The Minister of Foreign Affairs and External Trade, Hon Clay Forau Soalaoi, met the Director General of the World Trade Organization (WTO) Mr. Roberto Azevedo in Geneva, Switzerland on March 2014.

At the meeting, Minister Forau applauded the WTO chief for his excellent leadership in the lead up to and the successful conclusion of the Bali Trade Ministers meeting in December 2013 and extended an invitation to him to visit Solomon Islands later in the year.

Mr. Azevedo acknowledged and commended the support and contribution of Solomon Islands to the successful outcome in Bali.

The Minister informed the WTO Chief of Solomon Islands’ support and commitment to the work of the WTO and the rules-based multilateral trading system. He called on the WTO and in particular the developed members of the organization to deliver on the outcomes of Bali, especially the development package for least developed countries.

Minister Forau also conveyed to Mr. Azevedo Solomon Islands appreciation and gratitude for the financial and technical assistance provided by the Enhanced Integrated Framework (EIF).

A US$1.5 million tier two project was approved and launched early this year and will focus on the development of the tourism sector in Solomon Islands. Hon Soalaoi was accompanied to the meeting by Solomon Islands Permanent Representative to the WTO, Ambassador Mose and Mr. Cornelius Walegere, Charge De Affaires at the Solomon Islands Embassy in Brussels.
The National Trade Development Council (NTDC) held its first quarterly meeting of 2014 at the Kairos conference centre.

The NTDC, which meets on a quarterly basis, is a senior level forum for decision making and coordination of trade development policy in Solomon Islands. This includes trade policy formulation and mainstreaming trade into national development plans. It also ensures effective coordination amongst government ministries, private sector organizations and civil society organizations on trade related matters.

Cabinet endorsed the Ministry of Foreign Affairs and External Trade (MFAET) to facilitate the work of NTDC on December 20th, 2012. The NTDC is comprised of representatives from various Government Ministries, private sector organizations and non-governmental organisations. During the meeting, which was chaired by the Vice Chair and Governor of the Central Bank of Solomon Islands Mr. Denton Rarawa, the Council was updated on Enhanced Integrated Framework (EIF) activities and recent progress on trade negotiations including the Pacific Agreement on Closer Economic Relations (PACER Plus) and the Economic Partnership Agreement (EPA) with the EU. Members discussed issues relating to a new proposed project under the EIF which will focus on the agriculture sector and were informed that officials from the EIF National Implementation Unit and the Ministry of Agriculture were already conducting consultations which will lead to a draft project proposal being developed.

The Director of External Trade, Mr. Barrett Salato, highlighted that the Trade Policy Framework will provide guidance to draw together the trade-related aspects of sectorial policy and will direct stakeholders on how to enhance the role of trade in the economy as a means of reducing poverty. Mr. Salato noted that given its influence on future trade policy in Solomon Islands the input of the NTDC is critical in achieving a representative and effective document. Consultations that will contribute towards the final version of the TPF will continue in April, including meetings with stakeholders in the provinces.

The meeting concluded on a high note with the NTDC Vice Chair and Governor of CBSI Mr. Denton Rarawa commending NTDC members for their continued efforts in enhancing trade in Solomon Islands.
From 19-23 May 2014 UNESCAP organized a Regional M&E and Communications Workshop for Asian and Pacific EIF Countries in Bangkok, Thailand.

Three officers from Solomon Islands’ National Implementation Unit (NIU), under the Ministry of Foreign Affairs and External Trade, and one from the Ministry of Finance attended the workshop on behalf of the Solomon Islands Government.

The objectives of the Workshop were to establish an understanding of results-based reporting in the overall EIF implementation and to enhance the EIF countries’ understanding of the log frame and its link to capturing results through focused work plans.

Its aims were also to share best practices and opportunities for strengthening stakeholders' understanding of trade mainstreaming, coordination and resource leveraging as well as sustainability of the project.

The workshop proved to be an eye opener for the SI delegation which was led by the NIU Coordinator Mr. George Tuti.

Lessons and experiences were both shared and learned on how other countries are dealing with the EIF program in their respective contexts.

Solomon Islands’ delegation also had the chance to give presentations on the current status of the EIF in Solomon Islands.

NIU Coordinator Mr. Tuti said that the workshop was a milestone in itself as it provided an avenue whereby Solomon Islands can learn from what other countries are doing and in order to build domestic EIF operations.

A total of 12 Countries from around Asia and Pacific attended the one week workshop.

The Solomon Islands delegation who attended the Bangkok workshop
Permanent Secretary to the Ministry of Foreign Affairs and External Trade Mr. Beraki Jino formally opened Solomon Islands’ Intellectual Property Strategy Mission at the Kairos Conference Centre.

Mr. Jino welcomed the mission, led by the World Intellectual Property Association (WIPO), and stated that Solomon Islands will benefit from such a strategy which is increasingly important in a globalised world. He also emphasized that Solomon Islands, as a member of the WTO, has obligations to WTO Agreements including that on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Areas where Solomon Islands holds strong interests related to intellectual property are in the protection of traditional knowledge and cultural expressions such as music and crafts. This is an area strongly pursued by developing countries in international discussions in order to ensure that they benefit from and sustain their traditions and culture.

“Although there has not been a pivotal approach taken by the Solomon Islands Government on Intellectual property issues, such issues have on occasion come into focus and topics relating to copyright, patents and trademarks are currently administered by the Ministry of Justice and Legal Affairs,” the Permanent Secretary said.

Ambassador designate to Brussels Mr. Moses Kouni Mose echoed Mr. Jino’s statement when giving his insights stating that “Intellectual property rights are very important for the Country”. Mr. Mose told delegates to the opening that intellectual property has the potential to be a critical development tool for the Country.

“IP is important especially for our musicians and of course those who create our cultural artefacts. Such resources have great economic potential for our Country if they are developed properly.

“IP has been neglected for too long because there has been little emphasis on these issues by responsible authorities,” Ambassador Mose said.

Ambassador Mose who initiated the assistance from WIPO to carry out the consultations said that it was time that the Government seriously considered the issue of intellectual Property.

In 2012, following consultation between the Solomon Islands’ Ambassador in Geneva, Mr. Moses Kouni Mose and Dr. Francis Gurry, the Director General of WIPO, Mr. Ian Heath was requested to undertake the role of identifying how WIPO may assist the Solomon Islands. This resulted in the first round of national consultations being conducted in April 2013 which analysed the current situation in the country as regards intellectual property and led to the development of the SI IP Report.

The objective of the consultation is to familiarize all stakeholders involved in the development of the Solomon Islands Intellectual Property Strategy on what is IP, the current status of IP in the country, the importance of having a National IP Strategy and why respective organizations are relevant to the development of Solomon Islands’ IP Strategy. The one day workshop and discussion session was attended by government officials and a broad range of private sector representatives.
The Minister of Foreign Affairs and External Trade, Hon. Clay Forau Soaloai met with the Head of the Asia-Pacific Division of the European External Action Services (EEAS), His Excellency, Mr Viorel Isticioaia-Budura in Brussels on 18th March 2014.

The EEAS is the diplomatic arm of the European Union (EU) that was established under the Lisbon Treaty of 2009.

During the bilateral meeting, Minister Forau raised a number of bilateral issues. These included the European Development Fund (EDF), Economic Partnership Agreement (EPA) negotiations and visa free access to the Schengen area.

Minister Forau acknowledged the assistance provided by the EU under the European Development Fund (EDF) to the country over the past years. He also welcomed the commitment by the EU to assist ACP countries under EDF 11 for the next seven years. Minister Forau stressed the importance of the Enhance Integrated Framework (EIF), a facility that is beneficial for Solomon Islands in the area of building trade capacity and urged EU to continue to provide assistance to the EIF.

The Minister also used the opportunity to inform and reaffirm the position of Solomon Islands on the Economic Partnership Agreement (EPA) negotiations with the EU. ‘Solomon Islands is committed to concluding a Comprehensive EPA with the EU and this should be concluded soon as mandated by the PACP Leaders’, said Forau.

Minister Forau welcomed the proposal offered by EU on visa free access for some Pacific Island coun-
tries including Solomon Islands to the Schengen area. He highlighted visa free access into the Schengen area as a positive step in enhancing the relationship between Solomon Islands and the EU. “Visa free access into the Schengen area would make travel more convenient and less costly as the current practise is to obtain a visa in Canberra or Port Moresby before travelling”, Forau said. Solomon Islands grant visa on arrival for EU citizens for 30 days subject to extension, however, Minister Forau stated that, ‘Solomon Islands will look at the 90 days visa on arrival proposed by the EU through the relevant Ministry responsible to ensure there is reciprocity on visa arrangements’. He stressed that ‘it is important that reciprocal visa arrangements are put in place soon for the benefit of Solomon Islanders travelling to Europe for official business or leisure’.

The Head of the Asia-Pacific of EEAS, His Excellency, Mr Viorel Isticioaia-Budura welcome Minister Forau and delegation and acknowledged the cooperation that EU had with Solomon Islands. Mr Viorel informed Minister Forau that the EU will upgrade its office in Honiara to be headed by an Ambassador. Currently the EU office in Honiara is headed by a Chargé d’affaires reporting to the EU Ambassador in Port Moresby. The upgrading of the EU office in Honiara demonstrated the commitment the EU has in supporting the country’s national development strategies and goals. Minister Forau welcomed the decision to upgrade the office and reaffirm the government’s support to the EU office in Honiara.

The Minister was accompanied by the Charge d’Affaires to the Solomon Islands Embassy in Brussels, Mr Cornelius Walegerea and the Chief Desk Officer for Europe Branch, Ministry of Foreign Affairs and External Trade, Ms Esther O’Brien.
On 30th April 2014, the National Implementation Unit (NIU) of the Enhanced Integrated Framework (EIF) held a one day induction training for its three new staff.

The Induction ceremony which is the first of its kind to be carried out by the NIU was organized to introduce the work of the NIU to three of its new staff who were employed under the EIF tier two tourism project.

Speaking during the opening of the induction ceremony, the Director for External trade and focal point for the EIF, Mr. Barrett Salato told the participants that the induction workshop was a chance for all of the NIU staff to come together and share their experiences about the work of the NIU in the country.

“This workshop is an avenue where all NIU staff come together to share and learn from each other,” Mr. Salato said in his opening remarks.

Also making remarks was the EIF NIU Coordinator Mr. George Tuti who told NIU staff to take ownership of the project.

“As officers of the Project, all of the NIU staff must take real ownership of the project and nurse it as our own child.

“We must take responsibility and ensure that the work of the NIU flows smoothly without any major hitches,” Mr. Tuti told the NIU staff.

The recruitment of the three additional staff brings the number of NIU staff to nine.

Two of the newly recruited staff which compromises of the Tier two coordinator and Assistant coordinator are based within the Ministry of Tourism and Culture while the rest are based in the External Trade department of the Ministry of Foreign Affairs and External Trade.

Sisilo: Why PACER-Plus?

Mr. Robert Sisilo: PACER-Plus in interesting times and approaching it’s defining moment.

The 7th PACER-Plus Intercessional Meeting was held in Adelaide, South Australia, with a strong reminder, particularly to the senior officials of Australia and New Zealand (ANZ), of the compelling reasons why PACER-Plus was launched.

“Above all, we should not forget the reasons why PACER-Plus was launched. It was launched with a view to facilitating the trade of Forum Island Countries (FICs) with ANZ and helping the FICs to attain economic growth and sustainable development.” Mr. Robert Sisilo, Solomon Islands Trade Negotiations Envoy, reminded the meeting.

“This is the overriding objective of PACER-Plus and this should guide us in our work. Development-oriented provisions should be included in all our texts to reflect what our Leaders envisaged when they, in their wisdom, launched our negotiations.” Mr. Sisilo, also the Lead Spokesperson for the Island Countries on PACER-Plus, stressed.

According to Mr. Sisilo, it is increasingly becoming clear that ANZ officials have forgotten the reasons why PACER-Plus was launched. It is not obvious from their negotiating positions that they see PACER-Plus as a trade and development agreement.

“In many instances, simple provisions which do not impose any rock-solid obligations on them (ANZ) have been routinely rejected. We need not remind ANZ that PACER-Plus is supposed to be an innovative agreement that would combine trade and non-trade elements into a winning formula that would reverse the economic stagnation in our countries.” Mr. Sisilo lamented.

The 7th Intercessional Meeting went for 3 days and there is a huge expectation from the FICs to hear substantive commitments from ANZ on labour mobility and development assistance. This is to reciprocate what the FICs will substantially commit to in their trade in goods and services offers to ANZ.
Foreign Minister meets Executive Director of International Trade Centre (ITC) in Geneva

Ms. Arancha Gonzales, Executive Director of the International Trade Centre and Hon. Clay Forau Soalaoi, Minister of Foreign Affairs and External Trade

The Minister of Foreign Affairs and External Trade Minister, Hon Clay Forau Soalaoi paid a courtesy visit to the International Trade Centre (ITC) in Geneva on Monday 17 March 2014 and met the Executive Director of the International Trade Centre, Ms. Arancha Gonzales.

ITC is the joint agency of the World Trade Organization and the United Nations with the motto; “Export Impact for Good”. The ITC mission is to foster sustainable economic development and contribute to achieving the Millennium Development Goals in developing countries and countries with economies in transition through trade and international business development. Contributing to poverty reduction by boosting trade is a key objective of ITC’s trade related technical assistance (TRTA). This is also the focus of the Aid for Trade agenda, which underpins ITC’s activities. It aims to assist small and medium sized enterprises (SMEs) in developing and transition countries to become more competitive in global markets; contribute to poverty reduction via boosting trade; speeding economic development and contributing to the achievement of the UN’s Millennium Development Goals (MDGs); and facilitate export development that assures commercial viability of individual companies, empowers women economically, and works towards inclusive economic, social and environmental sustainability.

ITC gives particular weight to project implementation in the least developed countries (LDCs), landlocked developing countries (LLDCs), Small Island Developing States (SIDS) and sub-Saharan Africa.

ITC head briefed the Minister on the role and functions of the organization including its current programme of assistance in the Pacific region. Minister Forau thanked the Executive Director for the opportunity to meet her and her senior management team and request how the ITC could provide specific and targeted assistance to Solomon Islands, especially for small income generating projects for women and youth in the country. Ms. Gonzales welcomed the initiative and promised that ITC would prioritize the request in its funding programme.

The Hon. Minister was accompanied by HE Ambassador Mose, the Solomon Islands Permanent Representative to the WTO and Mr. Cornelius Walegerea, the Charge de Affairs at the Solomon Islands Embassy in Brussels.
According to Mr. Sisilo, also Lead Negotiator for the Forum Island Countries (FICs) on PACER-Plus, New Zealand spoke about a possible landing zone on PACER Plus, but what it presented at Port Vila during their last negotiating session fell far short of the expectations of the FICs since their paper did not address their key demands.

“We are prepared to make a deal but not at any cost. There needs to be trade-offs and ANZ have to move from their entrenched positions on labour mobility and development assistance.” Mr. Sisilo told the meeting, targeting particularly the ANZ Senior Trade Officials. The FICs are demanding ANZ to legally bind their labour schemes as an integral part of PACER-Plus, further open up their labour markets and to include other sectors (construction, hospitality etc.) of potential interest to the FICs.

“It is our strong view that since we (FICs) would be undertaking legally binding commitments in other areas of the negotiations such as Trade in Goods, Trade in Services and Investment, commitments by ANZ on labour mobility and development assistance should also be legally binding and made an integral part of PACER Plus.” Mr. Sisilo emphasized.

ANZ did not share this view and would prefer labour mobility to be outside the PACER Plus Framework. Both sides agreed to intensify their engagement at their next meeting in the second week of June in Adelaide.

“Yes we are ready, able and willing to engage ANZ to find landing zones on these two important issues if we are to complete negotiations on the legal texts by the end of this year, as mandated by our Ministers. But to reach those landing zones, we have to meet each other half-way on these issues.” Mr. Sisilo concluded.

After almost five years of negotiations, PACER-Plus is far from being concluded. Two issues - labor mobility and development assistance - continue to clearly stand in the way for PACER-Plus to see the light of day.

“From the report by our Chief Trade Adviser, it appears that there has been very little progress on these two very important issues for the Forum Island Countries (FICs). We need Australia and New Zealand (ANZ) to be up front and show their cards on these two issues”. Mr. Robert Sisilo, Trade Negotiations Envoy and Leader of the Solomon Islands Delegation, told a meeting of the Forum Senior Trade Officials that was held in Tarawa, Kiribati in May.
As part of the second round of National Consultations on the Country’s first Trade Policy Framework, officials from the Ministry of Foreign Affairs and Forum Secretariat held a one-day consultation in Buala, Isabel province in early June.

The consultation which involved more than 30 participants from different backgrounds around the Province aims to get the views of the participants on the development of the country’s first Trade Policy Framework (TPF).

The Country presently does not have a Trade Policy framework and these consultations will lead to the formulation on a comprehensive TPF for the Country.

Last year the team travelled to Western Province and the intention is to cover as many parts of the Country as possible.

Currently Solomon Islands’ trade negotiators use the Diagnostic Trade Integration Strategy (DTIS), completed in 2009, and national consultations with stakeholders as the basis for negotiations of various trade agreements.

The Trade Policy Framework will mainstream trade into Solomon Islands’ National Development Strategy and to use it to identify and initiate Aid for Trade projects to support increased exports from the private sector.

It will also assist Solomon Islands to address the production and supply-side constraints which hinder trade.

The framework lays out the main principles that will guide trade policy in Solomon Islands over the forthcoming years.

Its main aims are to integrate the trade-related aspects of existing sectoral policies and to put in place the broad institutional and policy guidelines and priorities to support policymakers in enhancing the role of trade in the economy as a means to reducing poverty and raising the level of human development.

The team will consult all the key stakeholders in the Government, the private sector and other non-state actors on Solomon Islands’ current and future trade interests and policies.

After their return from Isabel the team also traveled to Temotu and Malaita Provinces where additional rounds of consultations were held.
A team from the Ministry of Foreign Affairs, alongside a representative of the Forum Secretariat and University of Auckland Professor Chris Noonan were in Buala Isabel province recently for Trade Policy Framework (TPF) consultations. While carrying out the consultations they also made a brief courtesy call to the Premier of the Province Hon. James Habu.

During the courtesy call the delegation, which included of the Director and Deputy Director of External Trade, briefed Premier Habu about the importance of having a Trade Policy Framework for the country.

The Premier was briefed about the ongoing consultations on the Trade Policy Framework and on how far the consultations have come. Premier Habu welcomed the delegation saying that this was one of the rare moments that Isabel Province has been involved in National consultations particularly relating to trade.

The Premier acknowledged the importance of having a Trade Policy Framework saying that this was a right step for the Country to take. He added that it was good that the consultations were brought out to the Provinces and not just in Honiara.

This is the second round of consultations on the TPF and the aim is to get feedback from the Government, private sector and other non-state actors on Solomon Islands’ current and future trade-related interests and policies.

Isabel Province is the second Province where the consultations have been carried out, with Western Province already having had their consultations last year.

After Isabel province the team also traveled to Temotu Province for another round of consultations.
Mr. Robert Sisilo, Lead Spokesperson for the Forum Island Countries (FICs) on PACER-Plus, has backed the Vice-President of the Republic of Kiribati when the latter told Forum Trade Ministers meeting in Tarawa in May that PACER-Plus holds much promise for the FICs and they should ensure that the Agreement lives up to its ideals.

In opening the first Trade Ministerial Meeting held in Tarawa, Vice-President Teima Onoria called on Australia and New Zealand (ANZ) to be more flexible on labour mobility and development assistance so that PACER-Plus negotiations be brought to a close and parties, particularly the FICs, can start enjoying the benefits.

“No truer words have been spoken and we the FICs fully endorse her call on ANZ to move from their current positions on these two important issues. Our economies are fragile and we strongly believe that labour mobility and development assistance in a PACER-Plus will enable us to put in place the framework to create and support a stable and prosperous Pacific region.” Mr. Sisilo told the Ministerial meeting.

To back his argument, Mr. Sisilo referred to a recent World Bank Report entitled “Well Being from Work in the Pacific Island Countries” which states loud and clear that the Pacific Island Countries face serious barriers to export-led growth owing to their peculiar circumstances.

“The Report calls on ANZ to open up their labour markets to the FICs and ensure consistency between their aid and immigration policies. We fully endorse the recommendations of the World Bank and hope that ANZ will see the bigger picture and the economic logic of opening up their labour markets which just cannot be disputed.” Mr. Sisilo said.

The Ministers, following their discussions, directed officials to intensify their engagement, particularly on labour mobility and development assistance, when they meet next week in Adelaide, Australia.

PACER-Plus is a process launched by Forum Leaders in 2008 and now being developed to discuss, more broadly, regional economic integration of FICs with ANZ. Increased labour mobility and development assistance are the two main demands of the FICs in PACER-Plus.

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**ENHANCED INTEGRATED FRAMEWORK IS VITAL, SAYS FORAU**

Minister for Foreign Affairs and External Trade, Hon. Clay Forau says the Enhanced Integrated Framework – a multi-donor program to support Least Developed Countries through addressing supply side constraints – is an important mechanism to boost economic growth for Solomon Islands.

Minister Forau made the statement during a meeting with the Executive Director of the International Trade Centre, Ms. Arancha Gonzalez, in Geneva, Switzerland in March. In response, the International Trade Centre Executive Director reaffirmed the willingness of ITC to help Solomon Islands better leverage the existing tourism project which will help boost this key sector in the country’s economy.

He said the ITC can assist in building the capacities of small women and youth, and other areas like the handicraft and fisheries sectors, food processing and medium-sized enterprises in the Solomon Islands to enable them to be competitive regionally.
Sisilo tells ANZ: Pour more money into trade and investment

“In its current bilateral form, development assistance from Australia and New Zealand (ANZ) allows only little that directly benefits the development of the private sector in Forum Island Countries (FICs) in general and trade and investment in particular. This will not have significant effects on the development of trade in goods by FICs.”

This is a point Trade Negotiations Envoy Mr. Robert Sisilo stressed after Australia presented it’s Development Assistance Programme for the region at the closing stages of the PACER-Plus meeting held in Adelaide, South Australia recently. Such assistance, according to Mr. Sisilo, should specifically target trade and investment development in several forms.

“One such form is for a fund to assist FIC development banks facilitate investments by local Small Medium Enterprises (SMEs) to invest in bankable projects. This fund can only be managed by an independent Project Management Unit that is external to existing banking institutions.” Mr. Sisilo, mindful of the region’s long history of such funds being unsustainable as national development banks were allowed to provide both unbankable and often political loans, said.

“Nevertheless, it remains the case that there would be more sound and bankable investments if loanable funds were made available to domestic investors in the FICs on terms with a longer grace period and at lower interest rates.”

Mr. Sisilo further stated.

According to Mr. Sisilo without investment in FICs by both domestic investors and ANZ transnationals to generate exports and employment, the overall objective of the PACER-Plus Agreement will just not see the light of day.

“Without the effective use of development assistance to encourage investment, no diversification of the export base in FICs is likely to occur. And given that FICs already have duty free access to ANZ markets through SPARTECA, then PACER-Plus is unlikely to have significant effects on the development of trade in goods by FICs”. Mr. Sisilo concluded.

PACER-Plus is a process launched by Forum Leaders in 2008 and now being developed to discuss, more broadly, regional economic integration of the FICs with ANZ. The process was formally commenced by Forum Trade Ministers in October 2009. Ministers identified a number of priority subjects for negotiation – labour mobility, development assistance, rules of origin, trade facilitation, services and investment.