



**PACER Plus**  
Joint Committee

## **Fifth Meeting of the PACER Plus Joint Committee (PPJC.05)**

**Wednesday, 30 November 2022, 1.00-3.10PM Samoan Local Time**

### **OUTCOMES SUMMARY**

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1. The fifth meeting of the PACER Plus Joint Committee was held virtually on Wednesday, 30 November 2022 and chaired by Mr Keawe Woodmore, PACER Plus Senior Official, Aotearoa New Zealand.
2. The meeting was attended by Joint Committee Member representatives from Australia, Cook Islands, Kiribati, Aotearoa New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Nauru attended as Observer State.

#### **Opening formalities and Procedures**

3. The meeting was officially opened with a prayer by Mr Alipate Tavo, Trade and Investment Adviser of the PACER Plus Implementation Unit. The Chair welcomed Vanuatu as the latest Party to the Agreement and acknowledged that this was their first Joint Committee meeting as a Member.
4. The Members formally adopted the Outcomes Summary of the Fourth Joint Committee meeting which was circulated to Parties out of session and adopted on 21 July 2022.
5. The agenda for the meeting was adopted as presented.

#### **Agenda Item 1: PACER Plus Minister's Meeting Outcome Directives**

1. PPJC.05/D.1 — Directives from Ministers
  6. The Head of the PACER Plus Implementation Unit (PPIU) presented the meeting paper to the Joint Committee.
  7. The Members and PPIU provided the following comments:
    - Tonga noted Ministers' comments and conveyed support for the recommendations presented in the paper.

- Tuvalu highlighted the need for tangible results to be demonstrated and the alignment of the Work Programme to development needs of countries to assist in implementing trade-related activities that supports implementation.
- The Head of the PPIU acknowledged the differing levels of development amongst Parties and advised that the National Implementation Plan developed for each Party would outline how activities under the Annual Plan (and overall DEC Work Programme) are implemented in the country.

## Decisions

### **8. The Joint Committee agreed to:**

- I. Consider directives given by Ministers and provided strategic direction to address**
- II. Consider information and recommendations presented by the PPIU in subsequent meeting papers, which address ministerial directives.**
- III. Report back to PACER Plus Ministers on implementation of directives at the next Ministerial Meeting in 2023.**

### **2. PPJC.05/D.2 – DEC Work Programme fit for purpose paper**

- a. PPJC.05/D.2 Annex 1 – Implementing Arrangement*
- b. PPJC.05/D.2 Annex 2 – DEC Work Programme*

9. The Chair presented the paper and the meeting noted that the overall framework of the DEC Work Programme is fit for purpose however the implementation and roll out should suit and be tailored to national circumstances. The Chair encouraged that planning and engagement to continue through national focal points and to keep these views in mind for the general review of the DEC Work Programme.
10. Tonga noted that sustainable development reference under the preamble of the Agreement has not been translated into tangible outcomes. The PACER Plus Implementation Arrangement provides flexibility for changing environment and priorities and the Annual Plans for each country can be developed in line with this. The impact of implementation however will depend on Parties' levels of economic recovery. Various natural disasters have affected Tonga's priorities and believe it is important to align activities to assist with post-tsunami and post-COVID-19 recovery, as a way forward.
11. Samoa advised that they were comfortable that the paper provides for space to develop activities that address and reflect current situations at national level. Samoa further

encouraged that the activity development process is driven by National Focal Points in each country and not other agencies, and to continue to consult Members through Focal Points during the FY23-24 development process. Samoa noted that some activities from FY21-22 have not been implemented and sought an update from the PPIU.

12. Vanuatu acknowledged the welcome by the Chair and Members as a new Party to the Agreement. Vanuatu welcomed the DEC Work Programme and work ahead but would appreciate more details thanked the PPIU for putting together. Vanuatu advised that they have a new government and will continue to liaise with the PPIU on national needs under the Work Programme. Vanuatu further confirmed that the Ministry of Foreign Affairs, International Cooperation and External Trade is the national focal point for PACER Plus.
13. The Head of the PPIU advised that it is currently working on the rollout of remaining activities from the current year and should be able to provide an update on the implementation of each national implementation plan shortly. The Head of the Unit noted the level of capacity of some Parties to implement activities which has become a setback in implementation. In response to Vanuatu, the Head of the PPIU advised that the Unit has been in touch with their Ministry on development of their national implementation plan and will continue to engage with them under the FY23-24 process.
14. On the work programme, Australia advised the importance of working collectively and meaningfully together and confirmed their commitment to working with and listening to the Pacific.

### Decisions

15. **The Joint Committee:**
  - I. **Discussed the DEC Work Programme and agreed that the overall framework is fit for purpose to address economic recovery. However, it was acknowledged that the rollout of the work programme needs to suit national circumstances.**
  - II. **Endorsed a way forward to progress this by continuing engagement under the normal planning process for Annual Plans and the overall DEC Work Programme, and to raise any issues if specific needs are not reflected.**
3. PPJC.05/D.3 – Strategic Partnerships Approach and Update
  - a. PPJC.05/D.3 Annex 1 – Strategic Partnerships Approach

16. The Chair presented the paper and outlined the recommendations and the Head of the PPIU informed the Joint Committee that a meeting was held with the British High Commission in Wellington to find out more about the PACER Plus Agreement and what the development needs of the Pacific region are from the view of the PPIU. The PPIU noted their interest and were advised to engage with the Pacific through their Pacific diplomatic missions to understand the development needs on the ground and identify where the United Kingdom can align on these needs.
17. Tonga confirmed their support for Annex 1 however they sought clarity on whether the US-Pacific Islands Strategic Partnerships Trade and Investment Dialogue which is scheduled for 2023 and run by the Pacific Islands Forum Secretariat affects this in any way. Aotearoa New Zealand heard that they are not hugely interested but this could be because they have not heard from the Pacific.
18. Samoa welcomed the idea of seeking partnerships outside of PACER Plus membership and there are well established mechanisms in place to channel further support to sustainable and economic development for Pacific economies. Samoa requested if the PPIU can clarify the process undertaken when strategic partners wish to seek accession. The Head of the PPIU advised that Annex 1 provides a process on how Strategic Partners can apply to become strategic partners. The Chair noted that there is an accession article in the Agreement which sets out a process where any prospective accession partner (outside of the FICs) would write to the Depositary to the Agreement and the latter would then circulate the request to the Joint Committee for decision.
19. Solomon Islands confirmed its support for additional funding to the DEC Work Programme however have reservations on how Parties engage with Strategic Partners in governance meetings (level of access and rules of engagement). Solomon Islands advised that if strategic partners are mainly interested in the funding side i.e., money, procurement, audit, fraud, and roll out of the work programme) then they are confident this can be done through the PPIU.
20. Niue advised that they would like to ensure that observers do not outnumber Parties and further emphasized that since trade-related infrastructure is a common issue among Parties, thus it is crucial to consider engaging strategic partners who can help address such challenges relating to trade-related infrastructure.
21. Australia supported the need for the additional resources and noted the importance of ensuring all Parties are happy with the terms of engagement.

22. Vanuatu supported the need for additional funding to the DEC Work Programme and wished to see more results through the roll out of activities.
23. The Chair acknowledged the impact and burden of engaging with any strategic partners is a clear issue for Parties however the Agreement and decision making belongs to Parties.
24. The Chair encouraged Parties to raise any additional requirements or steps that should be added to the Annex (Strategic Partnerships Model). With regard to accession procedures, given there have been no requests to accede or any strategic partner requests for that matter, request the Committee to delay the question on accession.

### **Decisions**

#### **25. The Joint Committee:**

- I. **Discussed next steps of the collective Strategic Partnerships approach, including updates on recent and current developments.**
- II. **Endorsed the strategic partnerships model as a document to draw upon when considering and engaging with potential strategic partners.**
- III. **Agreed for PPIU to include additional requirements or improvements to the Strategic Partnerships Model in the Annex.**

### **Agenda Item 2: Report of the Budget Committee**

1. PPJC.05/D.4 — Report of the Fifth Meeting of the Budget Committee<sup>1</sup>
26. The Chair noted that papers under this agenda item were circulated late and acknowledged that some members may need more time to consider. The Head of the PPIU tabled the Outcomes of the 4<sup>th</sup> Budget Committee and Intersessional Meeting.
27. The meeting noted and endorsed the Budget Committee Outcomes Document. On Monitoring & Evaluation, the meeting noted Australia and Aotearoa New Zealand would lead this work with the PPIU given the extensive work required to complete this. Tonga proposed that a technical committee be established to review indicators with the PPIU, determine a process and submit to the Joint Committee for approval intersessionally.
28. On the Budget Committee Terms of Reference, Tonga requested that this be updated particularly on the non-membership of Kiribati to the Pacific Islands Forum (PIF). Tonga also sought clarification on the Budget Committee membership and rotation and how

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<sup>1</sup> List of Annexes to PPJC.05/D.4 are appended to the Outcomes Summary.

new Pacific members will be selected which was clarified by the Chair and PPIU by financial year.

29. On the Value for Money Assessment report, Samoa raised an amendment to the recommendations, to include a Special JC Meeting in the first quarter of 2023 to allow ALL PACER Plus Parties to consider in detail the report to provide direction on the engagement of the CSP beyond July 2023. Australia proposed that a Budget Committee meeting be convened prior to the special meeting in early 2023 to consider the Report and for non-Budget Committee members to be invited as observers.

### Decisions

#### 30. The Joint Committee:

- I. Noted the Outcomes Summary of PPBC.05.
- II. Noted the Outcomes Summary of the Intersessional Meeting of the Budget Committee held on 21 September 2022.
- III. Endorsed the Annual Report (Annex 3) prepared by the PACER Plus Implementation Unit for the Financial Year 2021-2022 ending on 30 June 2022.
- IV. Approved the updated Operations Manual provided in Annex 4.
- V. Approved the External Audit Report and financial statements provided in Annex 5 and 6.
- VI. Approved the updated Terms of Reference for the Budget Committee presented in Annex 7 with the amendment on FIC language in the document.
- VII. Noted the current draft PPIU Program Logic and draft Indicators presented in Annex 8 and 9 and provide feedback.
- VIII. Considered the:
  - a. Draft Report on the Value for Money Assessment of the Contract Service Provider (CSP) for the PPIU as referred to in Annex 10.
  - b. Recommendations presented by the Budget Committee as per the BC intersessional paper in Annex 12.
  - c. Agreed:
    - i. To consider the Value for Money Assessment Report out of session and hold a special Joint Committee meeting in early 2023 to agree on a way forward with regard to the CSP.

- ii. That the PPIU will provide an updated paper to include options and costings for consideration by the Budget Committee meeting.
  - iii. To convene a Special Budget Committee meeting (with all Parties) to firstly consider the Value for Money Assessment Report and make recommendations to the Special Joint Committee meeting
- IX. Noted the process and timeline for the development of the FY23-24 Annual Plan and Budget prepared by the PPIU provided in Annex 13.
- X. Noted the PPIU First Quarter Report for FY 22-23 to 30 September 2022 provided in Annex 14.

### Agenda Item 3: PACER Plus Membership

1. PPJC.05/D.5 — Ratification Update — Vanuatu
31. The Chair acknowledged Vanuatu as the tenth Party to the Agreement.
32. The senior official of Vanuatu acknowledged the support of all PACER Plus Parties in their ratification progress. He further acknowledged the previous Government in progressing the ratification instrument which culminated in deposit in July to the Depository. Vanuatu is looking forward to the implementation of the work programme in Vanuatu.
33. Australia, Samoa, Solomon Islands, Niue and Tonga congratulated Vanuatu on becoming the tenth Party to the Agreement and look forward to hearing a positive outcome for Nauru.

### Decisions

#### 34. The Joint Committee:

- I. Noted the update on Membership to the Agreement and welcomed the Republic of Vanuatu as the tenth Party to PACER Plus.
- II. Agreed to declassify this meeting paper for public release.

2. PPJC.05/D.6 — Ratification Update — Nauru

35. The meeting noted the update and encouraged all FICs including Nauru to join in future.

### Decisions

#### 36. The Joint Committee:

- I. Noted the update provided by Nauru as per their letter dated 28 November 2022.
- II. Agreed to declassify this meeting paper for public release.

#### **Agenda Item 4: General Review of the Agreement as per Rules of Procedure and Institutional Provisions of the Agreement**

##### **PPJC.05/D.7 — General Review of the Agreement**

37. The Head of the PPIU presented the paper and noted the recommendations for the Joint Committee to consider.
38. Aotearoa New Zealand noted that the AANZFTA review in the Annex was quite intensive and all reviews need to be carried out in accordance with its purpose. Two reasons why reviews have been undertaken was to, 1) ensure the Agreement is still a living agreement that can be updated and reconsidered if required, 2) consider if implementation is effective or if there are areas to improve.
39. Samoa requested for recommendation 5 to be considered at the completion of recommendation 2 so that funding can be considered once the Joint Committee has agreed on the way forward. Samoa sought clarification on recommendation 3 and how it adds value to the review process, and noted the MELA work will be a key piece in this review.
40. Solomon Islands suggested that recommendation 4 be amended to 'provide advice' to focus on lessons learnt.
41. The Chair suggested a rough timeline whereby a review process will be developed to be submitted to the Joint Committee for endorsement and then presented to the PACER Plus Ministers meeting in 2023, with a view to using the succeeding Ministers meeting in 2024 to conclude the review.

#### **Decisions**

##### **42. The Joint Committee:**

- I. Noted the requirement for the Joint Committee to undertake the General Review of the Agreement and for Subsidiary Bodies to review their respective Chapters.



- II. Tasked the PPIU to develop a process on how to undertake the General Review and then consider allocating a budget for the general review process.
- III. Noted that some PACER Plus Parties have acceded or are in the process of acceding to the other FTAs and to ensure as part of the review that commitments of other FTAs PACER Plus Parties are members of, are presented to the Joint Committee.
- IV. Directed the PPIU to engage with the relevant counterparts from Australia and Aotearoa New Zealand to provide advice on how they have reviewed existing Free Trade Agreements (e.g. AANZFTA General Review in Annex 1), to understand procedures and lessons learned from the review process.

#### **Agenda Item 5: Any Other Matters**

43. Tonga as the Depositary to the Agreement confirmed that it has registered the PACER Plus Agreement pursuant to Article 102 of the Charter of the United Nations.

##### **1. PPJC.05/D.8 — PLMAM 2022 Update**

44. The Head of the PPIU presented the paper and highlighted the participation of over 200 people at the 2022 Pacific Labour Mobility Annual Meeting (PLMAM 2022).

45. Samoa sought clarification on whether the Outcomes Statement of the PLMAM 2022 is to be presented to the PACER Plus Labour Mobility Working Group (LMWG) first prior to submission to the Joint Committee. The Chair confirmed that is the process.

#### **Decisions**

##### **46. The Joint Committee:**

- I. **Endorsed the 2022 Pacific Labour Mobility Annual Meeting Outcomes Statement.**

##### **2. PPJC.05/D.9 — Schedule of Events for 2023 and Annex 1**

47. Tonga sought confirmation on when the Budget Committee membership for rotating members will end and how the next rotating membership will be selected. The Chair confirmed that as per the Outcomes Summary of the fifth Budget Committee meeting,

Kiribati, Niue and Tuvalu have been considered to serve on the Budget Committee as the Pacific Island Party representatives for the next two-year rotation commencing July 2023.

48. Australia suggested that the Schedule be amended to reflect the mode of meetings (in person or virtual) and asked for consideration on whether the senior official level meeting can be held back-to-back with the Ministers meeting. Tonga conveyed its support for this proposal by Australia.

## Decisions

### 49. The Joint Committee:

- I. **Noted the proposed Schedule for governance meetings in 2023 as provided in Annex 1 with the inclusion of the special meetings of the Joint Committee and Budget Committee in early 2023 and the mode of delivery for each meeting.**

### 3. PPJC.05/D.10 — Next Joint Committee Meeting

50. The Head of the PPIU advised the Committee that prior to this meeting, the Government of Niue offered to host the next Joint Committee meeting in Niue.

## Decisions

### The Joint Committee:

- I. **Noted the next Joint Committee meeting will be convened on 31 May 2023 and to be chaired by Niue.**
- II. **Noted that the Host Country in cooperation with the PPIU, will prepare a provisional agenda and commence preparations for the in-person Joint Committee meeting.**

## Meeting Closure

- Outcomes Summary

As per the Terms of Reference of the Committee, it was noted that the PACER Plus Implementation Unit will prepare an Outcomes Summary of the meeting for consideration and review by the membership.

- Date and Chair of next Joint Committee meeting

It was noted that the next meeting of the Joint Committee will be held in person in Niue on 31 May 2023. Niue will Chair the meeting.

- **Closing Prayer**

The Head of Delegation of Vanuatu, Mr Joe Pakoa Lui, closed the meeting with a prayer.

## Appendix 1: List of Annexes to PPJC.05/D.4

1. PPJC.05/D.4 Annex 1 - Outcomes Summary of the fifth Budget Committee Meeting (PPBC.05)
2. PPJC.05/D.4 Annex 2 - Outcomes Summary of the Budget Committee Intersessional Meeting (PPBC.INT/Nov22)
3. PPJC.05/D.4 Annex 3 - PPIU Annual Report FY2021-2022
4. PPJC.05/D.4 Annex 4 - Updated Operations Manual v4.0\_22September 2022
5. PPJC.05/D.4 Annex 5 - PPIU External Audit Report FY 2021-2022 (for Year Ended 30 June 2022)
6. PPJC.05/D.4 Annex 6 - PPIU External Audit Report FY2021-2022 Management Letter
7. PPJC.05/D.4 Annex 7 - Terms of Reference for the Budget Committee
8. PPJC.05/D.4 Annex 8 - PPIU draft MELA Program Logic
9. PPJC.05/D.4 Annex 9 - PPIU draft Indicators based on the current iteration of the Program Logic
10. PPJC.05/D.4 Annex 10 - Draft Report on Value for Money Assessment Provider
11. PPJC.05/D.4 Annex 11 - Contract Services Provider (CSP) Capacity Building and Handover Plan
12. PPJC.05/D.4 Annex 12 - PPBC.INT/D.2 Value for Money Assessment of the Contract Services Provider
13. PPJC.05/D.4 Annex 13 - PPBC.INT/D.4 - PPIU Preparation process for FY23-24 Annual Plan and Budget
14. PPJC.05/D.4 Annex 14 - PPIU First Quarter Report for FY 22-23 to 30 September 2022