

Technical Report 87

SOLS19 (Additional Input): Development of Workplan for
Horticulture Industry Working Group



Technical Report 87

SOLS19 (Additional Input): Development of Workplan for Horticulture Industry Working Group

Client: Department of Foreign Affairs and Trade

ABN: 47 065 634 525

Prepared by

AECOM Services Pty Ltd

Level 28, 91 King William Street, Adelaide SA 5000, Australia
T +61 8 7223 5400 F +61 8 7223 5499 www.aecom.com
ABN 46 000 691 690

02-Oct-2015

Job No.: 42444251

AECOM in Australia and New Zealand is certified to the latest version of ISO9001, ISO14001, AS/NZS4801 and OHSAS18001.

© AECOM Services Pty Limited. All rights reserved.

No use of the contents, concepts, designs, drawings, specifications, plans etc. included in this report is permitted unless and until they are the subject of a written contract between AECOM Services Pty Limited (AECOM) and the addressee of this report. AECOM accepts no liability of any kind for any unauthorised use of the contents of this report and AECOM reserves the right to seek compensation for any such unauthorised use.

Document Delivery

AECOM Services Pty Limited (AECOM) provides this document in either printed format, electronic format or both. AECOM considers the printed version to be binding. The electronic format is provided for the client's convenience and AECOM requests that the client ensures the integrity of this electronic information is maintained. Storage of this electronic information should at a minimum comply with the requirements of the Electronic Transactions Act 2002.

Quality Information

Document Technical Report 87

Ref 42444251

Date 02-Oct-2015

Prepared by Sidney Suma, Short-Term Adviser

Reviewed by Dale Hamilton, Deputy Team Leader

Revision History

Revision	Revision Date	Details	Authorised	
			Name/Position	Signature
1.0	02-Oct-2015		Sarah Nicolson Project Director	<i>Sarah Nicolson</i>

Table of Contents

Executive Summary	i
1.0 Background	1
2.0 Methodology	2
3.0 Outcomes	3
3.1 Consultation with Stakeholders	3
3.2 Current Status of the Sector	3
3.3 Stakeholder Workshop	4
3.4 Review of the Draft MoU between Solomon Islands and PNG	4
3.5 Informal Meeting with PNG-NAQIA	4
3.6 Recommendations	4
Appendix A	
Revised Draft Solomon Islands / PNG Bilateral Quarantine MoU	A
Appendix B	
Summary of Discussions with NAQIA	B
Appendix C	
List of People Contacted	C

Abbreviations

Abbreviation	Description
ACIAR	Australian Centre for International Agricultural Research
ACTIV	Alternative Communities Trade in Vanuatu
AQS	Agriculture Quarantine Service (now Biosecurity Solomon Islands)
AUD	Australian dollar
BQA	Bilateral Quarantine Arrangement
BSI	Biosecurity Solomon Islands
CEMA	Commodity Export Marketing Authority
EDG	Export Development Grant
FAO	Food and Agriculture Organization of the United Nations
GoPNG	Government of Papua New Guinea
HACCP	Hazard Analysis Critical Control Points
HTFA	High Temperature Forced Air
IWG	Industry Working Group
LTA	Long-Term Adviser
MAL	Ministry of Agriculture and Livestock
MAWG	Market Access Working Group
MoU	Memorandum of Understanding
MSG	Melanesian Spearhead Group
NAQIA	National Agriculture Quarantine and Inspection Authority (PNG)
NCD	National Capital District (PNG)
NEC	National Executive Council
PGS	Participatory Guarantee Scheme
PHAMA	Pacific Horticultural and Agricultural Market Access Program
PNG	Papua New Guinea
POETCom	Pacific Organic and Ethical Trade Community
PT&I	Pacific Islands Trade and Invest
RDP	Rural Development Program (Solomon Islands)
SIG	Solomon Islands Government
SPC	Secretariat of the Pacific Community
SPS	Agreement on the Applications of Sanitary and Phytosanitary Measures of the World Trade Organization
STA	Short-Term Adviser
TA	Technical Assistance
WIB	Women in Business

Executive Summary

In 2012/13, the Pacific Horticultural and Agricultural Market Access (PHAMA) Program conducted work in Solomon Islands (PHAMA activity SOLS13, Technical Report 43) to examine economically feasible fresh produce exports to Australia. That work determined that opportunities were limited, but that there were market opportunities around fresh chilli.

In 2014, PHAMA progressed market access work related to fresh chilli exports (Technical Report 70), and that work is ongoing. To assist with further coordination of the chilli work and to better understand opportunities and private sector interest in the export of agricultural products outside of the main export value chains (e.g. cocoa, coconut), a Horticulture Industry Working Group (IWG) was formed.

In September 2014, a short-term adviser was engaged to assist the IWG in developing a work plan and assist Biosecurity Solomon Islands (BSI) to progress bilateral quarantine arrangements with Papua New Guinea (PNG). Following that work, it is recommended that:

- PHAMA continue to provide further secretariat and technical support to the Horticulture IWG to maintain momentum of the group. Also consider under SOLS28 the future sustainable options for the group in the long term, recognising that at this stage these would appear to be limited
- The Solomon Islands Market Access Working Group considers the draft work plan presented in this report when programming PHAMA activities in the new financial year (2015/16)
- Priority be given to the work to establish market needs and acceptance, costs and potential implementation arrangements for products (such as coffee, canarium) accredited via the Participatory Guarantee Scheme (with the Secretariat of the Pacific Community [SPC] Pacific Organic and Ethical Trade Community [POETCom] and Kastom Gaden Association)
- PHAMA assists the Ministry of Agriculture and Livestock / BSI to coordinate with PNG's National Agriculture Quarantine & Inspection Authority to convene a Bilateral Quarantine Meeting to finalise the Memorandum of Understanding (MoU) and develop a work schedule to consider priority products listed on Annex A of the MoU.

1.0 Background

One of the strengths of the Pacific Horticultural and Agricultural Market Access (PHAMA) Program in Solomon Islands has been the establishment of Industry Working Groups (IWGs) to enable broader engagement of the Program with industry stakeholders. These IWGs have been assisted to develop and prioritise industry-specific work plans to guide the Solomon Islands Market Access Working Group (MAWG) in selection and approval of activities.

A Horticultural IWG was established early in 2014 to begin discussions on horticultural and agricultural crops that were not part of the larger value chains (such as cocoa and coconut) and that may have specific value-adding opportunities. To date, the IWG has been used under PHAMA activity SOLS19 as a forum for discussion on development of chilli as an export crop. Current development in the horticultural sector for export is limited and an industry plan has not been developed beyond the current chilli market access work. There is strong interest among stakeholders to examine in further detail the potential opportunities and the capacity issues and constraints in the horticultural sector and to develop an appropriate work plan for the Horticultural IWG. This will build on the initial market survey work for export of selected agricultural products to Australia conducted under PHAMA activity SOLS13 in 2012.

This work will inform development of potential new PHAMA activities to support export development in the horticultural sector and also better inform the potential for additional capacity building support as may be required to assist the Solomon Islands Ministry of Agriculture and Livestock (MAL) in its market access related functions. It will also inform further collaboration with the bilaterally funded capacity building project for Biosecurity Solomon Islands (BSI) that is being implemented by the Australian Department of Agriculture.

Development of an industry-specific work plan will also facilitate further development of the Horticultural IWG itself as part of the planned SOLS28 work to progress industry body development and coordination.

In addition, the work will contribute to efforts by the private sector to examine the potential for export of specific chilli varieties to Papua New Guinea (PNG) tuna canneries. It will also provide some technical assistance and mentoring to MAL in potentially negotiating a bilateral quarantine arrangement (BQA) as part of a biosecurity Memorandum of Understanding (MoU) currently being drafted by the two countries. It was envisaged that the work would add to work conducted under previous PHAMA activity REG04, which provided MAL staff with some preliminary training on bilateral negotiations.

2.0 Methodology

The objectives of this short-term adviser (STA) tasking are:

- 1) To assist stakeholders to develop an appropriate work plan for addressing relevant export development opportunities and capacity building initiatives for the horticulture sector.
- 2) To assist MAL to negotiate a bilateral agreement with PNG covering horticultural and agricultural exports of relevance within the content of the broad MoU on Quarantine Cooperation between the countries.

The work was undertaken between 19 September and 7 October 2014, and included:

- Consultation with stakeholders, particularly members of the Horticultural IWG, on the scope and content of an appropriate industry-specific work plan encompassing export development opportunities for horticultural and smaller value chain agricultural crops and related value-adding opportunities
- Consultation with stakeholders on capacity issues and other constraints that affect export development in the sector
- Where possible, consultation with development partners and agencies on potential collaboration and co-financing of some of the horticulture export related activities
- Facilitation of a workshop to consolidate the stakeholder inputs on potential export products and markets, develop (with stakeholder assistance) a draft work plan with prioritised activities, and estimate costing of these activities.

The STA also consulted BSI and other government agencies as appropriate regarding the draft MoU on quarantine cooperation between PNG and Solomon Islands. He assisted BSI to review the draft MoU and made changes to the text where necessary for further negotiation with PNG on the final draft text.

On return to PNG, the STA had an informal meeting with senior management and technical staff at the National Agriculture Quarantine and Inspection Authority (NAQIA) on the status of the MoU and Solomon Islands' interest in having a bilateral quarantine meeting before the end of the year.

3.0 Outcomes

3.1 Consultation with Stakeholders

The STA consulted with both current and potential members of the Horticulture IWG who are involved in the sector in one way or another. The consultations were held in the company of PHAMA staff and on some occasions accompanied by an officer from BSI. The stakeholders consulted during the course of the assignment (including those that attended the informal meeting in Port Moresby) are listed in Appendix C.

Stakeholders were generally enthusiastic about the potential in the sector and elaborated about where they saw potential for new markets or areas of improvements to existing business. All the stakeholders were happy with PHAMA involvement in the activities and/or saw potential benefit in their involvement with the PHAMA program. They considered the Horticulture IWG to be a good initiative to help coordinate efforts and one that the stakeholders (particularly in the private sector) felt they could have a degree of ownership of and help bring about changes to the sector and possibly guide Government policy in the future.

3.2 Current Status of the Sector

The sector is underdeveloped from an export trade point of view: most production is concentrated on subsistence consumption, while the excess is sold at domestic markets (the largest being the Honiara central market). The apparent production potential due to the good soils, adequate rainfall and good growing conditions is hampered by very poor infrastructure, and limited and expensive in-country transport. The domestic market is also relatively good, with average prices being comparable to or better than prices of similar products in the neighbouring countries. Current exports are limited to kava, spices and some informal exports of fruits and vegetables to the neighbouring Pacific island countries. Prior small-scale exports to Nauru and Kiribati, although apparently profitable, have been inconsistent due to the lack of consistent transport routes, and payment problems associated with some importers.

Under Activity SOLS13 in 2012, PHAMA examined the potential of 11 commodities – bananas, cassava, coconuts, pineapples, taro, coffee, honey, canarium nuts, vanilla, chilli and eggplant – into the Australian market as the obvious closest developed market for fresh produce. The comprehensive economic study showed that only chilli and fresh coconut had any economic export potential in the Australian market. PHAMA has progressed support for both these products, including a market access submission for chilli to Australia.

Currently, Solomon Islands exports kava predominately to New Caledonia, coffee to Fiji, Ngali nuts to New Caledonia, dry coconuts to Australia, and spices to various markets in very small quantities. Artefacts such as wooden carvings are exported to Fiji and Vanuatu for sale in the tourism sectors of those countries.

The Horticulture IWG members consider that there is potential to develop the sector to grow the currently limited exports and to explore new market opportunities for current or new products. There is also scope to consider value-added products, even if initially on a small scale, if the issues relating to limited product development, food safety, proper packaging and marketing can be addressed. For example, Jedom Organics produces dehydrated/dried fruits, nuts and vegetables on a small scale for the local market. With some direct support, they could improve their product quality, address packaging and labelling and sell these products at the international airport to departing passengers as gift packs or inflight snacks.

In terms of potential regional markets, PNG has not yet been looked at in detail, despite much discussion about it. It is a large market with a growing consumer base and with a similar cultural and socio-economic setting and strong political and people ties to Solomon Islands. Some members of the Horticulture IWG such as Solfish Ltd are already doing business with PNG and could easily diversify the business to incorporate trade in horticulture products. A key stumbling block is addressing regulatory/biosecurity arrangements and establishing cost-effective transport linkages. A detailed market study of the PNG market for various products highlighted/prioritised via this activity will be an essential first.

Approaching these issues via the Melanesian Spearhead Group (MSG) provides an opportunity to expedite the market access process and sort out the trade facilitation issues. However, if not handled properly, it could add another layer of bureaucracy. Therefore, knowing which issues to progress through what channels is important, and the stakeholders in the industry would require some guidance. The IWG can provide a useful mechanism to build positive relationships between industry players and to identify and coordinate market access initiatives.

The export potential of Solomon Islands horticulture will remain as “potential” unless concrete steps are taken to address existing constraints. The constraints are in incubating and growing capable entrepreneurs who are willing to aggregate and take the risk in exporting; address the issues associated with low and inconsistent production, variable quality products, poor transport infrastructure, and lack of storage and cooling facilities; and progress the development of sound market access requests or submissions.

3.3 Stakeholder Workshop

A stakeholder workshop was facilitated by the STA with the assistance of the National Market Access Coordinator, and was attended by 14 participants. The participants included representatives from the MAL Biosecurity, Planning and Research Divisions, representatives of agri-food processing businesses (private sector) and representatives of donor programs.

The participants discussed potential export products and identified potential markets in the region for these products. They also discussed constraints that limited exports of the products and suggested how these constraints could be addressed (action items) to capitalise on the opportunities. The workshop identified existing and interested exporters who could potentially export one or more of the products and what assistance could be required by them to make it a reality.

Based on the discussions, the stakeholders identified potential new activities for PHAMA to support over the next 2 years. These activities included examining the feasibility of potential regional markets, and activities to address quality and processing constraints for value-added products. These activities were prioritised according to need and potential for tangible outcomes, including level of stakeholder (private sector) buy-in and commitment.

The workshop acknowledged the need to identify inputs from external STAs and to cost out the activities. The workshop agreed for STA and PHAMA to further develop the details on these.

The key outcomes of the workshop are summarised in tables attached to this report. They include:

- Identified products for potential export development
- Identified export opportunities by market
- A draft Horticulture IWG workplan for 2015–2017.

3.4 Review of the Draft MoU between Solomon Islands and PNG

The STA held consultations with senior MAL and BSI staff and the Biosecurity Adviser on the Australian-funded Solomon Islands Biosecurity Development Project to review the draft MoU article by article, and made amendments to the text as necessary. The revised MoU with the Solomon Islands comments was forwarded to PNG for their consideration and for subsequent discussions at the proposed Bilateral Quarantine Meeting. The revised draft MoU is attached as Appendix A.

3.5 Informal Meeting with PNG-NAQIA

The STA held an informal meeting with senior management and technical staff of PNG-NAQIA on Monday 6 October 2014, in Port Moresby. The meeting discussed the status of the proposed MoU and how to progress it beyond the current stage, i.e. towards formal endorsement/agreement. The summary report of the meeting is attached as Appendix B.

Specifics of bilateral trade were also discussed, particularly potential export of horticulture products from Solomon Islands to PNG. It was agreed to seek a formal bilateral meeting before the end of the year.

3.6 Recommendations

Based on the work undertaken and with respect to the identified priorities, it is recommended that:

- 1) PHAMA continue to provide further secretariat and technical support to the Horticulture IWG to maintain momentum of the group. Also consider under SOLS28 the future sustainable options for the group in the long term, recognising that at this stage these would appear to be limited
- 2) The Solomon Islands MAWG considers the draft work plan presented in this report when programming PHAMA activities in the new financial year (2015/16)

- 3) Priority be given to the work to establish market needs and acceptance, costs and potential implementation arrangements for products (such as coffee, canarium) accredited via the Participatory Guarantee Scheme (PGS) (with Secretariat of the Pacific Community [SPC] Pacific Organic and Ethical Trade Community [POETCom] and Kastom Gaden Association)
- 4) PHAMA assists MAL-BSI to coordinate with PNG-NAQIA to convene a Bilateral Quarantine Meeting to finalise the MoU and develop a work schedule to consider priority products listed on Annex A of the MoU.

Table 1 Identified products for potential export development

The stakeholders identified opportunities and constraints, and allocated an indicative priority to each activity. The information in this table represents a “work up” of stakeholder thinking on potential priorities and products.

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Kava	<ul style="list-style-type: none"> - Existing and growing demand for kava in New Caledonia and the United States - Health constraint now lifted - Good skill set and experience along the supply chain - Pacific Island codex group is working on a codex standard for kava 	<ul style="list-style-type: none"> - Low level of production - Limited people involved in the supply chain - Kava die back - Limited donor support (Rural Development Program [RDP] / World Bank won't support due to concerns of drug status) - Not a regulated commodity (with the Commodity Export Marketing Authority [CEMA]) 	<ol style="list-style-type: none"> 1) Discuss with Vanuatu suppliers about supply to New Caledonia (Medium) 2) Find more information about demand for kava in the United States market (High) 	<ul style="list-style-type: none"> - Varivao Holdings - Grace and Moses Maebiru - Gideon Khale <p>Keep an eye on work done in Vanuatu on kava quality and any developments at the International Kava Council stage, as this will affect the future of kava. Use of kava quality manual developed in Vanuatu would be useful for the Solomon Islands producers and processors. Current Kiribati and Nauru markets are problematic. United States market is good and growing and is worth investigating.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Ngali nuts	<ul style="list-style-type: none"> - Emerging market for roasted product – a buyer in New Caledonia is requesting 200 kg of roasted nuts - Interest in New Caledonia, New Zealand, Tahiti. Samples already sent to New Zealand - Niche markets have commercial requirement for organic type certification. Can meet via PGS certification system - Existing policy developed on Ngali nut - PGS focal point exists through the Kastom Garden 	<ul style="list-style-type: none"> - Lack of organic and/or PGS certification system in Solomon Islands - Limited supply chain and current production is not consistent - Production issues - Post-harvest issues - Food safety 	<ol style="list-style-type: none"> 1) A market study to establish size/demand of product (Medium) 2) Review previous work on Ngali nut by ACIAR (Medium) 3) Refer to Solomon Islands Government (SIG) policy on Ngali nut for suggested activities 4) Support for PGS (High) 5) Support for Hazard Analysis Critical Control Points (HACCP) (High) 6) Assist with packaging (High) 7) Explore different products (Low) 8) Send samples to potential markets (Medium) 	<ul style="list-style-type: none"> - Zai na Tina - Jedom Organic - Maraghoto - Varivao Holdings <p>Assistance for current players in the market to expand their business could be considered. Still labour-intensive processing and domestic demand and prices are good. Inconsistent supply is a real issue. Export Development Grant (EDG) approach for some potential markets could be considered.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Betel nut products	<ul style="list-style-type: none"> - Potential export market into PNG - Adequate production - Grown everywhere in Solomon Islands - High value / high demand 	<ul style="list-style-type: none"> - High domestic competition for supply - No current market access - Potential health issue at import to PNG - Donors not interested in the product - Higher Biosecurity problem - Inter-island shipping/ transportation 	<ol style="list-style-type: none"> 1) MAL to review/explore existing market access for betel nuts with/without husks (High) 2) Market study on demand (for different products) in PNG and Australia (Medium) 3) Request market access into potential markets. Two approaches were noted: MAL to put formal request, or importer (Solfish PNG) to put in permit to import (High) 4) Study into the domestic supply chain of betel nuts (Low) 	<ul style="list-style-type: none"> - Solfish Ltd - Local farmers <p>Betel nut access to PNG is tricky and the betel nut story in PNG is very sensitive. Policing the enforcement of the betel ban in NCD has increased. Despite the perceived export potential by Solomon Islands, it should be treated with caution.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Pawpaw (fresh and dried)	<ul style="list-style-type: none"> - Potential for processed pawpaw products - Potential for fresh - Expressed interest from New Zealand 	<ul style="list-style-type: none"> - Fruit fly issues for fresh supply - High investment costs for dried - Currently low production - Weak supply chain - Seasonal fruit - Food Safety – HACCP - Varietal 	<ol style="list-style-type: none"> 1) Support for HACCP (High) 2) Support for packaging and labelling (High) 3) Pure Food Act (Solomon Islands) 4) Market Studies to assess demand for personal consumption at the international departure terminals and expressed interest in New Zealand (High) 5) Support with production (seed supply) and variety selection (Low) 6) Support for PGS certification system (Medium) 	<ul style="list-style-type: none"> - Jedom Organic <p>Fresh pawpaw exports will be difficult in relation to the fruit fly status of Solomon Islands and the need for experience with High Temperature Forced Air (HTFA) treatment option. Processing – particularly dehydration processing currently done by Jedom – provides some feasible options. Possibly down the track, the idea of supplying to visiting cruise ships could be considered.</p>
Bananas (fresh, processed)	<ul style="list-style-type: none"> - Potential for processed plantains/bananas - Many varieties - Flour from bananas - PNG market 	<ul style="list-style-type: none"> - Fresh bananas banned in Australia - Production and supply chain issues - Food Safety issues - High processing costs - High utility costs - Packaging issues - Seasonal and prone to natural disasters/ diseases - Night harvests (stealing) 	<ol style="list-style-type: none"> 1) HACCP 2) Support to increase production 3) Product research and development 4) Certification – PGS 5) Feasibility Study – economics and supply 6) Market Research into banana stems (products) – handicraft opportunities 7) Market study into demand for bananas in PNG (High) 	<ul style="list-style-type: none"> - Jedom Organic for processed products <p>Fresh banana exports will be difficult in relation to the fruit fly status of Solomon Islands and the need for experience with HTFA treatment option. Processing – particularly dehydration processing currently done by Jedom – provides some feasible options. PNG market (particularly for plantains) is an option worth pursuing. Market study of the PNG market would be essential, particularly supplying the catering services that operate at the mines. Diversification into value-added banana products could be considered but is also dependent on the level of processing involved in producing the value-added product.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Pineapple (fresh and dried)	<ul style="list-style-type: none"> - Potential markets in PNG, Nauru and other Pacific Island countries - Existing MSG agreement - Potential market for hand carry export / personal consumption for processed fruits - Potential market in Australia during winter season 	<ul style="list-style-type: none"> - Nauru and Kiribati looked at but issue with contracts and volume - No market access into PNG - Currently no private sector aggregating for export - High utility costs - Competitive domestic market price 	<ol style="list-style-type: none"> 1) Feasibility study (PNG mining and service sector and others) and hand carry export and family ties (High) 2) BQA with PNG (High) 3) Apply for market access as needed 4) Explore potential export opportunities under MSG arrangement into New Caledonia 	<ul style="list-style-type: none"> - Jedom Organic – for dried products - Solfish – for fresh <p>Processing – particularly dehydration processing currently done by Jedom – provides some feasible options.</p> <p>PNG market is worth pursuing, particularly catering services that service the mining companies/camps. Market study of the PNG market would be essential, particularly supplying the catering services that operate at the mines.</p>
Chilli	<ul style="list-style-type: none"> - Chilli to PNG - Akabare variety already grown - Existing business interested in chilli production - High demand in PNG - Seed trading with PNG farmers 	<ul style="list-style-type: none"> - Varieties no longer pure - Production and supply issues - Regulatory issues? - No current market access into Australia (fresh) 	<ul style="list-style-type: none"> - Variety selection / pure variety (Medium) - Market access for fruits and seeds into PNG and seed certification scheme (High) 	<ul style="list-style-type: none"> - Solfish - MAL - CEMA <p>As indicated in SOLS13 study, this commodity has potential. In PNG, potential exists in the canned fish sector as mentioned by Solfish. Generally, there is very low demand for fresh chilli in PNG.</p>
Coffee	<ul style="list-style-type: none"> - Currently processing coffee – potential for hand carry export - Potential for green beans in New Zealand and Fiji 	<ul style="list-style-type: none"> - Production and supply (volume) issue - New Zealand market access via Fair trade / organic and some recognised form of certification system 	<ol style="list-style-type: none"> 1) Explore link between fair trade/organic and PGS certification to support export development into the New Zealand market (High) 	<ul style="list-style-type: none"> - Varivao Holdings Ltd <p>Varivao considers that there is market for coffee; however, production is not there to meet the demand. PGS and organic niche markets provide an opportunity. Linkage with POETCom is important to access the New Zealand gourmet coffee market and this should be pursued.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Tamanu Oil	- Hatanga Ltd has shown interest to export	- Unknown	1) Research for more information – talk to Women In Business (WIB) in Vanuatu and Samoa (High)	Interaction with more developed industries in Vanuatu and Samoa would be useful. Also, there may be opportunity to work with Forestry on abundance and distribution of the trees. Hatanga Ltd could play a role here, as they are involved in the sector at the local/village level.
Artefacts	- Existing export into Fiji and Vanuatu - Hatanga interested – expressed interest from New Zealand for cane baskets	- Low supply - Poor market linkage - Intellectual Property issues	1) Feasibility study on fine mats for Samoa (Medium) 2) Get more information from Vanuatu (Alternative Communities Trade in Vanuatu [ACTIV]) and Samoa (WIB) (Medium).	This is a sector that provides an opportunity for women and the artisans and there is substantial work by PHAMA in other countries that could be adopted. Cane baskets to New Zealand is an interesting concept – it would be useful to talk to ACTIV and WIB, as well as Pacific Cooperation Foundation in New Zealand.
Cane baskets	Same as artefacts.			See above
Sago – processed	- Potential market in PNG, Malaysia and Australia - Grown everywhere and trees not used - Involved lots of people - Link to artefacts for fruits/nuts	- No skill sets - No domestic supply - Disease in PNG – potential threat to supply in Solomon Islands	1) Feasibility studies into potential markets to assess economics and specifications (Medium) 2) Skill sets training (Medium)	This is a medium-to-long-term proposition, given the technology (techniques) that maybe required for commercialising it. However, sago production for food security would be very useful, particularly for Solomon Islands and Vanuatu.
Sago leaf – Thatch	- Potential markets (Vanuatu, PNG, Australia)	- Unknown - Issue of fire ants (fumigation – use of methyl bromide could be stopped next year)	1) Feasibility studies into potential markets (resorts) for panel and leaves. Check Australian Quarantine and Inspection Service's Import Conditions database.	Check with the respective Biosecurity agencies in the respective countries about whether there are existing import conditions or not.
Taro	- Previously exported (peeled) into Australia - Potential in PNG	- It has been looked at	Nothing noted.	Include it as a product of interest in the market study for PNG.

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Cassava	- Opportunity for frozen (peeled) cassava - Variety available	- Cyanide content	1) Review previous market study report on potential of waxed cassava (Medium)	Include it as a product of interest in the market study for PNG.
Cooking banana	Same as fresh bananas.			Include it as a product of interest in the market study for PNG.
Green coconuts	Existing market into Australia and New Zealand. See study by PHAMA.			
Dry coconuts	Same as above. See SOLS13 study by PHAMA.			
Watermelon products	- Nothing noted	- High domestic price		This would be a difficult product to consider as fresh, given the fruit fly issue, bulkiness and the shelf life of the product. As a value-added processed product, there might be production. Production of confectionary and jams might be possibility in the long term.
Dried fruits and vegetables	- Huge potential for dried fruits – see notes on pawpaw and pineapples - Duty free at the airport (personal consumption and hand carry export)	- High processing costs (utilities)	1) Generic market study (Medium)	Support cottage processing activities, e.g. dehydration processing currently done by Jedom Organics. Target airport duty free and possibly cruise ship passengers, if food safety, labelling and packaging issues can be addressed.
Processed fruits and vegetables	- Same as with processed fruits			See above.
Cardamom	- See Ngali nuts - Trial plot in Guadalcanal	- Production and supply - Post-harvest issues - Lack of post-harvest processing skills	1) Support initiatives to increase production and post-harvest activities (Low)	Production levels have to be increased. Research and development linkage with production remains a precursor activity before investing efforts on market access.

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Vanilla products	<ul style="list-style-type: none"> - Existing market - Best variety grown locally 	<ul style="list-style-type: none"> - Labour intensive - Some skills for curing - Production restricted to certain areas - Low price (market issue) 	<ol style="list-style-type: none"> 1) Support CEMA to develop export standard for vanilla products (Medium) 2) Private sector (Solfish) applies for import permit from the MAL. This doesn't require PHAMA intervention 	<ul style="list-style-type: none"> - Varivao – for processing of vanillin - Solfish - Frangipani ice – domestic market <p>Given the history of the product, supporting the efforts of CEMA would be an appropriate approach with regard to this product.</p>
Sweet potato	<ul style="list-style-type: none"> - Potential for processed products – flour, dried chips, dehydrated 	<ul style="list-style-type: none"> - Competing against fresh market – high domestic price - Shelf life issue - Supply, handling, packaging issues (post-harvest issues) 	<ol style="list-style-type: none"> 1) Feasibility study (to look at demand and economics) in the PNG market (High) 	<p>Include it as a product of interest in the market study for PNG.</p>
Slippery cabbage	<ul style="list-style-type: none"> - Market access to New Zealand for fresh - Interest expressed for dried leaves 	<ul style="list-style-type: none"> - Post-harvest issues - Pesticide residues - Quality issues - Acceptable varieties unknown 	<ol style="list-style-type: none"> 1) Feasibility study (to look at demand and economics) in the PNG market (High) 	<p>Include it as a product of interest in the market study for PNG.</p> <p>The interest in exporting dried leaves could be explored.</p>
Peanut products	<ul style="list-style-type: none"> - Hand carry export / personal consumption - Honey-coated peanuts 	<ul style="list-style-type: none"> - Issue of Aflatoxin with fresh peanuts - High local price for small volume - Production and supply issues - Post-harvest and packaging issues - Quality issues 		<p>It is critical that the Aflatoxin issue is looked at before considering potential exports or markets.</p>

Products	Opportunities	Issues/constraints	Proposed actions & indicative priority	Private sector / comments
Breadfruit	- Potential for processed fruits	- Fruit fly issues for fresh fruits		Problems associated with fruit flies and required treatment technologies such as HTFA make it unattractive. Cooked breadfruit could be an option. Refer to what Samoa is doing with its exports to New Zealand.
Tulip fruits	1) Refer to joint MAL- Nut Growers Association of Solomon Islands policy on Indigenous Fruits and Nuts.			More information required.
Cut nut				More information required.
Honey	Domestic demand is not met.	Problems associated with Varora mite. Review of the substantial work in Solomon Islands on this matter should be done before an informed decision can be made.	Review of the substantial work in Solomon Islands on this matter should be done before an informed decision can be made.	More information required.

Table 2 Identified export opportunities by market

While acknowledging the constraints highlighted, Table 2 provides a summary of prerequisite actions/activities necessary for potential export pathways into the regional markets (including New Zealand).

Potential markets	Opportunity (product)	Issues/constraints	Proposed steps to take / comments
Papua New Guinea	<ol style="list-style-type: none"> 1) Sago palm 2) Pineapples – mining 3) Bananas 4) Betel nuts 5) Chilli 6) Vanilla (import) 7) Cassava 8) Taro 9) Pre-cooked/cooked food <p>Good shipping to PNG via Lae.</p>	<p>No market access into PNG for some of the listed products.</p> <p>Lack of plant and animal biosecurity understanding.</p> <p>Lack of market information.</p>	<ol style="list-style-type: none"> 1) Hold bilateral discussions with PNG for possible export of selected commodities. 2) Conduct market study for selected commodities. 3) Encourage Solfish and PNG partner to apply to PNG NAQIA for import permits for import of chilli products (fresh, dried and seeds). 4) MAL to liaise with NAQIA for market access for pre-cooked/cooked food, including those products produced by Jedom. 5) Encourage Solfish and PNG partner to apply for an import permit to import betel nut with PNG NAQIA. <p>There is potential for chilli (seeds, dried or fresh) to the PNG market, as identified by Solfish. Building on the Australian market access for fresh chilli, BSI could easily complete the market access for chillies into PNG. As mentioned in Table 1, Betel nut is a product that the Horticulture IWG should treat with caution, as popular sentiment in PNG could influence policy decision or regulatory enforcement one way or another. Nevertheless, the formal process in PNG should be followed to get a definite response from PNG. A market study considering the range of potential export products to the PNG market is a must, and one that PHAMA should support.</p> <p>The commercial catering industry in PNG does provide a lucrative niche market, so a specific look at this sector (either separately or in the context of the general PNG market study) would be useful. NAQIA has technical capacity, so market access requests could be handled quite readily; however, it is good to keep regular contact with them on a bilateral basis.</p> <p>Pre-cooked non-meat food for personal consumption is one product that could be settled fairly quickly with NAQIA.</p>
Vanuatu	<ol style="list-style-type: none"> 1) Fish 2) Kava 3) Artefacts 	<p>Existing markets for kava and artefacts. Potential to increase. Need to ensure trade standards understood.</p>	<ol style="list-style-type: none"> 1) Finalise MoU on Solomon Islands / Vanuatu quarantine cooperation. 2) Market study for selected products, including those annexed to the MoU. 3) Explore opportunities to trade with New Caledonia under MSG arrangement. <p>Opportunity exists to work through the MSG arrangement. However, the level of trade will depend on the private sector developing business partnership as both countries deal with the same products. There is potential to consolidate and grow the export trade or become stagnated if players in each country view each other as competition.</p> <p>Existing trade for Ngali nuts and Kava could be encouraged. Keep abreast of the work on Kava quality in Vanuatu, as well as participate in or keep track of the work of the International Kava Council in relation to market access into Europe.</p>

Potential markets	Opportunity (product)	Issues/constraints	Proposed steps to take / comments
Kiribati	1) Sago leaf	Shipping inconsistent.	Market has been studied and transport links proved problematic (SOLS07).
Nauru	1) Sago leaf 2) Banana 3) Pawpaw	Logistical challenges and single importer (monopoly).	Market has been studied and transport links proved problematic (SOLS07).
Australia	1) Sago leaf 2) Artefacts 3) Ngali nuts		1) MAL to investigate current requirements for export of selected products into Australia. 2) Undertake market study for selected product – request Pacific Islands Trade and Invest (PT&I) to undertake/assist. Coordinate with the Pacific Agribusiness Research for Development Initiative on Canarium marketing study work being undertaken for PNG, Solomon Islands and Vanuatu. Market study for Australia has been done, so PHAMA, MAL and the private sector should concentrate on developing the commodities shown to have economic potential in these studies, e.g. green (drinking) coconuts and chilli.
New Zealand	1) Coffee 2) Slippery cabbage 3) Artefacts 4) Ngali nuts		1) Support private sector to meet New Zealand coffee importers' requirements (Fair Trade, Organic and PGS). 2) MAL to investigate current import conditions for selected products. Access into niche markets like the organic coffee market and/or Fair Trade markets is an opportunity. Close working relationship with POETCom on the PGS scheme would be useful to provide cheaper alternative to access these markets. Innovative ideas such the export of Solomon Islands baskets to use in packing Christmas hampers could be explored, as this provides windows in the market that might be economically feasible to do.
Fiji	1) Ngali nuts 2) Kava 3) Coffee		1) Support private sector to meet Fiji coffee and artefacts importers' requirements. Coffee exports to Fiji offers the best opportunity to trade with Fiji. Support to increase the current exports would be useful. Also value-added snacks from Jedom organic fruits sold at the departure lounge; likewise, Ngali nuts could also be sold at the departure lounge. Work will be required to address food safety and packaging – both quality and sizes of packets.
China/Asia	1) Betel nut 2) Coffee		1) Investigate potential markets for betel and coffee. Need to link up with PT&I Office in China. Include Solomon Islands in their program.
New Caledonia	1) Ngali nuts 2) Cut nut	No BQA between Solomon Islands and New Caledonia. Lack market information.	1) Market Study. BSI to liaise with biosecurity authorities in New Caledonia to initiate discussion. Also consider engaging New Caledonia in the MSG trade and quarantine meetings. Current private sector contacts for Ngali nuts and Kava are important entry points into New Caledonia.

Potential markets	Opportunity (product)	Issues/constraints	Proposed steps to take / comments
Samoa/ American Samoa	1) Fine mats		1) Market Study – issue with fire ants. Continue work at the Head of Quarantine and Pacific Plant Protection Organisation front regarding regional conditions for artefacts, including fine mats. Fine mats are processed, thus pose little biosecurity risk if they are inspected for soil contaminants and hitchhikers. Fumigation maybe required. Goods to Samoa and America Samoa may have to transit through several ports before getting there either as air or sea cargo or carried in person, hence need to be aware of the biosecurity requirements of the transit countries also.
All markets	Packaging and shipment		Need to progress the agreed Solomon Islands fumigation standard established with BSI by PHAMA.

Table 3 A draft Horticulture IWG plan 2015–2017

Based on the information and analysis provided in Table 1 and Table 2, this table contains a list of activities or new initiatives for PHAMA and/or other donor agencies to consider for export development support in the sector over the next 2 years. Further scoping and feasibility work may be required to identify the need for more activities to be added and/or a revision of the IWG plan.

The activities were also prioritised by the stakeholders at the meeting.

Activity	Key task	Component tasks	Indicative TA inputs ¹	Estimated cost (AUD)	Priority ²	Potential timing
1) Ongoing support for the IWG	Ongoing provision of secretariat support to the IWG, for further 12 months. Support to build capacity of the IWG.	Bi-monthly meetings (six in next 12 months). Provision of meeting facilities and reporting. Consideration of arrangements for ongoing functioning of the group. Keep members informed of changes to relevant national policies and international trade practices related to horticultural products.	IWG support and development covered under SOLS28 activity. May be need for specific TA support to IWG on product / sanitary and phytosanitary technical issues.	Covered by SOLS28 activity	1	Ongoing 2015
2) Support development of PGS traceability and certification	Scoping of PGS certification systems that will open new markets. Scoping of PGS certification systems that will add market value.	Stage 1: Scoping of market need for product certification systems for coffee, Canarium nuts and other value-added products (New Caledonia, Australia, New Zealand). Recommendation on cost-effective systems and certification providers for implementation.	Stage 1: STA Inputs (10 days) Stage 2: STA inputs (10 days) Possible pre-audit and/or audit support.	15,000 15,000	1	Early 2015

Activity	Key task	Component tasks	Indicative TA inputs ¹	Estimated cost (AUD)	Priority ²	Potential timing
systems that will open new markets and/or add market value to existing markets	Assisting IWG, Kastom Gaden and Industry in development and implementation of PGS certification.	Stage 2: Development of guidelines and other tools required to facilitate adoption of the appropriate traceability systems. Stage 3: Support implementation to access new and/or maintain existing market access (potential collaboration partners with SPC POETCom and Kastom Gaden Association).	Stage 3: STA inputs (10 days) Possible pre-audit and/or audit support.	15,000		
3) HACCP training and accreditation	Assist selected businesses in the agribusiness sector to achieve HACCP accreditation.	Conduct HACCP principles and food safety training. Assist businesses to develop HACCP plans and prerequisites. Conduct audit preparation. Conduct accreditation audits. Support processors to comply with Pure Food act and related codex standards.	STA inputs to be covered under SOLS16 activity. Potential need for further inputs based on appropriate market demand for further accreditation work.	Currently covered by SOLS16.	3	Ongoing in 2015
4) Support for value-adding activities to assist with marketing	Assist Industry in development and testing of trade samples to assist with marketing.	In consultation with Industry, identify opportunities to support preparing and sending trade samples of fruits and vegetable products to prospective buyers, with particular focus on hand carry export/ personal consumption (New Caledonia, Australia). Opportunities to coordinate with EDG activities, ACIAR and RDP. Support for product development, packaging and labelling.	Payment of processing costs, packaging, freight and testing. Can be supported under an EDG facility.	10,000	2	Early/mid 2015

Activity	Key task	Component tasks	Indicative TA inputs ¹	Estimated cost (AUD)	Priority ²	Potential timing
5) Support for improved market access to higher value markets for selected horticultural products (see list of products)	Support BSI research and collate relevant information on all products that currently have market access and to which countries/markets (Australia, New Zealand, Fiji, PNG, New Caledonia, Kiribati, Nauru, Vanuatu, etc.).	- Disseminate this information and work with relevant stakeholders (Horticulture IWG members and others) to determine why access may not be being utilised.	LTA	0	2	Ongoing
	Support BSI and partners (Tourism, Cultural Office, etc.) to development, train, disseminate and undertake awareness materials on artefact production and trade linked with the cruise ship industry.	Utilising public awareness materials and processes used in Vanuatu and other PHAMA countries, develop and promulgate Solomon Islands-relevant public awareness on artefacts for the cruise ship industry, undertake training of artefact producers and vendors, and undertake public awareness campaign on compliant and (biosecurity) safe trade of artefacts.	LTA/STA PHAMA Vanuatu to assist with training.	35,000	2	Late 2015
	Support industry to identify opportunities (demand, products, and specifications) and position for supply to higher-value export markets in PNG, New Zealand, New Caledonia and Asian countries.	Conduct feasibility study into opportunities in the mining and service sector in PNG for fruits and vegetable products. Conduct feasibility study into opportunities in the tourism sector of Vanuatu, Fiji and Australia for sago palm products (leaf in particular). Explore potential market opportunities with New Caledonia under existing MSG arrangements and BQA with Vanuatu. Facilitate visits to prospective buyers and potential markets.	STA input specifically looking into PNG and New Caledonia (20 days)	40,000	1	Late 2015

Activity	Key task	Component tasks	Indicative TA inputs ¹	Estimated cost (AUD)	Priority ²	Potential timing
6) Support regulatory agencies to develop appropriate regulation and policies to facilitate horticulture trade	Support CEMA to develop relevant regulations for export of vanilla products and other spices.	Support regulators to adopt international standards and best practices. Support regulatory policy framework. Support industry to apply related national regulations.	STA input (15 days to support CEMA to develop relevant regulations) Collaboration with FAO or other agencies should be sought.	40,000	3	To be confirmed
	Support MAL to develop BQA with PNG and Vanuatu. Support MAL to develop Market Access submission (for fruits and seeds) and certification scheme into PNG.	Review, revise and finalise draft MoU with PNG. Develop BQA with PNG to work on the products listed on Annex A of the draft MoU. Support industry and MAL with market access submission into PNG and other countries of higher value markets.	STA inputs (under SOLS19 activity)	10,000	1	Late 2014 / early 2015
	Support Ministry of Health to implement Pure Food act. Support MAL to implement the Biosecurity Act 2013.	Working with partners, train food/health inspectors and relevant stakeholders on the Food Act. Working with partners, train biosecurity officers and relevant stakeholders on the new Biosecurity Act 2013.	Two national workshops on the Biosecurity Act and Food Act facilitated internally (Solomon Islands MAL and Solomon Islands Health).	10,000	3	Late 2015
Potential cost for 2014–2017				AUD190,000		

Explanatory notes:

- 1) Indicative PHAMA inputs from July 2014 – June 2017 but dependent on funding availability.
- 2) Priority ranking as ascribed by the Horticulture IWG. Multiple activities can be allocated the same priority.

Appendix A

Revised Draft Solomon Islands / PNG Bilateral Quarantine MoU

Appendix A Revised Draft Solomon Islands / PNG Bilateral Quarantine MoU

Memorandum of Understanding on Quarantine Cooperation between the Government of Solomon Islands and the Government of Papua New Guinea

PREAMBLE

The Government of Solomon Islands and the Government of Papua New Guinea hereinafter referred to as “the Parties”;

Desiring to further strengthen the existing friendship, relationship and cooperation between the two countries;

Taking into account the Basic Agreement between the Government of Solomon Islands and the Government of Papua New Guinea on Border Arrangements on 10 July 1997; the Framework Treaty Guiding Relations between the Independent State of Papua New Guinea and Solomon Islands on 27 July 2004; the Agreement Concerning Development Cooperation between the Government of Papua New Guinea and the Government of Solomon Islands on 15 April 2005;

Recalling the discussion of the Joint Border Committee meeting and Senior Officials Meeting in 2007, 2008, 2009, and 2010, on cooperation in quarantine related matters;

Recognising their obligations under the Agreement on the Applications of Sanitary and Phytosanitary Measures of the World Trade Organization (SPS) aspire to facilitate safe trade;

Being inspired by their common objectives of preventing the introduction and the spread of exotic weeds, pests and diseases of plants and animals;

Pursuing a joint undertakings, exchanges and cooperation in quarantine matters;

Hereby reached the Understanding as follows:

ARTICLE 1 DEFINITION

1.1 In this Memorandum of Understanding, unless the context otherwise requires:

“BSI” means Biosecurity Solomon Islands;

“GoPNG” means the Government of Papua New Guinea;

“NAQIA” means National Agriculture Quarantine and Inspection Authority of the Independent State of Papua New Guinea;

“SIG” mean Solomon Islands Government;

“SPS” means the Agreement on the Applications of Sanitary and Phytosanitary Measures of the World Trade Organization;

“MoU” means this Memorandum of Understanding;

ARTICLE 2 AREAS OF COOPERATION

2.1 Joint collaborative activities will be undertaken as follows:

(a) Training through the following methods:

- (i) Conduct quarantine training workshops;
- (ii) Provision of short-term attachment trainings on specific areas of common interests in the field of pest control treatments, auditing, trans-border. Quarantine and Biosecurity Intelligence information gathering and dissemination, pest and diseases identification,
- (iii) survey methods for all plant and animal pests and diseases,
- (iv) border inspections on the movement of agricultural goods to and from both countries,

- (v) market access requirements,
 - (vi) the exchange and sharing of expertise in other fields where either the BSI and/or NAQIA is lacking as may be agreed upon by both Parties under this MoU;
- (b) Conduct joint Pests and Diseases Surveillance and Monitoring at the Solomon Islands-PNG Border region biannually and alternating on both sides of the Border and other areas as appropriate;
 - (c) Conduct joint public awareness activities at both sides of the common border.
 - (d) Facilitate trade through the exchange of relevant information on Pest and Disease status of each Party and recognition of facilities;
 - (e) To promote international trade between the Parties where they are obliged to adhere in accordance with each party's developments and trade needs and objectives on the basis of equality and mutual benefit. In particular to promote trade in the products listed in Annex A;
 - (f) collaborate on any other areas in conformity with the laws and agricultural policies of the Parties

ARTICLE 3 COOPERATION

3.1 The effect of this cooperation will be through:

- (a) the provision of scientists, experts and trainers;
- (b) exchange of information, joint publication of studies and surveys;
- (c) organisation of trainings, workshops, public awareness campaigns and conferences related to the development of biosecurity between the Parties;
- (d) conduct of strategic market facilitation activities including agricultural trade fairs and special exhibitions; and
- (e) any joint ventures, and other means as may be agreed upon by the Parties.

ARTICLE 4 RESPONSIBILITIES OF THE GOVERNMENT OF PAPUA NEW GUINEA

4.1 The Government of Papua New Guinea, represented by NAQIA agrees:

- (a) to meet the cost of return airfare for its scientists, experts and trainers to Solomon Islands, including their remuneration and other living expenses and allowances during the course of their duties in Solomon Islands;
- (b) to facilitate the training of BSI trainees in PNG, while on training attachments;
- (c) to defray all the administration expenses of the Papua New Guinea scientists, experts and trainers except as specified otherwise in this MoU;
- (d) to be responsible for the life and accident insurance for the scientists, experts and trainers of the NAQIA whilst on duty in Solomon Islands and;
- (e) to provide necessary facilities, equipment, tools and transportation required by the scientists, experts and trainers which are not procurable in Solomon Islands.

4.2 To enable the BSI trainees to effectively and efficiently carry out their responsibilities under this MoU, the GoPNG undertakes:

- (a) to provide local transportation and accommodation for BSI trainees during the course of their attachment trainings in Papua New Guinea;
- (b) to grant tax exemption on any stipends, emoluments, and allowances paid to them and;
- (c) to accord them the right to open a "non-resident external account" with a commercial bank in Papua New Guinea for depositing their stipends, emoluments and allowances received and the right to transfer to any country at any time the balance in such an account, however, subject to the applicable requirements of the commercial banks and the Central Bank of Papua New Guinea.

ARTICLE 5

RESPONSIBILITIES OF THE SOLOMON ISLANDS GOVERNMENT

- 5.1** The Government of Solomon Islands (SIG) through BSI of Ministry of Agriculture and Livestock agrees:
- (a) to meet the cost of return airfares and all costs for Agriculture Quarantine Service (AQS) trainees including living expenses and allowances during their training attachments in PNG unless funding is secured from other sources;
 - (b) to be responsible for the life and accident insurance for AQS trainees undertaking training attachments in Papua New Guinea;
 - (c) to provide board and lodging, logistics and facilitate movement of NAQIA scientists, experts and trainers in Solomon Islands while under this MoU;
 - (d) to provide, subject to the approval of the Minister for Finance and Treasury, import duty exemptions on items referred to in Article 4 sub-paragraph (4)(e) of the Customs and Excise Act;
 - (e) to provide the scientists, experts and trainers with the facilities, equipment and tools deemed to be necessary to supplement those specified in ARTICLE 4 sub-paragraph (1)(e).
- 5.2** To enable the NAQIA scientists, experts and trainers to effectively and efficiently carryout their responsibilities under this MoU, the SIG undertakes to:
- (a) provide local transportation and facilitate the operations of NAQIA personnel (scientists, experts and trainers) and other experts engaged by NAQIA while undertaking duties under this MoU in the Solomon Islands;
 - (b) grant tax exemption subject to the approval of the Minister for Finance and Treasury on the stipends, emoluments, and allowances paid to them by the Government of Papua New Guinea and;
 - (c) accord them the right to open a "non-resident external account" with a commercial bank in Solomon Islands for depositing their stipends, emoluments and allowances received from the Government of Papua New Guinea and the right to transfer to any country at any time the balance in such an account, however, subject to the applicable requirements of the commercial banks and the Central Bank of Solomon Islands.

ARTICLE 6

LIABILITY FOR ANY DAMAGES AND SETTLEMENT OF DIFFERENCES

- 6.1** The Parties shall waive any claims they have against each other.
- 6.2** The SIG shall indemnify the GoPNG against any loss or damages suffered by a third Party arising from and associated with the execution of this MoU, and shall be responsible for settling any claim for damages that may be brought against NAQIA scientists, experts and trainers arising from any activities in connection with this MoU, unless the damage, as determined jointly by the Parties, is due to gross negligence, willful misconduct or criminal in nature as defined by the laws of the Parties' jurisdiction.
- 6.3** The parties agree to resolve differences amicably through diplomatic channels by consultation in the unlikely event a dispute arises concerning this MoU or any undertaking relating to this MoU.

ARTICLE 7

COMMENCEMENT AND RENEWAL

- 7.1** This MoU shall come into force from the date the parties affix their signatures, and shall remain in force for three (3) years from that date, unless sooner terminated pursuant to Article 10.
- 7.2** This MoU may be further renewed or extended upon mutual agreement between the Parties, which shall be made not later than six months prior to the termination date.

ARTICLE 8

SHARING OF BENEFITS AND INTELLECTUAL PROPERTY

- 8.1** In the event that opportunities arise as a result of this MoU, the Parties will equitably share all benefits included in a mutually benefiting manner. All publication of research results as a result of this MoU will be equally shared, while recognising the level and amount of efforts contributed by the Parties.

**ARTICLE 9
AMENDMENTS**

9.1 The Parties to this MoU may, by mutual consent, add, delete, or amend any words, sentences or articles in this MoU by mutual agreement between the Parties through the exchange of notes.

**ARTICLE 10
TERMINATION**

10.1 The MoU may be terminated upon written notice by either Government, SIG or GoPNG and shall so be terminated ninety days after the receipt of written notice unless the Parties agree on another date to effect the termination.

IN WITNESS WHEREOF, the undersigned, duly authorised by their respective Governments, has signed this Understanding.

Done at: _____ on _____ day of _____ 2013, in two original texts, both in the English language.

For the Government of Solomon Islands

For the Government of the Independent State of
Papua New Guinea

.....

.....

Hon.

Hon.

Minister of Agriculture and Livestock

Minister of Agriculture and Livestock

ANNEX A.**Prospective list of products for future discussion and possible trade**

From PNG to Solomon Islands	From Solomon Islands to PNG
	Bananas

In addition to discuss facilitation of movement of the following:

- Cooked foods for personal consumption
- Peeled foods for personal consumption

Appendix B

Summary of Discussions with NAQIA

Appendix B Summary of Discussions with NAQIA

An informal meeting was convened at 9.45 am, on Monday 6 October 2014, in the NAQIA Board Room between Senior Management and Technical Staff of NAQIA and Mr Sidney Suma, a consultant working for PHAMA (Solomon Islands) on potential horticulture exports for Solomon Islands.

Present at the meeting were:

- Dr David Thomson, General Manager – Operations (NAQIA)
- Dr Nime Kapo, General Manager – Technical Services (NAQIA)
- Mr Warea Orapa, Assistant General Manager – Operations (NAQIA)
- Mr Michael Areke, Quarantine Officer (NAQIA)
- Mr Andy Yombo, Epidemiologist (NAQIA)
- Mr Sidney Suma, PHAMA Solomon Islands Consultant

Introduction

Introductions of those present at the meeting were not necessary as all gentlemen around the table knew each other.

Dr David Thomson, General Manager – Operations, gave a brief (historical) background of the MoU on Quarantine Cooperation between the Ministry of Agriculture and Livestock Biosecurity Solomon Islands (MAL-BSI) (formerly MAL-AQS) and PNG-NAQIA and the current status of the MoU. He also briefed the meeting on the process that needed to be followed from hereon.

Mr. Suma briefly outlined his task and involvement in this endeavour. He mentioned that his role basically was to facilitate the process and possibly finalisation of the MoU on Quarantine Cooperation between MAL-BSI and PNG-NAQIA and facilitate the preliminary arrangements or dialogue for a bilateral quarantine meeting between MAL-BSI and PNG-NAQIA in the very near future, possibly before the close of this year.

The reflections of the meeting are summarised as follows.

MoU on Quarantine Cooperation

Dr Thomson pointed out some substantial deficiencies of the MoU and areas that could be included. However, there was general reluctance then to change the text of the MoU and it was decided to proceed with the current text. Mr Areke, who was officer working on the MoU, then mentioned that the MoU has not progressed beyond the current stage to due staff changes in the Department of Foreign Affairs & Immigration and the Department of Justice & Attorney General. The meeting agreed that it was essential to move the MoU beyond the current stage by preparing the National Executive Council (NEC) (Cabinet) Submission.

Mr Suma gave a brief overview of the discussion in Solomon Islands on the current text and some of the changes that were suggested. The issues of significance were the legal change in the name of the quarantine service in Solomon Islands from Solomon Islands Agriculture Quarantine Service to Biosecurity Solomon Islands, the broadening of the scope (preamble) to be representative of the actual content of the MoU, and a provision for annexes to cover issues such as potential product list for consideration.

Mr Suma also asked whether it is possible for PNG-NAQIA to see/consider these changes in their preparation of the text for the NEC submission.

NAQIA agreed that this was possible if the changes were communicated to PNG as soon as possible.

The meeting noted that it would be useful to make any substantive changes (such as scope of the MoU) now as part of the NEC submission.

The meeting also concluded that it would be useful to insert an appropriate article/provision in the MoU to deal with specific or special arrangements of mutually beneficial activities under that MoU.

There was some general discussion on the current cross-border activities and the need to institute appropriate mechanisms to acknowledge these and deal with them.

Potential Bilateral Discussion between Solomon Islands and PNG this year

NAQIA stated that they are open to any bilateral discussion with trading partners, particularly Solomon Islands. However, they indicated that (as per normal protocol) all requests for formal bilateral discussions have to be channelled to the Foreign Affairs Ministry for them to convene. Notwithstanding the formal protocol, informal bilateral discussions can be held with them with the knowledge of Foreign Affairs and can be organised by a line agency (in this case, NAQIA).

On this note, NAQIA suggests having a PNG / Solomon Islands bilateral quarantine discussion on the sidelines of the MSG Trade and Economic Officials Meeting and trade fair scheduled for Port Moresby from 19–30 November. NAQIA will confirm the dates for the MSG event with the organiser. BSI should also contact MFA or the agency responsible for MSG in Honiara for the dates. They suggest that BSI and/or its partners wishing to participate in a bilateral discussion with PNG should write to Solomon Islands Foreign Affairs to be part of the Solomon Islands delegation. It is also important to clearly define the agenda for the bilateral discussion with NAQIA and BSI.

Next steps

Mr Suma will email BSI (Mr Francis Tsatsia) to forward the changes/comments that MAL-BSI made to the draft MoU to NAQIA (Mr Warea Orapa) for consideration. **Action by:** Tsatsia, Orapa and Suma.

NAQIA would consider the MAL-BSI comments in their preparation of the NEC submission, including any changes NAQIA makes to the current text of the MoU. **Action by:** NAQIA.

NAQIA may forward a copy of the MoU they submit to the NEC to MAL-BSI as a courtesy for their information. **Action by:** NAQIA.

Mr Suma will inform MAL-BSI and PHAMA Solomon Islands on the outcomes of his meeting with NAQIA on the possibility of having a PNG / Solomon Islands bilateral quarantine discussion in the future. **Action by:** Suma will email this summary to BSI and PHAMA.

BSI and NAQIA to communicate amongst themselves in the forthcoming weeks to explore the possibility of having a bilateral discussion on the margins of the MSG trade meeting and fair.

BSI and its partners will explore with MFA Solomon Islands about the possibility of being part of the Solomon Islands delegation to the MSG event in November. **Action by:** BSI and PHAMA Solomon Islands.

Appendix C

List of People Contacted

Appendix C List of People Contacted

Name	Organisation	Position	Email	Telephone
Dale Hamilton	PHAMA	LTA	d.hamilton@phama.com.au	22384 / 22365 7495319
Andrew Sale	PHAMA	National Market Access Coordinator	a.sale@phama.com.au	22384 / 22365 7495736
Francis Tsatsia	Biosecurity Solomon Islands	Director	ftsatsia@biosecurity.gov.sb	28926 / 7644554
Patteson Akipu	Biosecurity Solomon Islands	Deputy Director	pakipu@biosecurity.gov.sb	24657/58 7476433
Irene Nanau	Biosecurity Solomon Islands	Chief Quarantine Officer – Market Access	inanau@biosecurity.gov.sb	
Max Kalubalona	Biosecurity Solomon Islands	Chief Quarantine Officer – Operations	mkalubalona@biosecurity.gov.sb	
Bob Macfarlane	Solomon Islands Biosecurity Project	Adviser	bmacfarlane@biosecurity.gov.sb	
Noel Roposi	MAL-Planning	Principal Marketing Officer	Rnoel2008@gmail.com	7402370
Jimmy Saelea	MAL	Permanent Secretary		
Walter	Solomon Islands Biosecurity	Market Access Officer		
Michelle Lam Banuk	Solfish Limited	General Manager	Michelle-solfish@solomonfish.com	
Tele Bartlett	Bulk Shop Solomon Islands	Managing Director	Tele.bartlett@bulksolomons.com	30221 / 749211
Adam Bartlett	Hatanga Limited		Adam.bartlett@bulksolomons.com	30221
Dudley Longamei	Varivao Holdings	General Manager	dlongamei@yahoo.com; dmei67@gmail.com	30869 / 7469669
Alfred Ramoagalo	CEMA	General Manager	alfredramoagalo@gmail.com	
Patteson Siliota	CEMA		siliotapatteson@yahoo.com	
Wendy Konam	CEMA Cocoa Laboratory Improvement Project	Local Consultant		
John Konam	Cocoa Improvement Project	Adviser		
Karen Masupo	SPC-POETCom	Team Leader	kmasupo@spc.int	+679 337 0733
Stephen Hazelman	SPC-POETCom	Extension Officer	shazelman@spc.int	+679 337 0733

Name	Organisation	Position	Email	Telephone
Shane Tutua	Kastom Gaden Association		Shane.tutua@gmail.com	
Luke Simmons	Department of Foreign Affairs and Trade (Solomon Islands)	Second Secretary – Livelihoods	Luke.simmons@dfat.gov.au	21561 x 141 / 7494909
Mark Johnston	Rural Development Program	Implementation Adviser	m.johnston@solomon.com.sb	7489510
Jenifer Kelly	Jedom Organic Products	Owner/ Processor		
Don Kelly	Jedom Organic Products	Owner/ Processor		
David Thomson	National Agriculture Quarantine and Inspection Authority (PNG)	General Manager – Operations	dthomson@naqia.gov.pg	3112100, 3112113, 3112114, 3112755
Nime Kapo	National Agriculture Quarantine and Inspection Authority (PNG)	General Manager – Technical Services	nkapo@naqia.gov.pg	3112100, 3112113, 3112114, 3112755
Warea Orapa	National Agriculture Quarantine and Inspection Authority (PNG)	Assistant General Manager – Operations	worapa@naqia.gov.pg	3112100, 3112113, 3112114, 3112755
Michael Areke	National Agriculture Quarantine and Inspection Authority (PNG)	Quarantine Officer	mareke@naqia.gov.pg	3112100, 3112113, 3112114, 3112755
Andy Yombo	National Agriculture Quarantine and Inspection Authority (PNG)	Epidemiologist	ayombo@naqia.gov.pg	3112100, 3112113, 3112114, 3112755