

ITC contribution to the Implementation of the SAMOA Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

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May 2016 - April 2017

**1. What specific activities or programmes, if any, has your government, organisation or agency implemented or introduced, specifically targeting the vulnerabilities of SIDS? Please cite examples of solutions seeking vulnerability reduction.**

The SIDS face economic disadvantages that give rise to vulnerabilities, including narrow resource base and dependence on a limited number of goods and services for exports, high import dependence, small domestic markets, dependence on export markets, and limited ability to achieve economies of scale. Remoteness is another defining characteristic of SIDS, especially in terms of access to world markets. Many SIDS face relatively higher transport costs, as they are often excluded from main air and sea transport routes, requiring relatively small and fragmented cargo deliveries. This in turn results in higher per-unit costs, eroding their economic competitiveness.

Trade is a fully recognised priority for building resilience and the sustainable development of SIDS. Trade, and the development dividends that it can provide, is an integral component in helping SIDS to overcome the vulnerability and resilience that they face. The International Trade Centre (ITC) provides solutions to help SIDS increasing regional integration; exploiting niche products and services; ratifying trade agreements; improving trade facilitation and most importantly in building the productive capacity of the private sector and the policy makers to take advantage of trade opportunities.

As the digital economy rapidly expands, it is providing evermore opportunities for small companies in the SIDS to take part in the global economy. ITC understands that size, remoteness and distance can be overcome with innovation and technology. ITC **E-solutions Programme** helps firms better understand e-commerce and overcome barriers to selling goods and services over the internet. In 2016-2017, ITC launched a new partnership with eBay that will boost the capabilities of small and medium-sized enterprises (SMEs) in developing countries, including in the SIDS, to participate in global digital commerce. SMEs participating in ITC's e-Solutions programme will gain access to eBay's network of fulfilment centres, opening up for more cost-effective logistics operations. The companies will be given the opportunity to benefit from eBay's cutting-edge e-commerce research, allowing them to leverage this knowledge and better position their offerings in selected target markets.

**2. To what extent has your Government mainstreamed the SAMOA Pathway and/or the SDGs into national development plans and/or programmes? Please indicate any challenges and/or opportunities.**

ITC's Strategic Plan 2015-2017 developed in close collaboration with its clients, including stakeholders from SIDS, sets out the approach and priorities in providing trade integrated solutions which correspond closely to the Samoa Pathway's specific objectives, as described below. ITC partners with other UN organizations, including the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), UN World Tourism Organization (UNWTO), just to mention a few, to support the implementation of the SAMOA Pathway.

ITC programmatic approach	SAMOA Pathway
1. Trade and market intelligence for SME competitiveness	<p><b>Data and statistics</b></p> <p>112. We reaffirm the role that data and statistics play in development planning in small island developing States and the need for the United Nations system to collect statistics from those States, irrespective of size and in the least burdensome way, by, inter alia, allowing electronic submission and, where appropriate, submissions through competent regional agencies.</p>
2. Supporting regional economic integration and South-South links	<p><b>Food security and nutrition</b></p> <p>63. (b) To promote open and efficient international and domestic markets to support economic development and optimize food security and nutrition.</p>
3. Connecting to value chains: SME competitiveness, diversification and links to export markets	<p><b>Sustained and sustainable, inclusive and equitable economic growth with decent work for all</b></p> <p>(c) Fostering entrepreneurship and innovation, building capacity and increasing the competitiveness and social entrepreneurship of micro, small and medium-sized enterprises and State-owned enterprises in small island developing States, as well as encouraging inclusive and sustainable industrial development with the participation of all people, including the poor, women, youth and persons with disabilities.</p> <p><b>Food security and nutrition</b></p> <p>63. (d) To increase rural income and jobs, with a focus on the empowerment of smallholders and small-scale food producers, especially women.</p>
4. Strengthening trade and investment support institutions	<p><b>Capacity-building</b></p> <p>109.(b) To strengthen their national institutions to complement capacity-building.</p>
5. Promoting and mainstreaming inclusive and green trade	<p><b>Gender equality and women's empowerment</b></p> <p>77. (b) To integrate a gender perspective in priority areas for sustainable development; and (c) To strengthen women's economic empowerment and ensure equal access to full and productive employment and decent work;</p>
6. Building a conducive business environment	<p><b>Trade</b></p> <p>107. (a) To encourage their successful engagement in trade and economic agreements, taking into consideration existing special and differential treatment provisions, as appropriate, and taking note of the work conducted to date under the work programme on small economies of the World Trade Organization; (b) To obtain technical assistance through trade-related assistance mechanisms and other programmes to strengthen their capacity to effectively participate in the multilateral trading system, including with respect to explaining trade rules and disciplines, negotiating and implementing trade agreements and formulating and administering coherent trade policies, with a view to improving trade competitiveness as well as development and growth prospects;</p>

	(c) To assess the implications and mitigate the impact of non-tariff barriers to their market access opportunities through, inter alia, appropriate technical assistance and the implementation of the Trade Facilitation Agreement of the World Trade Organization.
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**3. To what extent has your Organisation, integrated the Samoa Pathway and or the SDGs into co-operation frameworks, programmes and activities, to ensure effective follow-up and implementation at regional and national level?**

ITC is working on projects and activities at regional and national level that contribute to the implementation of the SAMOA Pathway, helping the SIDS to achieve sustainable and inclusive economic growth. Given their limited domestic market, the companies and SMEs in the SIDS have to focus on harnessing regional and global demand for their products and services. This is where ITC's work on helping SMEs to internationalize plays a major role in the Caribbean, African and Pacific SIDS.

In the Caribbean, ITC boosted the implementation of “**Coconut Industry Development for the Caribbean**”, a partnership with the European Union (EU) and the Caribbean Agricultural Research and Development Institute (CARDI) in **Belize, Dominica, Dominican Republic, Guyana, Jamaica, St. Lucia, St Vincent and the Grenadines, Suriname and Trinidad and Tobago**. In 2016, regional events were organized in Guyana to increase collaboration among the 9 countries, discuss market opportunities and agree on priorities for products and market combinations. The project will contribute to improving income and employment opportunities, food security, disaster management, and competitiveness of Caribbean producers.

Additionally, since 2016 ITC is providing technical advice to the Barbados Investment and Development Corporation (BIDC), in collaboration with the Caribbean Development Bank, to facilitate the development and promotion of selected products for export. Considering the high potential of the condiments subsector for increasing exports from **Barbados** in the Caribbean region, ITC is assisting BIDC to develop the capacities to establish and operate a shared-use processing facility as well to develop a strategy to enhance the food safety and quality infrastructure in the sector. Under the same structure, ITC is also working with the Ministry of Agriculture of **St. Vincent** and the **Grenadines** to enhance its knowledge and capacities to revitalize the arrowroot industry.

In Africa, ITC has provided technical support to the Government of **Mauritius** to design the first **National Export Strategy** (NES) aiming to boost the export capacities of the country's private sector and step up its trade with regional and global markets. After a series of multi-stakeholder consultations held during 2016 at national level, the NES was launched in April 2017. The NES helps the Government to better understand the island's trade opportunities and challenges, and provides an opportunity to revamp the manufacturing base and drive exports in the priority sectors. These will guide Mauritius' effort to reinvigorate inclusive and sustainable growth through trade.

In **Comoros**, ITC boosted the implementation of the project aiming at improving the competitiveness of the three traditional export sectors vanilla, cloves and

ylang-ylang. In 2016-2017, ITC in close collaboration with UNDP supported the Government of Comoros to prepare and validate an action plan to develop the cloves sector at national level. ITC also provided advisory services to improve access to finance for cooperatives and producers to allow them to invest in their business and grow.

In the Pacific, ITC implemented its partnerships launched during the SIDS Conference in **Papua New Guinea, Vanuatu and Samoa**. As part of the Women and Trade programme, these partnerships aim to help deliver increased incomes and exports for women entrepreneurs by building women's capacity to capitalize on market opportunities in formal markets and increase the economic benefits in the Pacific region.

In 2016, the project connected Bilum weavers (hat, bags and homeware) in **Papua New Guinea (PNG) and Vanuatu** to international buyers and provided capacity building trainings to teach artisans how to produce high-quality articles, including production tools, colour design and specialised jewellery making. These trainings and workshops enriched artisans with the necessary skills required to export goods in the future. The project also helped to improve marketing and management skills, including traceability through the Bilum book, documentation of trainings and swing tags with weavers names.

ITC also contributes to strengthening women's economic empowerment in the SIDS with the SheTrades initiative. In 2016-2017, the initiative continued to gain momentum gathering pledges of support for women's economic empowerment from leading governments and private institutions in developing countries and connecting women entrepreneurs to potential business partners around the world. The initiative was launched in September 2015 as a call to action to connect one million women entrepreneurs to market by 2020. The SheTrades initiative is supported by a web and mobile application (<http://www.shetrades.com/>). It sets out 7 global actions which are a framework and road map for companies, governments, and civil society organisations to make specific, measurable pledges that contribute to the goal of integrating women more fully into the global economy:

1. Collect, analyse and disseminate sex disaggregated data
2. Develop and implement trade-related policies with a gender lens
3. Increase women entrepreneurs' participation in the public procurement market
4. Increase women entrepreneurs' participation in corporate procurement
5. Enable women to access markets
6. Promote access to financial services for women entrepreneurs.
7. Ensure women's ownership rights

Under its programme "Supporting Trade Negotiations", ITC in coordination with the **Pacific Islands Forum Secretariat** assisted **Tonga** in 2016 to draft a

preliminary National Trade Policy Framework based on extensive public-private sector consultations aimed at aligning Tonga's policies with enterprise supply chains. The Programme assists business associations to articulate private sector views and influence policymakers to ensure that trade negotiations, national policies and regulatory reforms reflect business perspectives. The key aim is to contribute to policy coherence and a more conducive business environment.

Furthermore, in 2016-2017 ITC contributed to assessing the implications and mitigating the impact of non-tariff barriers (NTMs) to SIDS market access opportunities by implementing its **Programme on NTMs**. ITC's NTM Surveys and trade obstacles alert mechanisms in 2016 channeled views from more than 5,700 SMEs in 13 developing countries to decision-makers. The surveys and alerts provide evidence about trade obstacles that businesses encounter on the ground; related stakeholder consultations in SIDS including in **Comoros, the Dominican Republic and the Seychelles** as well as at the regional level in West Africa, explored practical ways to remove these obstacles.

**4. Indicate the extent to which the issues and concerns of SIDS are given due consideration in conferences and processes organized or supported by your organization.**

ITC gives particular attention to the issues and concerns faced by small and medium-sized enterprises (SMEs) to play their role in boosting productivity in the SIDS and achieving the goals of quality job creation and broad based, equitable growth. In 2015, this role was the focus of ITC's inaugural flagship research report, the SME Competitiveness Outlook, which makes the case that SMEs are the missing link to inclusive growth. It is well known that transportation costs tend to be higher in SIDS; this seems also to apply to information costs. The report reveals that SIDS also perform relatively poorly in the connectivity pillar, which includes access to and use of information. There are opportunities for SIDS to compensate for their natural disadvantage in logistics by putting a stronger emphasis on e-connectivity and access to finance.

In 2016, the SME Competitiveness Outlook focused on standards and regulations<sup>1</sup>. By meeting the standard for trade, SMEs in the SIDS increase their chances to connect to international value chains and consumers in a socially and environmentally sustainable manner. The report combines data analysis, academic insights, thought leader opinions and case studies to provide guidance for policymakers, business managers and standard setters. To support SIDS' policymakers in thinking through their investment decisions, this report contains 4 SIDS profiles – **Mauritius, Barbados, Trinidad and Tobago, Jamaica** - featuring information on product lines with unexploited export potential, on

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<sup>1</sup> <http://www.intracen.org/publication/SME-Competitiveness-Outlook-Meeting-the-Standard-for-Trade/>

diversification opportunities as well as on the regulatory environment and the business perception of it.

**5. In relation to the implementation of the commitments and partnerships announced at the Samoa Conference: <http://www.sids2014.org/partnerships/>**

- (i) indicate actions undertaken to date and their outcome(s);**
- (ii) indicate what partnerships have been contemplated or have been initiated; and,**
- (iii) indicate whether additional** partnerships have been registered on the SIDS partnership Platform.

In partnership with Pacific governments, the private sector and the Australian government, the International Trade Centre (ITC) has implemented the Women Economic Empowerment in the Pacific Region Programme to increase income and employment opportunities for women, funded by DFAT Australia. Please refer to the question 3 and to the website for further information.

The partnership in the Caribbean mentioned above has been registered on the SIDS partnership Platform.