

## **IMPLEMENTING ARRANGEMENT FOR DEVELOPMENT AND ECONOMIC COOPERATION UNDER THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS**

The Governments of Australia, the Cook Islands, the Federated States of Micronesia, the Independent and Sovereign Republic of Kiribati, Republic of Nauru, New Zealand, Niue, the Republic of Palau, the Republic of the Marshall Islands, the Independent State of Samoa, Solomon Islands, the Kingdom of Tonga, Tuvalu, the Republic of Vanuatu (the Participants);

**ACKNOWLEDGING** the breadth of their ongoing cooperative relationship, encompassing political and security cooperation, socio-cultural cooperation, development cooperation and economic cooperation;

**FURTHER ACKNOWLEDGING** the distinct challenges faced by Forum Island Countries (FICs) including small and dispersed populations that are constrained in their participation in international trade;

HAVE MUTUALLY REACHED THE FOLLOWING UNDERSTANDINGS:

### **Development and Economic Cooperation Work Programme**

1. The Participants will take part in the *Development and Economic Cooperation Work Programme* (Work Programme), which has been developed for the purpose of Chapter 10 (Development and Economic Cooperation) of *Pacific Agreement on Closer Economic Relations Plus* (PACER Plus). The Work Programme is attached to this Implementing Arrangement.
2. The Australian Government will provide A\$19 million to fund the management and delivery of the Work Programme.
3. The Government of New Zealand will provide NZ\$7 million to fund the management and delivery of the Work Programme.

### **Broader Trade and Investment Related Assistance**

4. To maximise the benefits from the expected liberalisation of the trade and investment environment that will flow from PACER Plus, the Participants will, to the extent possible, improve the broader trade and investment-related programme of assistance through their existing development and economic cooperation relationships.
5. This broader trade and investment related assistance, which will include funding for PACER Plus related projects, will complement and be additional to the implementation assistance provided through the Work Programme.
6. Taking into account the individual priorities of the FICs, the broader trade and investment related assistance will be consistent with the OECD Development Assistance Committee definition of what constitutes Aid for Trade and may include the following areas:

- a. Trade policy and regulations;
- b. Economic infrastructure;
- c. Building productive capacity; and
- d. Trade-related adjustment.

7. This broader trade and investment related assistance will address the needs identified by the FICs and be mutually prioritised and determined by Australia and individual FICs in their Aid Partnerships; and between New Zealand and FICs in their Joint Commitments for Development.

8. The Australian Government will approve an Aid for Trade funding target for the Pacific of 20 per cent of Pacific Official Development Assistance.

9. The New Zealand Government will approve an Aid for Trade funding target for the Pacific of 20 per cent of Total Official Development Assistance.

### **Consultation**

10. Any differences in the interpretation or application of this Arrangement will be resolved by discussions between the Participants.

### **Amendment**

11. This Arrangement may be amended at any time by the mutual written consent of all the Participants.

### **Commencement and duration**

12. This Arrangement and accompanying Work Programme will commence on the date that PACER Plus enters into force. The Arrangement and accompanying Work Programme will operate for a period of five years, at which point they will be reviewed by the Joint Committee and may be renewed for a further five years. Any further renewal of the Arrangement and accompanying Work Programme will be subject to the mutual consent of the Participants.

**SIGNED** at Nuku'alofa this fourteenth day of June two thousand and seventeen, in one copy in the English language.

Australia

---

The Cook Islands \_\_\_\_\_

The Federated States of Micronesia \_\_\_\_\_

The Independent and Sovereign Republic of Kiribati \_\_\_\_\_

The Republic of Nauru \_\_\_\_\_

New Zealand \_\_\_\_\_

Niue \_\_\_\_\_

The Republic of Palau \_\_\_\_\_

The Republic of the Marshall Islands \_\_\_\_\_

The Independent State of Samoa \_\_\_\_\_

Solomon Islands

---

The Kingdom of Tonga

---

Tuvalu

---

The Republic of Vanuatu

---

## **Attachment A: PACER Plus Development and Economic Cooperation Work Programme**

### ***Introduction***

This document is the *Development and Economic Cooperation Work Programme* (Work Programme) for the *Pacific Agreement on Closer Economic Relations Plus* (PACER Plus / the Agreement). It outlines the assistance that will be provided to the Participants to implement the Agreement, has six components linked to different aspects of the Agreement, identifies the expected outcomes for each of the six components and provides a broad description of activities that will be implemented. The Work Programme provides flexibility for emerging and changing priorities to be addressed through development and economic cooperation, as they are identified during the implementation of the Agreement.

Two elements important for the effective implementation of the Work Programme and of the Agreement are the support for a PACER Plus Implementation Unit in its role in the implementation of the Agreement; and in the management of the Work Programme.

### ***Establishment of a PACER Plus Implementation Unit***

A PACER Plus Implementation Unit will be established under the umbrella of the Pacific Islands Forum Secretariat (PIFS), to assist the Joint Committee and the participants to implement the Agreement. A Budget subcommittee will also be established and will comprise of representatives from Participants: two from Australia, one from New Zealand and two from the Forum Island Countries (FICs); and two officers from the Unit.

The Unit, working with the Budget subcommittee, will manage the day-to-day expenditure of the Work Programme budget and resources while utilising the corporate infrastructure of the PIFS. Participants will be able to second staff directly into the Unit.

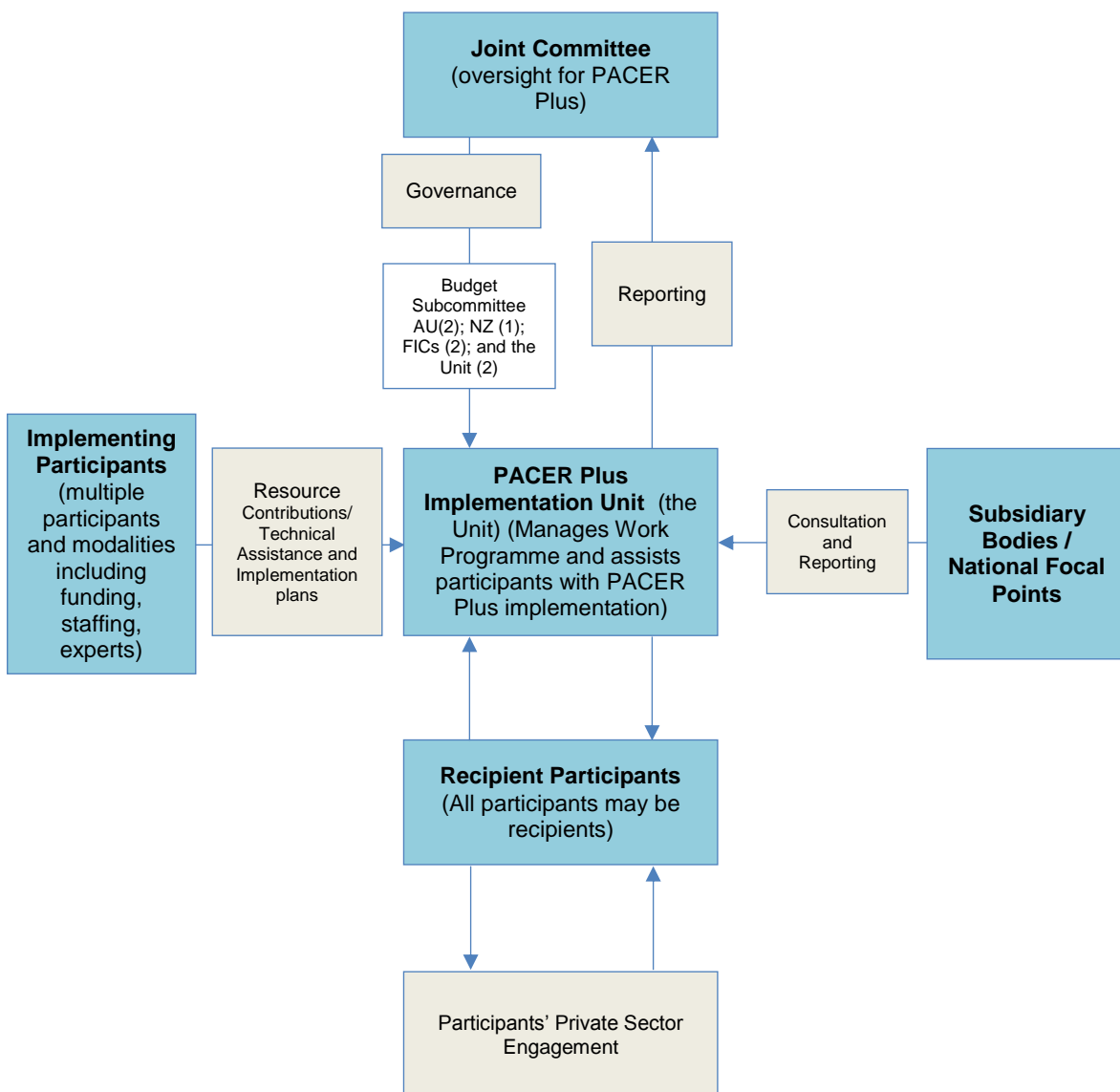
The PACER Plus Implementation Unit will undertake the following functions:

- (i) provide information to the Joint Committee to assist in decision making and implementing decisions;
- (ii) provide regular financial reporting on the Work Programme budget and expenditure;
- (iii) assist with the preparation and hosting of meetings, including coordinating dates and logistics, and organising agenda and papers, and reporting outcomes;
- (iv) coordinate the development of the Work Programme, including liaising with the subsidiary bodies and national focal points;
- (v) develop and maintain a Monitoring and Evaluation Framework for the Joint Committee's approval;
- (vi) assist Participants to monitor, report and evaluate progress of the Agreement's implementation against objectives and the Monitoring and Evaluation Framework, including identifying successes to build upon and problems that need to be addressed;
- (vii) support capacity development of the national institutions of participants to operationalise the Agreement and address regional implementation gaps;
- (viii) assist the development of regional mechanisms for effective collaboration and cooperation in the execution of the provisions of the Agreement; and

- (ix) support Participants in the promotion of the Agreement to key stakeholders such as business and industry, including through the development of communications strategies, tools and resources.

**Management structure**

Critical to the implementation and effectiveness of the Work Programme is the development of a management and implementation structure. The Implementation Unit will report directly to the Joint Committee. The figure below illustrates the relationship between the management and implementation structure within the PACER Plus Implementation Unit and the Joint Committee, its subsidiary bodies, national focal points, and the contributing and recipient participants. The structure also features the importance of private sector engagement at the national level for the successful implementation of the Work Programme and the Agreement.



### *Annual Programmes*

The PACER Plus Implementation Unit in consultation with the Participants will develop annual programmes that will be submitted to the Joint Committee for approval. The Joint Committee will refer the Annual Programme to the Budget subcommittee to advise the Unit on any aspect relating to financial approval. Where required technical working groups could be set up to help develop activities under the Work Programme.

The Joint Committee will meet during the annual Forum Trade Officials Meeting but in exceptional circumstances activities may be approved by email in between annual meetings. Annual Programmes may outline multi-year activities.

For reference, an indicative list of trade and investment related needs identified by the FICs in 2016 is attached to this Work Programme<sup>1</sup> at Attachment B.

---

<sup>1</sup> For greater certainty, this list is not exhaustive and may be amended by the Participants.

## ***Component 1 – Rules of Origin and other Aspects of Implementation of Tariff Commitments***

This component supports the implementation of the Agreement's Chapter on Rules of Origin and Verification Procedures (ROO) and other aspects of the implementation of tariff commitments.

### **Objective**

The objective of this component is to facilitate the effective utilisation of the Agreement's commitments through efficient and transparent administration of ROO associated requirements and procedures and other aspects of the implementation of tariff commitments.

### **Expected Outcomes**

The key indicative outcome for this component is the efficient and transparent implementation of the Agreement's ROO Chapter, associated requirements and procedures and other aspects of the implementation of tariff commitments. These will be reflected in the ready availability to business of the substantive ROO requirements and procedures; the introduction of and improvements in legislation, regulation and attendant processes and procedures for certifying compliance and ensuring that all goods which meet ROO receive the relevant preferential tariff treatment; and full transposition of tariff schedules from HS 2012 (or other classification) to HS 2017 for all Participants. The outcomes of this component are also relevant to the other chapters of the Agreement such as the Trade in Goods chapter.

While all Participants will benefit from cooperation activities on ROO and on other aspects of implementing tariff commitments, it is expected that FIC Participants will benefit the most from this component.

### **Indicative Activities**

The Work Programme may include the following:

1. Build capacity of the private sector to be able to comply with the requirements of the Agreement and maximise benefits from the Product Specific Rules;
2. Develop or improve legislation, regulations and attendant processes and procedures to ensure the smooth implementation of ROO requirements and procedures;
3. Capacity building on ROO within relevant institutions and assisting countries to effectively implement the provisions of the ROO Chapter;
4. Assist FIC governments to develop procedures to administer documentary evidence of origin provisions, including to undertake verification of origin;
5. Assistance with the transposition of earlier HS Codes to later versions.



## ***Component 2 – Customs***

This component supports the implementation of the Agreement's Chapter on Customs Procedures.

### **Objective**

The objective of this component is to promote cooperation among the Customs Administrations of the Participants and support customs cooperation activities related to the implementation of the Agreement.

### **Expected Outcomes**

The key indicative outcome is the effective and efficient implementation of the Agreement's Chapter on Customs Procedures. The Chapter aims to promote cooperation among the customs administrations in the Participants. This will be reflected in improved predictability, consistency and transparency in the application of customs laws and regulations; efficient and economical Customs Administration and expeditious clearance of goods; and simplified and harmonised customs procedures. The outcomes in this component are also relevant to other chapters, for example on Rules of Origin.

### **Indicative Activities**

Activities under this component will build on the existing extensive arrangements for regional and international cooperation on Customs matters.

The Work Programme may include the following:

1. Assistance for implementing an automated system or upgrading an existing automated system;
2. Training of officials and private sector to acquire expertise in customs procedures including classification, valuation and risk management;
3. Assistance with reviewing existing and drafting new customs legislation and confidentiality laws and regulations.

### ***Component 3 – Sanitary and Phytosanitary Measures***

This component supports the implementation of the Agreement's chapter on Sanitary and Phytosanitary (SPS) Measures and aims to complement activities undertaken separately by the World Trade Organization (WTO).

#### **Objective**

The objective of this component is to help build the capacity of agencies responsible for the implementation of SPS policies and procedures; build business awareness of the application of SPS measures consistent with the principles in the SPS chapter; and strengthen cooperation between authorities responsible for dealing with the matters covered in the SPS chapter.

#### **Expected Outcomes**

The key indicative outcome for this component is the effective and efficient implementation of the Agreement's chapter on SPS measures. This will be reflected in:

- greater transparency in, and enhanced understanding of, the application of each Participant's SPS measures;
- measures that are science-based and do not create unnecessary obstacles to trade;
- strengthened cooperation between the Participants on SPS matters;
- enhanced practical implementation of the WTO SPS Agreement by Participants that are WTO Members, complementing the activities undertaken separately by the WTO; and
- increasing the application, where applicable, of the requirements of the WTO SPS Agreement by Participants that are not WTO Members.

All FIC Participants will benefit from this component, particularly those with less developed capacities in this area.

#### **Indicative Activities**

The Work Programme may include the following:

1. Capacity building on developing and enforcing export certification systems;
2. Technical assistance to improve industry compliance with export certification systems;
3. Assistance to establish or strengthen capacity to manage sanitary and phytosanitary risks including food safety.

#### ***Component 4 – Technical Regulations, Standards and Conformity Assessment Procedures***

This component supports the implementation of the Agreement's Technical Regulations, Standards and Conformity Assessment Procedures chapter.

#### **Objective**

The objective of this component is to support joint efforts in the fields of technical regulations, standards and conformity assessment procedures; assist in promoting mutual understanding of each Participant's Technical Regulations, Standards and Conformity Assessment Procedures; and strengthen information exchange and cooperation among the Participants.

#### **Expected Outcomes**

The key indicative outcome for this component is the effective and efficient implementation of the Agreement's Chapter on Technical Regulations, Standards and Conformity Assessment Procedures. This will be reflected in:

- the maintenance of measures that are trade facilitative and do not create unnecessary obstacles to trade;
- enhanced transparency and mutual understanding of each Participant's technical regulations, standards and conformity assessment procedures;
- a strong regional information exchange and cooperation (between and among the Participants) in the areas of technical regulations, standards and conformity assessment procedures; and
- good practice in regulation and good practice in the preparation, adoption and application of standards by standard-setting bodies in the territory of each Participant.

#### **Indicative Activities**

The Work Programme may include the following:

1. Assistance in the adoption and application of technical regulations, standards and conformity assessment procedures;
2. Assistance to improve technical analysis, product testing and certification (including organic certification) of local products to ensure that they meet international standards;
3. Support for relevant central institutions in negotiating and implementing regulatory cooperation agreements with respect to technical regulations, standards and the results of conformity assessment procedures.

## ***Component 5 – Trade in Services***

This component supports the implementation of the Agreement's Chapter on Trade in Services, including the Chapter 8 (Movement of Natural Persons).

### **Objective**

The objective of this component is to facilitate increased cross-border flows of services among the Participants, by assisting them to adapt and improve regulations affecting services trade, building on the reductions in barriers to trade in services embodied in the Agreement.

### **Expected Outcomes**

The key indicative outcome is the effective and efficient implementation of the Agreement's Chapter on Trade in Services which facilitates greater participation in the service sectors of the Participants. This will be reflected in streamlined and harmonised regulatory arrangements which facilitate trade in services, and stronger institutions.

### **Indicative Activities**

The Work Programme may include the following:

1. Assistance in developing and strengthening qualifications frameworks in consultation with relevant competent agencies;
2. Assistance to explore possible recognition of qualifications in sectors of comparative advantage between national competent bodies in the Participants;
3. Assistance with strengthening the capacity of the FICs to regulate services, according to international standards and benchmarks, particularly in the financial and telecommunication sectors;
4. Assistance to build capacity for compiling and analysing trade in services data.

## ***Component 6 – Investment***

This component supports the implementation of the Agreement's Chapter on Investment.

### **Objective**

The objective of this component is to facilitate the flow of investment across the participants, by deepening and broadening linkages and assisting them to address impediments to expanding investment in response to the opportunities created by the Agreement.

### **Expected Outcomes**

The key indicative outcome is the effective and efficient facilitation of investment between and among participating countries. This will be reflected in increased awareness by potential investors of new opportunities arising from the Agreement; identification and resolution of impediments to; and improvements in the investment climate in participating countries directly and indirectly attributable to the Agreement.

### **Indicative Activities**

The Work Programme may include the following:

1. Assistance to enhance capacity of participants to facilitate investment flows including through the private sector;
2. Assistance to undertake legislative reforms that enhance the investment and business operating environment, including with regard to public enterprises;
3. Assistance to assess and improve the investment climate with the involvement of the private sector.

## **Attachment B: Summary of FICs' Trade-Related Needs Assessment**

### ***Fast Track Activities***

- Support for Forum Island Countries (FICs) in the transposition of goods tariff schedules and the Product Specific Rules schedule into HS 2017 (noting that this will likely require Parties to negotiate some changes);
- Support for all FICs' customs administrations to implement HS 2017;
- Technical assistance to help plan and mitigate revenue loss;
- Technical assistance to support FICs' domestic legislative review and ratification processes;
- Training on the contact point, notification and publication requirements under PACER Plus, including for Chapter 2 (Trade in Goods), Chapter 4 (Customs Procedures), Chapter 5 (Sanitary and Phytosanitary Measures) and Chapter 6 (Technical Regulations, Standards and Conformity Assessment Procedures);
- Training for the private sector on Product Specific Rules (PSRs); and
- Stakeholder engagement/communication.

### ***A. Implementation-Related Assistance***

#### ***I. Rules of Origin and Implementation of Tariff Commitments***

- Assistance with the transposition of earlier HS Codes to later versions;
- Assist FIC governments to develop procedures to administer documentary evidence of origin provisions, including to carry out verification of origin;
- Develop or improve legislation, regulations and attendant processes and procedures to ensure the smooth implementation of Rules of Origin (ROO) requirements and procedures;
- Capacity building on ROO within relevant institutions and assisting countries to effectively implement the provisions of Chapter 3 (Rules of Origin and Verification Procedures); and
- Assistance and training on safeguard measures.

#### ***II. Customs***

- Assistance to establish and implement single window;
- Assistance for implementing an automated system or upgrading an existing automated system;
- Funding for Customs-related equipment, including relevant software;
- Training of officials and private sector to acquire expertise in customs practices and procedures, including classification, valuation, risk management and advanced ruling;
- Capacity building on Customs data management; and
- Training in pre-shipment inspection.

#### ***III. Sanitary and Phytosanitary Measures***

- Assistance and capacity building to ensure the effective implementation of Chapter 5 (Sanitary and Phytosanitary Measures) and take advantage of market access opportunities;

- Assistance and capacity building on developing and enforcing export certification systems;
- Technical assistance to improve industry compliance with export certification systems;
- Assistance and capacity building on animal and plant pest and disease control (imports and exports);
- Assistance to establish a database containing the Sanitary and Phytosanitary (SPS) requirements of key export markets in respect of products of export interest to the FICs, including fish, fruits and vegetables and assisting FIC traders to comply with them through targeted measures;
- Assistance to support relevant central institutions in negotiating equivalence and mutual recognition agreements with trading partners;
- Assistance to enhance capacity of relevant institutions to manage sanitary and phytosanitary risks including consumer and product/food safety standards; and
- Capacity building of officials to operate biosecurity treatment facilities and processing facilities.

#### IV. *Technical Regulations, Standards and Conformity Assessment Procedures*

- Assistance and capacity building to ensure the effective implementation of Chapter 6 (Technical Regulations, Standards and Conformity Assessment Procedures) and take advantage of market access opportunities;
- Assistance on development and implementation of metrology legislation;
- Assistance in the preparation and application of technical regulations, standards and conformity assessment procedures;
- Assistance to improve technical analysis, product testing and certification (including organic certification) of local products (including tuna) to ensure that they meet domestic and international standards;
- Support relevant central institutions in negotiating and implementing regulatory cooperation agreements with respect to technical regulations, standards and the results of conformity assessment procedures;
- Technical assistance (TA) to conduct regulatory impact assessment;
- TA to assist with laboratory management;
- TA to assist with auditor training for standards and conformity;
- Assistance to build capacity in methods of calibration of measuring instruments; and
- Assistance to establish a database containing the Technical Barriers to Trade (TBT) requirements of key export markets in respect of products of export interest to the FICs, including fish, fruits and vegetables and assisting FIC traders to comply with them through targeted measures.

#### V. *Trade in Services and Movement of Natural Persons*

- Assistance to modernise immigration processes and systems;
- Assistance in developing and strengthening qualifications frameworks in consultation with relevant competent agencies;
- Assistance to explore possible recognition of qualifications in sectors of comparative advantage between national competent bodies in the participating countries;
- Assistance to enhance participation in international trade in services;

- Assistance with strengthening the capacity of the FICs to regulate services, according to international standards and benchmarks, particularly in the financial and telecommunication sectors;
- Assistance in drafting and implementing legislation to support e-filing and e-commerce;
- Assistance for national agencies to implement administrative processes to outline key qualification information (for existing natural persons, e.g. diploma supplements) and establish administrative processes to recognize qualifications (for incoming applicants);
- Assistance to strengthen capacity of FICs to develop and implement legislations and regulations for unregulated services sectors; and
- Assistance to build capacity for compiling and analysing trade in services data.

#### *VI. Investment*

- TA to develop/review national 'one-stop shop' website for investors and entrepreneurs;
- TA to enhance the protection and simplify procedures of domestic and foreign investment;
- Assistance for the development of a free trade zone for all processors to attract investors to process and export (this zone will be duty free and will receive government incentives);
- Assistance to enhance capacity of participants to facilitate investment flows including through the private sector; and  
Assistance to carry out legislative reforms that enhance the investment and business operating environment, including with regard to public enterprise.

#### *VII. Other (Related to Implementation of PACER Plus)*

- Training in dispute settlement and management thereof; and
- Training in cost/benefit analysis (on PACER Plus and related policies).

### ***B. Broader Trade and Investment-Related Assistance***

#### *I. Trade-Related Policy and Regulations*

- TA to build capacity of tax officials to conclude double tax avoidance agreements between the Parties;
- TA to review air services agreements (tourism and cargo);
- TA for aviation regulation, safety and security;
- Capacity building on formulation and implementation of trade policy framework and legislation;
- Update relevant trade-related legislations and policies;
- Establish analytical tools to estimate labour demand and current/prospective supply and ensure regular updating to support the conduction of education, Technical Vocational Education and Training and labour policies (including labour mobility policies);
- Assistance to develop an industrial policy to: (a) improve economic diversification and domestic value addition; (b) improve linkages between sectors; (c) increase the contribution of agriculture and manufacturing to merchandise trade; and (d) enhance



competitiveness and diversification, and aim at moving the country up the value-adding ladder;

- TA for study on adoption of domestic competition policy;
- TA for study to improve competition laws and enforcement to better support micro business;
- Assistance and capacity building on international obligations (e.g. money laundering) (OECD framework of the Services Trade Restrictiveness Index (STRI));
- TA to develop an overarching services policy;
- TA and capacity building for monitoring and evaluating trade;
- Assistance to conduct a feasibility study of potential products for sale, as part of trade development strategy, to assess setting up a marketing centre for these products (including manufactured products) both domestically and in New Zealand and Australia;
- TA to assess opportunities for traditional knowledge;
- TA to develop and help FICs to understand their services profile;
- TA to develop an action plan to assist exporters to promote and market products in other Pacific Island countries in order to effectively benefit from the FTA;
- Capacity building to implement a trade and gender development policy;
- Capacity building to implement programmes to make the most effective use of remittance outflows and inflows and external aid;
- Assistance to assess the use of regional and international agreements as a means of fostering equitable and environmentally sustainable private sector led economic growth;
- Assistance to develop procedures to ensure that aid for trade assistance is directed to the highest priority areas and maximum value is derived from the assistance and its ownership of the process;
- Assistance to undertake trade facilitation needs assessment and improve doing business indicators and thereby creating conducive business environment;
- TA for policy coherence for labour and migration laws;
- Assistance for the planning and policy capacity of the relevant Information and Communications Technology Ministry and the regulatory functions of the regulatory body;
- TA to develop cost effective communications or outreach strategy for enhancing the existing mechanisms for regular information dissemination and capacity building relating to involvement in trade agreements;
- Assistance to support and enhance technological services and innovation to enhance productivity and raise competitiveness;
- Assistance to improve capacity constraints, including potentially looking at the broad institutional setup for regulatory function;
- TA to investigate the scope for adopting consumer protection policies; and
- Assistance to develop business incubators to develop new products and small businesses.

## *II. Economic Infrastructure*

### *i. Transport*

- General transport;

- Assistance to improve outer island runways especially in key atolls with greatest tourism potential;
  - Assistance to improve inter island shipping and air linkages;
  - Development of alternative regional air routes;
  - Port infrastructure – expansion (to accommodate a range of maritime vessels), upgrade, repair and build new wharf facilities (shipping and fishing);
  - Upgrade international/domestic airports and terminal facilities; and
  - Improve maritime transportation to minimize costs for doing business.
- ii. Trade-Related Infrastructure
- Set up biosecurity treatment facilities (High Temperature Forced Air (HTFA) facility, fumigation and testing laboratory, X-ray machines, container treatment machines), processing facilities including freezer facilities and pack houses, with a view to supporting exports of FIC products; and
  - Assistance to establish bonded warehouses (for fuel).
- iii. Tourism Infrastructure
- Installation of rainwater tanks; and
  - Improve basic infrastructure and services: roads, telecommunications, water, power and sewer so as to promote tourism.
- iv. ICT Infrastructure and Systems
- Assistance to establish and support e-banking, for business process outsourcing, call centres and other forms of back up operations;
  - TA to implement an ICT regime which devotes attention to e-trade (e-commerce) to minimise transaction costs;
  - Assistance to the private sector to maximise utilisation of e-commerce;
  - Telecommunication testing facilities, spectrum monitoring and management;
  - Review of national telecommunications framework, improve service provision;
  - Assistance to establish an independent regulator;
  - Radio (HF/VHF) for disaster management; and
  - TA to assist with the implementation of relevant legislation.
- v. Other Infrastructure
- Waste management/Sanitation; and
  - Solar energy and urban/rural water supply.

### III. *Productive Capacity Building*

- i. Financial and Private Sector Development
- Capacity building for private sector in business skills and entrepreneurship;
  - Assistance to improve efficiencies in banking and finance sector;
  - Development of a micro-credit scheme to improve access to finance to help the private sector contribute to the achievement of sustainable trade development and economic growth;
  - Assistance and capacity building for relevant trade and investment institutions and assistance to develop a trade and investment promotion strategy framework to support private sector development (including youth development);

- Implementation of financial literacy and inclusion programme;
  - Capacity building for port management and operation; and
  - ICT capacity building (attachment training) to improve regulator management skills.
- ii. Fisheries
- TA to develop a comprehensive fisheries (including other marine resources) development and management policy;
  - Assistance to develop fish processing industry;
  - Assistance to establish a clam export industry; and
  - Assistance for the development of marine products, including handicrafts derived from marine products that might be commercialised for domestic and international markets.
- iii. Mining
- Assistance for prospecting.
- iv. Tourism
- Capacity building to improve tourism promotion;
  - Study to develop tourism in outer islands;
  - Assistance to promote existing strengths in tourism resources and link it to various local agricultural and fisheries products; and
  - TA to develop a new tourism policy.
- v. Agriculture
- Assistance for agriculture extension services;
  - Assistance for agriculture research station;
  - Assistance for agriculture and related business data collection and analysis capacities to enable more vigorous analysis and evaluation of policies and strategies being introduced for the development of agriculture and fisheries;
  - Conduct a study of potential value added industries;
  - TA to develop new and review existing agriculture, fisheries and conservation legislation/policy;
  - Assistance for data collection on women engaged in the primary sectors; and
  - Assistance to develop a pilot scheme for collecting forecasts of future demand (quality and quantity) for select fruit and vegetables products from participating hotels and retail outlets, and coordination of supply.
- vi. Manufacturing Sector
- Develop an effective information system to provide up-to-date export details regarding products and market conditions to manufacturers on a timely basis;
  - Assistance to build capacity to produce high value coconut oil and coconut flour for exports;
  - Assistance to develop the coconut sector for the domestic and export markets;
  - Assistance to establish a women-led garment production cottage industry;
  - Assistance to develop floricultural and handicraft sectors for domestic and overseas markets;

- Develop downstream processing among domestic companies and produce a long - term strategy on downstream processing; and
  - TA to improve business support services in areas ranging from management to accounting.
- vii. General Skills Development
- Assistance in providing Certificate 3 and Certificate 4 training in road construction and supervision;
  - Capacity building of personnel for anticipated future developments in international air transport of goods and passengers (including terminal operations, customs, cargo handling, storage and forwarding facilities and services);
  - Capacity building for trade lawyers including staff of Attorney General's office;
  - Assistance to establish a PACER Plus Unit within the relevant ministry to oversee the implementation of PACER Plus commitments and obligations;
  - Capacity building to carry out environmental impact assessment; and
  - TA to support and build capacity of national private sector organizations to operate independently and participate in overseas trade related activities.
- viii. Land
- Assistance to design and make available innovative financing schemes to facilitate investment on customary land;
  - Review of customary land tenure and possibilities for improving individual access to customary land; and
  - Capacity building to digitise land titles.

#### *IV. Trade Related Adjustment*

- Assistance to enhance capacity of private sector institutions to effectively engage with government on trade policy formulation and implementation through, inter alia, training in technical trade issues, enhanced dissemination of relevant information and trade negotiations, so as to enhance their competitiveness and ability to take advantage of trade agreements;
- Assistance for private sector organisations and businesses, as well as employees of import competing firms to cope with the new conditions of competition;
- Assistance to reform the tax system and adopt consumption tax as may be proposed for tax reform to enable the country to mitigate revenue loss from trade liberalisation;
- TA and capacity building to enhance capacity of officials to carry out an assessment of the impact of current state owned enterprises and statutory monopolies on the business environment;
- Capacity building to enhance capacity of tax administrations; and
- Assistance to establish short term plans to support existing export-oriented and import-substitution industries.

#### *V. Labour Mobility*

- Technical skills training, including enhancing the capacity of domestic training providers and increasing access to regional institutes and scholarships, focused on labour mobility sectors under PACER Plus and forging linkages with employers in

- Australia and New Zealand and other target countries to ensure employment and human resources development;
- Assistance to provide training of trainers and provide equipment for distance learning, in human resource management skills such as recruitment;
- Training programmes for workers to support business/investment at home;
- Labour Mobility initiatives in new sectors:
  - Tourism and hospitality;
  - Aged care;
  - Nursing;
  - Agricultural services; and
  - Fisheries;
- Identify two to three occupations to develop, in the shorter term, common regional competencies and qualifications. Tourism-related occupations could provide some of these priority occupations:
  - Sports and cultural groups;
  - Technical trades; carpentry, construction and building, electricians, teaching; and
  - Maritime and fisheries;
- Expand capacity to help with related services, pre-departure and detailed info on working conditions and expectations;
- Qualifications:
  - Development of the Pacific regional qualifications framework;
  - Development of a sub-regional qualifications framework; and
  - TA for Higher Education Commission: programme accreditation, establishment of assessment centres, training workplace assessors, leadership training for higher education sector;
- Systems:
  - Assistance to establish a 'one-stop shop' on labour mobility;
  - Assistance to leverage local investment opportunities from Australia's Seasonal Worker Programme and New Zealand's Recognised Seasonal Employer Scheme for returning employees;
  - TA to put in place systems to enhance the productivity and reputation of workers as well as the predictability of supply of such workers; and
  - Assistance to implement national labour migration policy or mobility strategy.

## VI. *Other*

- i. Health Sector
  - Review legislative framework;
  - Improve hospital procurement practices; and
  - Train healthcare providers, upgrade facilities.
- ii. Data Collection
  - TA and capacity building for establishment of process of collecting data and carrying out research; and
  - TA to build capacity of staff of bureau of statistics to enable them to produce quarterly reports on imports/exports under PACER Plus.

- iii. Intellectual Property Rights (IPR)
  - TA to carry out an assessment of the capacity of the country to deliver in terms of IPR;
  - Capacity building to assess the scale of counterfeiting and combat the spread of counterfeiting;
  - TA to raise awareness amongst stakeholders of IPR laws, including the efficient delivery of justice;
  - Training on implementation of domestic patent laws including on geographical indications (such as the geographical indication for pandanus juice); and
  - TA to develop and implement a comprehensive IPR regime.