



PACER Plus

Joint Committee

SIXTH MEETING OF THE PACER PLUS JOINT COMMITTEE

**30 MAY — 1 JUNE 2023 (GMT-11)
SCENIC MATAVAI RESORT NIUE
TAMAKAUTOGA, NIUE**

OUTCOMES SUMMARY

1. The Sixth Meeting of the PACER Plus Joint Committee (PPJC.06) was convened on 30 May — 1 June 2023 at the Scenic Matavai Resort in Tamakautoga, Niue. It was attended by officials from Australia, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Cook Islands participated virtually. The full list of delegates is provided in Annex 1.

Day 1 — Tuesday, 30 May 2023

Opening Session

2. The meeting commenced with an opening prayer by Rev. Navy Salatielu, President of the Ekalesia Kerisiano Niue. The Acting Premier of Niue, Honourable Crossley Tatui, delivered the keynote address and acknowledged the opportunity for Niue to host the first in-person PACER Plus Joint Committee meeting. He emphasised the immense potential of the PACER Plus Agreement to unlock opportunities, promote trade and attract investment and the need for all Parties to work together to realise these benefits. In his opening remarks, Mr. Roy Lagolago, Head of the PACER Plus Implementation Unit (PPIU), thanked the Niuean government for hosting the meeting. He reflected on the first two (2) years of the PPIU, and the restrictions caused by the COVID-19 border closures. PPIU activities were initially guided by the Rapid Needs Assessment but once borders opened and face-to-face interaction with Parties was possible, development support needs of Parties have changed requiring a flexible and adaptive response from PPIU. He emphasised that the benefits of the PACER Plus lies in regional cooperation and urged renewed commitments from all Parties.

Agenda Item 1: Opening Session

3. The meeting proceedings were led by the Chairperson, Ms. Doreen Siataga, Secretary for the Niue Ministry of Finance. This document reflects the outcomes of the three-day meeting. The Chair thanked the PACER Plus Implementation Unit (PPIU) for their support in organising the Sixth Meeting of the Joint Committee.

Adoption of Agenda

4. The PACER Plus Joint Committee delegates adopted the agenda with amendments as verbally advised by the Chair. The agenda was amended and adopted by the Joint Committee on Day 2; and is attached as Annex 2.

National Statements by Parties

5. Parties reaffirmed their commitment to the PACER Plus Agreement and to working together to realise the benefits of the Agreement for the region and for their respective countries. They acknowledged the progress made and the support provided by the PPIU to increase awareness on PACER Plus, capacity building of trade officials and private sector, development of national strategies/policies to address barriers to trade and increase benefits from labour mobility, and the introduction of measures and tools to facilitate implementation of obligations, including the Trade Information Portal and the Automated System for Customs Data (ASYCUDA). Parties emphasised that the realisation of the development benefits of the Agreement is highly restricted by constraints in the human resource and technical capacity of both public and private sectors to implement reforms, economic infrastructure to capitalise on opportunities, and the maturity and robustness of supply chains for trade. They agreed that the upcoming general review of the Agreement provides an optimal opportunity to consider how these challenges can be best addressed. National Statements from Parties are attached as Annex 3.

Agenda Item 2: Overview of implementation of the PACER Plus Agreement and the Arrangement on Labour Mobility

2.1 Trade in Goods

6. The meeting was provided an overview of the implementation of the PACER Plus Chapters related to Trade in Goods (Customs Procedures, Rules of Origin, Sanitary and Phytosanitary, Technical Barriers to Trade).
7. The Joint Committee:
 - **Acknowledged** the Trade in Goods activities completed in Financial Year 2022/23.
 - **Acknowledged** the value of the Trade Information Portal but optimising this value requires focused efforts on localisation, including targeted capacity support for data collection and management of the Portal.
 - **Noted** the supply-side constraints of individual Parties and the value of creating regional supply chains to meet market demand in Australia and New Zealand. This requires further examination of existing export pathways and support to utilise these pathways.
 - **Endorsed** the update on the implementation of the PACER Plus chapters related to Trade in Goods since entry into force.
 - **Agreed** to declassify the meeting paper for public release.

2.2 Trade in Services & Investment

8. The meeting was provided an overview of the implementation of the Trade in Services and Investment chapters of the Agreement.
9. The Joint Committee:
 - **Acknowledged** the trade in services and investment activities completed in Financial Year 2022/23.
 - **Acknowledged** the regional investment and trade in services workshops held in 2023 and **emphasised** the need for ongoing capacity building on Trade in Services for both public and private sectors particularly on the implementation of obligations.
 - **Recognised** the upcoming activities to develop online learning tools under the PPIU Learning Management System to address high staff turnover and inherent loss of institutional knowledge.
 - **Noted** the update on confirmed funding from the New Zealand government for the Mutual Recognition of Qualifications work led by the New Zealand Qualifications Authority (NZQA);
 - **Acknowledged** the need for ongoing work on trade in services statistics given its importance to measuring service trade flows in the region and its development impact.

- **Endorsed** the update on the implementation of the PACER Plus chapters related to Trade in Services & Investment since entry into force.
- **Agreed** to declassify the meeting paper for public release.

2.3 Labour Mobility

10. The meeting was provided an update on the implementation of the Arrangement on Labour Mobility.
11. The Joint Committee:
 - **Acknowledged** the labour mobility activities completed in Financial Year 2022/23.
 - **Recognised** the significant development benefits of labour mobility as well as the challenges including from worker welfare issues. Parties **acknowledged** that a balanced approach to the management of labour mobility is required to meet Pacific employment needs but also ensure workers' rights are protected and negative impacts on local private sector development are mitigated.
 - **Noted** the status of Cook Islands and Niue as labour receiving countries, as established in the 2022 Pacific Annual Labour Mobility Meeting (PLMAM), and the stringent labour shortages impeding sustainable economic development in these countries.
 - **Noted** the increased commitment from Australia on the expansion of the Pacific Australia Labour Mobility (PALM) scheme including programmes for worker welfare management.
 - **Noted** the current initiative under the Pacific Island Forum Secretariat (PIFS) to develop a Regional Labour Mobility Strategy, and the need to discuss and resolve potential duplications with the PACER Plus Arrangement on Labour Mobility (ALM) in the 2023 PLMAM.
 - **Endorsed** the update on the PPIU labour mobility work programme.
 - **Agreed** to declassify the meeting paper for public release.

Day 2 — Wednesday, 31 May 2023

Agenda Item 3: Cross Cutting Matters

This session was facilitated through workshop talanoa. The discussions from the talanoa sessions are provided below:

3.1 PACER Plus Monitoring Evaluation Learning and Adaptation (MELA) Framework

12. The MELA Framework provides a structured approach for assessing the value and significance of the Agreement and the PPIU. Its primary objectives are to monitor, analyse, and manage output, outcomes, and impact data; communicate results to key partners and stakeholders; structure a process of learning and adaptation; and to build the evidence base for the Agreements effectiveness and the PPIU's performance.
13. Discussions amongst delegates noted that:
 - The PACER Plus MELA Framework is the first of its kind for a Free Trade Agreement (FTA) — an innovative approach to capture and report both trade and development outcomes and learnings, demonstrating the unique structure of PACER Plus.
 - The Framework includes a Partnerships and Performance component, where collaboration, partnership and integration with regional initiatives, programs and strategic partners is considered a valuable measure of economic integration and regional partnership.
 - The importance of articulating the contribution and attribution for outcomes given other trade related development assistance.
 - With the Joint Committee's endorsement, the PPIU will proceed to supporting the development of national level MELA Frameworks. This will help countries more clearly define their priorities and customise MELA to country-level activities, outcomes, and capacity. This process will not alter the existing activity development and PPIU budget process and procedures.

- The MELA Framework is a living document subject to further modifications in future to reflect the changing development landscape in the region.
- The national level MELA approach will help reduce competing demands on limited capacities at the national level. Support will also be provided through formulation of practical tools and templates, and country workshops to facilitate operationalisation of the MELA.
- Further refinement and an additional database tool to manage data for the MELA framework, as well as dedicated MELA expert within PPIU will be required.
- National Coordinators maintain significant responsibility for PACER Plus MELA at the National level. Parties request additional support and resources to ensure that the National Coordinators are well equipped to support the implementation of the MELA Framework.
- The PPIU would provide a report on the outputs of the initial MELA Consultancy to Parties.

3.2 PACER Plus Gender Equality Disability and Social Inclusion (GEDSI) Strategy

14. The PACER Plus GEDSI Strategy seeks to ensure that the opportunities to benefit economically from PACER Plus are shared equally by all members of society, regardless of their gender, disability or where they live. This is to be achieved through mainstreaming GEDSI in all aspects of PPIU operations, and through expanded GEDSI-focused development and economic cooperation activities.
15. Discussions amongst delegates noted that:
 - To facilitate achievement of the PACER Plus GEDSI Strategy goals, GEDSI Responsive Budgeting should be prioritised within the PPIU and expanded further in the Strategy.
 - The GEDSI Strategy aligns well with existing initiatives and programmes in participant countries. Integrating activities with regional partners would help achieve the Strategy goals.
 - The GEDSI Strategy must be aligned and integrated with the PACER Plus MELA Framework, ensuring a best practice approach for integrating GEDSI indicators. Include the high level GEDSI goal in the MELA Framework and GEDSI Strategy.
 - It is important to ensure that inclusive language is used in the MELA framework. Participants recommended further review to be undertaken regarding language used in the GEDSI Strategy. New Zealand will provide additional language.
 - Further analysis and understanding of the barriers to GEDSI within the context of PACER Plus is required. This analysis will then inform activities to address these barriers and demonstrate progress through activity-level indicators.
 - Parties, with support of PPIU, need to conduct further analysis to understand how gender equity can be delivered nationally and at the regional level.

3.3 General Review

16. Article 1 of the Institutional Provisions Chapter (Chapter 12) provides for a general review of the Agreement with a view to furthering its objectives in three years from the date of entry into force, and every five years thereafter, unless otherwise agreed by the Parties.
17. Discussions amongst delegates noted that:
 - Reviews of other Free Trade Agreements (FTAs) such as the AANZFTA suggests that in terms of review methodologies, there is no one size fits all. The PACER Plus review process should be developed according to the PACER Plus context and be fit-for-purpose.
 - The review provides an opportunity to take stock of implementation progress and is particularly important to inform the potential extension of the programme.
 - The quality of the review lies in Parties being effectively engaged in the review process and articulating their views on how to improve the Agreement and the PPIU's performance.
 - Face-to-face country consultations are preferred, subject to budget considerations. Parties reiterated that Pacific experts are included in the Review Panel and that Expressions of Interest

are advertised in at the national level. Parties request Pacific Island Country members participation in the selection process of the Review Panel.

- Parties recommended that PPIU focus on recruiting the most suitable, quality candidates with a flexible approach to resourcing to ensure the outcomes of the review is not compromised.

3.4 Amendment to the Membership Composition of the Budget Committee

18. The PPIU proposes a more inclusive approach to the Budget Committee and proposes membership to include all Parties to PACER Plus.
19. Discussions amongst delegates noted that:
 - Parties recommended a more inclusive approach to Budget Committee membership, and to include all member countries, whilst maintaining workable rules and procedures that promote efficiency (e.g. quorum, timeliness of papers, availability for participation).
 - If Joint Committee and the Budget Committee representatives are the same individual, the Budget Committee may be redundant. It was clarified that the institutional governance establishes a hierarchy where the Joint Committee is recognised and referred to in the Agreement text. This hierarchy is critical to enable due checks and balances.
 - To maintain effectiveness of this hierarchy, Parties should, where possible, avoid nominating the same representatives to both the Joint and Budget Committees.
 - The Budget Committee membership review should be included in the scope of the General Review. The Review is the mechanism to consider improvements to the institutional arrangements of the Agreement.

Day 3 — Thursday, 1 June 2023

Agenda Item 4: Corporate and Administrative Matters

4.1 PACER Plus Implementation Unit (PPIU) FY2023/24 Annual Plan

20. The FY2023/24 Annual Plan outlines the activities and financial resourcing forecast for financial year July 2023 to June 2024 fiscal year. The Annual Plan covers all PACER Plus components as well as cross-cutting activities. It builds on the activities from the FY2021/22 and FY2022/23 Annual Plans including carry-over activities requested by Parties to be implemented in the next financial year.
21. The Joint Committee:
 - **Acknowledged** the support from the PPIU for the implementation of activities in FY2022/23, highlighting that due to capacity constraints, a number of activities are proposed to be rolled over to FY2023/24.
 - **Recognised** the critical need to prioritise activities that have the greatest impact on regional sustainable economic development and that aligns to national development priorities. Project proposal design and assessment processes should enable this level of prioritisation to facilitate the delivery of the outcomes provided in the MELA framework. Efforts such as the Australian Department of Foreign Affairs and Trade (DFAT) funded project proposal clinics for FY2023/24 should be utilised to support the design of activities to ensure they are realistic and achievable.
 - **Noted** that the proposed plan may be ambitious given some Parties' limited national capacity for implementation. It is important that countries critically assess their capacity constraints and consider innovative approaches such as the development of the online Learning Management System (LMS) to address national training needs, more effective planning to structure multi-year activities, and improved timing of proposal submission.
 - **Noted** PPIU's approach to flexible programming where appropriate, focused on outcomes that meet country needs through the annual implementation, responsive to changes in local priorities.
 - **Noted** the need to improve PPIU reporting on rolled over activities including through the development of a national annual plan matrices to outline new and rolled over activities and resourcing allocations.

- **Noted** that the PPIU undertake prudent forecasting for activity costs, benchmarking with local Samoan rates when applicable.
- **Endorsed** the Annual Plan and Budget for FY2023-2024 (Annex 1) and corresponding annexes as follows:
 - Annex 2: Detailed FY23-24 Costed Annual Plan
 - Annex 3: FY23-24 Activity Proposals
 - Annex 4: FY23-24 Activities GANTT Chart
 - Annex 5: GEDSI Strategy and Action Plan
 - Annex 6: FY23-24 Communications and Visibility Plan

4.2 PACER Plus MELA Framework

22. Further to the workshop talanoa on Day 2, the MELA Framework was submitted for endorsement by the Parties.
23. The Joint Committee:
- **Acknowledged** the additional DFAT support for the development of the MELA Framework.
 - **Endorsed** the PACER Plus MELA Framework presented, noting it is a living document that will evolve through its implementation and as required by the Joint Committee.
 - **Agreed** to establish a short-term MELA expert capacity within the PPIU.
 - **Agreed** to declassify the meeting paper for public release.

4.3 Gender equality, disability and social inclusion (GEDSI)

24. Further to the workshop talanoa on Day 2, the GEDSI Strategy was submitted for endorsement by the Parties.
25. The Joint Committee:
- **Approved** in principle the PACER Plus Implementation Unit GEDSI Strategy taking into account comments and proposed text by Parties to the Strategy.
 - **Noted** the update on the PPIU GEDSI work programme for FY23-24.
 - **Agreed** to declassify the meeting paper for public release.

4.4 General Review of PACER Plus

26. Further to the workshop talanoa on Day 2, the Terms of Reference for the General Review process and the Review Panel was submitted for endorsement by Parties.
27. The Joint Committee:
- **Considered** the draft Terms of Reference of the General Review of the Agreement.
 - **Provided** their government's national position statement on the draft Terms of Reference of the General Review of the Agreement.
 - **Provided** their government's national position statement on the draft Terms of Reference of the Review Panel.
 - **Approved** the indicative budget and timeline for the general review process.
 - **Directed** the PPIU to finalise the Terms of Reference for the panel in consultation with Australia, New Zealand and other interested Parties so as to commence the review process by July 2023

4.5. Amendment to the Membership Composition of the Budget Committee

28. It is proposed that the membership of the Budget Committee is amended to be more inclusive and responsive.
29. The Joint Committee:

- **Noted** the crucial role of the Budget Committee to the effective implementation of the Agreement, and the importance for the Budget Committee membership and procedures to enable all Parties to benefit from the Agreement, and for PPIU to effectively conduct its role.
- **Noted** the proposal to improve working procedures ensuring the Budget Committee is able to deliver its function and responsibilities effectively.
- **Considered and endorsed in principle** the proposal by the PPIU to amend the membership composition of the Budget Committee to include all PACER Plus Parties, subject to proposed amendment to improve working procedures.
- **Noted** the Development and Economic Cooperation Work Programme document and the Terms of Reference of the Budget Committee needs updating to reflect the decision by the Joint Committee on the amendment to the composition and efforts to facilitate the operations of the Budget Committee.
- **Agreed** to declassify this meeting paper for public release.

4.6. Report on the 6th Budget Committee Meeting

30. The meeting was provided an update on the 6th Budget Committee Meeting held virtually on 13 April 2023.
31. The Joint Committee:
- **Considered** the issues discussed at the sixth meeting of the PACER Plus Budget Committee; and
 - **Endorsed** the outcomes and recommendations of the sixth meeting of the PACER Plus Budget Committee (Annex 1) including its related annexes below:
 - Annex 2: CTG.03 Outcomes Summary
 - Annex 3: SPS.TBT.03 Outcomes Summary
 - Annex 4: PPLMWG.08 Outcomes Summary
 - Annex 5: SMNPI.03 Outcomes Summary

Agenda Item 5: Membership

32. The meeting considered potential future members and accessions to the PACER Plus.
33. The Joint Committee:
- **Discussed** future membership and possible accessions to PACER Plus.
 - **Noted** interest from other Pacific countries to join the PACER Plus subject to their evaluation of the value for their countries.
 - **Acknowledged** the increased value of accessions by remaining Pacific countries such as Fiji, Nauru and Papua New Guinea to the PACER Plus and to existing Parties.
 - **Noted** concern from smaller island countries on potential loss of voice as larger economies accede to the PACER Plus, but for these Parties to be reassured that the PACER Plus decision making process is by consensus and that all Parties have an equal voice, and that efforts will be made to ensure that commitment and support to all countries including smaller economies are not compromised and that no one is disadvantaged.

Agenda Item 6: PACER Plus Ministers Meeting

34. The meeting considered the mode of delivery and provisional agenda for the 2023 PACER Plus Ministers Meeting.
35. The Joint Committee:
- **Noted** the importance of having face-to-face PACER Plus Ministers meetings but can consider a virtual meeting when in-person is not feasible.
 - **Agreed** for the PACER Plus Implementation Unit (PPIU) to hold a breakfast meeting with PACER Plus Ministers in the margins of the 2023 Forum Trade Ministers Meeting (FTMM).
 - **Agreed** for the 2023 PACER Plus Ministers Meeting to be held virtually on 26 July 2023.

- **Agreed** for the agenda to cover the following:
 - Report on the implementation of the PACER Plus and Arrangement on Labour Mobility
 - General Review of the PACER Plus
 - Labour mobility and the PIFS regional labour mobility strategy
 - PACER Plus membership and prospective accessions
- **Agreed** for this meeting paper to be declassified for public release.

Agenda Item 7: Confirmation of Chair and venue of next Joint Committee Meeting

36. Samoa is the next chair for the PACER Plus Joint Committee as per the Joint Committee chair rotational arrangement, and therefore the next host of the PACER Plus Joint Committee meeting. In consideration of Samoa hosting the 2024 Commonwealth Heads of Government Meeting (CHOGM), the PPIU has conveyed a letter to confirm their capacity to host. Samoa has confirmed that they will consider the letter and respond in due course to the PPIU.

Agenda Item 8: Other Business

8.1 Request from the Government of the United Kingdom to become an informal strategic partner

37. The Joint Committee:

- **Discussed** the letter from the Rt. Hon. Anne-Marie Trevelyan MP, Minister of State for the Indo-Pacific dated 22 May 2023.
- **Noted** that the interest from the UK does not entail financial assistance or formal membership but enables better coordination of technical expertise to support the implementation of the DEC work programme.
- **Noted** the importance of ensuring that Parties' interests are central to any consideration of future strategic partners and to ensure that core governance of the PACER Plus is not undermined.
- **Agreed** for the PPIU to disseminate its Strategic Partnership Model to facilitate further consideration by Parties.

Annex 1: Delegation List

Annex 2: PPJC.06 Meeting Agenda

Annex 3: National Statements by Parties