

# The Trade Policy for the Republic of the Marshall Islands



BY

THE MINISTRY OF RESOURCES AND DEVELOPMENT

DIVISION OF TRADE AND INVESTMENT

MAY 2012

ANNEX 2

TRADE POLICY AND IMPLEMENTATION MATRIX

Division of Trade and Investment

Ministry of Resources and Development

Republic of the Marshall Islands

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
<b>National Consultative Mechanism</b>							
<i>The Government shall establish the National Trade Facilitation Committee comprising representatives from the government, the private sector and civil society to assist the nation to formulate, negotiate and implement the Trade Policy.</i>	R&D Minister, President of Chamber of Commerce, Cabinet.	2010	PIFS, Government, development partners	1	NTFC established by Dec 2010 and funding secured.	Cabinet Paper passed, establishing NTFC, Members of NTFC appointed and/or the various sub-committees designated.	All stakeholders involved in trade policy formulation and the Government receives regular and credible advice on trade policy matters.

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(i) The NTFC shall be composed of R&D (MIMRA, MIVA, Agriculture), AG (Immigration), CoC, MOFA (Compact, Labor), Farmers Association, Handicrafts Association, MoF, EPPSO, EPA, T&C, MIMA, Ministry of Internal Affairs, NGOs (WUTIMI/MICNGOs), Legislative Counselors, MIBA, business representatives from PRC and RoC, CMI, MICS.	R&D Minister, President of Chamber of Commerce, Cabinet.	2010		1	Number of NTFC Members attending meetings	NTFC composed of representatives from all the major stakeholders as per the trade policy recommendation.	Improved coordination and consultation with all stakeholders on trade policy formulation and implementation.
(ii) The chair shall establish technical sub-committees to deal with technical trade issues relating to fisheries, tourism, agriculture, market access, trade in services and investment, trade-related issues and Aid for Trade.	Chair of NTFC	2012		1	Number of Sub-committee meetings	Relevant subcommittees established to deal with technical issues.	Robust analysis by sub-committees used to formulate country specific and evidence based and pragmatic trade policies.
(iii) The Chair of the NTFC shall report to the Cabinet and Nitiujela.	Chair of NTFC	2013		1	Number and quality of reports	Reports from NTFC to Minister, Cabinet and Nitiujela.	Cabinet and Nitiujela briefed and sensitized on key trade policy matters to enable them to make sound trade laws and policies.
(iv) At least 50% of the members of the NTFC shall be women.	Chair of NTFC, R&D Minister	2015		1	Number of women in the NTFC	Number of women participating in the NTFC.	Issues affecting women in trade fully mainstreamed in the trade policy and measures to support and promote the participation of women in trade adopted and implemented.

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(v) At least 50% of the members of the NTFC shall be from the private sector.	Chair of NTFC, R&D Minister	2015			Number of private sector members of the NTFC	Number and frequency of private sector participation in the NTFC.	Business friendly trade policies which encourages investment, private sector development and exports.
(vi) The Government shall provide adequate funding to enable the NTFC to operate effectively including the hiring of a long-term Trade Expert. Assistance shall also be sought from donors and the private sector to fund NTFC activities.	Chair of the NTFC, R&D Minister	2013	R&D, Finance, PIFs, development partners. At least \$150 000 per yr.	1	Funding for the NTFC secured.	NTFC meetings held at least four times each year. Sub-committee meetings and consultations held regularly and reports presented.	The NTFC has adequate technical and financial resources to meet regularly and formulate sound trade policies.
(viii) The NTFC shall be chaired by the President of the Chamber of Commerce and the Vice Chair will be from R&D, which will also serve as the Secretariat.	Chair of the NTFC, R&D Minister	2010		1	Chair and Vice Chair appointed.	Reports of NTFC meetings convened and chaired.	NTFC functioning properly and the Chair and Vice Chair are able to show leadership and promote the interests all the stakeholders.
<b>MACRO-ECONOMIC FRAMEWORK</b>							
<i>RMI shall mainstream trade into the national development plan and provide the necessary support to enhance the capacity of the private sector to produce quality goods and services that can be exported competitively to promote sustainable, export-led economic growth, development and employment.</i>	Director for EPPSO, CoC, R&D	2015		1	Trade mainstreamed into the NDP	Trade policies fully reflected in the National Development plan and sectoral plans and policies.	Trade used as a tool to promote inclusive, sustainable economic growth and development.

The National Development Plan							
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(i) RMI shall assess the results of the SDPF and use the lessons learnt to develop a new National Development Plan which will take into account Vision 2018, the existing reports, plans, policies and introduce performance based budget and realistic and measurable indicators.	EPPSO	2012	Compact, Development Partners	1	NDP in place by 2014 and trade fully mainstreamed into the NDP.	Trade is fully mainstreamed in the NDP and sectoral plans and policies.	Trade fully mainstreamed into the NDP and sectoral plans and policies and technical and financial support coordinated properly to address trade priorities.
(ii) The Ministry of Finance/Cabinet shall allocate adequate resources that are required to implement the Trade Policy.	R&D Minister, Finance, Cabinet, Nitijela	2013	Government, Development Partners	1	\$ allocated to trade related-activities	Implementation budget discussed and agreed	Adequate resources secured to implement the trade policy.
(iii) R&D shall assess and refresh the R&D Strategy to ensure that trade is fully mainstreamed into the strategy.	NTFC, R&D, EPPSO	2013	Compact, Development partners	1	R&D Strategy finalized in 2014	Trade fully mainstreamed into the R&D Strategy and the activities in the strategy are fully funded and implemented in a manner which support and promote trade.	Trade fully mainstreamed into the R&D Strategy and all relevant sectoral policies and plans (agriculture, fisheries, tourism, transportation, etc.) Support and promote trade and private sector development.
(iv) The Division responsible for Trade and Investment shall be strengthened and staffed by at least three local and qualified trade experts. There is a need to sensitize the Cabinet on the importance of trade and the need to provide the necessary support for trade and private sector development. RMI shall seek funding from Development Partners to fund one international trade expert for 3-5 years to work with the local counterparts and build institutional capacity on trade and assist in implementing the	R&D Minister, Finance,	2012	Government, PIFS, Development Partners.	1	Number of qualified persons staffing the trade and investment division	Funding secured to hire qualified local staff and to hire an independent international trade expert to train, sensitize and build individual and institutional capacity on trade matters.	Institutional capacity to handle trade matters improves.

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Trade Policy. Capacity Building shall involve training and attachment to regional and international trade organizations.							
<b>Economic Growth</b>							
<i>RMI shall take measures to facilitate private sector development and increase the exports of goods and services with a view to enhance sustainable economic growth, employment and development.</i>	NTFC, R&D, EPPSO, Private sector.	2015	Government, Private sector.	1	Number and impact of measures taken by Government to facilitate private sector development.	Number of changes made to trade and investment laws, amount of support provided on trade-related infrastructure, number of public firms privatised, amount of targeted incentives for business start-up provided, introduction of business-friendly tax regulations etc....	Increase in private sector activities, as well as in exports of goods and services and number of people employed in the private sector and GDP growth.
(i) EPPSO shall be given enough resources to compile base-line data and disaggregated statistics on GDP and contribution of agriculture, fisheries, and services to GDP as well as accurate statistics on balance of payments to enable RMI to use verifiable indicators to measure economic progress and the implementation of the Trade Policy.	EPPSO, R&D, MIMRA, NTFC	2015	Government, IMF, PFTAC, ADB, SPC	1	Support provided to EPPSO to produce disaggregated stats on GDP and BOP.	EPPSO establishes and maintains base-line and disaggregated statistical data on GDP and contributions from all sectors including trade in services.	RMI has reliable statistics to measure economic growth and the impact of measures taken under the trade policy to ensure that trade is used to promote sustainable economic growth and development.
(ii) EPPSO shall be given more resources to continue working with the Secretariat of the Pacific Community (SPC), PFTAC and IMF to improve its statistics.	EPPSO	2013	Government, IMF, PFTAC, ADB, SPC	1	Disaggregated statistics on GDP, BOP	EPPSO secures resources from government and donors to continue strengthening statistics.	Institutional capacity of RMI to generate credible and reliable statistics improved and measures put in place to ensure sustainability.

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(iii) RMI shall take urgent measures to curb uncontrolled government expenditure and introduce positive measures that are necessary to create an environment that is conducive for trade, investment and private sector development. However, the Government shall ensure that adequate, qualified and experienced workers are employed in the Government to enable it to function efficiently.	EPPSO, Finance, NTFC	2015	ADB, US	2	Number of people employed in Gvt and amount spent on public employment, number of measures taken to reform trade and investment laws and polities.	Reduction of funds spent on government employees, inefficient public enterprises privatised, laws reformed to promote trade and investment, access to loans improved and time-limited incentives provided	Unnecessary public expenditure curbed and growth in private sector activity and production of quality products produced for export and domestic consumption.
(iv) The role of government shall be limited to providing basic infrastructure, essential services, regulation and adopting measures that enhance and facilitate private sector development rather than venturing into direct commercial operations in competition with the private sector.	EPPSO, Finance, NTFC	2015	R&D, Compact, development partners	1	Improved infrastructure and services, #of privatised firms.	Number of Government owned enterprises privatized, and the amount of funds provided to build trade-related physical infrastructure.	Government provides efficient and reliable infrastructure and services and the private sector producing quality goods and services.
(v) The Government shall set targets on economic growth and as well as other socio-economic goals and assess its performance on achieving MDGs.	EPPSO	2015	Government, IMF, PFTAC, ADB, SPC, UNDP Development Partners.	2	Measurable economic targets and progress towards achieving MDGs	Targeted economic benchmarks established.	RMI has reliable statistics and targets to measure economic growth and the impact on other social objectives to ensure that trade is undertaken in a sustainable manner.

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(vi) RMI shall reform and/or privatise public enterprises to enhance efficiency in service delivery, promote competitiveness and lower the cost of doing business in RMI.	EPPSO, Cabinet	2015	ADB, Government, Compact, Development partners.	3	Number of reforms or privatised firms and reduction in costs of doing business.	Expanded and revitalised competitive private sector, which in turn pay taxes into government treasury.	Increased efficiency, high quality products, government revenue and growth
(vii) The Government shall adopt trade measures that will enhance private sector development and stimulate the production of goods and services that can be traded competitively in the local market and in major export markets.	NTFC, R&D, EPPSO	2018	Government	3	Number of goods and services produced by the private sector both for local and export market.	Increase in quality and quantity of products available for both local and export market.	Strong private sector capable of producing quality and competitive goods and services for local and export market enhanced economic growth and increase in employment and quality of life.
(viii) The Government shall create a good trade and investment environment to enhance private sector development, trade and employment particularly in the productive sectors of fisheries, agriculture, tourism, handicraft, manufacturing and services.	Government, Private sector	2018	Government	1	Number of people employed by the private sector.	Reduced unemployment, increased domestic consumption and boost investment, as well as increased government revenue	The business environment improved and production in key sectors such as fisheries, tourism and agriculture increased and the level of employment and the standard of living improved.
(ix) RMI shall adopt best practices on labor as recommended by the International Labor Organization to ensure that the rights of workers including the decent work program, basic conditions of employment and the freedom to organize are fully implemented.	MoFA, NTFC	2015	Government, ILO, SPC, Compact, US Federal Programs.	3	Number of ILO recommendations implemented.	Number of labor laws based on ILO recommendations.	Basic rights of workers respected and good working conditions provided.



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(x) Education and training from elementary to tertiary levels shall include entrepreneurship skills and the vocational training and other training by the College of Marshall Islands, the National Training Council (NTC) shall focus on skills that are in short supply in RMI and abroad. A comprehensive Human resources Development Policy is required to ensure that the education that is provided is relevant to RMI and the business community.	Education, NTC, NTFC, CMI	2020	Government, ILO, SPC, Compact, US Federal Programs.	1	Number of skilled local people, HRD policy, full utilization of labor market access in the US.	Number of local skilled workers, number of businesses owned by local entrepreneurs, improvement in quality of education and training, higher productivity, increased remittances.	Improvement in quality of education, local skills, and employment of local workers.
(xi) RMI shall privatise some of the SOEs that are draining public resources and only borrow money for essential infrastructural projects and public services.	Cabinet, EPPSO, Finance, NTFC	2013	Government, ADB	1	Number of privatized firms.	Reduced and streamlined government expenditure, and enlarged private sector with profit-driven and tax-paying firms.	Increased contribution of private sector to GDP, enhanced efficiency in service delivery and efficient and sustainable management of state resources.
(xii) Some of the infrastructure projects shall be funded through public-private partnerships.	Cabinet, EPPSO, Finance, NTFC	2015	Government, private sector.	1	Number of PPP.	Better and tailored infrastructure developed in a cost effective manner.	Environment conducive for trade, investment and private sector participation and development.
<b>Agriculture</b>							
<i>The Government shall promote and facilitate investment in agriculture and enhance the capacity of the private sector to produce quality products in a consistent manner to supply the local market and export a few niche products such as noni and coconut by-products.</i>	R&D, Farmers Association, MIA	2015	Development Partners, FAO, SPC, ADB,	1	Share of agric products produced locally and quantity and value of exports.	High value agricultural products produced in sustainably increased quantities.	Increased food self-sufficiency and capacity to export quality products.

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(i) The Government shall improve transportation infrastructure and services and facilitate the participation of the private sector in agriculture by creating a transparent regulatory regime and level playing field in the transportation sector.	T&C, NTFC, R&D, MIA	2015	Investors, Government	1	Improvement in air, sea transportation, including scheduled shipping to outer islands.	Improvement in transportation and participation of private sector in agriculture and increased yields for both domestic consumption and export, and higher farmers' income.	An efficient transportation system, which encourages private sector participation in agriculture to ensure that agriculture, plays a greater role in the economy-Greater contribution of agriculture to GDP.
(ii) The Ministry of Resources and Development, Tobolar and producer representatives shall establish quality standards for all post-harvest activities and copra specifications.	R&D, Tobolar, farmers, MIA	2015	Development Partners, SPC, ADB	2	Production of quality copra.	Standards for copra production agreed and established.	RMJ producing quality copra and other coconut products.
(iii) The Government shall explore possibilities of restructuring or privatizing Tobolar to ensure that it is run on a commercial basis without draining public resources. Other means of supporting the needs of the people in the outer islands shall be also be explored to improve rural livelihood and food security.	R&D, MoIA, T&C, MISC, Tobolar, NTFC, MIA	2015	Japan, US, RoC, ADB	1	Tobolar privatised/run on commercial basis. Assistance provided to outer islands to improve rural livelihood and food security.	Tobolar privatised/corporatized and run on a commercial basis and servicing the needs of outer islands well.	Efficient management of Tobolar reduced government spending on Tobolar and improved quality of service to outer islands.
(iv) The government shall assist farmers to establish farmers' associations/cooperatives to enable them to produce products in a consistent manner.	R&D, farmers, MIA	2015	FAO, SPC, Government	3	Number of farmers associations cooperatives.	Farmers Associations established and playing an active role in representing the needs of farmers in the NTFC.	Voice of farmers heard in policy making, consistent production of agricultural products.
(v) The Government shall promote investment in agriculture and explore the possibility of contract farming.	R&D, NTFC, farmers, MIA	2015	R&D	2	Value of investment in agriculture.	Measures taken by the government to promote investment in agriculture and the amount of investment, agriculture loans provided, farmers' training programs organized and organized farming.	Increased investment in agriculture to enhance the quantity and quality of agricultural production.

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(vi) The Government shall facilitate access to finance (grants/concessional loans). The amount of loans shall be increased to a reasonable level and the procedures shall be simplified.	R&D, farmers, BMI, MIDB, MIA	2014	Development partners, Government, BMI, MIDB	1	Number of agric loan applications, and value.	Farmers assisted with loans and grants (finance, seedlings, manure etc) application process and procedures and requirements for accessing loans streamlined and simplified.	Increased loans/grants available for agriculture and facilitate access to funds to promote farming as a business with the ultimate goal of increasing quality and quantity of production in a consistent manner.
(vii) R&D shall facilitate value addition and decentralization of the coconut oil extraction. The government needs to secure donor funding to run a pilot project on value addition to coconut products (including virgin coconut oil) in the outer islands.	R&D, farmers, MIA	2013	Development partners	1	Pilot project commences.	Decentralization and value funds for a pilot project secured and commencement of the project.	Increased value addition to coconut products and decentralization of production to outer islands to improve the living standards of people in outer islands.
(viii) RMI shall increase domestic food production and consumption and establish/strengthen new farmers' markets to reduce the import bill and address the health and food security concerns.	R&D, farmers, BMI, MoH, MIA	2013	Development partners, Government, FAO, SPC	1	Quantity/value of local food produced and consumed.	Increase in production and consumption of local foods, local farmers' market created for domestic, Quarantine measures strengthened, Training and research in agriculture improved and Synergies introduced on produce collection from outer islands.	Increased production and consumption of healthy locally produced foodstuff, improve in food security and substitution of imports that can be produced efficiently in RMI.
(ix) RMI shall re-plant coconut plants as well as other plants that are used as raw materials for handicraft, medicine, and other products.	R&D, farmers, MIA	2013	SPC, FAO, Government, Development partners.	1	Number of plants replanted/ hectares planted	Number of plant replanted successfully.	Consistent supply of copra and copra products, and other plants for production of value added products and handicrafts.

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(x) The Government shall strengthen measures to protect the country against the introduction and spread of injurious pests and diseases and ensure that RMI exports meet the exports requirements.	R&D, MIA	2013	SPC, FAO, PIFS, Government, Development partners.	1	Biosecurity laws reviewed, institutional capacity strengthened, pest list updated, RMI products complying with export requirements.	Injurious pests and diseases eradicated through strengthened measures, RMI's exports of agro products boosted.	RMI agriculture kept safe from injurious pests and diseases, sustained agricultural production assured and increase in products available for local and export markets.
(xi) RMI shall take measures to support the farmers to increase exports of niche and value-added coconut products including noni products and handicraft.	R&D, farmers, MIA	2015	FAO, UNDP, SPC	2	Quantity/value of agrc exports.	Technical skills provided to farmers, quality input material provided, post-harvest storage facilities provided and transportation facilities improved.	Increased production of high value coconut, noni and handicraft products.
(x) Technical and financial assistance shall be provided to improve technical analysis, testing and certification (including organic certification) of local products to ensure that they meet domestic and international standards.	R&D, farmers, MIA	2015	SPC, FAO, Development partners	2	Number of local products organically certified and meeting export standards.	Funds secured to assist RMI to meet export requirements including organic certification.	RMI produces products that meet international standards and develops trade in organic products.
(xi) RMI shall promote consumption of local farm produce in local schools, hospitals, prisons, cargo and passenger vessels and other state public functions serving foods.	R&D, farmers, public institutions, MIA	2013	Government	1	Quantity/value of agrc products consumed by public institutions.	Measures taken by the government to promote production and consumption of local foods.	Increase in the number of people consuming healthy local products.

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(xii) Regulatory measures shall be streamlined to promote conservation, development of the natural resources and exports of local products from safe and feasible projects.	R&D, farmers, MIA	2015	Development partners, Government.	1	Number of conservation measures adopted/enforced.	Regulatory measures put into place	Agriculture conducted in a sustainable and environmentally friendly manner.
<b>Fisheries</b>							
<i>The Government shall promote and facilitate sustainable fishing, local participation, foreign investment in integrated catching, onshore-processing and value addition.</i>	MIMRA, PNA, FFA, WCPFC, MIA	2010	MIMRA, PNA, FFA, EU, SFP, SPC.	1	Fisheries conservation targets achieved and RMI getting maximum returns from trade in its fisheries resources. # of local private sector participating in the fisheries business.	Fisheries conservation measures implemented and local investors venturing in fisheries provided with financial and technical assistance, and other incentives.	Conservation and management measures strengthened and implemented and RMI getting maximum returns from investment through onshore processing, value addition and participation of local investors in the fisheries industry.
(i) RMI shall take positive measures in line with the PNA initiative to maximize the value of its tuna resources, including through obtaining eco-labeling certification and encouraging domestication of the fisheries industry.	MIMRA, PNA, FFA, WCPFC, MIA	2010	MIMRA, PNA, FFA, EU, SFP, SPC.	1	MSC certification of skipjack already secured, number of domestic fishing Cos.	Number of measures taken to encourage onshore processing, value addition and attracting foreign investors and joint ventures between local and foreign investors.	RMI getting maximum returns from its fisheries exports and a significant amount of foreign exchange earned utilized to improve the living standards of local people in RMI.
(ii) RMI shall reform its laws and regulations to create an environment which is friendly to foreign investment in the fisheries sector.	R&D, NTFC, MIMRA, MoF, MIA	2013	R&D, NTFC	1	World Bank ranking, # or value of investment in fisheries.	Number of laws reformed, creation of a transparent Investment board, single policy document for foreign investment adopted and procedure and steps to be followed by foreign investors clearly outlined.	RMI's ranking in the ease of doing business and the business climate in general improves and investment in onshore and value added fisheries industries increases, and more jobs created.

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(iii) Procedures on incentives shall be transparent and streamlined and the Ministry of Finance shall issue an exemption permit to qualifying investors.	MoF, MIA	2013	MoF	1	Clear and transparent policy on incentives.	Policy document enacted and given adequate publicity and process of issuing tax waivers to qualified investors clarified and made public.	Better management of government resources, room for discretion and corruption on granting incentives reduced and transparency in granting of incentives and investment improved.
(iv) RMI shall work with outer islands and set aside land for fisheries development in outer islands and develop the necessary infrastructure.	R&D, MoIA, T&C, MIA	2015	Government, Development partners.	2	At least 3 outer islands identified and infrastructure developed.	Relevant infrastructure, including roads, ports and electricity in place.	Infrastructure including transportation network established in identified outer islands and onshore and value added fisheries industries established, people in the outer islands benefit from employment created and other services.
(v) RMI shall focus more on value addition to its fisheries products rather than relying on access fees. Positive measures shall be put in place to support participation of the local private sector in the fishing industry.	MIMRA, PNA, BMI, MIDB, MIA	2015	Government, Investors.	1	Number of companies engaged in value addition, number of local business in the fisheries industry.	Necessary infrastructure in place for private sector involvement in the fisheries industry, targeted incentives (elimination of duties on input material and tax relief measures) for investors in the fisheries industry.	Greater economic benefits from onshore processing and value addition in the fisheries industry.
(vi) The government shall consider introducing targeted incentives for investors in the fisheries industry. These may include removing duties on raw materials required for fish processing.	MoF, MIMRA, R&D, MIA	2013	Government	1	Targeted and time bound incentives for the fisheries industry.	Increased number of local and foreign investors in the fisheries industry.	Increase in investment in the fisheries sector.
(vii) The Government shall negotiate better access into the US market, in particular, access for vacuum packed pre-cooked tuna loins and access to the institutional markets including the US military.	R&D, MIMRA, MoFA, NTFC, MIA	2013	MIMRA, PIFS, Compact, FFA, PNA	1	Better market access into the US market (100% duty and quota free access plus improved rules of origin).	PPF (and possibly other firms) exporting vacuum packed pre-cooked tuna loins duty free to US and have access to the US institutional markets and increased export of fisheries product to the wider US market.	Increase in exports of fisheries products to the US market and more jobs and foreign exchange earnings for RMI.

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(vii) RMI shall establish the Competent Authority and consider signing the comprehensive EPA to have preferential access into the EU fisheries market.	R&D, MIMRA, NTC, MIA	2015	EU, PIFS, FFA, EDF 10.	1	Competent Authority established and RMI sign the CEPA.	RMI sign the CEPA and has an EU certified Competent Authority.	More investment, onshore processing and value addition of fisheries products targeting the EU market and more jobs and forex for RMI.
(ix) There shall be targeted training on fisheries and other skills relating to the fisheries industry. Development partners shall provide financial assistance/scholarship for training on basic as well as advanced skills on fisheries.	MIMRA, NTC, COMI, MIA	2012	Government, US, FFA, development partner.	1	Number of local people trained on fisheries.	Funding for training secured and training commences locally and abroad.	RMI has trained and qualified workers in the fisheries industry; efficiency in fisheries production improves and better management of fisheries resources.
(x) RMI flagged vessels shall be exempted from paying entry fees each time they enter the port and they shall not be required to use pilotage. They shall also be allowed to handle their own fish at port and not use expensive stevedoring services.	T&C, Port Authority, R&D, MIA	2013	Government	1	RMI flagged vessels exempted from entry fees and allowed to handle their own fish and exempted from pilotage requirements.	Amendment of laws exempting RMI flagged vessels from paying entry fees, pilotage requirements and allowing them to handle their own fish.	Reduction in cost of production for fisheries operators.
(xi) RMI shall improve the statistics on fisheries including fisheries exports as well as statistics on the value and quantity of fish caught in RMI's EEZ.	MIMRA, EPPSO, MIA	2013	IMF, PFTAC, FFA, PNA, MIMRA	1	Accurate stats on fisheries including fish exports.	Complete, accurate, accessible and updated statistical data on the fisheries sector maintained by EPPSO and MIMRA.	RMI able to assess the contribution of fisheries sector to the economy easily assessed and improved monitoring and control of fisheries resources.
(xii) R&D shall work together with outer islands in promoting foreign investment in integrated catching and processing and facilitate exports of value added fisheries products.	R&D, outer islands, MIA	2015	R&D, Investors.	1	Number of investors involved in value addition.	Increased volume of value-added fisheries product produced and exported.	Development of the outer islands, expansion of the national fisheries industry, impacting positively on economic development.

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(xiii) Technical and financial assistance shall be provided for the development of aquaculture (e.g. black pearls, giant clams, sea cucumbers, trochus, salt processing, ornamental reef industry, sea weed processing, fish caging, hatchery).	MIMRA, CMI, MIA	2015	FFA, SPC	2	Number and value of aquaculture products produced and exported or sold locally.	Increased income from the export and local sale of value-added aquaculture products.	Increase in contribution of aquaculture to the economy.
<b>Tourism</b>							
<i>RMI shall provide adequate resources to tourism and improve all the infrastructure services that are required to increase exports of tourism services.</i>	R&D, MIVA, NTFC, MIA	2013	Government, Development partners, SPTO, PIFS	1	Increase in number of visitors to 18 000 by 2018. Exports of tourism services contributes x% to GDP.	Quality local services and infrastructure, education, health, enhanced relevant skills, improved environmental hygiene and sanitation, complete, accurate and updated data on the number of tourists maintained by EPPSO and MIVA, and tourism trade's annual revenue target set	Increase in number of tourists, jobs and income generated from tourism.
(i) RMI shall identify products with the strongest tourism and export appeal through niche market research and seek technical and financial assistance to support their growth.	MIVA, NTFC, R&D, private sector, SPTO, MIA	2013	Government, Development Partners	1	Number of tourism products developed.	Funding secured to develop tourism products.	Diversification of activities available to tourism (particularly key niche products) and increase in number of tourists, employment and tourism revenue.
(ii) RMI needs to fully utilize the grants that are provided by JICA to develop tourism. However, the Government shall show commitment to tourism before it goes out to seek donor funding.	R&D, MIVA, MoF, MoFA, Cabinet, MIA	2013	Government, JICA, Development partners.	1	Government funding and support for tourism increases and complemented by donor funding.	Budgetary allocation for tourism development in place, clear tourism development program in place and donor funds utilized efficiently.	Thriving tourism sector created with improved infrastructure, employment and revenue generated in tourism sector increases and production and sale of other tourism-related products (such as handicraft) boosted.



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(ii) RMI shall liberalize the tourism industry but reserve the small business operations for Marshallese citizens.	MIVA, NTFC, R&D, MIA	2013	PIFS	1	Tourism industry liberalized under trade agreements.	Tourism services liberalized under trade agreements and a limited reserve list finalized.	Promote investment and transparency in tourism by undertaking binding commitments under FTAs.
(iv) The Government shall immediately privatize AMI and pursue options to allow the entry of private investors into the domestic sea passenger business to outer islands.	Cabinet, T&C, NTFC, MIA	2013	ADB, US, development partners.	1	AMI operated by private sector or PPP.	AMI privatization law/Act enacted, Privatization process begun.	Efficient management of AMI, Better quality services rendered to travelers, Reduction in unproductive government spending, Reliable and sustainable transport facility to support tourism.
(v) The Government shall push for improvements to outer island runways, especially in key atolls with greatest tourism potential.	T&C, Port Authority, MIA	2015	Compact, ADB, development partners.	3	Runways in at least 2 outer islands developed/improved.	Funding/assistance secured from US, ADB and development partners to develop runways in identified outer islands.	Air transport to outer islands improves which results in an increase in tourist arrivals, jobs and economic development.
(vi) The Government shall engage with Continental Airlines on options for better pricing, scheduling, and service options. RMI shall fully utilize its landing rights in Honolulu and Fiji to facilitate better air transport services and restore and sustain airline services to the south, connecting the RMI with Australia and Fiji. The Government shall strongly support continuation and increase of JAL charter business and work on the airline information package.	T&C, R&D, MoFA, MIVA, NTFC, MIA	2013	Government, Development partners	1	Improved air-line connections to the US, Fiji, Japan and Australia.	Favorable and attractive options secured with Continental Airline and number of flights to RMI increased.	Better flight connection and increase in tourist arrivals into RMI, job creation and generation of foreign currency and spill-off benefits to agriculture and other sectors of the economy.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(vii) The Government shall take urgent measures to utilize the initiative by Continental Airlines to introduce 3 flights from Japan.	TC&I, R&D, MIVA, MIA	2013	Government, MIVA	1	Increase in number of visitors from Japan	Increase number of flights and visitors from Japan and revenue generated from tourism.	Increase in tourism from Japan and creation of jobs and increase in tourism revenue.
(viii) The Government shall take measures to improve access to finance for the tourism industry.	R&D, MIVA, MoF, MIDB, BMI, MIA	2011	MIDB, BMI, Government, Development Partners.	1	Increase in access to cheap finance for the tourism industry.	Loans granted to local investors to set up or improve tourism related businesses and number of tourism business operators expanded, while incentives allotted for best performing tourism businesses.	Establishment of a sustainable and viable tourism industry and more RMI nationals involved in the tourism industry; additionally employment created for locals.
(ix) All tourism stakeholders shall engage the Government to improve overall business and economic policies to encourage growth of private sector and start ups.	MIVA, EPPSO, NTEC, MIA	2015	Government, Development partners.	3	Improved business environment for the tourism industry.	Improved tourism related infrastructure, including good transportation system, port facilities; sewer; communication system and upgrade hotel standards; transparent, simple and impartial investment regulations; less cumbersome taxation of the sector; adequate seed grants to local investors and targeted incentives (such as time-bound tax relief) to foreign investors and good public hygiene, sanitation and environmental protection regime.	Increased role of private sector in tourism to create a sound tourism industry with a sustainable infrastructure base, increase in contribution of tourism to jobs, revue and GDP.
(x) Policies and laws relating to immigration, labor, investment and others shall be reformed to facilitate trade and investment in tourism.	MoF, MoFA, AG, MIVA, MIA	2013	Government, Development partners.	2	Investment, labor, immigration laws reformed	Travelling to RMI by tourists encouraged and facilitated, increased investment in tourism industry, hiring of expatriate workers eased and number of tourists to RMI increases.	RMI laws on investment, labor and immigration significantly improved to promote investment in tourism and facilitate increase in tourist arrivals and generate much needed employment and revenue.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(xi) The Government shall seek technical assistance to reformulate the National Investment Policy Statement.	NTEC, R&D, MIA	2013	Government, IFC, ADB	1	New NIPS.	Concise attractive and transparent investment policy and laws.	Conductive investment climate, number of foreign investors boosted and RMI improves on WB Ease of Doing Business ranking.
(xii) The Government shall identify islands and regions with best suitability for small-scale, sustainable tourism resort development. It shall establish an inventory of suitable and free-and-clear islands and areas (non disputed) for investment promotion and facilitation.	MIVA, R&D, MoIA	2013	Government.	2	Free islands suitable for tourism investments identified.	Necessary infrastructure put into place for small-scale investors to invest in outer islands and tailored investment promotion measures, including tax holidays and start-ups put into place and made accessible.	Expansion of tourism to outer-islands and increase in employment and revenue.
(xiii) The Government shall begin aggressive investment promotion campaign targeting high-end resort developments and investors.	MIVA, MoF, MIA	2013	Government	1	Increase in high-end investments.	Sufficient resources secured for targeted promotion of high-end and environmentally friendly tourism.	RMI becomes an attractive tourist destination, attracting high-end tourists. Increased chances of having some areas classified by UNESCO as World Heritage Sites.
(xiv) Government shall re-consider tax holiday for hotel and related investors.	NTEC, MoF, MIA	2013	Government	1	Tax holiday for hotel investments.	Increased number of investors in hotel investments and better standard hotel facilities for tourists.	more investment in the tourism industry and more jobs and revenue generated.
(xv) The Government shall improve the basic infrastructure and services: airports, sea ports, roads, telecommunications, water, power and sewer.	T&C, NTEC, MIA	2015	Government, Compact, development partners.	1	Improved infrastructure services	Improved tourism infrastructure.	RMI has best infrastructure for tourism which helps to increase the number of tourists and the jobs and revenue generated.
(xvi) MIVA shall work with the Registrar of Corporations, review and comment on foreign investment business license applications that propose tourism-related investments to ensure that proposed investments meet the minimum standards.	MIVA, Registrar of Corporations, MIA	2013	Government	1	Cooperation between MIVA and Registrar of Corporations strengthened.	Investments of better standard.	Improved coordination of tourism investments to ensure that the minimum standards set are respected.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(xvii) MIVA, immigration, labor and EPPSO shall work together to improve tourism statistics.	MIVA, Immigration, Labor, EPPSO, MIA, SPTO	2013	Government, IMF, PFTAC, SPC, SPTO	1	Improved tourism stats	Complete, accurate and updated statistics maintained by EPPSO and MIVA.	Easy to assess the potentials of the tourism sector and each component of the sector and availability of disaggregated data to enable the governments assess the contribution of tourism to the economy. Government has accurate stats on tourism and reliable feedback from tourists to enable the industry to improve the services.
(xviii) The Airport Authority shall allow MIVA to conduct exits surveys at the airport.	MIVA, Port Authority, T&C, MIA	2013	Government	1	Exit surveys allowed at the airport.	MIVA keeps track record of the number and type of visitors entering and exiting.	Government has accurate stats on tourism and reliable feedback from tourists to enable the industry to improve the services.
(xix) Import procedures shall be streamlined to avoid a situation where one has to go through many offices to import goods (single window).	MoF, R&D, MoH, MIA	2015	Government, OCO, Development partners.	3	Improved trade facilitation and reduction in costs and delays at the border.	Law/regulation creating a 'single window' for customs clearance put into place and widely publicized and length of time required for customs clearance shortened.	Doing business made easy for foreigners and import/export operators; attractive climate for foreign visitors and WB Ease of Doing Business ranking improved.
(xx) The Government shall provide adequate marketing funds to MIVA in a consistent manner. This shall be seen as an investment and not a loss to the Government.	R&D, MoF, Cabinet, MIA	2013	Government, development partners.	1	At least \$500 000 allocated to MIVA for tourism marketing annually.	Increased number of Marshallese trained in tourism marketing and tourism industry as a whole; MIVA staffed by skilled persons capable of marketing RMI's tourism potentials; MIVA marketing RMI on the internet, foreign TV and radio and RMI marketed at prominent trade shows in Europe, Asia and USA.	There is consistent and efficient marketing to increase the number of visitors to RMI and generate employment and revenue.
(xxi) More effort shall be put on product development, because if you cannot dive or fish there is very little to do.	MIVA, tourism industry, MIA	2015	tourism industry, government	2	Product diversification.	Availability of diverse products for tourists; increased number of tourists.	More activities for tourists and more money spent in RMI by tourists.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(xxii) Enforce environment laws (waste management) to ensure that the public places are well maintained.	EPA, MIVA, MIA	2013	Government	1	Number of environmental laws adopted/enforced.	Good waste management with clean and attractive environment with no littering, clean, upgraded and beautified public facilities (airports, roads, other public places).	Clean and healthy environment conducive for attracting tourists.
(xxiii) RMI shall adopt international hotel standards.	MIVA, hotel industry, MIA	2015	Government, development partners, tourism industry.	3	International hotel standards.	Good quality rooms and standardized services offered to visitors, well trained staff employed in hotel establishments and good quality and diversified cuisine.	RMI tourism services meet international standards.
(xxiv) Technical and financial assistance shall be provided to promote existing strengths in tourism resources and link it to various local agricultural and fisheries products.	R&D, Industry, MIA	2015	Government, development partners.	3	Linkages between tourism and other sectors developed.	Cross-benefits from a viable tourism sector in agriculture and fisheries sectors.	Interdependence of key sectors of the economy and harmonious and sustained development and growth.
(xxv) RMI shall promote high end, low impact tourism and put adequate regulatory measures in place to protect the environment and encourage sustainable tourism.	MIVA, EPA, MIA	2015	Government	1	Number of EIA conducted.	Quality and environmentally friendly tourism products on offer.	Environmentally sustainable tourism and development
<b>Merchandise Trade</b>							
<i>RMI shall provide the necessary infrastructure and resources to address production and supply-side constraints to enhance the capacity of the private sector to produce quality goods in a consistent manner both for the local and export market.</i>	R&D, NTFC, private sector.	2015	Government, development partners, private sector.	1	Increase in private sector production capacity both for the local and export market.	Assistance secured to build infrastructure and improve production capacity and the capacity of the private sector to produce goods enhanced.	Trade-related infrastructure put in place and the supply-side constraints addressed thereby enhancing the capacity of the private sector to produce goods competitively.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(i) RMI shall build its capacity to produce food products and other products in order to reduce the import bill and promote exports, where feasible.	R&D, NTFC, Farmers	2015	Farmers, Government, Development partners.	1	Quantity/value of food imports vis-a-vis local production.	Availability of locally produced food on the domestic market and for export.	RMI's capacity to produce food products and other exports increases and improves thereby enhancing the capacity to supply local and healthy foods while earning income from niche exports.
(ii) RMI shall work with SPC and other regional organizations to improve the sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) laws to protect RMI against unsafe imports and ensure that RMI's exports meet the export requirements.	R&D, MIMRA, NTFC	2011	PIFS, SPC, Development Partners, FAO	1	RMI adopts/implements SPS and TBT laws and RMI improves its measures to protect consumers from unsafe products and enhance the capacity to comply with export requirements.	All laws relating to food imports and exports reviewed and strengthened or enacted and RMI Competent Authority for exporting fisheries products to the EU established and certified.	RMI's capacity to deal with food safety and comply with SPS and TBT requirements enhanced to enable consumers to have safe food products as well as assisting exporters to comply with export requirements.
(iii) The government shall identify domestic measures and policies to boost production capacity, protect sensitive sectors, enhance transparency on subsidies and ensure that the subsidies are targeted, time bound and do not distort resource allocation and hinder participation of the private sector in the economy.	R&D, MoF, T&C, NTFC	2015	ADB, Government, Development partners.	1	Increase in local production capacity, list of sensitive products identified, disciplines on subsidies developed to ensure that they are targeted and time-bound.	Volume of local production capacity, credible list of sensitive products, transparent and effective disciplines on subsidies.	RMI's capacity to produce products in key sectors enhanced, a credible list of sensitive products identified and agreed, subsidies used in an effective and transparent manner.
(iv) RMI shall reform its customs laws to simplify, harmonize and streamline import and export procedures to facilitate the movement of goods.	MoF, NTFC, R&D	2015	Government, OCO, Development partners, PIF'S, EDF 10.	1	Reduction in clearing costs and time taken to clear goods based on World Bank Report.	Adoption of comprehensive Customs Act based on WCO standards, including implementation of the 2012 HS, creation of a single window for customs clearance, simplified and clarified port handling, including stevedoring regulations and operations, and publication of customs laws.	Reduction of red tape and costs of importing and exporting goods which should curb corruption and smuggling of goods and improve revenue collection and the overall business environment.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(v) RMI needs to develop a comprehensive export strategy and adopt measures that will facilitate exports. The private sector shall be supported to focus on adding value to fisheries products, coconut products, noni and handicraft.	NTFC, R&D, Handicraft Association	2015	PIFS, UNDP, Development partners.	1	Export Strategy.	Products with export potentials and those that can be produced locally and with potential to be substituted for imports identified; assistance provided for technical agricultural research and development for key products with export potential. Legislations and mechanisms put in place to impose protective/contingency measures (safeguards, anti-dumping measures and SCM).	Employment created and economic development achieved
(vi) RMI shall take measures to assist the private sector to fully utilize the existing market access and to diversify into other markets.	NTFC, R&D, private sector	2015	Government, Development partners.	1	Increase in preference utilization and number/value of exports.	Measures taken by the government to increase exports, including adoption of an export strategy to increase preference utilization.	Increase in overall exports and diversification of products and markets.
(vii) RMI shall establish a vibrant trade website that will provide relevant information to traders and investors.	R&D, NTFC	2013	Government, Development partners.	2	Effective trade and investment website.	Information on RMI's trade and investment laws published on the website.	Access to trade and investment information improved.
(viii) The Government shall prioritize human resources development and develop skills that are needed to enhance trade in agriculture, fisheries, tourism, manufacturing and handicraft.	NTC, COMI, MoE	2015	US, Compact, Government	1	Improvement in skill-capacity for agric, fisheries, tourism etc	Funds secured to develop human resources/ skills required in various sectors, work on improving or strengthening vocational skills commences.	RMI has adequate human resources/skills required to contribute to trade and economic development.
(ix) RMI shall adopt the legislation to implement the latest Harmonized System, modern customs automation system and a customs valuation system that is fully compatible with the World Customs Organization (WCO) rules to enable RMI to gather the latest trade data (disaggregated by tariff line and trading partner, quantity, and import duty) for the recent three years.	MoF, R&D,	2014	MoF, PIFS, OCO	1	Full 2007 HS and disaggregated trade data	Trade data for 2008 to 2010 gathered from hard copies and converted to excel format and current mode of entry of customs declaration phased out and replaced by electronic system using modern software, HS 2007/2012 implemented.	RMI adopts the latest HS system and adopts modern and reliable software that is used to gather credible trade statistics.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(x) RMI shall amend the customs legislation to require exporters to complete export declarations for statistical purposes.	MoF	2014	Government	2	Export declaration.	Customs regulations amended to include requirement for export declaration.	RMI has accurate and reliable export statistics.
(xi) In the interim, RMI shall introduce a regulation requiring importers to submit their trade data in electronic format, pending the introduction of an automated system.	MoF	2012	Government		Import data in electronic format	Improved handling of files and accuracy in the capturing and storage of import data.	Reliable disaggregated import database and better revenue collection statistics
(xii) The Government shall promote re-planting and conservation of resources that are used for producing handicraft and provide all the necessary support to market handicraft products.	R&D, handicraft	2015	UNDP, Government, FAO	1	Number of acres/plants planted and value of handicrafts produced and exported.	Number of plants planted, and increase in number of handicraft products.	Sustainable exports of handicrafts.
<b>RMI's Investment Regime</b>							
<i>RMI shall reform its investment laws to create a good investment climate and reduce the cost of doing business.</i>	R&D, MoF, NTFC	2013	IFC, ADB, Compact	1	Investment laws reformed, transparent and investment friendly laws and low cost of doing business as measured by the World Bank Report.	NIPS reviewed and simplified, Investment laws streamlined and made accessible, laws relating to registration of land/property reviewed, access to credit facilitated, protection of foreign investors/investments improved, procedures for closing a business streamlined, simplified and less costly EIA procedures.	Transparent and investor friendly laws which lead to a reduction in the cost of doing business and increase in long-term and sustainable investments which contribute to job creation and sustainable economic growth and development.
(i) RMI shall adopt the recommendations that are contained in the World Bank Report on the Ease of Doing Business and use them to make the necessary reforms.	NTFC, R&D	2015	World Bank (IFC)	1	Improve its ranking from # 98/183 to the top 30.	RMI trade and investment laws and regulations reformed.	RMI cost of doing business decreases and its ranking in the WB Report on the ease of doing business improves and RMI is able to attract sustainable foreign investment.



Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(ii) The Government shall reform its labor and immigration laws to make them more transparent, friendlier to foreign investment.	NTFC, R&D, MoFA, AG	2014	Government, ILO	1	labor and immigration laws reformed	Labor and immigration laws reformed and made friendly to investment.	Improved labor and immigration laws which promote trade and investment but protect the interests of RMI at the same time.
(iii) RMI shall monitor what other countries including those in the Pacific are doing in terms of investment reforms and use the best practices to reform its laws.	R&D, NTFC	2014	Government, PIFS, IFC	1	Investment laws reformed.	Best practices adopted and refined.	Increase in number and quality of investments
(iv) RMI shall gather disaggregated statistics on annual foreign investment by year, origin, sector, and equity composition.	R&D, EPPSO	2013	Government, IMF, PFTAC	2	Complete stats on foreign investment.	Concise and updated statistical data on foreign investment maintained by EPPSO.	Accurate and reliable data on foreign investment used to assess the contribution of foreign investment to the RMI economy.
(v) RMI shall review its reserve list to ensure that it reflects the nature of the RMI economy and only reserve those activities where Marshallese have capacity to participate in.	R&D, MoF, NTFC	2013	Government	1	New reserve list.	RMI adopts a pragmatic and credible reserve list.	RMI liberalizes its investment regime while protecting only a few identified sectors where the local investors have capacity to invest in.
(vi) RMI shall create a one stop shop for investment	MoF, R&D	2015	Government, development partners	1	RMI establishes a one stop investment Office.	All information for potential investors posted at one stop office and procedures for creating business shortened and simplified.	Red tap on the foreign investment approval process reduced, investment climate improves and value and quality of investment improves.
<b>Trade in Services</b>							
<i>RMI shall improve the basic services that are required to produce competitive goods and services and liberalize those sectors where RMI does not have local capacity.</i>	NTFC, R&D, relevant ministries.	2012	PIFS.	1	Improved infrastructure services and liberal trade in services regime.	Key infrastructure services such as transportation, telecommunication, energy, water, ports and distribution facilities improved and/or liberalized.	Basic infrastructural services improved and RMI undertakes substantial liberalization of trade in services to reduce the costs of doing business and improve competitiveness.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(i) RMI shall review its trade-related laws and ensure that there are adequate regulations before trade in services is liberalized.	NTFC	2013	PIFS, Development Partners.	1	Adequate regulations introduced before liberalization.	Adequate domestic laws on trade in services including transportation, and port services, as well as telecommunications (particularly mobile), tourism, business, financial and environmental services; business services, including professional services enacted and a credible foreign qualification verification system instituted.	Adequate laws and regulations introduced to regulate trade in services before the key sectors are fully liberalized to enable RMI to minimize the negative impacts of services liberalization and maximize the benefits from services liberalization.
(ii) RMI shall consider liberalizing trade in services and making commitments on tourism, transportation including domestic air transportation, services provided by port authorities, telecommunication especially the mobile and internet sector, business services and environmental services.	NTFC, MIVA, T&C, NTA, EPA	2013	PIFS	1	Commitments made in trade agreements on tourism, transportation, telecommunication, business and environmental services.	RMI has undertaken commitments in trade agreements including PICTA TIS.	RMI liberalizes trade in services and undertakes commitments under trade agreements.
(iii) The Government shall secure and allocate sufficient resources on education and vocational training to produce the relevant skills that are needed to develop the economy and to fully utilize the labor market access that RMI has with the US as well as other markets.	MoE, R&D, MoFA, NTC, COMI	2015	Compact, ADB, development partners.	1	Number of skilled people employed locally and abroad.	Funding secured to strengthen education/vocational institutions and produce skills that are required locally and abroad.	Improvement in the number and quality of local skills available in RMI, contribution to economic development and full utilization of labor markets abroad and increase in remittances to RMI.
(iv) RMI shall consider giving three year work permits to managers, specialists as well as other skilled workers rather than requiring them to renew the permit on annual basis. The permits and alien registration cards for non-resident workers need to be streamlined and be renewed after three years rather than being renewed annually.	Immigration, Labor, R&D, NTFC	2013	Government	1	Duration of work permits extended to 3 years for skilled people and permits and alien registration cards renewed every 3 years.	Labor and immigration laws reviewed and amended to provide permits for skilled workers to be extended to 3 years and permits and registration cards to be renewed every 3 years.	RMI's labor and immigration laws reformed and aligned to international best practices to allow free movement of labor, services and investment.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(v) The Government shall review the reserve list and identify the activities that shall be reserved for the local citizens especially boat chartering, tour guides, charter boats, bed and breakfast and close loopholes on land transportation as well as wholesale and retail.	R&D, MIVA, NTEC, MoF	2013	Government, PIFS	1	Revised reserve list and loopholes in the system closed.	Revised Foreign investment laws/regulations with credible and pragmatic reserve list and loopholes in the system eliminated.	Trade in services fully liberalized and a few sectors where there is local capacity protected in the reserve list.
<b>Trade-Related Issues</b>							
<i>RMI shall build capacity and undertake reforms on trade-related laws including taxation, competition policy, government procurement, intellectual property, traditional knowledge and biodiversity, trade and environment, trade and gender to create an environment which conducive for sustainable trade, investment and development.</i>	NTEC, MoF, R&D, MoIA, EPA,	2015	PIFS, WIPO, PFTAC, IMF, UNCTAD, UNDP, ADB	4	Trade-related laws introduced/amended.	RMI adopts/strengthens trade-related laws on competition, government procurement, intellectual property and TK bio-diversity, Corporate Governance.	RMI will have business friendly trade-related laws which promote trade, investment and competitiveness.
(i) RMI shall reform its tax system and adopt consumption tax and other recommendations that have been proposed by the tax reform task force to enable RMI to participate in trade negotiations without losing revenue.	NTEC, R&D, MoF	2012	Compact development Partners, PFTAC, IMF,	1	Tax reform law enacted.	New tax regime in place.	Business friendly tax regime implemented to promote trade, investment, competitiveness and improve revenue collection.
(ii) RMI shall also consider identifying a list of sensitive products that shall be exempted from trade agreements.	R&D, MoF, NTEC, CoC	2012	Government, Private sector	1	List of sensitive products.	A list of sensitive products to be exempted from liberalization.	A credible and practical list of sensitive products to be exempted from trade liberalization.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(iii) The Ministry of Finance shall gather data on the number or value of tax exemptions given and set clear and transparent procedures for exemptions.	MoF	2013	Government	1	Number/value of exemptions identified and transparent procedures established.	Exemption criteria and procedure clearly outlined in a regulation/Act.	Clear and transparent rules on tax exemptions to minimize corruption and leakage of government revenue.
(iv) The Government shall review its government procurement laws and incorporate recent best practices on government procurement while protecting the interests of local citizens and disadvantaged groups.	MoF, AG, NTFC	2015	PIFS, ADB	4	Revised procurement laws.	Procurement Act incorporating international best practices.	Efficient, transparent and competitive procurement that eliminates corruption and enhances value for money.
(v) The Government shall work with the Forum Secretariat, SPC, SPREP, WIPO as well as other agencies and introduce a comprehensive regulatory and institutional framework dealing with intellectual property rights as well as bio-diversity, traditional knowledge and cultural expressions.	R&D, NTFC, MoIA	2015	PIFS, WIPO, development partners, SPREP, SPC.	3	Legal and institutional framework for IP, TK, traditional knowledge and biodiversity.	Comprehensive IPR, TK and biodiversity regulations -with institutional mechanism - enacted.	RMI implements a development friendly IPR regime which encourages innovation and trade in safe and secure IPR products while promoting and preserving policy space needed for development, access to medicines and protection of TK and bio-diversity.
(vi) RMI shall introduce a code of corporate governance and adopt best practices on public and private corporate governance	AG, NTFC, EPPSO	2015	US, development partners.	4	Corporate Governance Code which meets international standards.	Comprehensive corporate regulations enacted.	Efficiency, transparency in running of public and private companies and implementation of effective risk management techniques and corporate social responsibility standards.
(vii) The Government shall take measures to ensure that trade and investment is undertaken in a sustainable manner without damaging the environment or depleting resources.	R&D, EPA	2015	UNEP, Government	3	Number of laws to protect environment adopted and enforced.	National Environmental Protection Act reviewed and made more robust.	Trade is conducted in a sustainable manner without damaging the environment or depleting resources.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(viii) The Government shall take measures to promote and facilitate trade in environmental goods and services and restrict trade on products that harm the environment.	R&D, EPA	2015	Government, PIFS/WTO office	4	List of environmental goods and services identified and environmental goods and services liberalized.	Measures taken to promote trade in environmental goods and services and restricting trade in those products that damage the environment.	Increase in trade in environmentally friendly goods and services and a reduction in trade in products that damage the environment.
(ix) The Government shall ensure that the interests of women and other disadvantaged groups are included in trade-policy making and trade negotiations.	NTFC, R&D, WUTMI, MICNGOS	2013	Government, development partners.	1	Issues affecting women and other disadvantaged groups fully reflected in trade agreements.	Issues of interest to women reflected in the EPA and other trade agreements.	Mainstreaming gender into trade policy to ensure that women play an active role in trade and promoting the interests of other vulnerable groups in trade.
<b>Market Access and Trade Negotiations</b>							
<b>The Pacific Island Countries Trade Agreement (PICTA)</b>							
<i>RMI shall participate in PICTA in order to promote regional integration as recommended by Leaders under the Pacific Plan.</i>	R&D, NTFC	2012	PIFS, development partners.	1	RMI accedes to PICTA.	RMI accession process to PICTA trade in goods completed and RMI negotiates and signs PICTA TIS.	RMI fully participating in PICTA trade in goods and services and has access to a regional market which is good for attracting foreign investment and economic development.
(i) RMI shall accede to PICTA and the tax reform will help to address any possible concerns about revenue loss.	NTFC, MoF, R&D, MoFA	2013	PIFS	1	RMI accedes to PICTA.	RMI accedes to PICTA and a new tax regime implemented.	RMI participating in PICTA and have access to a wider regional market and RMI has access to a wider choice of consumer goods.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(ii) RMI shall table draft trade in services offer under the PICTA Trade in Services Agreement and liberalize at least three sectors, namely: Business services, tourism and transportation (air and maritime) including domestic air services before August 2010.	NTFC, R&D	2012	PIFS, Government.	1	PICTA trade in services offers submitted.	RMI PICTA TIS offers submitted and RMI participate in PICTA TIS negotiations.	Free trade in services under PICTA TIS.
(iii) The Government, in particular, R&D, Labor and Immigration Department shall work together to analyze the Report on PICTA Temporary Movement of Natural Person and submit recommendations to the NTFC.	R&D, Labor, Immigration, NTFC	2012	PIFS, Government.	3	Recommendations on PICTA TMNP submitted to NTFC.	NTFC receives recommendations on PICTA TMNP.	RMI fully analyses the proposal on PICTA TMNP and participates in the negotiations and the PICTA TMNP scheme.
(iv) RMI shall analyze the proposal to include Government Procurement under PICTA and make recommendations to the NTFC.	R&D, MoF	2012	PIFS, Government.	3	Recommendations on PICTA Government Procurement submitted to NTFC.	Recommendations on PICTA Government Procurement submitted to NTFC.	RMI fully analyses the proposal on PICTA Government procurement and participates in the negotiations and the PICTA Government procurement scheme.
(v) RMI shall utilize the marketing services that are provided by the Pacific Islands Forum Secretariat (PIFS) under the Pacific Islands Trade and Investment Commission (PITIC) Offices based in Auckland, Sydney, Beijing, and Tokyo.	R&D, NTFC	2012	PIFS	1	RMI fully utilizing the PITIC services.	Number of requests submitted by RMI to PITIC Offices.	RMI goods and services promote and marketed effectively by PITIC which result in increase in exports, tourism, investments jobs and foreign exchange to RMI.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
<b>The US</b>							
<i>RMI shall fully utilize the market access offered by the US and consult with the US on how to improve the trade preferences.</i>	R&D, MOFA, NTFC, MTC	2012	Government, US, PIFS	1	Full utilization of market access and improved trade preferences.	RMI produces goods and services that can be competitively exported to the US under the Compact and fully utilizes the Compact preferences.	Increase in trade and goods exported to the US market which leads to more jobs and foreign exchange for RMI.
(i) RMI shall consult with the US to improve its access into the US market through relaxation of rules of origin, removal of duties on canned tuna in oil, removal of quotas on tuna in airtight containers, and access to the US institutional market including the military.	NTFC, R&D, MoFA, MTC	2012	PIFS, US	1	Improved access into the US market.	RMI secures better market access into the US including 100% duty and quota free access, improved RoO.	RMI has 100% duty and quota free access and is producing goods and services that can be exported to the US competitively under the Compact trade preferences.
(ii) RMI shall work with Palau and FSM under the Micronesian Trade Committee (MTC) to address the MFN issue as well as other matters relating to compensation for lost trade and tax preferences.	NTFC, R&D, MOFA	2012	PIFS, US, development partners.	1	Commencement of consultations with the US under the MTC.	Commencement of US/FAS consultations on the MFN.	Consultation on the MFN consultations with the US successfully concluded.
(iii) The Government shall assist the fisheries industry to have free access to the US market for Vacuumed Precooked Tuna Loins. The requirement to slit the vacuum bag to meet the requirement of free-access is too costly for RMI.	R&D, NTFC, MOFA, MIMRA	2012	PIFS, US	1	Commencement of consultations with the US under the MTC.	RMI secures duty free access of vacuum packed tuna loins into the US market.	RMI vacuum packed tuna loins enter the US duty free under the Compact and RMI able to increase the exports of cooked loins to the US, create more jobs and export revenue.

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(iv) The Government shall ensure collaboration between the Department of Trade and Investment and the Compact office on trade related matters in the Compact.	R&D, MoFA	2012	Government		Mechanism for communication between Compact office and Department of Trade and Investment	Adequate communication and information exchange between Compact office and Department of Trade on trade issues in the Compact	Unified approach to trade-related issues in the Compact and better policy coordination
(v) The US shall provide technical and financial assistance to support RMI to implement the Trade Policy.	R&D, MoFA	2013	US, development partners.	1	Support to implement the Trade Policy secured.	\$Value of Technical and financial assistance from the US to implement the trade policy.	RMI secures funds from the US and successfully implements the Trade Policy.
<b>PACER Plus</b>							
(i) RMI shall conduct a cost-benefit analysis on PACER Plus and identify its offensive and defensive interests, opportunities, adjustment costs, technical and financial assistance as well as other measures that are required to address production and supply capacity to enable the private sector to produce quality goods and services which can be traded in a consistent manner. The study shall be in line with RMI's development plan and promote the objectives of RMI's Trade Policy.	NITFC, R&D	2012	ANZ, OCTA, other development partners.	1	A comprehensive PACER Plus study.	Report on comprehensive PACER Plus study submitted to NITFC and R&D.	RMI is fully prepared and participates fully in PACER Plus negotiations and secures a development friendly agreement.
(ii) The PACER Plus study shall recommend concrete measures on development cooperation under PACER Plus to ensure that there is adequate, predictable and legally binding commitments on technical and financial assistance to implement the agreement and to exploit the opportunities offered by the agreement.	NITFC, R&D	2013	ANZ, OCTA, other development partners.	1	A comprehensive chapter on development cooperation.	A comprehensive chapter on development cooperation included in the PACER Plus agreement.	RMI secures legally binding, predictable and adequate resources to implement the agreement as well as to take advantage of the opportunities offered by the agreement.



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(iii) The Agreement shall have a strong development dimension, incorporate the principal of special and differential treatment, asymmetry and take into account the unique and special circumstances of Compact States.	NTFC, R&D	2013	ANZ, OCTA, other development partners.	1	Final Agreement with a development dimension.	A development friendly agreement which includes a comprehensive development cooperation chapter, more favorable [CTH] RoO and technical assistance on SPS and TBT requirements, RMI and other Compact states given adequate S&D treatment in liberalization commitments and in the legal text.	A development friendly agreement which incorporates special and differential treatment and the unique concerns of the Compact states.
<b>Japan</b>							
(i) RMI shall work with the Japanese Government to ensure that RMI gets the maximum benefits from its tuna resources.	MIMRA, R&D, NTFC	2013	Japan	1	RMI maximizing its benefits from fisheries resources.	RMI maximizing the benefits from its fisheries resources.	RMI getting more returns from its fisheries resources.
(ii) RMI shall seek technical and financial assistance from Japan/RoC and other development partners to implement the Trade Policy.	R&D, MoFA	2012	Japan, RoC, UAE	1	Funds to implement the Trade Policy secured.	RMI secures funds and implements the trade policy.	RMI secures funds to implement the activities identified in the Trade Policy and is able to use trade and investment to promote sustainable economic growth and development.
(iii) RMI shall explore other products that can be exported to Japan including non-handicrafts and tourism services.	NTFC, R&D	2012	Japan, PIFS	1	Quantity or value of products exported to Japan.	RMI identifies the goods and services that can be exported to Japan.	Increase in exports of trade in goods and services to Japan.
(iv) RMI shall work with RoC and Japan to deepen its trade, development, investment cooperation with Asia.	R&D, MoFA, NTFC	2012	China, RoC, Japan	2	RMI shall explore a cooperation arrangement with Japan, RoC including the feasibility of direct air and ship links with RoC to promote direct trade in goods and tourism.	Feasibility study on cooperation between countries that recognize RoC and RoC on possible direct air and ship links between RoC, south pacific and the North Pacific.	Deepen development cooperation between RoC, Japan and other Asian countries and RMI especially in the area of transportation, trade in goods and services, tourism, investment and aid for trade.

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<b>Economic Partnership Agreement (EPA)</b>							
(i) RMI shall sign the comprehensive EPA to allow the fisheries industry to benefit from the liberal rules of origin on processed fish that have been offered by the EU.	NTFC, R&D, MIMRA, MoF	2013	PIFS	1	EPA signed.	RMI submit a trade in goods market access offer and signs the EPA text in 2012.	RMI signs the EPA and has access to the EU market especially for fisheries products.
(ii) MIMRA shall establish the Competent Authority to enable RMI to export fisheries products to the EU.	R&D, MIMRA	2012	PIFS, MIMRA, FFA, SFP, other development partners.	1	Competent Authority established and certified by the EU.	RMI Competent Authority which complies with the EU requirements fully functioning.	RMI is able to export fish to the EU in compliance with the SPS and IUU requirements.
(iii) RMI/MIMRA shall work with the PNA/FFA/PACPS to address the trade/fisheries issues in the EPA negotiations to ensure that RMI is objectives of maximizing its return from its resources are realized.	MIMRA, R&D	2012	PNA/FFA	1	RMI getting a fair share from its fisheries resources.	RMI secures maximum returns from its fisheries resources and ensures that all the agreements on fisheries comply with its development aspirations and objective of promoting onshore-processing and value addition.	RMI maximizes returns from fisheries and adds value its resources thereby creating employment and generating revenue.
<b>Micronesia Trade Committee (MTC)</b>							
(i) RMI shall work with FSM and Palau under the MTC to address trade issues that are common to FAS.	NTFC, R&D	2012	PIFS, US	1	MTC Permanent Secretariat established and assisting FAS to address issues of common interest.	MTC Structure established and fully functioning.	FAS able to coordinate and address issues of common interest under the MTC.
(ii) RMI shall support the establishment of the MTC Secretariat and seek funding from development partners for the operation of the Secretariat.	NTFC, R&D	2012	PIFs, US, China, EU, UAE.	1	Funding secured and the MTC Secretariat established.	Funding secured for the full operational of the MTC Secretariat.	Funding for the MTC secured and FAS cooperating closely on trade-related issues.

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(iii) The FAS shall establish a trade and investment office in the US to promote trade, investment, tourism and link the FAS producers of goods and services with the buyers in the US market. The FAS Trade and Investment office shall be responsible for gathering market intelligence, research, branding, and assisting exporters to comply with export requirements.	R&D, NTFC, MoFA	2012	US, PIFS, Development Partners	1	FAS Trade and Investment Commission in US established.	FAS Trade and Investment office established in the US and qualified staff appointed.	Increase in exports, investment and tourism as a result of promotion by the trade and investment office.
<b>World Trade Organization</b>							
(i) RMI shall work closely with the PIFS Office in Geneva to address any issues affecting RMI including fisheries subsidies, preference erosion, non-tariff barriers as well as other relevant issues.	R&D, NTFC	2012	PIFS, Government.	2	RMI's interests fully reflected at the WTO through the Forum Geneva Office.	RMI working closely with PIFS office in Geneva to ensure that its interests are addressed.	RMI's interests reflected at the WTO level.
(ii) RMI shall work with the US to ensure that the waiver on Compact is extended beyond 2016.	R&D, NTFC	2013	UNDP, US	3	Waiver extended.	Agreement extending the WTO waiver.	RMI Compact trade preferences supported by a waiver post 2016.
<b>Aid for Trade</b>							
(i) RMI shall use the Trade Policy to secure Aid for Trade from its trade and development partners to address the trade and development needs identified in the Trade Policy.	R&D, NTFC	2012	Trade and development partners.	1	Technical and financial assistance secured to implement the trade and development needs identified in the Trade Policy.	Value of technical and financial assistance secured to implement the trade policy.	RMI has adequate resources to fully implement the trade policy.

Trade Policy	Lead Agencies Responsible	Time Frame	Potential Source of Funding	Priority	Measurable Indicators	Output	Outcomes
(ii) Aid for Trade shall cover all the trade and development needs identified in the Trade Policy including those that fall under the five categories of Aid for Trade identified by the WTO Task force on Aid for Trade.	R&D, NTFC	2011	Trade and development partners.	1	categories and value channeled under various categories of AIT	Amount of AIT provided to RMI.	RMI receives Aid for Trade to address its trade and development needs.
<b>Implementation</b>							
(i) The Trade Policy shall be implemented over a long period of time and PIFS shall play a vital role in mobilizing the resources required for implementing the Trade Policy. PIFS/RMI shall organize a donor conference to present the Trade Policy and mobilize funding.	R&D, NTFC	2012	PIFS, Government.	1	Adequate resources to implement the Trade Policy secured.	Amount of AIT secured to implement the Trade Policy.	Funding secured to ensure full implementation of the Trade Policy.
(ii) The Forum Secretariat shall also assist RMI to review its Trade Policy after 3-5 years.	R&D, NTFC	2015	PIFS, Government.	3	Trade Policy Review conducted no later than 2015.	Trade Policy Review Report.	Report on the progress or challenges faced in implementing the trade policy.
(iii) Quantifiable indicators be incorporated into the Trade Policy when accurate and disaggregated statistics are available.	R&D, NTFC	2015	Government/PIFS	3	Accurate and disaggregated stats used to measure implementation of the Trade Policy by 2015.	Accessible, reliable and regularly updated database maintained kept by R&D, and shared with EPPSO	Accurate statistics used to monitor and assess the implementation of the trade policy.

