilities in other areas, the strategy will focus on trade-related activities in four areas: agriculture, fisheries, tourism and labour mobility. Already, important policy documents have been prepared or are under preparation in each of those areas, including the new sector of the blue or oceans economy and seabed mining, which will inform the strategy.

In the implementation of this trade policy and in detailing elements of the trade development strategy, special attention will be paid to the needs of and participation by the Outer Islands, women, youth and the disabled in trade.

The TPS is supplemented by the Implementation Plan and Matrix (see Annex 1) which will provide a guide to the NTSC in implementing this trade policy. The TPS reflects the recommendations made in the full Trade Policy Framework report (see Annex 2), the latter also providing a more detailed treatment of key trade-related issues referred to in this policy. Neither this statement nor the framework examine in detail investment issues, the latter to be considered in depth in a separate but related study.

While the Government and people of Tuvalu are fully committed to implementing this trade policy and will devote significant time, effort and national resources towards that end, the cooperation and support of understanding donor partners and international and regional organisations will be critical. Tuvalu looks forward to working closely with partners in that regard.

I wish to thank the private sector, civil society organisations and Government ministries and public bodies that were involved in the preparation of this important work. In particular, I also want to gratefully acknowledge the technical and financial support of the United Nations Development Programme, the Pacific Islands Forum Secretariat and the Enhanced Integrated Framework for making possible the achievement of this important milestone. *Fakafetai lasi, Tuvalu mo te Atua.*



HON. TAUKELINA FINIKASO

Minister of Foreign Affairs, Trade, Tourism, Environment and Labour

28 April 2016

1. INTRODUCTION

1.1 The Importance of Trade and Trade Policy for Tuvalu's Sustainable Development

1. The Government of Tuvalu recognises that, under the right conditions, trade can be an important tool for promoting national sustainable development objectives. The challenge for Tuvalu is to ensure that trade promotes both human development and sustainable development in ways that the positive effects of trade outweigh the negative. Towards that end, the Government of Tuvalu requires an effective trade policy, that is, a coherent set of approaches aimed at influencing the quantity and quality of its exports and imports of goods and services in order to achieve Tuvalu's agreed vision and objectives within the overall context of pursuing sustainable development. The purpose of this Statement is to establish the basic principles, directions and priorities of that trade policy.

1.2 Mainstreaming Trade and the Trade Policy Framework

2. As a Least Developed Country (LDC), Tuvalu has participated in the Integrated Framework (now Enhanced Integrated Framework (EIF)) programme of multilateral trade-related assistance since 2007. Under the EIF, a Diagnostic Trade Integration Study (DTIS) was undertaken in 2010, analysing some of the constraints to trade and identifying opportunities for future growth. Preparation of the DTIS was informed by Tuvalu's Te Kakeega II - National Strategy for Sustainable Development 2005-2015 (TK II).
3. In his Preface to the DTIS, the Tuvalu Minister for Foreign Affairs, Trade, Tourism, Environment and Labour stressed the need for Tuvalu to be *"more proactive in identifying new sources of economic growth, which means mainstreaming trade policy into the overall development strategy and devoting more resources to trade-related initiatives, particularly services exports like tourism and labour"*(DTIS 4). The Government of Tuvalu reaffirms the importance of mainstreaming this trade policy into Tuvalu's overall development planning, policymaking, implementation and review process in a coherent and strategic manner as well as devoting more resources to trade-related initiatives. Both are fundamental operating principles to guide future activities and decision-making.

4. The aim of mainstreaming this trade policy into the development process is to realise the long-term vision of trade as a valuable tool for the achievement of Tuvalu's overall sustainable development goals and objectives.
5. TK II above underwent a Mid-Term Review in 2010 and will reach the end of its intended operational period in 2015. As part of the mainstreaming process, this trade policy will be reflected in and serve as an important guide for the successor document to TK II, TK III (2016-2020).
6. The Government of Tuvalu also recognises that this trade policy can be most effectively formulated and implemented if there is active, constructive involvement of all key stakeholders throughout the entire process. Therefore, it is important for Tuvalu to have in place an effective Trade Policy Framework consisting of:
 - a) the trade policy as defined above, plus supporting ('flanking') policies in related areas (e.g. education); and
 - b) a strong, effective consultation process with key stakeholders, both within Government and between Government and the private sector, civil society and the donor community.

1.3 The National Trade Steering Committee (NTSC)

7. Acting on recommendations in the DTIS, and with a view to formalising 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 fulfil its mission, including to act as the National EIF Steering Committee.
8. The NTSC comprises senior officers of key government departments as well as representatives of the Tuvalu National Private Sector Organisation (TNPSO), the Tuvalu Association of Non-Governmental Organisations (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 Labour (MFATTEL) with the Vice-Chairperson being the President of the TNPSO, thus

reflecting the need for close collaboration between 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.

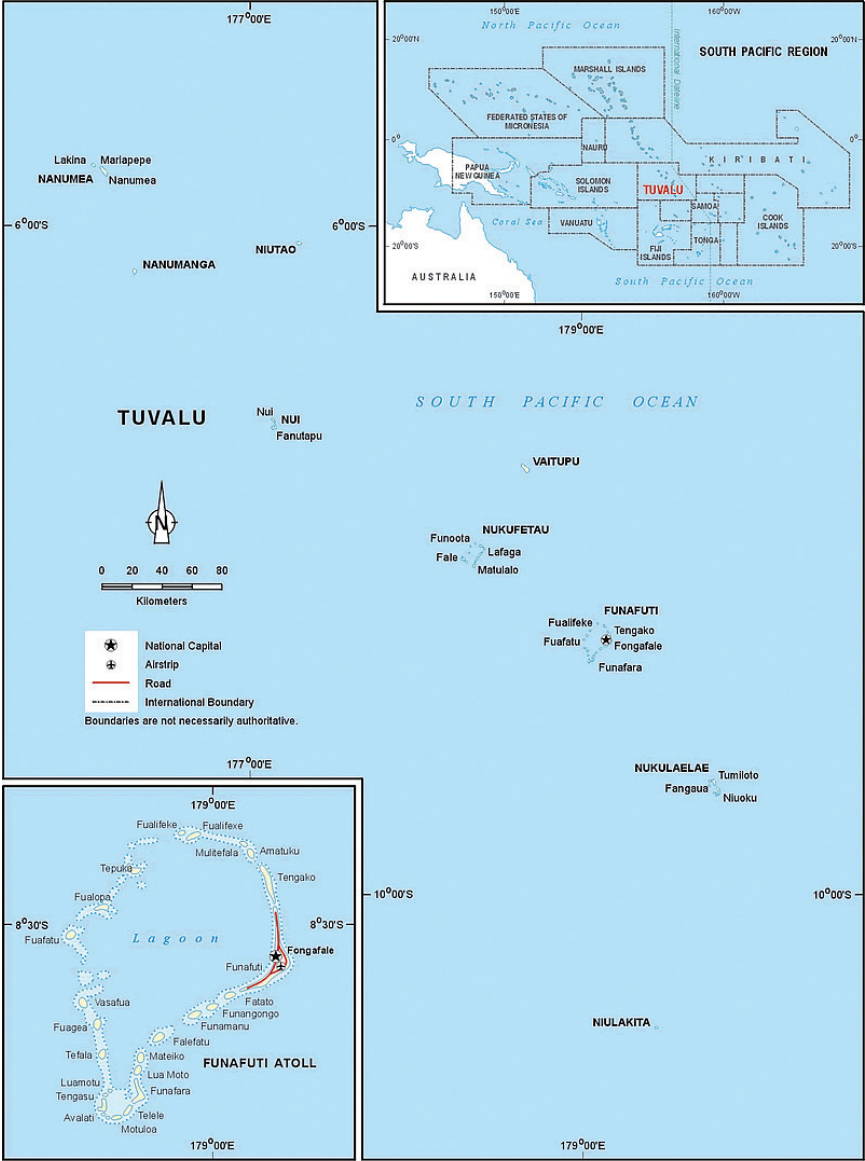
9. The NTSC meets at least quarterly, with provision made for the establishment of NTSC sub-committees on specific issues (e.g. agriculture and tourism) to meet more frequently to discuss trade-related issues within the Committee's mandate.

1.4 Tuvalu's Trade Policy Setting

10. Tuvalu's trade policy has been and must continue to be formulated and implemented recognising the country's history, political organisation, geographical circumstances, human and natural resource endowments, cultural characteristics and other salient national and regional characteristics and circumstances. A brief summary of the most relevant features follows.
11. An independent island State in the central Pacific Ocean, Tuvalu is located half-way between Hawaii and Australia (see Figure 1 below). Its closest neighbour is Fiji, some 1,100 km to the south, while its nearest major market outside the insular Pacific is New Zealand, more than 3,000 km to the south. As well as being an LDC, Tuvalu is one of the smallest countries in the world. Its population, mainly Polynesian, was 10,782 in 2012, up from 9,561 in 2002. Tuvalu's overall land area is 25.4 km², spread over nine islands. With all of the islands in the country being very low-lying (the highest point in the country being 4.6 m above sea level), climate change and sea level rise constitute existential threats to Tuvalu, while high tides (especially the annual 'King Tides') and tropical storms can--and do--cause serious damage.
12. Apart from a few small areas (especially in the Outer Islands), the soils of Tuvalu are generally of poor quality, mainly composed of eroded coral debris. There being no rivers or ground water, needs are satisfied through public, commercial and domestic rain catchment systems.
13. In contrast to its small land area, Tuvalu has a 900,000 km² Exclusive Economic Zone (EEZ) and combined lagoon areas totalling some 500 km². Fish and other marine life in the EEZ and lagoons is plentiful and constitutes an important generator of revenue and food for daily sustenance.

14. Independent since 1978, Tuvalu is a constitutional monarchy with Queen Elizabeth II as Head of State, represented in Tuvalu by the Governor General. The Head of Government is the Prime Minister who is assisted by a Cabinet of nine Ministers. The legislative branch consists of a Parliament of 15 members. There are no political parties in the country.
15. Tuvalu is a member of the Commonwealth, the United Nations and other regional and international organisations. It has diplomatic missions in Belgium, Fiji, New Zealand, and Taiwan/ Republic of China, as well as at the UN in New York.

FIGURE 1: The Islands of Tuvalu, Funafuti Atoll and the Pacific Islands





2. MACROECONOMIC AND SOCIOECONOMIC OVERVIEW OF TUVALU

2.1 Composition of Tuvalu's Economy

16. Tuvalu has been characterised as a classic migration-remittances-aid-bureaucracy (MIRAB) economy, sustained through income received from remittances from abroad, resource rents (especially its fisheries), official development assistance (ODA), marketing and licensing of Tuvalu's internet domain name (.tv) and philatelic sales, with Government activities predominating.
17. Remittances have become an important foreign exchange earner for Tuvalu, coming mainly from seafarers (some 10% of Gross Domestic Product (GDP)) although in the last few years also from Tuvalu workers engaged under seasonal employment schemes of New Zealand and Australia. The serious decline in the number of seafarers working abroad, due in part to the Global Financial Crisis, has had an adverse effect on the economy although in recent years the situation has recovered somewhat with an increase in seafarers securing employment on foreign ships.
18. Fish exports and receipts of fishing license fees have doubled in recent years. Fish exports rose from \$10.4 million in 2010 to a projected \$20.7 million in 2014, while fishing license fees have risen from 7.2 million in 2010 to a projected \$13.2 million in 2014.¹ As a percentage of GDP, fishing license fees rose from 20.6% in 2010 to an estimated 45.4% in 2013.
19. Grant aid in 2013 totalled \$9.8 million and was projected to rise to \$21.4 million in 2014 before dropping back to \$9.7 million in 2015. In 2010, grants constituted about 16.4% of GDP, rising to an estimated 24.6% in 2013.
20. Public sector employment accounts for about 66% of all employment in the formal labour market while public sector expenditure accounted for almost 70% of GDP in 2012.
21. The subsistence and informal sectors comprise a significant, albeit decreasing portion of the economy. Some 67.8% of the Tuvalu's overall population were non-income earners, including 81% of the population in the Outer Islands.

22. The agriculture, forestry and fisheries sectors made the biggest contribution to Tuvalu's GDP over the period 2000-2012, followed closely by the finance, real estate and business services sectors; public administration; trade, hotels and restaurants; and others.

2.2 Economic Growth and Inflation

23. Over the period 2007-2013, Tuvalu's real economic growth rate had been volatile, averaging about one percent per annum, although increasing in recent years. With major infrastructural projects commencing, the rate may rise to perhaps 2.5% over the short-term before lowering to about 2.2% over the medium-term. Growth is mainly driven through high government spending on consumption as well as aid expenditures. As a consequence, the nature of economic growth is vulnerable to fluctuations in aid levels and other major sources of revenue such as fishing license fees. The Government recognises through this trade policy that aid and consumption-led growth provide an unsustainable, long-term foundation for long-term sustainable development.
24. There has been a moderate increase in inflation in recent years, rising to 3% by the end of 2013, largely reflecting inflation in the non-food sector.
25. Some progress has been made in the compilation and publication of economic statistics with the assistance of the Secretariat for the Pacific Community (SPC) and the Pacific Financial Technical Assistance Centre (PFTAC). However, the Central Statistical Division (CSD) is currently understaffed and various weaknesses impede analysis. In addition, published economic and trade statistics are often both limited and dated. Given the importance of economic statistics for the successful formulation and implementation of this trade policy, the Government of Tuvalu is committed to addressing those constraints both through domestic efforts as well as with further external assistance from understanding donor partners.

2.3 Tuvalu's Budgetary/Financial Situation

26. Tuvalu uses the Australian dollar. Lacking both its own currency and an independent central bank, Tuvalu's fiscal policy is primarily reflected in its national budgets. Between 2002 and 2012, the Government had operated deficit budgets. Since 2013, however, the situation has changed significantly due primarily to recent, large increases in donor grants and fishery license fee revenue, resulting in

relatively large budget surpluses. Other sources of revenue include import duties; .tv licensing arrangements; and income, company and other taxes. The Tuvalu Consumption Tax (TCT) was introduced to compensate for revenue losses as a result of Tuvalu's participation in the Pacific Island Countries Trade Agreement (PICTA).

27. The Tuvalu Trust Fund (TTF) was established in 1987 by the Governments of Tuvalu, the United Kingdom (which has since withdrawn), Australia and New Zealand (with subsequent, modest contributions by Japan and the Republic of Korea). The aim of the TTF is to contribute to the long-term financial stability of Tuvalu through the provision of an additional source of revenue for recurrent expenditures of the Government of Tuvalu. Contributions to the TTF are invested internationally. From an additional value of \$27.1 million, the TTF's value has increased to over \$140 million.
28. Given the currently favourable fiscal situation as well as the medium- to longer-term risks to the Tuvalu economy, the Government of Tuvalu, with the advice and assistance of the International Monetary Fund (IMF) is looking to the TTF to serve as a 'rainy day fund' with the returns on investment saved in a reserve account for use in the event of severe, adverse fiscal shocks while the Consolidated Investment Fund (CIF), part of the overall TTF, will be transformed into a fiscal stabilisation fund.
29. Although Tuvalu is currently enjoying a favourable fiscal situation, the TTF Advisory Committee (which includes representatives of the Governments of Australia, New Zealand and Tuvalu) has recently observed that *"continuing budget support is vital for Tuvalu due to the volatility of domestic revenue and donors grants, the importance of continuing the reform dialogue between the government and development partners, public sector capacity constraints, and the need to deal with long-term fiscal issues"* (29th Report (2014) n, para 66(d)). The Government of Tuvalu considers that such support will be important for the successful implementation of the broader trade policy set out herein.
30. Besides the above vulnerabilities, there are several potential challenges to Tuvalu's recent fiscal performance, including the country's sovereign debt levels and potential revenue losses from trade agreements. The Government has taken steps to address both matters, including introduction of the TCT. In negotiating future trade agreements, the Government of Tuvalu will pay particular attention to the potential revenue impacts of tariff liberalisation and take whatever steps necessary to ensure that revenue losses do not

become a burden on the country's fragile economy. Trade issues will also be taken into account in the further review of Tuvalu's overall taxation regime.

31. The small size of Tuvalu's economy often leaves little room for more than one operator to provide utilities and related infrastructural service necessary for the country to realise its economic, trade and other national objectives. Of serious concern for the challenges they pose to Tuvalu's overall fiscal and broader economic performance has been the operations of Tuvalu's public enterprises (PEs): the National Bank of Tuvalu (NBT), the Development Bank of Tuvalu (DBT), the Tuvalu Telecommunications Corporation (TTC), the Vaiaku Lagi Hotel (LVH), the Tuvalu Electricity Corporation (TEC), the Tuvalu Maritime Training Institute (TMTI) and the National Fishing Company of Tuvalu (NAFICOT). With the assistance of the Asian Development Bank (ADB), an eighth PE, the Tuvalu Philatelic Bureau (TPB) has been merged with the Tuvalu Post Office (TPO). Most PEs have reported financial losses and revealed significant vulnerabilities in their financial positions. Several impediments to PE operations include persistent inefficiencies in management practices, weak tariff structures and limited scope to gain from economies of scale.
32. The above situation has been recognised in TK II and the Government of Tuvalu, with the support of the ADB and other donor partners, has been working to address the above PE deficiencies. A Public Enterprise Reform and Monitoring Unit is now operational and will monitor the compliance of PEs with their respective legislation and provide advice as appropriate. A key TK II policy objective is to *"corporatize and, where possible, privatise government functions"*. Besides continuing the important work of improving the management and operations of the PEs, therefore, the Government of Tuvalu will examine carefully the possibility of their privatisation, in whole or in part, including through public-private-partnerships (PPP), with a view to improving services to the public and strengthening and diversifying the private sector. In this regard, efforts are already underway with respect to the VLH.
33. In addition to the above PEs, there are also a number of 'embedded businesses' within Government and funded through the budget: Tuvalu Radio, port operations (including stevedoring), inter-island shipping, Government's internet service provider (ISP), the Post Office, the airport, Government's travel agent, and housing and maintenance. Given the importance of most of these businesses in supporting the country's commercial activities and trade, the Government of Tuvalu will actively investigate the possibility of

either corporatizing or privatising the above businesses, in whole or in part, perhaps through PPPs, again with a view to improving services to the public and strengthening and diversifying the private sector.

34. In considering the future of its PEs and embedded businesses, the Government of Tuvalu will draw on successful regional experiences where appropriate.

2.4 Socioeconomic Considerations

35. Tuvalu's trade policy is intended as a tool not only to promote economic growth through trade as well as to contribute to the achievement of broader national objectives. In the latter regard, the utility of these trade policy measures may usefully be considered in the broader framework of the Millennium Development Goals (MDGs).
36. Tuvalu is on track to achieve MDGs 2 (achieving universal primary education), 4 (reducing child mortality) and 5 (improving maternal health). It has mixed results in regard to MDGs 3 (promoting gender equality and empowering women), 6 (combating HIV/AIDS, malaria and other diseases) and 7 (ensuring environmental sustainability). It is off-track in regard to MDG 1 (eradicating poverty and hunger). The Government of Tuvalu is committed to using trade policy measures, as appropriate, to support other national initiatives aimed at achieving all MDGs and these will be further referred to below. Given the current situation, attention must be given, in particular, to eradicating poverty and hunger.
37. TK II has highlighted the need to tackle what it described as 'poverty and hardship'. In the specific context of Tuvalu, poverty must be seen as the reference to the existence of hardship; and people in the Outer Islands or in large families, the disabled, the less educated and those without access to land on islands where they reside) are often at a disadvantage and suffer from what TK II describes as a 'poverty of opportunity'.

38. Tuvalu's 2014 Poverty Report has found that the number of households estimated to be poor increased from 16.5% in 2004-2005 to 26.3% in 2010, with the growth being mainly in the Outer Islands. A key to achieving the first MDG is realising full and productive employment and decent work for all. However, it has been difficult to achieve such employment because of the serious structural constraints on domestic and overseas job creation and the openness of Tuvalu's domestic economy to changes in the global economy. In addressing the challenges of reducing poverty, therefore, a central focus of this trade policy is on the creation of an 'enabling environment' and generation of employment opportunities, including for women, youth and the disabled, especially in the Outer Islands.
39. Given its environmental vulnerability, the Government of Tuvalu will prepare a detailed land-use plan as a basis for regulating the disposal of waste, solid and liquid, and clearing of vegetation as well as for economic planning, investment promotion and regulation.

3. PARTICIPATION OF TUVALU IN INTERNATIONAL TRADE

3.1 Trade in Goods

40. Tuvalu has long had a structural trade deficit with exports being only a small fraction of imports. While figures vary, in 2013, for example, the estimated value of Tuvalu's imports was AUD 16.6 million while the estimated value of exports was only AUD 311,000 (excluding fish exports by third parties under licence).
41. Although statistics on exports are incomplete, apart from exports of fish from oceanic commercial fishing activities, a high proportion of Tuvalu's exports comprised re-exports (scrap metal, electrical goods and machinery), mainly to New Zealand and Fiji. There have been few commercial agricultural exports in recent years, although Tuvaluans often take with them for family in Fiji and elsewhere a limited range of agricultural products (e.g. breadfruit chips).
42. Tuvalu imports most foodstuffs, all processed goods and manufactures, equipment and machinery and oil. Fiji, Australia and New Zealand are Tuvalu's main source markets for imports, with China, Japan and Singapore (oil) being also relatively significant.
43. Tuvalu's current Customs Tariff came into force in 2013 and uses the 2012 version of the Harmonised System of Tariff Classification (HS2012). Almost all tariffs are ad valorem with tariffs ranging from 4% (diesel fuel) to a few at 33% (e.g. tuna, cultured pearls). Only tariffs on a range of motor vehicles have a combination of specific and ad valorem tariffs.
44. Tuvalu's Customs Tariff contains specific provisions to reflect its trade liberalisation commitments under PICTA and the Government of Tuvalu will take early steps to bring the Tariff into line with Tuvalu's current commitments.
45. Excise taxes varying from 5% to 185% are charged on a range of products including beer, wines, spirits and tobacco products. The TCT of 7% is also charged on all imports. The Government is exempted from payment of excise taxes and TCT so long as the goods are for its sole use.
46. There are no export duties in Tuvalu.

47. In light of current efforts being made to review and improve Tuvalu's fiscal situation, including its taxation regime, the Government of Tuvalu considers it both timely and useful to review the Customs Tariff with a view to making such amendments as may be appropriate to facilitate achievement of trade, investment and other objectives.
48. Tuvalu currently has in place a wide range of legislation relating in whole or in part to the import and/or export of goods. Some of the legislation is quite old (e.g. 1929 Quarantine Act). Even in the case of more modern legislation, there have been significant scientific, technological, commercial, legal and other developments in recent years relevant to the subject matter of such trade in goods-related legislation. The Government of Tuvalu considers it similarly useful, therefore, for that legislation to be subject to appropriate review to ensure that each is fit-for-purpose in Tuvalu and not in need of updating or replacement so to better support this trade policy. In certain cases, the primary need is for the proper enforcement of such legislation and the Government of Tuvalu undertakes to take the necessary steps to address the situation.
49. Legislation has recently been enacted to strengthen the Tuvalu Customs Revenue and Border Protection Department (TCRBP) and better enable it to carry out the functions of a modern Customs Department, including trade facilitation. In the latter regard, the Government of Tuvalu undertakes to examine closely the outcomes of the 2013 Ninth Ministerial Conference held in Bali, Indonesia, to see how elements of the Trade Facilitation Agreement might be incorporated as international 'best practice' into its own Customs laws and practices for its benefit.
50. Given the importance of having accurate, up-to-date trade statistics for trade policy analysis, the TCRBP and CSD, as well as other stakeholders as appropriate, will intensify their collaboration both generally and in relation to the introduction and operation of the computer application system for the processing and analysis of trade data, PC12.
51. Training of TCRBP officers, and other stakeholders as appropriate, in modern Customs issues and practices will remain a priority.

3.2 Trade in Services

52. While statistics on Tuvalu's trade in services are sparse or not readily available, in broad terms at least, services, especially the public sector and retail trade, have consistently contributed the most to Tuvalu's overall economic outputs, some 70% of GDP in 2012. At the same time, in terms of the country's current account balance, Tuvalu's international trade in services has been consistently negative, a provisional -\$29.9 million in 2014.
53. In opening its market for foreign services suppliers or to promote investment, it is important for Tuvalu to have in place appropriate, transparent domestic laws or regulations to provide a guide in conducting business and an insight into the country's business environment as well as to protect the public welfare. There is a wide range of legislation in place relating in whole or in part to services. Moving forward to adopt and implement policies relating to trade in services, as well as investment, both foreign and domestic, the Government of Tuvalu will undertake an appropriate review of the trade in services-related legislation to ensure that it is sufficiently up-to-date and fit-for-purpose and either make amendments to existing legislation or enact new legislation.
54. TK II has observed that *"[r]eliable and competitively priced economic infrastructure and utilities are essential for sustainable development. Without them, it will be impossible to attract investment, create employment, and generate new wealth and opportunities."*(p.44) With that in mind, the Government of Tuvalu is committed to ensure that the operations of essential infrastructure and utilities are improved. In the financial sector, for example, the NBT is the only commercial bank in Tuvalu, offering a wide range of services essential for Tuvalu's sustainable development. Currently lacking, but of importance for the development of the private sector, tourism and trade, are electronic banking capabilities, especially the use of credit cards and automatic teller machines. More broadly, an e-commerce facility that would enable Tuvalu to sell tangible goods such as handicraft on-line for physical delivery abroad would greatly assist in overcoming the tyranny of distance and isolation impacting the country. The Government of Tuvalu will investigate in detail possibilities for introducing those facilities into the national banking and telecommunications systems. It will also continue to work to strengthen the operations of the DBT so that it will be in a position to provide trade finance and other assistance for private sector initiatives.

55. Efficient, reliable and inexpensive telecommunications is important for economic development and the growth of trade. An agreement has been reached recently between the Government and Kacific Singapore to bring high speed internet service to Tuvalu beginning in 2016. The Government of Tuvalu is committed to continued development of the sector and is seeking advice and assistance in this area, including establishing a regulatory framework and the possible privatisation of at least some telecommunications activities, perhaps through PPP.
56. As a mid-ocean archipelagic State, adequate, efficient and cost-effective sea and air transportation is vital for Tuvalu's domestic and international trading relations as well as its overall national development. Within Tuvalu, transportation is now only by sea, using three Government-owned vessels. A new, purpose-built cargo/passenger vessel provided through Japanese assistance is expected to enter into service by late 2015, replacing a much older vessel. Urgent steps are required to improve the efficiency of shipping services between Funafuti and the Outer Islands as well as port infrastructure and operations, especially on Funafuti and Nukufetau. With a view to more closely integrating the Outer Islands into national development efforts, including participation in trade policy initiatives, the Government of Tuvalu will undertake a study on how best to improve domestic sea and air transportation links and services, as well as the possible corporatizing of maritime services, including port operations. In undertaking the study, it will draw on successful regional experiences where appropriate.
57. The Government of Tuvalu will seek to cooperate with other regional countries, especially through the Central Pacific Shipping Commission (CPSM) and the Secretariat of the Pacific Community (SPC), to improve shipping services between Tuvalu and the rest of the region.
58. Tuvalu's only regularly-scheduled international air service is provided by Fiji Airways, owned by the Fiji Government, which operates a twice-weekly service (Tuesdays and Thursdays) between Funafuti and Suva, Fiji, using an ATR72 aircraft capable of carrying a maximum of 72 passengers (depending on cargo). For various reasons, the cost of the service is very high which inhibits the growth of the tourism industry as well as the international movement of Tuvaluan and air freight. While the Funafuti Airport does not meet international aviation standards, assistance from the World Bank will see that the situation improves greatly in the coming few years. Nevertheless, there remain numerous aviation-related challenges inhibiting the

country's development and the growth of trade. These are being addressed, at least in part, through various domestic initiatives. However, the Government of Tuvalu will seek external assistance and advice on the further development of the aviation sector, including international airline services.

59. The cost of energy is seen as a significant deterrent to doing business in Tuvalu, although without the current subsidy on fuel provided by the Government of Japan the cost of generating electricity using fossil fuel would be much greater. For that reason, the Government of Tuvalu is committed to implementing the 2009 National Energy Policy which has as its target 100% renewable energy for power generation by 2020. That Policy also aims to improve the quality of services to the Outer Islands, ensuring more efficient, less subsidised services and reducing the costs of doing business.

3.3 A Trade Development Strategy (TDS) for Tuvalu

60. To expand Tuvalu's participation in both domestic and international trade and promoting domestic and foreign investment, the Government of Tuvalu will formulate and implement a comprehensive TDS. The TDS will provide a blueprint for improving Tuvalu's trade performance. It will consist of goals, objectives and targets for the country to achieve in terms of trade in locally-produced goods and services for the domestic market and possibly for export, as well as practical steps to be taken by the Government and other stakeholders to achieve those goals, objectives and targets. Without eliminating any commercial activity from potential inclusion in the TDS, the focus of the Strategy will be on two focal sectors relating to trade in goods (Agriculture and Fisheries) and two relating to trade in services (Tourism and Labour Mobility).
61. As a first step, a detailed study will be undertaken of the commercial feasibility of producing a selection of value-added items (i.e. through semi-processing or more substantial transformation) derived from agricultural or marine produce, perhaps initially for the local market and then gradually for export. In certain cases, agricultural or marine products made or capable of being made in Tuvalu are understood to have a ready, immediate overseas market and, under the right conditions, might be exported in relatively significant amounts at an early date.

62. As part of the TDS, the potential will also be explored for the further commercial development of Tuvalu handicraft and other manufactured goods such as traditional Tuvaluan clothing for sale on the local market as well as internationally, as appropriate.
63. The Outer Islands, women and youth, in particular, have the potential to benefit from the above initiatives. It is expected that, as much as possible, activities in the above areas would be private sector-driven, with close involvement of the TNPSO. At the same time, they will be facilitated, as appropriate, by the Government of Tuvalu, including possibly through legislative action to encourage both foreign and domestic investment and other economic activities in the above areas.
64. Through the TDS process, determinations will be made of the services most required to promote Tuvalu's development and the degree to which service sectors should be open for foreign investment and under what conditions in terms of market access and national treatment to be afforded. How best to promote investment in those sectors will also be determined.
65. It is important to have effective institutional arrangements to assist in the formulation and implementation of the TDS. Overall responsibility within Government for the TDS will rest with the Department of Trade (DoT) while within the four focal TDS areas (agriculture, fisheries, tourism and labour mobility), primary responsibility will rest with the departments concerned. The Attorney-General's Office will also have a critical role to play in supporting the overall TDS as well as trade-related issues more generally and will need to be strengthened and supported through technical assistance where appropriate.
66. The annual Talofa Trade Fair is a valuable opportunity for promoting trade policy objectives, including for discussing opportunities to develop trade, and will continue to be encouraged by the Government of Tuvalu. In future, participation in regional and other trade exhibitions will also be encouraged as circumstances warrant.
67. Given its financial and human resource constraints, the Government of Tuvalu also recognises the importance of not only increasing the use of its overseas missions but also drawing upon the advice and support of regional and international organisations to formulate and implement its TDS as well as other aspects of this trade policy.

4. INTERNATIONAL TRADE FOCAL AREAS

4.1 Agriculture

68. Agriculture has long been a main preoccupation of Tuvaluans, mainly for subsistence purposes. Crops cultivated include coconut, pulaka (a kind of yam), breadfruit, pandanus, bananas, taro, sweet potatoes and pawpaw. Pigs, chickens and ducks have also been raised, again primarily for home consumption. Government's policy is to encourage the development of the sector through implementation of the Tuvalu National Agriculture Sector Plan 2014-2023 (TNASP), prepared by the Department of Agriculture with the assistance of the Food and Agriculture Organisation.
69. Under the TDS, the trade-related recommendations and initiatives in the TNASP will be pursued, including updating of important biosecurity legislation, developing and upgrading of marketing networks and infrastructure for biodiversity products and products from agro-processing industries, exploring the potential of organic farming, and investigating possible arrangements to increase the availability of land for agricultural purposes.
70. Given the importance of coconuts in Tuvalu's subsistence and commercial economy and the amount of land under coconut trees, a comprehensive study will be undertaken to examine not only issues relating to processing and marketing of coconuts as proposed in the TNASP but also the various types of products that could be made from the coconut and coconut trees for both the domestic and international markets, especially with a view to promoting commercial and trade-related activities in the Outer Islands.

4.2 Fisheries

71. Because of its relatively large EEZ and lagoon areas, marine resources loom large in both national planning and the TDS. The 2013 Corporate and Human Resource Development Plan for the Department of Fisheries (DoF), endorsed by the Government of Tuvalu, provides a basis for and informs fisheries-related activities to be carried out under the Strategy.

72. Tuvalu's fisheries sector may be divided into offshore and coastal/inshore fishing activities. The commercial significance of Tuvalu's offshore fishery began in the 1980s and increased exponentially around the end of the last century. Through NAFICOT, the Government of Tuvalu has entered into two fishery joint ventures (JVs) and continues to explore possible JVs with other Distant Water Fishing Nations (DWFNs). At the same time, licensing of DWFNs to fish in Tuvalu's EEZ has steadily increased in importance. The offshore fishery in its various dimensions has generated much needed revenue for Tuvalu, especially through fishery license fees and related benefits resulting from regional fishery agreements and the Vessel Day Scheme (VDS) introduced in 2009. The Government of Tuvalu will continue efforts to increase the benefits to Tuvalu from its offshore fishery resources through both national actions and improving the efficiency and effectiveness of regional agreements and the VDS. Towards that end, it will strengthen the operations of the DoF as called for in the Corporate Plan and work closely with Tuvalu's regional partners and DWFNs, as appropriate.



73. The coastal/inshore fishery consists of subsistence and artisanal fishing activities. Fish is very important for the local diet, per capita consumption being about 120 kg per annum. The artisanal fishery is led by small-scale operators who supply local markets throughout the country, especially through Community Fishery Centres (CFCs). The DoF will assist Kaupule/Falekaupule in the development and implementation of fishery management plans for areas the responsibility of local government, including by improving CFC operations. At the same time, as part of the above study of national transport arrangements, the Government of Tuvalu will examine potentials for trade in fish and other marine products between the Outer Islands and Funafuti.

74. For trade in fish and other marine products between the Outer Islands and Funafuti, consideration will also be given to services required for the development of the fishery sector and possible incentives to encourage investment in the sector. Potential national and international markets for marine products will also be identified, especially those produced or capable of being produced in the Outer Islands.
75. To increase the efficiency of Government activities in the sector, the future of NAFICOT will also be examined.
76. In carrying out both offshore and coastal/inshore fishery activities, food security and the conservation and management of marine resources, both national and regional, will remain priority considerations of the Government of Tuvalu. It will deepen its collaboration with regional and international stakeholders as appropriate,
77. The Government of Tuvalu will also intensify its efforts to take advantage of opportunities for Tuvaluans, both men and women, as appropriate, to obtain employment on fishing vessels.

4.3 Tourism

78. Despite the tourism sector being very small (1,416 arrivals in 2014) and there being serious challenges to overcome such as lack of tourism infrastructure and the high cost of airfares and poor airline services, Tuvalu has a number of attractions for visitors, including its smallness, isolation and, in many parts, pristine environment. Both TK II and the DTIS, therefore, identify the tourism sector as offering a viable means of leading the country's economic growth and development, including job creation. In pursuing initiatives for the sector as part of the Trade Development Strategy, the Government of Tuvalu takes as its basis the National Tourism Development Strategy 2015-2019 (NTDS) formulated with the assistance of the South Pacific Tourism Organisation.
79. Strategies identified in the NTDS are either underway (e.g., destination marketing and web-based activities through the portal 'Timeless Tuvalu') or will be examined and pursued through this trade policy (e.g., improvements in the aviation sector) and, more directly, the TDS. Consideration will be given to services that will be required for the development of the sector; issues relating to investment, including possible incentives to attract foreign and domestic investment in tourism-related infrastructure; strategies to attract yachts and cruise ships to visit; and how aspects of Tuvaluan culture might be appropriately incorporated into the tourism experience.

80. Attention will also be paid to the development of budding tourism attractions including the Funafuti Conservation Area, World War II relics and the 'King Tides' phenomenon and the impact of climate change on Tuvalu. Particular consideration will be given to the potential involvement of the Outer Islands in the sector.
81. The Government of Tuvalu will draw on regional experiences, where appropriate, for the development of the sector.

4.4 Labour Mobility

82. Vigorous, dedicated and persistent implementation of the multifarious initiatives set out in this trade policy and, in particular, the TDS will open up new opportunities for trade, private sector development and employment generation. Nevertheless, as recognised in TK II and by the World Bank and others, because of the special situation of Tuvalu especially in terms of its very small size and remoteness, those initiatives are unlikely to result in sufficient employment creation to meet the needs of a growing population and reduce the nation's poverty levels. For that reason, the Government of Tuvalu is also committed to a two pronged-approach of seeking additional opportunities for the fruitful employment of Tuvaluans abroad and investing in human capital formation through appropriate educational and other training initiatives both domestically and elsewhere.
83. Tuvalu seafarers have long served on overseas vessels, bringing significant benefits to their families and to the country as a whole in terms of remittances. For several years, however, the number of seafarers had seriously declined, due in part to the Global Financial Crisis although the numbers have recovered in the past few years as a result of strong efforts by the Government and other stakeholders. The Government of Tuvalu remains strongly committed to the industry and, because of its specialised nature, will prepare a comprehensive strategy and action plan for development of the sector, including determination of appropriate markets for Tuvaluan seafarers, the preparation of marketing plans and the identification of training required, including opportunities for women in relevant areas. In undertaking that work, attention will be paid to the most appropriate role for the TMTI and additional resources and improvements that might be required. Potential areas for fruitful regional collaboration in regard to seafarers will also be explored.



84. Through the Recognised Seasonal Employer (RSE) Scheme, Tuvalu workers have short-term access to the New Zealand labour market in the horticulture and viticulture industries. Although New Zealand has made special arrangements to facilitate Tuvalu's participation in the Scheme, relatively few Tuvaluans have participated (444 from 2007-2008 to 2013-2014, out of some 24,600 workers overall). This is due to a number of reasons including Tuvalu's remoteness; a small, inexperienced work force; and a lack of Government experience in handling such a Scheme.
85. Since 2002, subject to certain conditions, 75 Tuvaluans per annum are provided residence-class visas by New Zealand under the latter's Pacific Access Category (PAC) arrangement. With the arrangement continually being over-subscribed, successful applicants are drawn by ballot.
86. Tuvalu has had access to Australia's Seasonal Worker Program (SWP) since 2011 to work in the horticultural industry, the SWP being broadly similar to New Zealand's RSE scheme. To early-2015, 27 Tuvaluans had participated in the Program.
87. The Government of Tuvalu, working bilaterally and in conjunction with other regional countries, will continue to seek an expansion in labour market opportunities for Tuvaluans in the RSE scheme and SWP in terms of sectors covered, numbers employed and duration of employment. In addition to Australia and New Zealand, the Government of Tuvalu will also explore other possible overseas labour opportunities for Tuvalu nationals in the fisheries sector as well as in regional and other countries.
88. While the primary focus has to date been on the benefits of temporary, or seasonal labour mobility under the RSE arrangement and SWP, there would be a range of significant benefits for Tuvalu from access to permanent labour markets (or, in the case of the PAC

arrangement, expanded participation), including the contributions that a Tuvalu diaspora could make to the country's development such as investment in Tuvalu and the provision of advice and support in various areas. At the same time, there would be benefits for larger regional economies with aging populations and consequent labour shortages that could be partially met through Tuvaluan labour, with the necessary safeguards in place, for example, to avoid displacing opportunities for lower-skilled nationals of those countries. Therefore, the Government of Tuvalu will also intensify efforts to secure additional, permanent employment opportunities abroad for its nationals while at the same time ensuring that Tuvalu retains the population and skills base necessary for long-term sustainable development.

89. For the above initiatives to realise optimum results, they must be taken within the broader context of a Human Resources Development Policy and Institutional Framework as highlighted in TK II and the National Labour Migration Policy prepared by the Government of Tuvalu with the assistance of the International Labour Organisation. Towards that end, a labour mobility marketing study will be undertaken and action plan formulated and implemented that will take account both the specific needs of the seafaring sector referred to above as well as the broader needs of the Australian, New Zealand and other potential labour markets. Of great importance for planning in this area will be the compilation and maintenance of a national database of labour resources.
90. Expanded labour market opportunities are essential; however, having a workforce with the requisite skills to take advantage of those opportunities both in Tuvalu and abroad will be critical as well. This will be considered in detail in the above marketing study and action plan, including sources of training available to Tuvalu such as the University of the South Pacific, the University of Fiji and the Asia-Pacific Technical College. The possibility of the latter conducting dedicated, specialised courses (e.g., caregiving) in Tuvalu and assisting qualified Tuvaluans secure positions in Australia will also be explored.
91. The Government of Tuvalu will seek to work with regional partners to encourage the Pacific Trade and Invest Offices in Auckland and Sydney to broaden their mandates to include labour mobility activities such as helping to promote seasonal workers to the Australia and New Zealand markets.

92. For the above labour mobility initiatives to succeed, the Government of Tuvalu recognises the importance of strengthening the Department of Labour (DoL). This will be done through various means, including the appointment of a senior official as Director of the DoL, the employment of other staff as required, the establishment of a distinct unit responsible within Government for coordinating seafarer-related activities and the institution of a capacity-building programme for DoL and others in labour mobility areas. The DoL will deepen its collaboration with other stakeholders, both within Government and in the private sector, whilst respecting their respective roles and responsibilities in relation to the sector.

4.5 Consultations and Coordination of the TDS

93. It is clear that implementation of trade-related initiatives in the above focal areas of the TDS raises numerous cross-cutting policy and practical issues. For the Strategy to be successful there must be heightened, regular collaboration both between Government departments as well as between Government and the broader Tuvalu community, especially the TNPSO. To the greatest extent possible, Tuvalu must speak with one voice and act in unison on trade policy matters and the TDS. Towards that end, the Government of Tuvalu looks to the respective senior officials responsible for each of those four areas to report to each meeting of the NTSC on activities in their area with a view to informing other stakeholders of implementation progress and seeking their collaboration as required. It also calls on the NTSC to establish such sub-committees as may be necessary to progress the TDS and the broader trade policy.



5. TRADE-RELATED AREAS

5.1 Competition Policy and Consumer Protection

94. Trade can be an important tool for promoting a country's sustainable development objectives in various ways. Where there is good, open competition in the marketplace and the applicable rules are clear, there will be benefits to the consumer in terms of lower prices, improved services and often a wider variety of goods and services. The economy will also benefit, for example, in terms of increased opportunities for new producers to enter the market. By opening its market for imports, either unilaterally or through trade agreements, Tuvalu might experience increased competition with the potential benefits that brings. However, safeguards must also be in place to prevent anticompetitive behaviour through, for instance, denying consumers the benefits of trade liberalisation.
95. As observed in the DTIS, although competition is limited because of the size of the economy, effective regulation and oversight is important and reform is necessary so that the economy becomes more productive. While certain laws in force in Tuvalu are broadly relevant to competition and consumer protection, none are directly pertinent to the development of a cross-sectoral competition and consumer regulatory framework. Therefore, the Government of Tuvalu will review the Model Regulatory and Policy Framework to deal with Competition and Consumer Protection prepared at the regional level particularly for Small Island States (SIS) to see how it might be adapted for Tuvalu. As appropriate, drafting assistance will be sought for purpose.

5.2 Public (Government) Procurement

96. An important component of trade, both domestic and international, consists of purchases of goods and services through public (government) procurement. Public procurement activities are particularly important for Tuvalu where the Government plays such a major role in economic activity. The Government of Tuvalu is committed to ensure that the Public Procurement Act 2013 and the Public Procurement Regulations, prepared with the assistance of the ADB, operate effectively.

5.3 Intellectual Property Rights (IPRs)

97. IPRs are legal rights resulting from the mental creations of persons in the industrial, scientific, literary and artistic fields. Countries have intellectual property (IP) laws to give legal rights to the creators of IP as well as rights to the public to use that IP under certain conditions, as well as to promote creativity and innovation. There are two general types of 'core' IPRs: industrial property (patents, trademarks, industrial designs and geographical indications) and copyright. IPRs are protected at the national level through domestic laws as well as internationally through treaties, registering one's IP with the IP office of another government or through regional IP organisations.
98. As Tuvalu becomes more involved in trading activities and there are investments in the design, marketing and sale of local 'creations', IP protection will be required, whether in the form of patents, trademarks, copyright, etc. to ensure that such IP is not used by others--especially outside of Tuvalu--for their gain and against the interests of the Tuvalu creators. Having such protection will be an important factor in encouraging foreign investment. There are three IP-related laws in force in Tuvalu, all very old. At the international level, Tuvalu is not yet a party to the main IPR instruments, although it is a party to certain agreements at least indirectly related to IPRs, including the Convention on Biological Diversity.
99. Taking account of the current state of development of the country's commercial sector and its limited legal and other resources available to deal with IP issues, the Government of Tuvalu will identify its priorities for IP protection and proceed in a programmed manner to set in place the necessary institutional arrangements and protective measures at both the domestic and international levels. In doing so, it will consider participation in the Regional Trademarks Application System.
100. TKII highlights the importance of culture for sustainable development and the importance of promoting traditional knowledge and expressions of culture. Much work has been undertaken at both the international and regional levels in relation to Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs) and regional priority has been given to implementation of the Traditional Knowledge Action Plan (TKAP) with the focus on the commercialisation of TK and cultural industries. The Government of Tuvalu places high priority on the protection and promotion of its TK and TCEs. It will examine the regional Model Law on TK and TCEs with a view to its adaptation and adoption in Tuvalu and take steps to enable Tuvalu to participate in the TKAP.

5.4 Trade and the Environment

101. Protection of Tuvalu's fragile environment is a high priority of TK II and various laws have been enacted towards that goal. As part of this trade policy, therefore, attention must be paid to the environmental consequences of the various trading options before Tuvalu and, wherever possible, the Government of Tuvalu will select the option that, while promoting the country's trade interests, is still protective of the environment.
102. Certain trade and environmental challenges are transnational and Tuvalu will seek to collaborate with other countries to address them, including through appropriate treaty action. In that regard, the Government of Tuvalu will take steps to become a party to the Convention on the International Trade in Endangered Species (CITES).
103. An environmental issue of particular importance for Tuvalu is climate change and the threat of rising sea levels to the country's very existence. The Government of Tuvalu will support the negotiation of climate change-related treaties that mitigate the effects of climate change while still promoting trade as well as arrangements that facilitate Tuvalu's easy access to appropriate, reliable, affordable, modern and environmentally-sound technologies.



5.5 Trade and Gender Issues

104. Tuvalu's National Gender Equality and Women's Empowerment Policy, adopted in 2014, has as one of its key measures the creation of an enabling environment for the full participation of women in economic development. The Government of Tuvalu recognises the important contribution of women to Tuvalu's economic development, reflected throughout this trade policy including membership of the TNCW on the NTSC.

5.6 Trade and Public Health

105. Among the most serious public health concerns of Tuvalu and other Pacific Island Countries (PICs) at the present time are Non-Communicable Diseases (NCDs) such as cancer, caused by smoking and diabetes and cardiovascular problems resulting from poor diets and lack of exercise. Given the nature of the problem, a comprehensive approach is needed, including consideration of trade issues. That trade plays an important role in this regard, has been recognised by regional calls for countries to introduce policies and regulations that promote healthy food and drink products and restrict trade in sub-standard and unhealthy products.
106. Most deaths in Tuvalu are caused by NCDs. The Government of Tuvalu is committed to take all possible measures to address the problem of NCDs, including the imposition of additional taxes on fatty, sugary and salty foods, alcohol and tobacco, consistent with Tuvalu's international legal obligations, and strengthening relevant legislation as may be necessary.

5.7 Land Reform and Weights and Measures

107. Easy, secure, long-term access to land for commercial purposes is of fundamental importance. This is particularly so for investors, be they foreign or domestic. The Government of Tuvalu will consider land reform for commercial, including agricultural, purposes as a priority. In doing so, it will draw on regional experiences with commercial land tenure arrangements as appropriate.

108. Scales and other means of measurement are of fundamental importance for most commercial and trading enterprises. It is in the interest of both the business itself and the consumer for the measuring devices to be accurate. Arrangements will be put in place to test, on site, all measuring devices used for transacting business throughout Tuvalu to ensure that those devices are accurate and officers are trained and equipped to undertake such checking on a regular basis. As this may be a common situation throughout the region, the possibility of undertaking this initiative on a regional basis will be pursued.

5.8 Institutional Considerations

109. The current staff complement of the DoT consists of a Trade Officer and an Assistant Trade Officer. Attached to the DoT under the EIF project are an International Trade Adviser and two locally-recruited officers. For the successful formulation and implementation of the Trade Development Strategy and this broader trade policy, it will be essential to strengthen the DoT through the appointment of a Director of Trade and a Trade Officer with legal qualifications to advise the DoT, other agencies of Government and other stakeholders, as appropriate, on trade law matters and the negotiation and implementation of trade agreements. As well, the Government of Tuvalu will seek EIF agreement to continue its support for personnel to assist the DoT.
110. The TNPSO is the highest body representing private sector interests in Tuvalu. Although independent in its operations, the TNPSO works closely with Government in many areas, including providing a vice-chairperson of the NTSC. A Memorandum of Understanding (MOU) between Government and the TNPSO sets out areas of cooperation, including the provision of modest financial and logistical assistance by Government to the TNPSO Secretariat. The Government of Tuvalu will continue to assist the TNPSO, especially through the DoT and EIF project. In that regard, it will seek to provide further funding support for the TNPSO from the project, subject to satisfactory performance and agreement of the EIF Executive Board.



6. TRADE AGREEMENTS AND TRADE NEGOTIATIONS

111. Trade agreements are an important means by which Tuvalu can implement its trade policy and TDS. Over the years, Tuvalu has participated in the negotiation of various trade agreements and is a party to several.

6.1 World Trade Organisation (WTO) and the Basic Trade Rules

112. Most trade rules incorporated in agreements to which Tuvalu is a party or which it is currently negotiating find their basis in agreements concluded under the aegis of the WTO. Established in 1995, the WTO is the primary global organisation responsible for dealing with international trade rules, including providing a forum for negotiating new rules and settling trade disputes.
113. As of June 2014 there were 160 WTO Members, including Australia, New Zealand and six of the largest PICs. To become a WTO it is necessary for an applicant to go through an often lengthy, resource-intensive process. In some cases, that process could take more than a decade. Given the current state of Tuvalu's trading capacity and trade relations, the Government of Tuvalu will keep the possibility of seeking WTO membership under review while focusing attention for the immediate future at least on capacity-building and taking advantage of opportunities afforded by regional and other trade agreements to which Tuvalu is a party or currently negotiating.
114. At the same time, the Government of Tuvalu will keep abreast of relevant WTO developments through the Pacific Office set up in Geneva through the Pacific Islands Forum Secretariat (PIFS) so that it can have at least an indirect input into the WTO negotiations on issues of concern such as fisheries subsidies. Tuvalu will also seek to participate, as appropriate, in WTO-organised capacity-building activities where possible.

6.2 Tuvalu and Trade with the European Union (EU)

115. Along with other members of the African, Caribbean and Pacific (ACP) group of States, Tuvalu has been in formal trade relations with the EU since Tuvalu's independence. Initially, trade was under the Lomé Convention whereby goods originating in Tuvalu had non-reciprocal, duty-free access into the EU market. Under the 2000 Cotonou Agreement between the EU, EU Member States and ACP States, parties are required to negotiate WTO-compatible economic partnership agreements (EPAs) providing for reciprocal trading arrangements between the parties; that is, while Tuvalu would continue to enjoy duty-free access for its goods into the EU Market under an EPA, it would also have to open its market for goods originating in the EU.
116. Although Pacific regional negotiations with the EU commenced in 2004 and were to conclude with an agreed EPA by the end of 2007, that proved impossible. Substantial progress has been made in numerous areas; however, negotiations are ongoing to resolve the outstanding contentious issues, not least of which relates to the efforts by Pacific ACP States (PACPS) to secure preferential access to the EU market for a wide range of fishery exports and the EU's expressed concern about the efficacy of regional fishery conservation and management measures, especially the VDS.
117. The Government of Tuvalu values its relations with the EU and will continue to participate in the EPA negotiations. In doing so, it will work with other PACPS to, inter alia, seek a compromise on fishery issues that will protect its national interests while expanding access opportunities for Tuvalu fishery exports to the EU and ensuring that the EPA genuinely contributes to the country's sustainable development.
118. As an LDC, Tuvalu also has duty-free and quota-free (DFQF) access to the EU market for goods originating in Tuvalu under the EU's separate Everything But Arms (EBA) scheme that can be considered as an option to be used should access under the EPA not be possible.

6.3 Tuvalu and Regional Trade Agreements

South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)

119. Entering into force in 1981, SPARTECA provides DFQF access for goods originating in PICs into the Australia and New Zealand markets. Tuvalu became a party to SPARTECA in 1981; however, it has not benefited from the Agreement for lack of an export sector. That goods must have at least 50% of their value added in the PICs themselves in order to qualify for DFQF access has meant that few PICs have benefited from the Agreement.

Pacific Island Countries Trade Agreement (PICTA) – Trade in Goods

120. PICTA entered into force in 2003 and provides for the gradual liberalisation of trade in goods among PICs, with PIC developing countries such as Fiji required to phase out their tariffs by 2015 and PIC SIS and LDCs such as Tuvalu, by 2017. In the case of certain sensitive products, PIC developing countries are to phase out their tariffs by 2020 and for SIS and LDCs, by 2021. In the case of Tuvalu, those sensitive products include coconut oil and pork sausages.
121. PICTA was initially intended to serve as a stepping stone for PICs to participate in the global economy and the establishment of a single regional market. Most PICs are party to PICTA, Tuvalu ratifying the Agreement in 2008. Thus far, Tuvalu is among the seven PICs which have completed their domestic arrangements and have begun to trade under the Agreement. In the formulation and implementation of the TDS, Tuvalu will seek to take full advantage of market access opportunities offered by PICTA.

PICTA – Trade in Services

122. A Protocol to PICTA on Trade in Services was agreed in 2012. The objectives of the Protocol include, in particular, promoting growth and development in the PICs and the reduction of poverty by, inter alia: (a) providing a framework for the progressive liberalisation of trade in services among the Parties and strengthening the capacity of the Parties to regulate trade; and (b) furthering economic integration in the Pacific region with a view to the eventual creation of a single regional market.

123. An essential part of the Protocol comprises the schedules of trade in services liberalisation commitments of each Party which set out the service sectors each PIC Party is willing to open to other PIC Parties and under what conditions. In the case of Tuvalu, liberalisation commitments have been made in a wide range of services within the following broad sectors: business services; communication services; construction and related engineering services; distribution services; educational services; environmental services; financial services, including insurance services; tourism and travel services; recreational, cultural and sporting services; and transport services.
124. Tuvalu ratified the Protocol in 2014 and when the necessary number of ratifications are received (six) the Protocol will enter into force. The Government of Tuvalu recognises the opportunity afforded by the Protocol to strengthen Tuvalu's economy and develop its trading capacity through expanding and deepening the local services sector as well as, over time, taking advantage of opportunities in other Protocol Parties for Tuvalu's own service providers. Therefore, consideration will be given to how best the Protocol might be used to support the TDS. Assistance will be sought for the preparation of necessary regulations to give effect to Tuvalu's Protocol commitments.

PICTA – Temporary Movement of Natural Persons (TMNP)

125. Regional negotiations among PICs, including Tuvalu, are continuing on a TMNP scheme, the objective of which would be to draw from labour surpluses in individual PICs to meet national skill shortages and stimulate skills development throughout the region. As part of the negotiation process Labour Market Studies (LMS) are to be prepared to assist individual PICs determine their negotiating positions.
126. A TMNP scheme has the potential of generating significant benefits in terms of opening new labour market opportunities for Tuvaluans within the region. Therefore, the Government of Tuvalu will work through the NTSC to refine its negotiating position on the proposed TMNP. At the regional level, it will seek an early completion of all LMS, including that for Tuvalu, and a resumption of negotiations with a view to reaching early agreement on a scheme.

Pacific Agreement on Closer Economic Relations (PACER) and PACER Plus

127. Agreed in 2001, PACER is a trade cooperation agreement between Australia and New Zealand and the FICs. While providing a framework for cooperation with the aim of leading, over time, to the development of a single regional market, PACER does not contain commitments to liberalise trade among the Parties.
128. Under PACER, Parties committed to commencing negotiations in future with a view to establishing reciprocal free trade arrangements between the FICs and New Zealand. Those negotiations began in 2009. Because those arrangements would go beyond PACER and include the above commitments, both the negotiation process and the proposed arrangements have been commonly referred to as 'PACER Plus'. Although not a Party to PACER, Tuvalu has participated actively in PACER Plus negotiations from the beginning.
129. It is intended that PACER Plus will include liberalisation commitments covering trade in both goods and services. Thus far, negotiations have focused on general trade rules and principles to govern the arrangements while negotiations on detailed scheduling commitments in both areas have not yet begun. Among the offensive interests of Tuvalu and other FICs are demands that PACER Plus contain legally-binding commitments on greater access for FIC nationals to the Australian and New Zealand labour markets and additional assistance from Australia and New Zealand to enable FICs not only to carry out their obligations under the Agreement but also to take advantage of opportunities that PACER Plus will afford.
130. Given the significance of Australia and New Zealand as trading partners and Tuvalu's participation in the SWP and RSE schemes, the Government of Tuvalu places great importance on PACER Plus. Internal consultations will intensify among all local stakeholders, especially through the NTSC, with a view to detailing Tuvalu's negotiation positions on key outstanding issues, especially trade in goods and services commitments, labour mobility and development assistance with the objective of ensuring that PACER Plus supports Tuvalu's trade policy and the Trade Development Strategy.



6.4 Tuvalu and Bilateral Trade

131. Concluded in 1998, a bilateral trade agreement between Tuvalu and Fiji offers duty-free access for a range of Tuvalu marine and handicraft products into the Fiji market. The Agreement has largely been superseded by PICTA, currently in force between the two countries.
132. In 2014, a Memorandum of Agreement (MoA) was signed between a number of Tuvalu importers and the Rotuma Export and Marketing Company Ltd, the intention being to set out arrangements for the purchase by those importers of a range of agricultural products grown in Rotuma. The MoA is neither a Government-to-Government agreement nor legally binding. Nevertheless, it does have the support of the Governments of Tuvalu and Fiji and the Government of Tuvalu will facilitate the MoA's effective operation as may be required and appropriate.

6.5 Other Arrangements - the Generalised System of Preferences (GSP)

133. Tuvalu is eligible to benefit from GSP schemes of various countries and this will be considered in the formulation and implementation of the Trade Development Strategy.

7. AID-FOR-TRADE (AFT)

7.1 Introduction

134. Many important steps can be taken by the Government and other stakeholders in Tuvalu using internal resources to progress this trade policy, including the TDS. At the same time, however, given its human and financial resource constraints, considerable technical and other assistance will also be required to support Tuvalu in the carrying out of studies and other initiatives. Towards that end, the Government of Tuvalu will seek global, regional and bilateral Aft from understanding development partners.
135. Whatever Aft is extended to Tuvalu must be fully consistent with the Tuvalu National Aid Policy (TNAP). The TNAP requires that all ODA must be tied to the promotion and achievement of the TK II and the TK II MTR action plans and achievement of the MDGs. The Policy envisages the holding of annual Round Table Meetings (RTMs) between Government and development partners to track progress in achieving TNAP objectives and to identify constraints and problems. As this trade policy has the same focus in the trade area as that of the TNAP, the Government of Tuvalu will seek the inclusion on the agenda of RTMs the separate topic of Aft and implementation of the trade policy.
136. Tuvalu is highly dependent on development assistance to address high priority needs in various social sectors, including to achieve the MDGs and now the sustainable development goals (SDGs). At the same time, the various initiatives identified in this trade policy are similarly important for ensuring that trade is an effective tool for promoting Tuvalu's sustainable development. For that reason, the Government of Tuvalu will seek the understanding and willingness of development partners to share the objective of Aft resources being additional to the regular ODA provided and not the result of diverting assistance from other equally important areas. The understanding and willingness of development partners will also be sought for Aft to be clearly distinguished from the other important assistance partners extend to Tuvalu.



137. For present purposes, the Government of Tuvalu considers it useful to follow the AfT categories below as proposed by the 2006 WTO AfT Task Force:
- a. trade policy and regulations, including training of trade officials, support for national stakeholders for trade policy formulation and to facilitate implementation of trade agreements, etc.;
 - b. trade development, including investment promotion, business support services, trade promotion;
 - c. trade-related infrastructure, including physical infrastructure;
 - d. building productive capacity;
 - e. trade-related adjustment, including supporting developing countries to put in place accompanying measures that assist them to benefit from liberalised trade; and
 - f. other trade-related needs.

7.2 AfT and Tuvalu's Bilateral Development Partners

138. Tuvalu has well-established bilateral relationships with a number of developed countries or groups of countries, especially Australia, the EU, Japan, New Zealand and Taiwan/Republic of China. All provide significant, valuable ODA to Tuvalu, often on the basis of written aid programme documents. All also have general AfT programmes that

to varying degrees are incorporated into their bi- and multilateral aid programmes. Australia and New Zealand, for example, provide Aft assistance through regional organisations including the PIFS. Similarly, besides its bilateral assistance to Tuvalu, one of the main components of the EU's Pacific Regional Indicative Programme (PRIP) is regional economic integration, administered by PIFS. The REI component has two main objectives: (1) increasing the productive capacity of PACPS for trade; and (2) strengthening private sector involvement in economic integration.

7.3 International and Regional Aft

International

139. The main objective of Tier 1 of the EIF Project has been to strengthen the capacity of the DoT as the lead agency responsible for trade policy formulation and implementation. Tier 2 will focus on formulation and implementation of initiatives, especially studies and other technical assistance to address needs identified in the DTIS and the TPF.
140. World Bank assistance to Tuvalu has focused on assisting to mitigate the effects of economic isolation (e.g. assistance to the aviation sector) and to build resilience against adverse economic and other undesirable events. The IMF has provided assistance to improve the country's macroeconomic environment.
141. Tuvalu is a member of the United Nations and a number of its specialised agencies, including the Food and Agriculture Organisation and the International Labour Organisation from which it has received technical assistance, including for the preparation of important studies and plans.
142. Tuvalu is also a member of the Commonwealth and therefore eligible for trade-related technical assistance, one of the special areas of expertise of the Commonwealth Secretariat. The latter is also a co-sponsor of the Hub and Spokes technical assistance project based at PIFS.
143. Although not a member of the WTO, Tuvalu has benefited from numerous capacity-building activities undertaken by the WTO in the region.



Regional

144. In 2013, Tuvalu joined other PICs in signing the MOU establishing the Pacific Trade and Development Facility (PTDF). The rationale for the creation of the PTDF is to improve the delivery of AfT to Tuvalu and other PICs. Regional and national projects will be considered for funding through the Facility. The following year, the Pacific Aid for Trade Strategy 2014-2017 was endorsed, the goal being to facilitate trade expansion in the PICs, thereby contributing to their economic prosperity and sustainable development. The Strategy is also to be seen as complementing national trade policies. The Government of Tuvalu will seek to participate actively in the formulation and implementation of specific projects under the above Strategy as well as in the PTDF and decision-making, using as a basis needs identified in the DTIS and the TPF.
145. Tuvalu is a member of all organisations of the Council of Regional Organisations of the Pacific (CROP). In the formulation and implementation of their respective work programmes, the Government of Tuvalu will seek support for activities to be undertaken as part of this trade policy.
146. A member of the ADB since 1993, Tuvalu has received various forms of assistance focusing on public sector management, including PE reform, as well as maritime transport, especially port development.

147. The TNPSO is a member of the Pacific Islands Private Sector Organisation (PIPSO). PIPSO conducts various forms of trade-related, capacity-building activities for the private sector at the national level and provides financial assistance for small and medium enterprises development.

7.4 Conclusion

148. To take advantage of the above AfT opportunities, the Government of Tuvalu will take a proactive approach, identifying specific potential sources of AfT to address particular needs and taking steps to access such assistance. At the same time, especially for AfT delivered through regional arrangements, it will work with regional institutions and other PICs in identifying, formulating and implementing projects under broader programmes such as the regional economic integration component above to ensure that, as much as possible, regional AfT initiatives address Tuvalu's needs. This approach will require both closer internal consultations among all relevant stakeholders to ensure a unified, consistent position on key trade policy issues and initiatives.



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ANNEX 1 | TRADE POLICY IMPLEMENTATION PLAN AND MATRIX

Implementation Plan

The above Trade Policy Statement (TPS) and the detailed Trade Policy Framework (TPF), separately attached and available on request, identify a wide range of actions to be undertaken in order to realise Tuvalu's Vision for trade as a valuable tool for the achievement of Tuvalu's overall sustainable development goals and objectives. Those actions may be grouped under three broad headings: (1) those that can be undertaken purely through the efforts of Tuvalu stakeholders, be they Government, private sector, civil society or others; (2) those that require the assistance, be it financial or technical, of regional and international organisations and institutions; and (3) those that can only be undertaken in conjunction with other countries.

Whatever the identified actions, a comprehensive national approach is required, necessitating the proactive involvement of and contributions from all relevant stakeholders, be they public officials, private sector representatives, representatives of civil society groupings, or members of specific interest groups (e.g. in the fisheries, seafaring and tourism sectors). While relevant Government departments are indicated in the Matrix below as the 'Lead Agencies Responsible', they will need to consult closely with other groups of Tuvalu stakeholders (e.g. TNPSO, TANGO, and TNCW) throughout the implementation process (see below). As appropriate, the special needs of the Outer Islands must be considered in relation to the implementation of each action as well as the needs of the disabled, women and youth. The above actions must be mainstreamed in Tuvalu's overall sustainable development process and reflected in the successor to Te Kakeega II (TK II).

The National Trade Steering Committee (NTSC) will have a vital role to play in the implementation process, including giving consideration of proposed terms of reference (ToRs) for studies to be undertaken and through participation in key sub-committees in various sectors, given that recommendations of the NTSC will be referred to the Cabinet of Ministers for formal adoption.

In broad terms, and depending on the specific action required, there may be various stages in the implementation process, including: (1) project formulation (e.g., drafting of detailed ToRs etc. based on the TPF); (2) submission of the project proposal for approval and funding, based on prior identification of at least potential sources of assistance; (3) implementation of the project, in conjunction with all relevant stakeholders; and (4) evaluation, monitoring of results and undertaking follow-up action, including actions required to give effect to recommendations resulting from the initial actions undertaken (e.g. recommendations made in a study commissioned as part of the TPF).

The process of identifying and securing external assistance to undertake particular actions may sometimes be lengthy. While a number of actions identified in the matrix below have a high priority and should be initiated in 2015 (e.g. commence preparation of detailed ToRs), that does not mean that stage 3 above, the actual implementation phase, will be undertaken in 2015. Depending on individual circumstances, for example, the time required for donor partners to secure approval to provide the assistance and mobilise the necessary financial and technical resources might see actual implementation undertaken in 2016. Where possible sources of external financing and/or technical assistance have been identified below, depending on the particular action indicated, that assistance might be provided either electronically (e.g., comments by technical agencies on draft legislation) or through funding or mobilising technical experts to visit Tuvalu to undertake the work required.

Each of the actions identified below has merit and will contribute to Tuvalu's sustainable development. However, it is proposed that certain actions only commence in 2016 because either they depend on other prior actions being undertaken or the heavy work programme proposed for other actions commencing in 2015 places considerable stress on Government resources. They are, therefore, proposed as priority 2.

Implementation Matrix

The Matrix below is presented on the basis of the actions identified in the TPS and recommendations made in the TPF having been approved by the Government of Tuvalu. Implementation of the actions below, therefore, should be pursued taking into account the detailed explanations and points made in the TPS and TPF.

A number of activities are likely to involve a body responsible for investment matters to be identified in the related Investment Study. As such a body has yet to be named, it is referred to generically below as simply TIB (Tuvalu Investment Body).

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
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1. INTRODUCTION

1.1	Trade issues to be mainstreamed into Tuvalu's overall sustainable development process	MFATTEL/ DoT, MFED, relevant departments & PEs.	2015 (ongoing)	Government	1
1.2	Intensified, regular consultation between all Government departments and between Government departments and other stakeholders on trade-related issues	DoT, other relevant departments, TNPSO, TANGO, TNCW.	2015 (ongoing)	Government	1
1.3	No less than quarterly meetings of NTSC and establishment and meeting of relevant NTSC sub-committees.	Chairs of NTSC and NTSC sub-committees, DoT	2015 (ongoing)	Government/EIF	1

2. MACROECONOMIC AND SOCIOECONOMIC OVERVIEW

2.1	Detailed study/ies undertaken of possible privatisation of all or part of individual PEs, including through PPPs and/or FDI.	MFED/PERMU, PEs, TIB	2015	Government, ADB, Australia, New Zealand, UNDP/EIF	1
2.2	Detailed study/ies undertaken of existing embedded businesses and whether they should be ceased, privatised, corporatized or, if kept within Government, how to make more efficient	MFED, relevant departments, TIB	2015	Government, ADB, Australia, New Zealand, UNDP/EIF	1

Measurable Indicators	Outputww	Outcomes
Trade issues and initiatives reflected in Government budget and successor to TK II	Government budget and TK II contain funding and strategies to promote trade in the overall national development plan.	Funding provided to promote key trade-related initiatives and strategies identified and prioritised to promote trade as part of the national development plan.
Number of consultations	Exchanges of views and information, updates on trade-related developments, assistance provided where possible	Greater policy coherence and more informed decision-making on trade-related issues.
Number of NTSC and MTSC Sub-committee meetings	Trade issues considered by both whole NTSC and relevant sub-committees with decisions taken and recommendations made to Cabinet.	Comprehensive consideration by whole NTSC of trade-related issues and detailed analysis of specific issues/sectors/ initiatives by sub-committees to advance the trade policy.
Number and quality of studies undertaken and recommendations made	Reports on each PE with specific recommendations on follow-up action where appropriate for NTSC consideration.	NTSC comments and recommendations for follow-up action as appropriate with relevant departments/ PEs to act on decisions of Cabinet.
Number and quality of studies undertaken and recommendations made	Reports on each embedded business with specific recommendations on follow-up action where appropriate for NTSC consideration.	NTSC comments and recommendations for follow-up action as appropriate with relevant departments to act on decisions of Cabinet.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
2.3 A land use plan prepared for Funafuti.	MNRLS/Lands, Environment, SWAT, DoA, TIB	2015	Government, SPC, Australia, EU, Japan, New Zealand, Taiwan/ROC, UNDP/EIF	1
2.4 Trade issues continue to be considered in any studies or other initiatives relating to new/revised tax/revenue generating regimes	MFED/IRD/TCRBP, DoT	2015 (ongoing)	Government, ADB, Australia, PFTAC	1

3. PARTICIPATION IN INTERNATIONAL TRADE

3.1 Review the Customs Tariff regime, to see what possible changes might be needed to promote the TDS, FDI or other trade policy-related objectives	MFED/TCRBP, DoT, TIB, AGO	2015-16	Government	2
3.2 Consideration given to strengthening provisions of the Customs (Trade Descriptions) Regulations, the 1948 Pharmacy and Poisons Act and the 2008 Tobacco Control Act	TCRBP, MoH, AGO, DoT	2015	Government, WHO, OCO	1
3.3 Bring PICTA tariff rates in the Customs Tariff into line with Tuvalu's commitments under PICTA	TCRBP, AGO, DoT	2015	Government	1

Measurable Indicators	Output	Outcomes
Quality of plan and recommendations made.	Land use plan for Funafuti that provide a sound basis for regulating the disposal of waste (solids and liquid) and clearing of vegetation as well as economic planning, investment promotion and regulation.	Plan considered by NTSC and latter's recommendations made to Cabinet; Cabinet's decisions used as basis for planning and investment purposes.
Number of consultations between relevant departments and submissions made to Government including trade policy considerations.	Reports and submissions relating to tax/revenue matters take into account trade policy matters, as appropriate.	There is a coherent approach to trade and tax/revenue initiatives with the best possible overall result for development including both public finance and trade policy implementation.
Quality of report and recommendations from NTSC Sub-committee (including TNPSO) to NTSC	Recommendations from NTSC to Cabinet for possible amendment of Customs Tariff regime	Follow-up actions taken giving effect to Cabinet decisions.
Quality of report and recommendations from NTSC sub-committee to NTSC	Recommendations from NTSC to Cabinet for possible amendment of the legislation across	Follow-up actions taken giving effect to Cabinet decisions, including amendment to legislation, as appropriate.
Draft amendment of Customs Tariff	Information paper for NTSC and submission to Cabinet	Appropriate amendment made to the Customs Tariff

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
3.4 Consideration given to reflecting relevant outcomes of Bali Ministerial Conference decisions in TCRBP rules and procedures and in Tuvalu's trade negotiating positions	TCRBP, DoT, AGO	2015	Government, OCO, PIFS, OCTA	1
3.5 Intensify collaboration on the introduction and operation of PC Trade 12.	TCRBP, CSD, DoT	2015	Government, New Zealand, UNDP	1
3.6 TCRBP proactively seeks capacity-building assistance.	TCRBP	2015 (ongoing)	OCO, PIFS, WTO	1
3.7 External assistance sought, as appropriate, in drafting new or amending legislation relating to trade in goods and services	AGO, TCRBP, DoT, TIB, other relevant departments	2015 (ongoing)	Australia, EU, New Zealand, OCO, PIFS, SPC, UNDP/EIF	1
3.8 Detailed study/ies undertaken on possible introduction of credit card/ATM facilities as well as e-commerce arrangements.	MFED/PERMU, NBT, TTC, AGO, TIB, DoT	2015	Australia, New Zealand, ADB, IMF, UNDP/EIF, World Bank	1

Measurable Indicators	Output/w	Outcomes
Quality of Report and recommendations to NTSC from NTSC sub-committee (including TNPSO)	Recommendations from NTSC to Cabinet for possible amendment of legislation and/or procedures of TCRBP as well as inclusion of position in Tuvalu's trade negotiating position	Follow-up actions taken giving effect to Cabinet decisions, including, as appropriate, legislative and procedural changes and incorporation of Cabinet decision in Tuvalu's trade negotiating position.
Training activities undertaken, effective operating systems instituted	Up-to-date import/export data effectively inputted into PC 12 operating system	Up-to-date trade data easily accessible for trade policy development and analysis
Training courses held, number of Customs and other relevant Officers trained	Training activities undertaken both on regional basis and specifically for TCRBP.	TCRBP officers up-skilled in modern Customs practices, procedures etc.
Quality and number of Bills drafted	Tuvalu's body of trade-related legislation brought up-to-date and broadened.	Tuvalu better able to deal with modern trade-related matters in support of the trade policy.
Quality of study/ies and recommendations	Findings and recommendations of the study/ies to be reviewed by relevant departments/PEs and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including implementing necessary domestic changes to laws and procedures as well as seeking donor assistance to carry out the recommendations of the study/ies where appropriate.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
3.9 Study undertaken on possibility of permitting foreign insurance providers to operate in Tuvalu.	MFED, AGO, TIB, DoT	2016	Australia, New Zealand, ADB, PIFS	2
3.10 Study undertaken on possibility of corporatizing harbour operations	DCT, MFED/ PERMU	2015	Australia, Japan, New Zealand, ADB, PIFS, SPC, UNDP/EIF	1
3.11 Study undertaken of domestic transportation requirements, both sea and air (see also 4.14 below)	DCT, DRD, DoA, DoF, MFED, TIB, DoT	2015	Australia, Japan, New Zealand, ADB, PIFS, SPC, UNDP/EIF	1
3.12 Recruit civil aviation expert to provide advice and assistance on best way forward for Tuvalu's aviation sector (see also 4.30 below).	DCT, MFED, AGO	2015-16	ADB, UNDP/EIF, World Bank.	1
3.13 Feasibility study/ies undertaken of potential products for sale on both domestic and international markets.	DoA, DoF, DoT, TIB, MFED	2015	Australia, EU, New Zealand, PIFS/PTI, PHAMA, SPC/IACT, UNDP/EIF	1

Measurable Indicators	Output/w	Outcomes
Quality of the study and recommendations	Finding and recommendations of the study to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including implementing necessary legislative change to ensure appropriate regulatory framework is in place.
Quality of the study and recommendations	Finding and recommendations of the study to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including implementing necessary legislative and policy changes to improve harbour operations.
Quality of the study and recommendations	Finding and recommendations of the study to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including seeking donor assistance to implement recommendations.
Quality of reports produced and advice provided.	Reports and recommendations of the study to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including seeking donor assistance to implement recommendations.
Quality of the study/ies and recommendations made.	Reports and recommendations of the study/ies to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including seeking donor assistance to implement recommendations.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
3.14 Study undertaken on the further commercial development of Tuvalu handicraft.	DoA, DoF, DGA, DRD, DoT, TIB, DBT	2015	Australia, EU, New Zealand, PIFS/ PTI, SPC/ IACT, UNDP/EIF	1
3.15 Identification of services required as part of TDS implementation and how to attract investors, domestic and foreign, to provide such services	TID, DoT, AGO	2015 (ongoing)	PIFS/ PTI	1
3.16 Tuvalu's overseas missions play a more proactive role in advancing the country's trade and investment initiatives.	MFATTEL/DFA/ DoT, TIB	2015 (ongoing)	Government	1
3.17 Talofa Trade Fairs (TTFs) continue and are strengthened (see 4.5 below)	DoT, TIB	2015 (ongoing)	Government, UNDP/EIF, PIFS/ PTI, SPC	1
3.18 Tuvalu attends and participates in regional and international trade fairs.	TIB, DoT	2016	Government, PIPSO, Taiwan/ ROC, UNDP/EIF.	2

Measurable Indicators	Outputww	Outcomes
Quality of the study and recommendations made	Reports and recommendations of the study/ies to be reviewed by relevant departments and the NTSC with appropriate observations and recommendations submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including seeking donor assistance to implement recommendations.
Number of consultations of key stakeholders and quality of recommendations made.	Report and recommendations of the consultations to be reviewed by NTSC with appropriate observations and recommendations on key service sectors to be liberalised and to what extent submitted to Cabinet.	Cabinet decisions are followed-up by relevant departments and NTSC, including seeking donor assistance to implement recommendations through legislative and other means.
Monthly reports from overseas missions on trade- and investment-related activities; special reports from missions on trade- and investment-related opportunities etc.	Reports on new opportunities and trade- and investment-related initiatives are circulated to relevant Government departments, NTSC and stakeholders, especially TNPSO for their information and action as appropriate.	Government and other stakeholders are better informed of trade- and investment-related developments and opportunities that can be used in formulation and implementation of the TDS and investment strategies.
Reports, including evaluations, of each TTF	Trade Fair activities, promoting trade and investment opportunities	Heightened awareness of potential of domestic and international trade for individual gain and national development
Reports presented on attendance at/ participation in regional and international trade fairs	On basis of close cooperation between Government, TNPSO and other stakeholders, as appropriate, strategies devised and implemented to attend and participate in foreign trade fairs.	Experience gained and lessons learned that will be useful in formulation and implementation of the TDS.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
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4. INTERNATIONAL TRADE FOCAL AREAS

Agriculture

4.1	Biosecurity and animal health legislation introduced to Parliament	DoA, DoF, AGO, TCRBP	2015	Government, FAO, SPC.	1
4.2	Consideration is given to Tuvalu becoming party to the International Seed Treaty and appropriate follow-up steps taken.	DoA, AGO	2016	Government, FAO, SPC	2
4.3	A comprehensive review undertaken of the coconut sector with a view to determining the best way forward in its commercial trade development.	DoA, DRD, TIB, DoT	2015	Government, Comsec, FAO, PIFS/PTI, SPC/IACT, UNDP/EIF	1
4.4	Trade-related issues to be incorporated into statistical activities in the agricultural sector.	DoA, CSD, DoT, TIB	2016 (ongoing)	Government, FAO, SPC	2
4.5	Agricultural trade-related activities included in TTFs (see 3.17 above)	DoA, DoT, TIB	2015 (ongoing)	Government, FAO, PIFS/PTI, SPC/IACT, Taiwan/ROC	1

Measurable Indicators	Outputww	Outcomes
Quality and timeliness of Bill(s) prepared for presentation to Parliament	Modern Bill(s) prepared for presentation to Parliament that is (are) both appropriate and effective in meeting Tuvalu's biosecurity and animal health requirements.	Bill(s), if adopted, will protect Tuvalu's bio-security and animal health interests.
Quality of review undertaken, recommendations made and, as appropriate, implementing legislation prepared.	Detailed review of the Treaty from Tuvalu's perspective with recommendations, including possible Treaty participation with implementing legislation as appropriate	Participation in the Treaty has the potential to make a positive contribution to Tuvalu's food security.
Quality of report and recommendations.	Detailed report with recommendations on development of the sector, including both domestic and export potential for various types of coconut products	Action plan for development of the sector to be incorporated into the TDS.
Quality, timeliness & relevance of data obtained	Agricultural statistical reports with trade-related data.	Up-to-date statistical data useful for TDS formulation and implementation in agricultural sector.
Quality of presentations during activities and feedback from local stakeholders	Local and overseas experts make presentations & hold discussions with local experts on agricultural trade issues	New ideas generated to promote agricultural trade as part of TDS

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.6 Recommendations in Cole report on piggery development considered and implemented as appropriate	DoA, DoT, TIB	2015 (ongoing)	Government, FAO, New Zealand, SPC/IACT	1
4.7 Steps taken to reduce consumption of fatty, sugary and salty products.	MoH, DoA, DoF, DoT, TIB, AGO, TCRBP	2015 (ongoing)	Government, SPC, WHO.	1
4.8 Increase accessibility of land for agricultural purposes.	DoA, AGO	2016	Government, ADB,SPC	2
4.9 Study undertaken of Floricultural and handicraft sector for domestic and overseas markets.(see also 3.14 above)	DoA, DoF, TIB, DoT, DRD	2015	Australia, New Zealand, Comsec, PTI, SPC/IACT, UNDP/EIF.	1
4.10 Strengthening of links with regional bodies for marketing information sharing and support purposes	DoA, DoF, TIB, DoT	2015 (ongoing)	PHAMA, PIFS/ PTI,, SPC/IACT,	1

Measurable Indicators	Output	Outcomes
Number of recommendations effectively implemented	Government, together with local stakeholders, as appropriate, implements recommendations, including product development	Implemented recommendations lead to increased commercial importance of piggery products
Quality of recommendations made and steps taken to reduce consumption.	Action plan developed with concrete steps proposed for consideration by NTSC, including trade-related initiatives (e.g. increasing import duties) as appropriate, with recommendations from NTSC to Cabinet.	Based on Cabinet decisions, steps taken to reduce consumption of fatty, sugary and salty products, increasing through appropriate tariff measures
Increased areas made available for agricultural purposes.	Actions identified and steps taken through legal and/or other means (e.g. legislation to authorise short-term crop leases) making available increased land for agricultural purposes for those without access to land on the island of their residence.	Increased agricultural production, especially for the market.
Quality of report and recommendations made.	Report considered by relevant departments, other stakeholders and NTSC with the latter's comments and recommendations submitted to Cabinet.	Decisions of Cabinet form basis for development of the sector as part of the TDS.
Frequency of information sharing, communications and support provided	Contacts strengthened between relevant departments and regional bodies and information shared both within Government and between Government and other stakeholders on trade-related issues, including through NTSC	More accurate and up-to-date marketing information and support contributes to better formulated and implemented TDS

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.11 Study undertaken of potential for processing agricultural crops for domestic and international markets, including products from organic farming (see also 3.13 and 4.15)	DoA, TIB, DoT	2015	Australia, New Zealand, Taiwan/ ROC, Comsec, PHAMA, PIFS/ PTI, POETCom, SPC/IACT, UNDP/ EIF	1
4.12 Consultations intensify on agricultural and trade-related issues to promote coherent national policy positions	DoA, TIB, DoT and other stakeholders	2015 (ongoing)	Government	1
Fisheries				
4.13 Kaupule/Falekaupule assisted in formulation and implementation of management plans for marine resources.	DoF, DRD, TIB, DoT	2016	FFA, SPC	2
4.14 Assessment undertaken as part of national transportation study (see 3.11 above) of possibility of supplying fish from Outer Islands to Funafuti and possible role, if any, of CFCs in that regard.	DoF, DRD, DCT, TIB, DoT	2015	Australia, Japan, New Zealand ADB, PIFS, SPC, UNDP/EIF	1

Measurable Indicators	Outputww	Outcomes
Quality of report and recommendations made.	Report considered by relevant departments, other stakeholders and NTSC with the latter's comments and recommendations submitted to Cabinet.	Decisions of Cabinet form basis for further agro-processing related initiatives as part of the TDS.
Number of consultations undertaken, including through NTSC process	Ad hoc consultations undertaken as appropriate; DoA reports to NTSC on agriculture-related issues; and NTSC sub-committee on agriculture advances agriculture activities as they relate to trade	Coherent national policies relating to agriculture and trade, both as part of TDS and for trade negotiation purposes.
Quality of management plans developed.	Management plans for local government bodies aimed at promoting the sustainable use of marine resources their responsibility and food security.	Management plans as basis for appropriate action by local government bodies to promote sustainable use of marine resources and food security.
Quality of report and recommendations made.	Possibility of exporting fish from Outer Islands to Funafuti examined in detail as part of the national transportation study and considered by relevant departments and NTSC with the latter offering comments and recommendations on the report to Cabinet.	Cabinet decisions will form basis of possible actions regarding possible fish exports from Outer Islands to Funafuti.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.15 Study undertaken of possible marine products, including handicrafts derived from marine products that might be commercialised for domestic and international markets.(see also 3.13 and 4.11)	DoF, DRD, TIB, DoT, DGA	2015	Australia, Japan, New Zealand, Tai-wan/ROC, Comsec, PHAMA, PIFS/ PTI, POETCom, SPC/ IACT, UNDP/ EIF	1
4.16 Examine NAFICOT operations and its future status, if any.	DoF, MFED/ PERMU, AGO	2015	New Zealand, ADB, UNDP/EIF	1
4.17 Identification of relevant services to support the fisheries sector that should be open to investment, both domestic and foreign.	DoF, TIB, DBT, DoT	2015	Government, FFA, PIFS/PTI, SPC	1
4.18 Employment opportunities for Tuvaluans on fishing vessels to be actively pursued (see 4.30 below).	DoF, DoL, DoE/ TMTI	2015 (ongoing)	Government, PNA	1
4.19 Consultations intensify within Government and with other stakeholders on fishery and trade-related issues to promote coherent national policy positions	DoF, TIB, DoT and other stakeholders	2015 (ongoing)	Government	1

Measurable Indicators	Outputww	Outcomes
Quality of report and recommendations made.	Report considered by relevant departments, other stakeholders and NTSC with the latter's comments and recommendations submitted to Cabinet.	Decisions of Cabinet form basis for further initiatives relating to the processing of marine products as part of the TDS.
Quality of report and recommendations made.	Taking account of work done to date, the study examines NAFI-COTs operations and makes recommendations on NAFI-COT's future which are considered by relevant departments and the NTSC with the latter making comments and recommendations for Cabinet's consideration.	Cabinet decisions will form basis further action on future of NAFICOT.
Quality of findings and recommendations made.	Report with conclusions and recommendations prepared by lead agencies after consultations with stakeholders considered by NTSC, the latter making comments and recommendations for consideration by Cabinet.	Cabinet decisions will form basis for further action in implementing Tuvalu's investment policy and as a position in trade negotiations.
Number of additional Tuvaluans employed on fishing vessels.	Efforts continue and intensify to secure places for Tuvaluans on fishing vessels and appropriate training is provided by TMTI.	More Tuvaluans obtain employment on fishing vessels.
Number of consultations undertaken, including through NTSC process	Ad hoc consultations undertaken as appropriate; DoF reports to NTSC on fishery- related issues; and NTSC sub-committee on fisheries advances fishery activities as they relate to trade	Coherent national policies relating to fisheries and trade, both as part of TDS and for trade negotiation purposes.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
Tourism				
4.20 Tourism-related statistics to be based on new arrivals and departure forms.	Tourism, CSD, Immigration, AGO	2015 (ongoing)	SPC, SPTO	1
4.21 Negotiations continue between Tuvalu and Fiji on air services or, if the situation warrants, other air services arrangements are explored (see also 3.12 above).	DCT, AGO, MFED	2015-16	Government, ADB, UNDP/EIF, World Bank.	1
4.22 In implementing the NTDS, full consideration be given to the needs of the Outer Islands.	Tourism, DRD, TIB, DoT	2015 (ongoing)	Government, SPTO	1
4.23 Tourism marketing activities to include a wide range of historical, environmental and cultural attractions.	Tourism, DoE, MNRLS	2015 (ongoing)	SPTO, UNDP/EIF; Taiwan/ROC	1
4.24 Tourism strategy targets cruise ships and yachts	Tourism	2015 (ongoing)	SPTO	1
4.25 Identification of relevant services to support the tourism sector that should be open to investment, both domestic and foreign.	Tourism, TIB, DBT, DoT	2015-2016	Government, PIFS/PTI, SPTO	1

Measurable Indicators	Output	Outcomes
Amended forms enable capture of useful tourism-related statistics and easier completion by passengers	Arrival and departure forms amended to clarify purpose of visit etc. and to make it easier for passengers to complete.	Better, more meaningful statistics for analytical purposes.
Quality of agreement with Fiji or other air services provider.	Continuing negotiations with Fiji or, as appropriate, another air services provider.	Successful conclusion of an Air Services Agreement and related arrangements that meet Tuvalu's tourism-related and other requirements.
Tourism-related initiatives include Outer Island considerations.	In considering tourism-related initiatives the NTSC will take full account of the needs of the Outer Islands and seek to include them, as appropriate in the tourist component of the TDS.	The tourism component of the TDS gives appropriate consideration to the Outer Islands.
Quality of tourism promotional activities, material and tourist attractions.	Promotional activities undertaken; material published/distributed; and attractions pre-pared/developed, as appropriate.	Significant improvement and diversification of tourist attractions.
Number of visiting cruise ships and yachts	Promotional material seeks to attract tourists travelling on appropriate cruise ships and yachts to Tuvalu.	Tuvalu exploits the smaller cruise ship and yachts niche markets for visitors.
Quality of findings and recommendations made.	Report with conclusions and recommendations prepared by lead agencies after consultations with stakeholders considered by NTSC, the latter making comments and recommendations for consideration by Cabinet.	Cabinet decisions will form basis for further action in formulating and implementing the tourism sector of the TDS and as a position in trade negotiations.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.26 Mission undertaken to an appropriate PIC to study tourism development with a view to identifying a way forward for Tuvalu's tourism sector, including the cultural component	Tourism, TIB, DoT	2015	UNDP/EIF.	1
4.27 Economic feasibility study undertaken on construction and operation of a mini-conference centre	Tourism, MFED, TIB, DoT	2016	UNDP/EIF	2
4.28 Consultations intensify on tourism and trade-related issues to promote coherent national policy positions	Tourism, TIB, DoT and other stakeholders	2015 (ongoing)	Government	1

Labour Mobility

4.29 Tuvalu liaise closely with regional developed partners to initiate/increase permanent employment possibilities.	DoL, DoT, DOFA	2015 (ongoing)	Australia, New Zealand.	1
4.30 International shipping expert prepares comprehensive strategy and action plan for seafaring sector	DoL, MoE, TMTI, DoT	2015	UNDP/EIF	1

Measurable Indicators	Output	Outcomes
Quality of findings and recommendations made.	Study mission undertaken and report with recommendations prepared on possible way forward; NTSC offers comments and recommendations to Cabinet.	Cabinet decisions will form basis for further action in formulating and implementing the tourism sector of the TDS and as a position in trade negotiations.
Quality of report and recommendations made.	Detailed feasibility study undertaken and recommendations made; findings considered by NTSC, the latter providing comments and recommendations for Cabinet	Cabinet decisions will form basis for further action in formulating and implementing the tourism sector of the TDS and as a position in trade negotiations.
Number of consultations undertaken, including through NTSC process	Ad hoc consultations undertaken as appropriate; Tourism reports to NTSC on tourism- related issues; and NTSC sub-committee on tourism advances tourism activities as they relate to trade	Coherent national policies relating to tourism and trade, both as part of TDS and for trade negotiation purposes.
Permanent employment opportunities in regional developed countries.	Tuvalu liaises closely with Australian and New Zealand Governments at all levels to secure new/additional permanent employment opportunities.	New/additional permanent employment opportunities become available.
Quality of report and recommendations made.	Expert, working with Government and local stakeholders prepares comprehensive strategy and action plan; both are reviewed by NTSC which offers its own comments and recommendations for Cabinet	Cabinet decisions will form basis for further action in formulating and implementing the seafaring component of the labour mobility sector of the TDS and as a position in trade negotiations.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.31 Tuvalu liaises with SPC and others on possible regional approaches to development of seafaring sector.	DoL, DCT, DoT, DoFA, MoE, TMTI	2015 (ongoing)	Government, SPC, other regional countries.	1
4.32 TMTI training to be strengthened and diversified in line with strategy and action plan for seafaring sector (see 4.30 above).including recruitment of head of the TMTI	MoE, TMTI, DoL	2016	Australia, Japan, New Zealand, Taiwan/RoC, ADB, UNDP/EIF, ILO	2
4.33 Study undertaken of practices of other small countries successfully dealing with seafarer and other labour mobility issues.	DoL	2016	UNDP/EIF	2
4.34 National Labour marketing study and action plan prepared.	DoL, MoE, MFED, CSD, DPSC	2015	Government, other PICs, Taiwan/RoC, ADB, ILO, SPC, UNDP/ EIF, World Bank.	1

Measurable Indicators	Outputww	Outcomes
Cooperative initiatives launched.	Meetings between Tuvalu Government (and other stakeholders as appropriate) with SPC and other regional governments and shipping interests to undertaken initiatives to benefit sector.	Initiatives are identified and undertaken.
Improvements made to facilities, courses offered, quality of training.	Based on strategy and action plan adopted for the seafaring sector, initiatives are undertaken to strengthen TMTI and training of Tuvalu seafarers.	TMTI operations strengthened and seafarers better trained and equipped to assume international positions.
Quality of report and recommendations made.	DoL studies practices of other small countries in dealing with seafarer and other labour mobility issues and reports to local stakeholders, including NTSC, the latter offering its own comments on the report and recommendations for Cabinet's consideration.	Cabinet decisions will form basis for further action to improve practices relating to administration of seafaring and broader labour mobility sector.
Quality of report and recommendations made.	Study and action plan, <i>inter alia</i> , identifies labour opportunities (including those in the region), requirements to exploit those opportunities and sets out a road map and strategies for doing so, the recommendations considered by the NTSC with the latter providing its own comments and recommendations for Cabinet's consideration.	Cabinet decisions will form basis for further action to exploit labour market opportunities, both domestic and foreign, and development of the labour mobility sector of the TDS.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.35 Development and maintenance of a database of labour resources.	DoL, CSD	2015	Government, ILO, SPC	1
4.36 Regional training institutions encouraged to conduct specific courses in Tuvalu and assist Tuvaluans complete other foreign labour requirements	DoL, MoE	2016	Australia, APTC	2
4.37 PTI Offices in Sydney and Auckland urged to broaden their mandates to include promoting labour mobility opportunities in Australia and NZ.	DoL, MoFA	2015-2016	Government, Australia, New Zealand, other PICs, PIFS, PTI	1
4.38 Australia and New Zealand urged to expand opportunities under RSE Scheme and SWP, respectively.	OPM, DoT, DoL	2015	Australia, New Zealand, other PICs	1
4.39 DoL strengthened to assume greater responsibilities for labour mobility activities.	MFATTEL/ DoL, DPSC	2015	Government	1

Measurable Indicators	Outputww	Outcomes
Usefulness and comprehensiveness of data.	National database developed and maintained.	Comprehensive, up-to-date database will provide sound basis for range of planning activities, including labour mobility strategies as part of TDS.
Number of courses and Tuvaluans gaining qualifications recognised internationally	Courses conducted in subjects (e.g. caregiving) particularly useful for securing overseas employment	More Tuvaluans gain important qualifications useful for securing overseas employment
Labour mobility promotional activities undertaken by PTIs.	PTI Offices institute promotional and related activities to support labour mobility interests of PICs.	Increase in labour opportunities for Tuvalu and other PICs in Australia and New Zealand.
Employment opportunities for Tuvalu workers under RSE Scheme and SWP.	Tuvalu Government continues to raise with Australia and New Zealand Governments at all levels benefits for all concerned from expanding labour opportunities for Tuvalu workers in terms of sectoral coverage, length of stay allowed etc.	Expanded opportunities for Tuvalu workers under RSE Scheme and SWP.
Number, experience and qualifications of staff appointed.	Director and additional staff appointed and capacity-building initiatives undertaken.	Greater capacity of DoL to deal with growing labour mobility challenges and opportunities.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
4.40 Consultations intensify on labour mobility and trade-related issues to promote coherent national policy positions	DoL, MoE, DoT and other stakeholders	2015 (ongoing)	Government	1

5. TRADE-RELATED ISSUES

5.1 Study undertaken of possibility of introducing competition and consumer protection measures into Tuvalu.	DoT, TIB, AGO	2016	Government, PIFS	2
5.2 Study undertaken of IP needs with recommendations on a way forward.	DoT, TIB, AGO	2016	PIFS,WIPO	2
5.3 Tuvalu seeks participation in Stage 2 of TKAP and develops its own national policy and legislation on TK and TCEs.	DoT, AGO, DRD	2015 (ongoing)	PIFS	1

Measurable Indicators	Outputww	Outcomes
Number of consultations undertaken, including through NTSC process	Ad hoc consultations undertaken as appropriate; DoL reports to NTSC on labour mobility-related issues; and NTSC sub-committee on labour mobility advances labour mobility activities as they relate to trade	Coherent national policies relating to labour mobility and trade, both as part of TDS and for trade negotiation purposes.
Quality of report and recommendations made.	With external assistance, Model Regulatory Framework reviewed and course of action recommended, including, as appropriate, draft legislation and capacity-building; report reviewed by NTSC which makes its own comments and recommendations for Cabinet consideration.	Cabinet decisions will form basis for further action, including possible introduction of competition and consumer protection legislation into Parliament.
Quality of report and recommendations made.	With external assistance, IP needs are considered & course of action recommended, including, as appropriate, draft legislation and capacity-building; NTSC makes its own comments & recommendations for Cabinet consideration.	Cabinet decisions will form basis for further action, including possible introduction of IP legislation into Parliament.
Quality of policy and legislation developed.	With external assistance, national policy developed and legislation drafted, with appropriate capacity-building undertaken through TKAP II etc.	TK and TCE protected and commercial interests in both areas protected and promoted.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
5.4 In formulating and implementing trade policy, priority will be given wherever possible to promoting good environmental practices and to reducing harmful environmental consequences of actions, including those relating to climate change.	DoT, DoE, AGO	2015 (ongoing)	OCTA, PIFS, SPC, SPREP, WTO	1
5.5 Consideration is given to Tuvalu becoming a party to CITES	DoT, DoE, AGO	2016	CITES Secretariat, PIFS, SPREP	2
5.6 The needs of women are mainstreamed into the TPF and TDS.	DoT, DGA, DRD, TIB,	2015	Australia, New Zealand, ADB, PIFS, SPC, UNDP/ EIF, World Bank	1
5.7 Trade-related initiatives be undertaken to support national efforts to reduce the negative consequences of NCDs in Tuvalu.	DoT, MoH, AGO	2015	Government, Australia, EU, New Zealand, ADB, PIFS, WHO, World Bank	1

Measurable Indicators	Outputww	Outcomes
Quality of policy and legislation adopted and agreements negotiated.	In considering trade policy activities, attention will be paid, wherever possible, to the need to protect the environment and to reduce if not eliminate negative environmental consequences of action taken, including those relating to climate change.	Positive steps are taken to protect Tuvalu’s environment in trade-related activities.
Quality of analysis done, recommendations made and, as appropriate, implementing legislation	Review of CITES undertaken and, depending on course of action agreed, implementing legislation prepared; the review considered by NTSC which makes its own comments and recommendations for Cabinet consideration.	Cabinet decisions will form basis for further action, including possible accession to CITES and introduction of implementing legislation as appropriate.
Reports, plans etc. containing recommendations taking into account the needs of women, as appropriate.	In carrying out initiatives identified in the TPS & TPF, consideration is given to the trade-related needs of women and recommendations proposed to address those needs; NTSC makes its own comments and recommendations on the subject for consideration by Cabinet.	Cabinet decisions will form basis for further action to address the trade-related needs of women.
Initiatives undertaken especially those consistent with international recommendations and decisions.	Initiatives referred to in TPF and agreed/recommended in regional/international meetings are implemented; with NTSC inputs and recommendations for Cabinet consideration.	Cabinet decisions will form basis for further action to address NCDs including possibly legislation, as well as for policies to be adopted in trade negotiations, as appropriate.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
5.8 A study is undertaken on land reform in Tuvalu the objective being to make land more readily accessible for commercial/ trade/ investment activities	TIB, AGO, NBT, DBT	2015	ADB, PIFS, SPC, UNDP/EIF, World Bank.	1
5.9 Testing measuring devices used in commercial transactions, especially retail trade.	DoT, TIB	2016 (ongoing)	Taiwan/RoC, PIFS,SPC,	2
5.10 EIF support to DoT extended for a further two years.	MFATTEL, DoT, MFED	2015 (ongoing)	UNDP/EIF	1
5.11 DoT strengthened with appointment of a Director and Legal Officer.	MFATTEL, DoT, DPSC	2015	Government	1
5.12 Consultations intensify on between DoT and other stakeholders on trade-related issues to promote coherent national policy positions	DoT, DoA, DoF, Tourism, DoL, TIB, AGO and other stakeholders	2015 (ongoing)	Government	1

Measurable Indicators	Outputww	Outcomes
Quality of report and recommendations made	Study will examine current situation & make recommendations to facilitate leasing of land for commercial/trade/ investment purposes, drawing on successful region practices where appropriate; the study is reviewed by the NTSC which offers its own comments and recommendations for Cabinet consideration.	Cabinet decisions will form basis for further action to facilitate land reform including, as appropriate, introducing legislation into Parliament for that purpose.
Number of devices tested	With external assistance, perhaps as part of a regional project where other PICs have similar needs, commercial measuring devices are tested and adjusted as appropriate and capacity-building given so that the exercise can be continued with domestic resources	Commercial transactions, especially retail trade, take place based on accurate measurements.
Decision on continued EIF support.	Government requests UNDP/ EIF to continue its personnel and financial support for another two years.	Continued EIF support contributes to effective implementation of Tuvalu's trade-related initiatives, especially the TPF.
Personnel appointments made.	Request made to establish the key positions, appointments are then made.	A strengthened DoT is in a better position to implement the TPF and TDS.
Number of consultations undertaken, including through NTSC process	Ad hoc consultations undertaken as appropriate; DoT reports to NTSC on trade-related issues; and NTSC offers comments and recommendations for Cabinet consideration	Cabinet decisions form basis for coherent national trade policies, implementation of the TDS and for trade negotiation purposes.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
5.13 CSD strengthened through capacity-building and activities broadened to cover more trade-related statistics published more frequently and more up-to-date.	MFED/CSD, TCRBP, OPSC, DoT	2015 (ongoing)	Government, ADB, PFTAC, SPC	1
5.13 Government support continues for TNPSO including, as appropriate, TNPSO's participation in overseas trade-related activities	DoT, TIB, MFED	2015 (ongoing)	Government, UNDP/EIF	1

6. TRADE AGREEMENTS AND TRADE NEGOTIATIONS

6.1 Trade agreements are to be used as tools to implement Tuvalu's trade policies, including the TDS	DoT, MFED, other relevant departments	2015	Government, development partners	1
6.2 Tuvalu will continue to monitor possible WTO Membership while participating indirectly in negotiations through the Forum Office in Geneva and taking part in regional WTO capacity-building activities.	DoT	2015 (ongoing)	Government, PIFS, WTO	1

Measurable Indicators	Outputww	Outcomes
CSD staff numbers, number of training opportunities held, statistical information published in a timely fashion	Better trained staff, more easily accessible, up-to-date trade-related information.	More and better data available for trade policy formulation/refinement.
Financial and technical assistance provided	Financial and technical assistance continues to be provided to TNPSO in accordance with the agreed MoU and continuation of EIF support	Capacity of TNPSO to represent interests of Tuvalu private sector strengthens
Trade agreement provisions.	Consultations among all relevant stakeholders, including through NTSC process, results in identification of offensive & defensive interests to pursue in trade negotiations; briefings on trade negotiations allows refinement of policy positions; information-sharing and assistance to relevant stakeholders enables Tuvalu to benefit from opportunities afforded by existing agreements.	Tuvalu better able to use trade agreements to implement its trade policies, trade thus becoming a more effective tool to promote sustainable development.
Interactions with PIFS WTO Office; participation in regional WTO capacity-building activities	Tuvalu will monitor WTO developments through PIFS reports and trade publications; provide reports to NTSC and other stakeholders for their consideration and convey its views to PIFS Office as appropriate; and participate in regional WTO capacity-building activities as appropriate.	Tuvalu will be able to keep abreast of WTO developments; contribute through the PIFS Office to debate on issues of relevance; build its capacity to deal with trade issues; and monitor possible WTO Membership.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
6.3 Tuvalu will continue to participate fully in EPA negotiations with the EU as well as a successfully-concluded EPA that is development-friendly and beneficial to Tuvalu.	DoT, DoA, DoF, TIB, AGO and other relevant departments	2015 (ongoing)	EU, other PACPS, PIFS.	1
6.4 The EU's EBA Scheme will remain a fall-back position to secure access for Tuvalu goods exports	DoT, TIB, AGO	2016	EU	2
6.5 Opportunities under PICTA will be used to promote TDS objectives	DoT, TIB, AGO, other relevant departments	2016 (ongoing)	PIFS, other PICs	2

Measurable Indicators	Outputww	Outcomes
EPA provisions	Refinement of Tuvalu's offensive & defensive interests based on consultations with relevant stakeholders, including NTSC; negotiation of outstanding contentious issues; assessment of resultant EPA by NTSC with comments and recommendations to Cabinet; and (as appropriate) participation in EPA with a view to taking advantage of opportunities afforded by the Agreement.	Depending on the results of negotiations and Cabinet decisions, Tuvalu will participate in a beneficial EPA that can be used as a tool to promote the country's trade policy and TDS.
Tuvalu exports to EU under EBA	Depending on outcome of EPA negotiations (see 6.3 above), consideration will be given, as appropriate, to seeking access for Tuvalu goods exports to EU under the EBA Scheme.	Tuvalu may consider EBA Scheme as a fall-back option.
Trade in goods and services with other PICs	PICTA opportunities for trade in goods and services with other PICs will be assessed by the NTSC and other stakeholders as appropriate and used to promote TDS objectives; Tuvalu's PICTA trade in services commitments will be reviewed by NTSC and, with Cabinet approval, expanded and further liberalised, as appropriate, to promote the TDS; assistance will be sought from PIFS and other sources, as appropriate, to update Tuvalu's regulatory framework for services.	Opportunities available under PICTA, including the PICTA TIS Protocol, are used to promote Tuvalu's TDS

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
6.6 Tuvalu adopts proactive stance to early conclusion and implementation of the regional TMNP scheme.	DoT, DoL	2015	PIFS, other PICs	1
6.7 Consideration is given to Tuvalu ratifying PACER.	DoT, MFED, AGO	2016	PIFS	2
6.8 Tuvalu will continue to participate fully in PACER Plus negotiations with Australia and New Zealand as well as a successfully-concluded Agreement that is development-friendly and beneficial to Tuvalu.	DoT, DoA, DoF, TIB, AGO and other relevant departments	2015 (ongoing)	Australia, New Zealand, other PICs, PIFS.	1
6.9 Tuvalu will work with other stakeholders to encourage trade relations between Rotuma and Tuvalu.	DoA, DoT, TIB	2015 (ongoing)	Government, Fiji	1
6.10 GSP Schemes will be used, as appropriate, in TDS.	DoT, TIB	2016 (ongoing)	Government, relevant GSP countries	2

Measurable Indicators	Outputww	Outcomes
Finalisation of beneficial TMNP Scheme	NTSC and other stakeholders, as appropriate, review TMNP Study and refine Tuvalu's offensive & defensive interests with recommendations to Cabinet; PIFS and other PICs encouraged to take effective action to resume negotiations and bring Scheme into operation as soon as possible; Tuvalu takes early steps to participate in the Scheme..	Cabinet's decisions used as a basis for Tuvalu's participation in TMNP negotiations with Tuvalu taking early and full advantage of opportunities available under the Scheme.
Decision made on ratification	Based on a submission prepared by DoT, NTSC offers comments and recommendation to Cabinet on PACER ratification.	Cabinet to decide on possible PACER ratification.
PACER Plus provisions	Refinement of offensive & defensive interests based on consultations with relevant stakeholders, including NTSC; negotiation of outstanding contentious issues; assessment of resultant Agreement by NTSC with comments and recommendations to Cabinet; and (as appropriate) participation in Agreement with a view to taking advantage of opportunities afforded.	Depending on the results of negotiations and Cabinet decisions, Tuvalu will participate in a beneficial Agreement that can be used as a tool to promote the country's trade policy and TDS.
Levels of trade between Rotuma and Tuvalu.	Government will work with other local stakeholders and Government of Fiji/Rotuma to encourage growth of trade where possible.	Trade between Rotuma and Tuvalu increases to benefit of all concerned.
Levels of trade under GSP schemes.	In formulation and implementation of the TDS, opportunities for preferential market access under GSP schemes will be recognised.	Tuvalu will take advantage of opportunities afforded by GSP schemes where appropriate to advance the TDS.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
7. AID-FOR-TRADE				
7.1 Tuvalu adopts proactive approach to seeking AfT to implement the TPF, including the TDS	DoT, DoFA, MFED, other relevant departments	2015 (ongoing)	Development partners	1
7.2 AfT is to be fully consistent with conditions set out in the TNAP.	DoT, MFED, other relevant departments	2015 (ongoing)	Development partners.	1
7.3 Wherever possible, AfT should be clearly distinct from and additional to other aid and AfT made a distinct agenda item for RTMs with donor partners	DoT, MFED	2015 (ongoing)	Development partners	1
7.4 Tuvalu to explore sources of AfT in addition to assistance through regular aid disbursement mechanisms.	DoT, MFED, other relevant Government departments	2015 (ongoing)	Development partners	1
7.5 Tuvalu seeks to draw on AfT resources under Tier 2 of EIF to carry out studies and other urgent technical assistance-related initiatives.	DoT, MFED, TIB	2015 (ongoing)	UNDP/EIF	1

Measurable Indicators	Outputww	Outcomes
AfT provided	Based on strengthened consultations among national stakeholders, including through the NTSC, efforts will intensify to identify and secure AfT to implement the TPF & TDS	Increased AfT makes effective, effective contribution to implement the TPF and TDS.
AfT project conditions	DoT, MFED and other relevant departments work with development partners to ensure AfT is consistent with conditions set out in the TNAP.	AfT makes efficient, effective contribution to both TDS implementation and overall sustainable development goals.
Aid programme arrangements and RTM agendas	DoT, MFED and other relevant departments work with development partners to distinguish AfT from other aid, ensure it is additional to other aid and is a separate agenda item in RTMs.	AfT is distinguished from and additional to other aid and makes a positive contribution to both TDS implementation and overall sustainable development goals.
AfT received from sources other than regular aid mechanisms	Government departments and other stakeholders, as appropriate, explore with development partners possible AfT to implement TPF and TDS activities from non-traditional sources (e.g., assistance provided to support programmes for the disabled, women, and youth).	AfT from such sources provides useful supplement to enable implementation of TPF and TDS initiatives.
Tier 2 EIF assistance provided	Appropriate actions identified in this Matrix, the TPF and the TDS by relevant department and the NTSC are submitted for funding and implemented through Tier 2 EIF assistance.	Tier 2 EIF assistance enables implementation of key actions identified in this TPF and the TDS.

Trade Policy Framework (TPF) - identified actions	Lead Agencies Responsible	Time Frame	Potential Source of Funding & other assistance	Priority
<p>7.6 Tuvalu seeks to take advantage of its membership in UN specialised agencies, international financial institutions and the Commonwealth to seek AfT support.</p>	<p>DoT, MFED, DoA, DoF, DoFA, TIB and other relevant departments</p>	<p>2015 (ongoing)</p>	<p>UN specialised agencies, ADB, IMF, World Bank</p>	<p>1</p>
<p>7.7 Tuvalu participates actively in formulating work programmes of CROP agencies and in the elaboration of detailed regional AfT project documents with a view to ensuring Tuvalu's AfT needs are addressed in the work programmes and project documents.</p>	<p>DoT, MFED, DoFA, TIB, DoA, DoF, and other relevant departments</p>	<p>2015 (ongoing)</p>	<p>Australia, EU, Japan, New Zealand, other PICs, CROP institutions and other development partners.</p>	<p>1</p>

Measurable Indicators	Outputww	Outcomes
Additional AfT provided through those bodies.	Government approaches UN specialised bodies, international financial institutions and the Commonwealth, including during meetings organised by those bodies, seeking AfT to implement specific TPF and TDS initiatives.	A proactive approach to seeking AfT from those bodies may well generate additional assistance to implement TPF and TDS initiatives.
AfT project documents and work programmes of CROP agencies	Through consultations among stakeholders, especially the NTSC process, opportunities are identified to influence the formulation of regional AfT project documents, work programmes etc. of CROP agencies that may be relevant to Tuvalu's TPF and TDS; strategies are identified and priorities set for Tuvalu's participation in those exercises, meetings etc. so Tuvalu can influence the content of the project documents or decisions of bodies on activities to be undertaken that can contribute to implementation of Tuvalu's own TPF and TDS; follow-up action then determined by NTSC.	Regional initiatives and resources can be employed to support implementation of Tuvalu's own TPF and TDS.



ANNEX 2 | TRADE POLICY FRAMEWORK

[The Trade Policy Framework of Tuvalu is available separately on request.]

