

PACER Plus Joint Committee Meeting (PPJC.02) Outcomes Summary

**22-23 June 2021
(Held virtually via Zoom)**

Day 1 – 22 June 2021

The second meeting of the Joint Committee took place virtually and was attended by the following Parties: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, and Tonga. The Signatories Tuvalu and Vanuatu attended as observers. Nauru was unable to attend the meeting.

The Pacific Islands Forum Secretariat representative, Mr Noah Kouback, attended as an Observer.

The meeting was chaired by Mrs Lorraine M. Kauhenga, Deputy Chief Executive Officer of the Ministry of Trade and Economic Development of the Kingdom of Tonga.

Agenda Item D1.1 - Official Opening

1. The Chair welcomed all Parties and Signatories to PACER Plus. The Chair welcomed the presence of the newly appointed Head of the PACER Plus Implementation Unit (PPIU), Mr Roy Lagolago, who will commence his role officially on 5 July 2021. The Chair acknowledged the presence of the Chief Executive Officer of the Ministry of Foreign Affairs of Samoa, Mrs Peseta Simi, and the work of the PPIU Short-Term Project Administrator, Ms Ida-Tifitifi Fuimaono.
2. The meeting was opened with a prayer by the representative of Niue, Mr Frank Sioneholo.
3. The Chair noted the agenda items to be discussed during the closed session of the meeting on its second day and the meeting agenda was adopted.

Agenda Item D1.2 Subsidiary Bodies

Report to the Joint Committee - PPJC.02/D.1: Budget Committee

4. Samoa as Chair of the first Budget Committee meeting held on 9 June 2021, presented the Committee's report to the Joint Committee referencing paper PPJC.02/D.1.
5. New Zealand recommended that the Terms of Reference for all subsidiary bodies include a reference to management of official documentation as per the Guidelines on the Transparency of Official Documentation approved at the first PACER Plus Joint Committee. New Zealand supported the recommendation for a financial summary of PACER Plus funds to be provided to the Joint Committee at every meeting together with a recommendation from the Budget Committee around the state of its finances.
6. The Joint Committee approved the Terms of Reference for the Budget Committee (*PPJC.02/D.1 Attachment A*).
7. The Joint Committee noted that non-Parties to PACER Plus or specialist matter experts can be invited to attend its meetings on an ad-hoc basis, as observers.

8. **Action Item 1:** The Joint Committee agreed for a financial summary to be presented at every Joint Committee meeting (as a standard agenda item) together with a recommendation by the Budget Committee regarding the state of its finances.

Action Item 2: The Joint Committee noted the Budget Committee's establishment of a working group to consider the development of the Work Programme activities - identification, design, appraisal and approval processes.

Action Item 3: The Joint Committee agreed that the Committee's report be declassified and publicly released.

Report to the Joint Committee - PPJC.02/D.2: Committee on Trade in Goods, Rules of Origin and Customs Procedures

9. Australia as Chair of first meeting of the Committee on Trade in Goods held on 18 May 2021, presented the Committee's report and recommendations to the Joint Committee referencing paper PPJC.02/D.2.
10. New Zealand proposed to approve the Terms of Reference with the inclusion of a paragraph addressing the management of official documentation as was provided in paragraph 31 of the Terms of Reference of the Budget Committee. The Chair recommended that the Terms of Reference be adopted with the additional clause on the management of official documentation.
11. New Zealand recommended that observers are referred to as 'permanent observers' and 'ad-hoc observers' for consistency of language across the subsidiary bodies.
12. The Joint Committee approved the Terms of Reference for the Committee on Trade in Goods with the inclusion of a paragraph addressing the management of official documentation as provided in the Budget Committee Terms of Reference.
13. The Joint Committee approved the annual rotational schedule for the Chairs of the Committee on Trade in Goods, proposed by the PPIU.
14. The Joint Committee approved the Committee's recommendations regarding the transposition of PACER Plus schedules:
1. Transposition method for Commitment of Tariff Schedules as specified in the Guide for Transposing PACER Plus Scheduled Tariff Commitments (Annex A of Paper CTG.01/D.3).
 2. Transposition method for the PSR Schedules as specified in the Guide for Transposing Product Specific Rules under PACER Plus (Annex B of Paper CTG.01/D.3).
 3. HS17 transposition process and finalisation timeframe detailed in Paper CTG.01/D.3.
 4. Inclusion of heading 8522 into the Annex 3-B of the PACER Plus agreement with a PSR of "CTSH or RVC(40)".
15. The Joint Committee noted the Committee's support (in principle) for tackling the preliminary findings [of the Rapid Needs Assessments as related to the areas of responsibility of the Committee], noting the importance of prioritisation in the final work program.

Action Item 4: The Joint Committee agreed that the Committee's report be declassified and publicly released.

Report to the Joint Committee - PPJC.02/D.3: Committee on Sanitary and Phytosanitary Measures and Technical Barriers to Trade

16. Solomon Islands as Chair of the first meeting of the Committee held on 10 June, presented the report to the Joint Committee, referencing paper PPJC.02/D.3.
17. The Joint Committee approved the Terms of Reference for the Committee on Sanitary and Phytosanitary Measures and Technical Barriers to Trade noting the inclusion of a paragraph on the management of official documentation.
18. The Joint Committee noted the Committee's support for tackling the preliminary findings of the Rapid Needs Assessment in relation to the work of the Committee, noting the importance of prioritization in the final work programme.

Report to the Joint Committee - PPJC.02/D.4: Labour Mobility Working Group

19. Samoa as Chair of the Labour Mobility Working Group (LMWG) meetings held on 19 May and 15 June 2021, presented the report to the Joint Committee referencing paper PPJC.02/D.4.
20. New Zealand encouraged Senior Officials to review the revised IU MoA and Constitution before the second day of the Joint Committee meeting.
21. The Joint Committee approved the proposed labour mobility text in the PACER Plus Implementation Unit draft MoA and Constitution.
22. The Joint Committee noted the Terms of Reference for the LMWG and noted that the Working Group will continue consideration of resourcing options for labour mobility
23. **Action Item 5:** The Joint Committee agreed to invite an Official from the Pacific Islands Forum Secretariat (PIFS) to provide an update on Labour Mobility work being done by the Forum Secretariat.
24. **Action Item 6:** The Joint Committee was referred to Agenda Item D1.5 on Regional Labour Mobility and paper PPJC.02/D.9 for discussion and decision.
25. **Action Item 7:** The Joint Committee noted the LMWG's continued consideration of the resourcing options for labour mobility and for the Working Group to report on resourcing at the Joint Committee's next meeting.

D1.3: Observers and Non-State Actors

Invitation to PIFS as Observer - Update

26. Tonga advised that an invitation was sent by the Minister of Trade and Economic Development as Chair of the upcoming PACER Plus Ministerial Meeting, to the Secretary General of the Pacific Islands Forum Secretariat inviting the Secretariat to be an Observer to the Agreement and for the Secretary General's attendance at the Ministerial Meeting. PIFS confirmed the attendance of Mr Zarak Khan to the Ministerial Meeting on behalf of the Secretary General, and the participation of Mr Noah Kouback to the Joint Committee meeting.

PPIU Identified Observers - PPJC.02/D.5

27. The PPIU Interim Short-Term Administrator/Manager presented paper PPJC.02/D.5 which provided the list of observers (permanent and ad-hoc) endorsed by the Committee on Trade in Goods, Rules of Origin and Customs Procedures and the Committee on Sanitary and Phytosanitary Measures and Technical Barriers to Trade, at their first meetings. The Paper presented the proposed observers to the Joint Committee for approval and further sought decision by the Joint Committee on a process for inviting approved observers to the Joint Committee and its subsidiary bodies.
28. Niue raised concern over the number of observers proposed to be invited to PACER Plus meetings and noted there were more observers than Parties. Together with Solomon Islands, they highlighted the importance of a review of observers' effectiveness over time to ensure their presence is beneficial to PACER Plus Parties. Niue did not like the use of 'permanent' observers and urged a review of the proposed observers.
29. New Zealand and Solomon Islands supported the PPIU conveying invitations to agreed observers. They noted that there the guidelines around transparency of official documentation be provided to invited observers together with the Guidelines for Observers document. New Zealand further noted that the first general review of the Agreement is done three years after entry into force, and thus would recommend that a general review of the Observer and Transparency of official documentation guidelines be undertaken at the same time if not required earlier. Parties have the right to revoke observer status for any observer. New Zealand noted that one of the proposed observers under the SPS & TBT Committee is a non-state actor, and a decision has not been made by the Joint Committee on how to treat non-State actors. A discussion on this issue will be had during the next agenda sub item.
30. Australia acknowledged that further discussion is needed on how to manage permanent observers. In the interim, Australia proposed that the Joint Committee and the subsidiary bodies invite the full list of observers endorsed by the subsidiary bodies, on an ad hoc basis in response to agenda items.
31. **Action Item 8:** The Joint Committee agreed to invite the full list of observers endorsed by the subsidiary bodies which have met, on an ad hoc basis in response to agenda items.
32. **Action Item 9:** The Joint Committee decided to defer its decision on approving permanent observers until the issues raised by Parties are discussed further.

Discussion on how to engage non-state actors - PPJC.02/D.6

33. New Zealand introduced the paper and advised that discussion around engagement with non-state actors was deferred from the last Joint Committee.

34. **Action Item 10:** The Joint Committee agreed to instruct the Implementation Unit to prepare an information paper on possible approaches for engaging non-state actors drawing on the experience of Parties and other partners in the region.
35. **Action Item 11:** The Joint Committee agreed to provide the Implementation Unit by 31 July, information on their own experience of engaging non-state actors to inform the preparation of the information note.
36. **Action Item 12:** The Joint Committee agreed to consider additional guidance on non-state actors participating as observers in subsidiary body meetings.

D1.4: Membership and Donor Coordination

Update from Signatories – Vanuatu, Nauru, Tuvalu

37. The representative from Tuvalu advised that there has been no further progress since the last update and their ratification has been put on hold by the government to explore the benefits to come out of the IU and for Parties before a decision is taken to sign the Agreement. Tuvalu have begin bilateral discussions with Australia and New Zealand PACER Plus Ministers and hope that these discussions will help to assist in progressing their ratification.
38. The representative of Vanuatu advised that the position of their government on the ratification of PACER Plus is not clear yet and for the past few weeks there were planned consultations with the Office of the Deputy Prime Minister which did not take place due to other commitments. There is currently political tensions within the Vanuatu Parliament and will need to wait and see how things pan out when things settle.
39. **Action Item 13:** The Chair tasked the Implementation Unit to seek a written update from Nauru regarding their ratification status.

D1.5: Regional Labour Mobility

Linking PIFS Labour Mobility Proposal to PACER Plus - PPJC.02/D.9

40. New Zealand presented the paper and welcomed the participation of the PIFS representative to the meeting and their contribution to the discussion. There is a standing agenda item on Labour Mobility in the Forum Trade Ministers Meeting (FTMM).
41. The PIFS representative, Noah Kouback, explained that discussions on labour mobility at the 2020 FTMM held in Fiji, explored whether there could be a regional platform or mechanism to discuss labour mobility which would be open and inclusive for all Pacific countries. Out of discussions, Ministers decided out of session that labour mobility would remain as a standing agenda item at the FTMM and they directed the Forum Secretariat to undertake an assessment on all regional and subregional agreements with a labour mobility component and then explore other options. The Labour Mobility Reference Group is to assist the Secretariat to collate information and data from countries and stakeholders for the assessment. The

Secretariat has developed a terms of reference which has been sent to all Members for feedback to the July Senior Officials Trade meeting. The Secretariat will submit a progress update of the assessment to Ministers at the FTMM and look to future discussions by members on a possible labour mobility regional strategy.

42. New Zealand asked what the timeframes are for the assessment to be ready. PIFS advised that a peer review of the assessment will be done by a short-term consultant. The assessment should be ready by end of July or early August 2021. New Zealand requested that PIFS consult members widely on the assessment and advise process around the consultation.
43. Solomon Islands noted that there needs to be more clarity around how labour mobility is administered under PIFS and other regional agreements however acknowledges that PIFS is working on this. Solomon Islands would like to ensure that there is no duplication of what constitutes labour mobility under PACER Plus and within the different regional agreements. PIFS advised that they are undertaking the assessment as per direction from Forum Trade Ministers Meeting in 2020 from which they will try to determine if there is a need for a regional labour mobility strategy.
44. Australia noted their interest to see the comprehensive assessment and papers for the FTMM. Also interested when the first reference group meeting will be held and that PIFS initiative to look at the broader regional picture around labour mobility is important to ensure regional coordination. PIFS confirmed that once Ministers approve the Terms of Reference at the FTMM, the Secretariat will endeavor to organize the first labour mobility reference group.
45. Niue noted the importance of existing Labour Mobility arrangements that countries are benefitting from (for example under the RSE schemes) are maintained, and that decisions around a regional approach to labour mobility does not affect these current arrangements.
46. **Action Item 14:** The Joint Committee agreed to submit the paper on Labour Mobility for the PACER Plus Ministers' meeting.

D1.7: Meeting Closure

47. The delegate from Niue closed the meeting with a prayer.

DAY 2, 23 June 2021

D.2.1 Opening and Prayer

48. The second day of the Joint Committee meeting was opened by the Chair with a prayer.

D.2.2 Implementation Unit Update

IU Establishment: Host Agreement, Order and timing – PPJC.02/D.11

49. Samoa presented the paper providing an update on its preparations relating to the establishment of the PACER Plus Implementation Unit (PPIU). Samoa advised that the estimated timeframe for the Order to be finalized is before the end of July to correspond with the signing of the Memorandum of Agreement by 7 July. A draft Host Country Agreement is being developed and will be finalized in liaison with the IU Head. The proposed sequencing of events is for the MoA with annexed Constitution to be signed by all Parties, execution of the Order by the Head of State of Samoa followed by execution of the Host Country Agreement between the IU and the Government of Samoa.
50. New Zealand sought clarity on whether the Host Country Agreement would be approved by the Joint Committee. Samoa confirmed that this was the understanding.
51. **Action Item 15:** The Joint Committee agreed to all the recommendations provided in the paper PPJC.02/D.11.

PACER Plus Implementation Unit Constitution – PPJC.02/D.12

52. New Zealand presented the paper which sought approval by the Joint Committee for the New Zealand to finalise the PACER Plus Implementation Unit Memorandum or Arrangement (MoA) for signing and to encourage prioritization of any domestic approvals needed by Parties to sign the MoA. New Zealand noted that references to labour mobility have been reflected in the final draft MoA and Constitution shared with Senior Officials. Two additional changes in the latest version as suggested by Tonga, which reflects the definition for financial year and to ensure there are no delays are made by the Joint Committee giving approvals to the IU on annual plan deliverables (maintain continuity of the Unit in delivering under the annual plan). New Zealand further noted that the MoA does not legally bind Parties. The Constitution binds and imposes obligations upon the Implementation Unit once the IU comes into existence by virtue of the Order.
53. Samoa noted a change to be made to the background section E of the MoA where the reference to 'Senior Officials' be changed to 'Parties'.
54. New Zealand noted that the general expectation is that Senior Officials would sign the MoA on behalf of Parties.
55. Samoa, Solomon Islands, Niue, Australia, Cook Islands and Kiribati agree in principle with the final draft of the MoA pending legal clearance and are confident that they will be able to sign the MoA by 7 July.
56. **Action Item 16:** The Joint Committee agreed to all the recommendations in the paper PPJC.02/D.12.

PACER Plus Implementation Unit Staffing systems, office set up and IU Operations Manual update – PPJC.02/D.13

57. Australia presented paper PPJC.02/D.13 providing an update on the proposed PPIU staffing composition, support provided by the Contract Service Provider (CSP), the Development and Economic Cooperation (DEC) expenditure to date and expected funding arrangement for the PPIU.

58. Australia will include budget line for work development and travel in future financial summaries.
59. With regard to the PPIU staffing, Samoa considers that there be more of a focus on technical advice rather than on Short-Term Advisers. They sought a further understanding on the overall staffing composition. Samoa reiterated that the financial situation be tabled at each Budget committee meeting. Samoa noted that the Operations Manual is a living document but is required to be approved by the Joint Committee.
60. Niue, Solomon Islands, Samoa noted the importance of operationalizing the PPIU and expediting recruitment of the Unit staff. Samoa requested for an initial PPIU Organisational Chart to be presented to the Joint Committee either at the next meeting or intersessionally.
61. **Action Item 17:** The Joint Committee agreed to task the PPIU to resend the 3 Long-Term Advisers Terms of Reference to Parties and for Parties to submit comments by 2nd July to the PPIU.
62. **Action Item 18:** The Joint Committee agreed that the financial summaries would be tabled in the Budget Committee.
63. **Action Item 19:** The Joint Committee agreed for the PPIU staffing composition to be circulated to the Joint Committee for consideration out of session prior to the next Joint Committee meeting.

D2.3: Monitoring and Evaluation

Next Steps, including Design Thinking Process and Theory of Change Diagram – PPJC.02/D.14

64. New Zealand presented paper PPJC.02/D.14 with a recommendation to establish a technical Monitoring and Evaluation (M&E) Working Group to provide specialist M&E advice to the Joint Committee.
65. Niue and Solomon Islands supported the need for a monitoring process to be determined in order to measure progress in the implementation of PACER Plus.
66. Solomon Islands noted expected recruitment of an M&E Adviser for the Implementation Unit and sought clarity on the difference between this role and the working group proposed. New Zealand advised that the intention of the M&E Adviser was to look at the initial performance design framework that was provided in the PPIP Design Document so that there is early work done in gathering baselines and setting up processes for the performance assessment to guide the work of the Implementation Unit in delivering on the Work Programme and its activities. New Zealand further advised that whilst the PPIU through the M&E Adviser will be measuring the changes brought about by activities under the work programme, measuring the impact of a free trade agreement requires specialist skills that could possibly be drawn from a group of

M&E advisers in the proposed working group to support the Joint Committee on an ongoing basis.

67. New Zealand confirmed that the 2030 timeframe for the Key Outcomes of the PPIP PAF, refers to the first five years (plus the signaled further five years of funding) under the DEC Work Programme.
68. Samoa advised that the design thinking should align with existing M&E frameworks in countries and encouraged New Zealand to consider support of this work through an extension of the initial initiative on OPM.
69. Australia noted that the Committee should be weary of an over-proliferation of governance structures and would prefer that the recommendation to establish a working group should be guided by the Implementation Unit in the fulfilling of their M&E functions. New Zealand acknowledged the caution on establishing the working group and noted it may be appropriate for the M&E Adviser to be brought on first.
70. **Action Item 20:** The Joint Committee agreed to note the work completed to date in the Oxford Policy Management report and the PPIP design document on M&E thinking on PACER Plus, and to defer the establishment of the working group at a later date until initiation by the Implementation Unit.

D2.4: Rapid Needs Assessment

Aide-Memoire on RNA Findings – PPJC.02/D.15

71. Australia presented paper PPJC.02/D.15 presenting early findings and recommended major areas for initial Work Programme activities from the Rapid Needs Assessment (RNA) in the form of an Aide Memoire.
72. Samoa supported tasking the Implementation Unit to develop a work program based on the initial findings and to work through the recently established Budget Committee Working Group to look at the design processes for the work program. Their expectation is that the final report should be inclusive of an analytical perspective of IIT on past and existing trade relationships and how PACER Plus can meaningfully contribute to Pacific living standards and trade. Samoa believes that the report could be used as a basis for the PIFS comprehensive regional assessment and as a resource for other trade assessments.
73. Niue emphasized the need to avoid duplication in assessments of country's needs as similar work has been done in the past. They hope that the RNA exercise takes into account support for existing programs in place such as development of their export strategy currently underway. Niue advised that the RNA needs to be assessed as well and considered under the M&E framework, as this could help to improve how assessments are conducted in future.
74. Australia invited Parties to submit comments on the Aide Memoire to them and they will collate and convey to the IIT for consideration. Australia advised that there was time to influence what the final report will include and how it is presented to countries.

75. **Action Item 21:** The Joint Committee agreed to submit comments on the Aide Memoire to Australia by 10th July 2021.
76. **Action Item 22:** The Joint Committee agreed to task the Implementation Unit to develop initial activities to be incorporated into the Work Programme, drawing from the recommendations in the Aide Memoire.
77. **Action item 23:** The Joint Committee agreed to report their decisions regarding the proposed recommendations within the paper to the PACER Plus Ministers' Meeting.

D2.6: Meeting Closure

1. The Implementation Unit confirmed that there was discussion around holding the next Joint Committee meeting in the last quarter of the year. New Zealand suggested for the next Joint Committee meeting to be held in September 2021.
2. **Action Item 24:** The Joint Committee agreed to schedule the next Joint Committee meeting in September 2021. The Implementation Unit will liaise with Parties to confirm a Chair for the meeting.
3. The representative from Kiribati closed the meeting with a prayer.