

**MEMORANDUM OF UNDERSTANDING ESTABLISHING THE
MICRONESIAN TRADE COMMITTEE**

Preamble

Recalling the decisions of the Seventh Micronesia Presidents' Summit of September 5, 2007, especially those relating to regional trade-related issues;

Desiring to strengthen and enhance the participation of the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau (the Freely Associated States of Micronesia – referred to herein as the FAS), in regional integration initiatives as envisaged in the Pacific Plan as well as in broader international trade activities;

Recognising the unique circumstances of the FAS, including social, cultural and environmental considerations;

The Governments of the FAS which have signed this Memorandum of Understanding (MOU) have reached the following understanding to guide the implementation of their agreement to establish a Micronesian Trade Committee (MTC).

Article 1

The three Governments hereby establish a MTC to strengthen their sub-regional collaboration and integration efforts by enhancing their trade capacities and coordinating and promoting their positions on trade issues of mutual interest.

Article 2

The functions of the MTC will include to:

- 1) act as the central forum for discussing, coordinating and implementing common approaches to trade issues affecting the FAS;
- 2) monitor trade and investment relations, identify and consult regarding the removal of impediments to, and problems affecting, trade and investment flows, and develop specific opportunities for expanding trade and investment among the FAS as well as with other countries;
- 3) strengthen the FAS' individual and collective capacities to formulate, negotiate and implement trade agreements;
- 4) consider the adoption of common policies relating to FAS trade with the United States;
- 5) consider the development and pursuit of common approaches to the negotiation of international trade agreements of interest to the FAS and the implementation of trade agreements to which the FAS are party;

- 6) establish technical working groups to consider particular issues and to report back to the MTC with recommendations for follow-up action;
- 7) seek technical and financial assistance for collective activities of the MTC; and
- 8) make decisions and formulate recommendations, as appropriate, on trade policy for consideration by the Micronesia Presidents collectively.

Article 3

The MTC will comprise Ministerial-level representatives of each of the FAS.

The MTC will be assisted by a standing committee of trade and other relevant officials who will undertake work required to give effect to decisions reached by the MTC and the Micronesia Presidents, as appropriate.

Article 4

Meetings of the MTC will be held at least twice a year.

The FAS will agree on an agenda for each meeting of the MTC at least one month prior to the meeting.

Each meeting of the MTC will be chaired by a Ministerial-level representative from the country providing the venue for the meeting.

All decisions and recommendations of the MTC will be made by consensus.

The FAS may invite experts to attend and participate in MTC meetings as appropriate.

The FAS may allow observers to attend MTC meetings as appropriate.

Article 5

Nothing in this MOU is to be construed in such a way as to obligate any FAS to commit funds to carry out any of its responsibilities. Activities undertaken pursuant to this MOU will be subject to availability of funds.

This MOU will enter into force among the FAS on the date it has been signed by a Ministerial-level representative of each of the FAS.

Any FAS may terminate this MOU insofar as it applies to that State upon six months written notification to the other FAS.

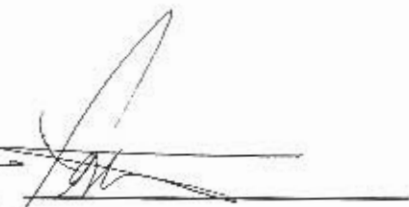
This MOU may be reviewed from time to time at the request of any of the FAS and be revised with the concurrence of all of the FAS.

IN WITNESS WHEREOF, the undersigned, being duly authorized representatives of their respective Governments, have signed this MOU in Pohnpei, Federated States of Micronesia, this third day of July, two thousand and eight.



T.H. Temmy L. Shmull

**For the Government of
the Republic of Palau**



T.H. Peter M. Christian

**For the Government of
the Federated States of
Micronesia**



T.H. Fredrick Muller

**For the Government of
the Republic of Marshall
Islands**