



PACER Plus
IMPLEMENTATION UNIT

PACER Plus

Implementation Unit

Strategic Plan 2025



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Ministers Foreword

As the Chair of the PACER Plus Ministers Meeting for 2022, I am very pleased and honoured to present the PACER Plus Implementation Unit Inaugural Strategic Plan 2025.

Our people and region are in the midst of a social, economic, and planetary crises that has never been encountered before. The ongoing impact of climate change coupled with the increase of non-communicable diseases pose major challenges to health and social systems and to development more generally, to our people and our region.

The arrival of the COVID-19 pandemic in 2020 and the unknown associated challenges has resulted in difficult decisions and trade-offs being made. We have been focused on rapidly overhauling policies and legislations as well as significant investment in public health and providing economic stimulus packages to assist with reducing the impact of COVID-19. With a dramatic decline of revenue and the need to continue to support and protect the livelihoods of our people and communities through stimulus packages, we must identify opportunities beyond our current norms that will bring significant and sustainable benefits.

However, we are not alone in this endeavour, and we must ignore the siloed approach in favour of a collective response. The PACER Plus (Agreement) provides us with a unique opportunity and forum to respond collectively. It is also an opportunity to do things differently and to leverage our collective knowledge and expertise to achieve our shared vision of improving the lives and welfare of our people.

The ratification of the Agreement by a number of Signatories during the peak of the COVID-19 pandemic was a significant statement of intent which signalled the need for support and assistance that will make a difference. We must also look to bring others that share the same vision for our Pacific to be part of the PACER Plus family. As our family begins to grow, I have no doubt that it will bring more benefits for our people.

This Strategic Plan will ensure we are held responsible and accountable for our actions and will be utilised to track and monitor our collective progresses. We must make the most of it because our people and communities are counting on us.

I look forward to this very exciting journey ahead of us all and on behalf of the PACER Plus Ministers, I would like to congratulate the Head of the PPIU Mr Roy Lagolago and his team for the development of the PPIU Strategic Plan 2025.

“Te Mauri (Health) Te Raoi, (Peace) Te Tabomoa (Prosperity) upon us all!


Honourable Bootii Nauan



Head of PACER Plus Implementation Unit

Our Strategic Plan draws on the substantial work undertaken by Parties and contained in our foundation documents¹. These foundation documents describe what the Parties expectations are of the PPIU and support that will be required in the coming years.

Through this Strategic Plan, the PPIU will implement the Development and Economic Cooperation Work Programme (Work Programme) for the sustainable and tangible benefit for all Parties. Annual Plans will be developed as the implementation mechanism for the Work Programme.

By delivering the implementation activities as mutually prioritised and determined by the Parties, the PPIU will remain directed and clear in our mission and intent to ensure that everyone will benefit from the Agreement.

We will apply a Gender Equality, Disability and Social Inclusion lens on all our implementation activities to ensure that no one is left behind. The creation of our Monitoring, Evaluation, Learning and Adaption framework will be utilised to gauge our progress as a collective.

Despite our different levels of development needs, PACER Plus has brought us together as a family. It has unified us and made us stronger. We must take this opportunity with both hands and make the most of it.

We look forward to serving you all as we embark on this very exciting opportunity and journey together.

A handwritten signature in blue ink, appearing to read 'R. Lagolago', with a long horizontal stroke at the end.

Roy Lagolago

Head of PACER Plus Implementation Unit

¹ Pacific Agreement on Closer Economic Relations Plus, PACER Plus Implementation Package Design/Inception Plan, Implementing Arrangement for Development and Economic Cooperation, Monitoring and Evaluation Design Thinking, Joint Funding Arrangement, Memorandum of Arrangement Relating to the Establishment of the PPIU & its Constitution, Host Agreement



Vision

Increase and deliver sustainable and inclusive investment, trade, and economic growth initiatives through PACER Plus to improve the lives and wellbeing of our people

Values

To achieve our Vision and Mission, our work will embody and prioritise:

Resilience

Respond to the changing social, economic, and political environments, seizing opportunities and managing risk

Community

Build lasting relationships among our Parties and stakeholders, based on our community's links, shared values, interests, and diversity

Foundational Principles

We will remain true to the founding principles that established our organisation.

Accountability

Signatories want to be assured that the development assistance is spent in an effective way (delivering outcomes) and that it is not wasted, with the organisation being directly accountable to the Joint Committee.

Independence

An organisation that is free from influence and barriers that hinder progress.

Simplicity

Governance and accountability arrangements around need to be clear and not overly complex.

Mission

Implement the PACER Plus Development and Economic Cooperation Work Programme for the sustainable and tangible benefit of the Parties

Integrity

Act ethically and transparently in our decisions and implementation of activities

Equity

Address Parties needs in a fair and impartial way recognising their unique differences

Efficiency

An organisation that can deliver the activities they want in a timely manner and respond effectively to requests.

Ownership

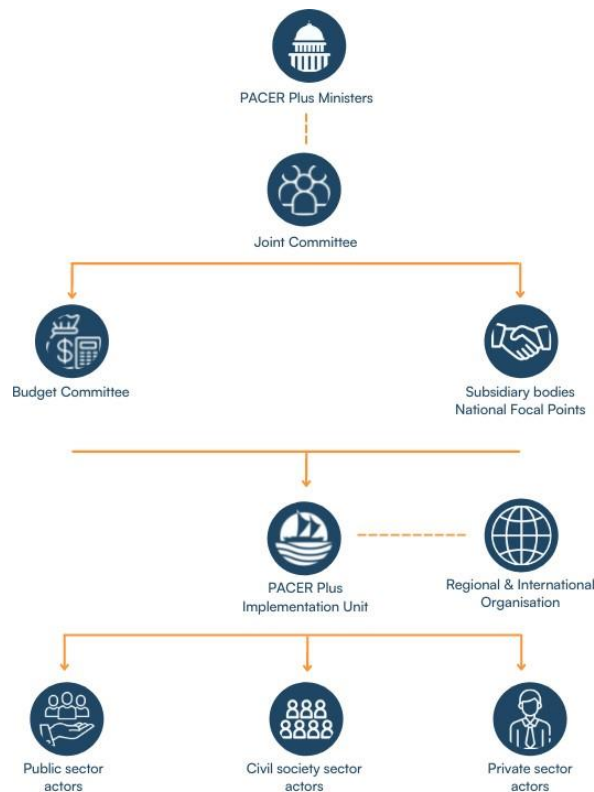
Everyone has a voice in decision making, setting the direction, and overseeing the effective implementation of the Development and Economic Cooperation Work Programme.



Governance Structure

Critical to the implementation and effectiveness of the PPIU is our governance. Chapter 12 of the Agreement establishes a Joint Committee (JC) consisting of representatives of the Parties, and also establishes the functions of the JC. The JC reports to PACER Plus Ministers and the PPIU reports directly to the JC. Chapters 12 and 12A of the Agreement provides for the establishment of three technical Subcommittees to guide the implementation of activities that are fit for purpose and suit the needs of Parties. The Implementing Arrangement establishes the Budget Committee (BC) to support the work of the JC and PPIU. A Labour Mobility Working Group has also been established to support the implementation of the Arrangement on Labour Mobility.

Figure 1: Updated IU Governance and reporting



Operating Environment

Economic development in our region is guided by Parties sovereign development strategies and coordinated through bilateral, regional, and multilateral representative bodies. It is a very congested environment occupied by several donors and implementing organisations. To avoid duplication and reduce the strain on the limited resources that Parties have available,



the PPIU will ensure that the implementation of PACER Plus activities will leverage the current regional, bilateral, and national architecture.

Our economic environment is shaped by our region's unique island geography, which has in turn contributed to limited integration with global markets. The small land and population sizes which characterise countries in our region also have flow on effects for economic planning and growth potential in domestic markets. International trade and investment are therefore critical to economic growth and associated improvements in standards of living for all people in the Pacific.

The rise in non-communicable diseases and current climate change emergency has continued to present challenges in our region. The outbreak of the COVID-19 pandemic has led to increases to the already high transaction costs in our region, significant job losses, border closures, and significant impacts on national budgets. Disruptions to supply chains have caused delays in infrastructure upgrades including internet connectivity projects essential for the development of e-commerce. Disruptions to major shipping routes have catalysed a stronger focus on domestic resilience, especially food security, and a sharpened focus on intra-Pacific trade more broadly.

PACER Plus Overview

In the midst of all these challenges and disruptions facing our region, the Agreement provides an important opportunity for a reset in doing business in the Pacific, especially in the recovery from Covid-19. The agreement came into force against the backdrop of a changing global economic and trading landscape and at a time when Parties have been unable to take advantage of market access opportunities under existing preferential trade agreements².

A closer look at the PACER Plus Agreement shows that it will play a critical role in strengthening the capacity of Parties to take advantage of the trade opportunities presented, especially in a changing global environment. In particular the Agreement will create new opportunities for sustainable investment and growth for the longer term. It also provides a platform and forum intra-regionally, for Parties to dialogue and discuss development pathways. For Parties to gain the benefits, the Agreement contains several special and differential treatment provisions and other flexibilities favouring Parties which are more flexible than other trade deals. It is specifically tailored to the Pacific and uses global best practices in what we know about sustainable development in small island states and economic growth.

The Agreement is strongly aligned with the Sustainable Development Goals (SDG's). It is the first trade and investment agreement in the Pacific to adhere to United Nations Conference

² Zhuawu, C (2021), "PACER Plus Implementation: A Development Opportunity for Commonwealth FICs' International Trade Working Paper 2021/12, Commonwealth Secretariat, London.



on Trade and Development (UNCTAD) endorsed best practice in design for sustainable development. When compared to other trade and investment agreements in the region, PACER Plus is the only agreement to deliberately align both with the SDGs and UNCTAD best practice.

We know that the key to economic recovery and to stimulate growth post the COVID-19 pandemic will require Parties to support their private sector. Trade is a private sector function, enabled and regulated by the public sector. The Agreement offers Parties significant opportunity to upgrade their business environment as well as provide several innovative investments provisions, that has ‘sustainable economic development’ at its core. In creating a closer, more uniform trade and investment environment, the Agreement allows Parties that have ratified to share resources, including skills and specialisations, labour, and private sector capital to invest in meeting their SDG targets. It also allows Parties to take a clear step towards participation in the global market by inviting investment and establishing a stronger business environment for the future. The PPIU will play an important role in supporting Parties to take this step.

It is important to note that Implementing Arrangement and accompanying Development and Economic Cooperation Work Programme (Work Programme) commenced on the date that the Agreement entered into force. The Implementing Arrangement and accompanying Work Programme will operate for a period of five years, at which point it will be reviewed by the JC and may be renewed for a further five years. Any further renewal of the Arrangement and accompanying Work Programme will be subject to the mutual consent of the Participants.

Role of the PACER Plus Implementation Unit

The Implementing Arrangement for Development and Economic Cooperation and the Memorandum of Arrangement relating to the establishment of the PPIU, and its Constitution outlines the mandate and role of the PPIU to support Parties. The PPIU’s mandate also extends to supporting Signatory countries to ratify the Agreement as well identify and assist other countries that are interested in being a Party to the Agreement. It is envisioned that growing the PACER Plus aiga beyond the current membership will bring benefit to all Parties. The PPIU will also explore opportunities to identify other likeminded strategic partners (that share our vision for the Pacific) to contribute to the implementation of priorities and the outcomes to be achieved as outline in the Work Programme.

Two other elements were also identified as being important for the effective implementation of the Work Programme and of the Agreement. These two elements were the support provided by the PPIU in its role to implement the Agreement; and in the management of the Work Programme.



Development and Economic Cooperation Priorities and Outcomes

The Work Programme attached to the Implementing Arrangement outlines the six priorities to be implemented and outcomes to be achieved by 2025.

Annual Plans will be developed in consultations with Parties and other stakeholders to ensure duplication is avoided.

The six components to be implemented as well as the objectives and outcomes to be achieved and as determined by Parties are outlined as follows.

- **Component 1: Rules of Origin & Tariff Commitments**

This component supports the implementation of the Agreement's Chapter on Rules of Origin and Verification Procedures (ROO) and other aspects of the implementation of tariff commitments.

Objective: The objective of this component is to facilitate the effective utilisation of the Agreement's commitments through efficient and transparent administration of ROO associated requirements and procedures and other aspects of the implementation of tariff commitments.

Outcomes: The key indicative outcome for this component is the efficient and transparent implementation of the Agreement's ROO Chapter, associated requirements and procedures and other aspects of the implementation of tariff commitments.

These will be reflected in:

- ready availability to business of the substantive ROO requirements and procedures.
- introduction of and improvements in legislation, regulation and;
- attendant processes and procedures for certifying compliance and;
- ensuring that all goods which meet ROO receive the relevant preferential tariff treatment; and
- full transposition of tariff schedules from HS 2012 (or other classification) to HS 2017 for all Participants.

- **Component 2: Customs Procedures**

This component supports the implementation of the Agreement's Chapter on Customs Procedures.

Objective: The objective of this component is to promote cooperation among the Customs Administrations of the Participants and support customs cooperation activities related to the implementation of the Agreement.

Outcome: The key indicative outcome is the effective and efficient implementation of the Agreement's Chapter on Customs Procedures.

The Chapter aims to promote cooperation among the customs administrations in the Participants. This will be reflected in:



- improved predictability, consistency, and
 - transparency in the application of customs laws and regulations;
 - efficient and economical Customs Administration and expeditious clearance of goods; and
 - simplified and harmonised customs procedures.
- **Component 3: Sanitary & Phyto Sanitary Measures (SPS)**

This component supports the implementation of the Agreement's chapter on Sanitary and Phytosanitary (SPS) Measures and aims to complement activities undertaken separately by the World Trade Organization (WTO).

Objective: The objective of this component is to help build the capacity of agencies responsible for the implementation of SPS policies and procedures; build business awareness of the application of SPS measures consistent with the principles in the SPS chapter; and strengthen cooperation between authorities responsible for dealing with the matters covered in the SPS chapter.

Outcome: The key indicative outcome for this component is the effective and efficient implementation of the Agreement's chapter on SPS measures. This will be reflected in:

- greater transparency in, and enhanced understanding of, the application of each Participant's SPS measures;
 - measures that are science-based and do not create unnecessary obstacles to trade;
 - strengthened cooperation between the Participants on SPS matters;
 - enhanced practical implementation of the WTO SPS Agreement by Participants that are WTO Members, complementing the activities undertaken separately by the WTO; and
 - increasing the application, where applicable, of the requirements of the WTO SPS Agreement by Participants that are not WTO Members.
- **Component 4: Technical Regulations, Standards & Conformity Assessment Procedures (TBT)**

This component supports the implementation of the Agreement's Technical Regulations, Standards and Conformity Assessment Procedures chapter.

Objective: The objective of this component is to support joint efforts in the fields of technical regulations, standards, and conformity assessment procedures; assist in promoting mutual understanding of each Participant's Technical Regulations, Standards and Conformity Assessment Procedures; and strengthen information exchange and cooperation among the Participants.

Outcome: The key indicative outcome for this component is the effective and efficient implementation of the Agreement's Chapter on Technical Regulations, Standards and Conformity Assessment Procedures. This will be reflected in:

- the maintenance of measures that are trade facilitative and do not create unnecessary obstacles to trade;



- enhanced transparency and mutual understanding of each Participant's technical regulations, standards, and conformity assessment procedures;
- a strong regional information exchange and cooperation (between and among the Participants) in the areas of technical regulations, standards, and conformity assessment procedures; and
- good practice in regulation and good practice in the preparation, adoption, and application of standards by standard-setting bodies in the territory of each Participant.

- **Component 5: Trade in Services**

This component supports the implementation of the Agreement's Chapter on Trade in Services, including Chapter 8 (Movement of Natural Persons).

Objective: The objective of this component is to facilitate increased cross-border flows of services among the Participants, by assisting them to adapt and improve regulations affecting services trade, building on the reductions in barriers to trade in services embodied in the Agreement.

Outcome: The key indicative outcome is the effective and efficient implementation of the Agreement's Chapter on Trade in Services which facilitates greater participation in the service sectors of the Participants. This will be reflected in:

- Focused support to key stakeholders in priority service sectors;
- streamlined and harmonised regulatory arrangements which facilitate trade in services, and
- stronger institutions.

- **Component 6: Investment**

This component supports the implementation of the Agreement's Chapter on Investment.

Objective: The objective of this component is to facilitate the flow of investment across the participants, by deepening and broadening linkages and assisting them to address impediments to expanding investment in response to the opportunities created by the Agreement.

Outcome: The key indicative outcome is the effective and efficient facilitation of investment between and among participating countries. This will be reflected in:

- increased awareness by potential investors of new opportunities arising from the Agreement;
- identification and resolution of impediments to; and
- improvements in the investment climate in participating countries directly and indirectly attributable to the Agreement.

Labour Mobility: In addition to the Work Programme Components, the PPIU includes the Labour Mobility Secretariat for the implementation of the Arrangement on Labour Mobility (signed alongside PACER Plus). The Arrangement facilitates key aspects of labour mobility cooperation concerning unskilled and semi-skilled workers for the region including:



- Enhancement of labour mobility schemes to maximise development benefits.
- Facilitation of circulation of temporary workers.
- Consideration of social issues associated with labour mobility.

Annual Plans: The PPIU in consultation with the Parties will develop annual plans that will be submitted to the JC for approval. The JC will refer the Annual Plans to the Budget subcommittee to advise on any aspect relating to financial approval. Where required technical working groups could be set up to help develop activities.

Consultative Annual Plans will also be developed in consultation with, implementing partners and other multi-lateral stakeholders.

Contextually Aware Annual Plans will reflect that the PPIU operates within a broader context of regional economic integration, with a diverse group of implementation partners.

Efficient Initiatives taking place within our operating environment and the activities of implementing partners will be considered and leveraged in project implementation, to avoid duplication and enhance efficiency in the utilisation of the limited resources available.

There will be progressive prioritisation of activities based on available resources and the need to be strategically oriented to meet determined as well as emerging needs and as directed by the JC.

Gender Equality, Disability and Social Inclusion (GEDSI)

While the Agreement itself is silent on gender equality and social inclusion objectives, the PACER Plus Implementing Arrangement for Development and Economic Cooperation includes the need for capacity building to implement a Trade and Gender Development Policy. The Readiness Package recommended Social Inclusion and Women's Economic Empowerment (WEE) are addressed through customs and trade transparency capacity building, inclusive of women, people with disability, youth, and remote communities.

There is a growing body of evidence that demonstrates substantial returns on investment can be achieved by broadening the economic inclusion of women, people with disabilities, youth, and remote communities. The Agreement provides an opportunity for inclusive economic growth. To support member parties in this pursuit, the PPIU will apply a twin-tracked approach to the application of GEDSI to all PPIU activities. Track 1 will involve mainstreaming and considering GEDSI across all PPIU functions, Work Programme activities, and at all stages of implementation. Track 2 will involve the development of specific, targeted activities that focus on GEDSI in trade and purposefully support the economic inclusion and empowerment of women, people with disabilities, youth and those living in remote locations to equally benefit from the economic opportunities and sustainable development benefits of the Agreement.

The PPIU GEDSI Strategy articulates the PPIU approach to addressing the gender, disability and social inclusion dimension and implications of the Agreement as follows:



Track 1 - GEDSI mainstreaming

The PPIU will mainstream GEDSI across all its functions and activities. This means that gender equality, disability and social inclusion will be integrated and considered at every stage in activity development and implementation, in all governance functions and across all operational activities. Through this, the different needs, living conditions, resources and experiences of men and women, people with disabilities, people in remote locations and other marginalised groups are considered at all stages in everything that we do.

In the context of the PPIU this will include the mainstreaming of GEDSI in all PPIU corporate, operational and governance functions, and across all Work Programme activities.

The objective of this component is that GEDSI responsiveness is built into all PPIU activity design, governance, operations, implementation and monitoring, evaluation and learning activities, increasing the collection, analysis and of disaggregated data.

Track 2 - GEDSI Specific Activities

The Agreement is expected to have significant impacts on gender equality and social inclusion because of the importance of tourism, services, fisheries, and agriculture in all the PICs, as well as the high concentration of Micro and Small-Medium Enterprises in the economies. Despite this, the Agreement itself makes little reference to gender equality and social inclusion, except in the Implementing Arrangements for the Work Program and the design of the PPIU, but there was little detail provided and the supply side constraints weren't considered. An ex-ante gender and inclusion analysis of the agreement has not been performed making it difficult to accurately predict and mitigate the differentiated impacts of the agreement on men, women, people with disabilities, youth, and other marginalised groups. The objective of this component of the GEDSI strategy and action plan is to ensure that women, people with disabilities and other marginalised groups are supported to share in the economic opportunities of the Agreement.

The PPIU will support Parties to conduct a GEDSI-focused analysis of the Agreement, with a particular focus on those elements, sectors and components that will have the greatest impact on gender equality, disability, and social inclusion. This will enable GEDSI related impacts to be assessed on a case-by-case basis, seeking to understand what will happen to women, people with disabilities, youth, and people in remote communities when the Agreement is implemented. This analysis will establish and explore the pre-existing GEDSI socio-cultural and economic environment relevant to the Agreement; forecast the anticipated economic impacts of implementing the Agreement; identify a range of activities or approaches to address these differentiated impacts; and establish a baseline and identify a toolkit of indicators to enable the GEDSI impacts of the Agreement to be monitored and evaluated. This will provide an action plan for the development and implementation of priority, GEDSI-focused activities. A further focus will be on reviewing and updating existing landscaping assessments to identify all relevant GEDSI players, activities and programs across the region and inform the development of strategic partnerships to further elevate PPIU's GEDSI response. Further details on the PPIU's approach to GEDSI can be found in the GEDSI Strategy and Action Plan.



Monitoring, Evaluation, Learning and Adaption

The credibility and value of the Agreement will be realised through the collection, analysis, and presentation of robust evidence, and using this to inform decisions within the PPIU. Monitoring, Evaluation, Learning and Adaptation (MELA) has a broad mandate in the PPIU, with two distinct objectives that are related, however require a separate approach:

1. To help us understand whether implementation of the **Work Programme has achieved what it intended to do, and if the PPIU has been the most suitable approach to delivery**. Have activities been delivered efficiently and effectively, have they been relevant, coherent, sustainable, and have they had the desired impact.
2. To help us understand whether **the Agreement is a suitable instrument for promoting increased trade, development, and economic growth**.

A priority in 2021-22 is to develop a detailed MELA framework and establish performance standards of the PPIU. This will guide the monitoring of Work Programme activities, reporting, and sharing information with key stakeholders. It is critical this work is based on a comprehensive understanding of the regional challenges (both historically, and in the latest post-pandemic context), addressing the monitoring, evaluation and learning needs of all Parties, and responding to them in a coordinated manner. In doing this we aim to demonstrate how enhanced trade and development activities contribute to the objectives of the Agreement, and key focus areas the PPIU will develop and promote in the years to come.

This first year will lay the foundations for years to come, to objectively assess whether the PPIU is on track to deliver what it was intended to. It will ensure a gender lens is applied to the MELA activities, capturing information and reporting on the inclusive nature of the Agreement. Building on the preliminary work and baseline information we have from various sources including the Rapid Needs Assessment and PACER Plus Readiness Package, we will focus on delivering the following key activities:

- Finalising the PPIU Theory of Change as a basis for activity monitoring and finalising the Performance Assessment Framework, including comprehensive consultation with the Parties
- Planning and implementation of simple and easily implementable data collection strategies, systems, and activities.
- Liaison with key regional partners and formalising arrangements on regional level trade and development information, which can be applied to measuring the impact of PACER Plus in a regional context.
- From our preliminary work, we understand a range of challenges exist in the availability and quality of relevant, statistically significant data on trade related parameters. Coordinated approaches to improve this have commenced, and there has been significant progress on Intermediate Outcomes (IO) 1 for Trade in Goods. The PPIU will look to increase the availability of data in services, investment, and niche areas related



to SPS and TBT. To add the most value for PACER Plus Parties, priority areas which the PPIU will target over the next five years include:

- IO 2 –Trade in Services: Supporting data collection initiatives with regional partners to better understand gaps and opportunities
- IO 3 – Investment: Supporting data collection, and baseline establishment to deepen our understanding of Pacific Diaspora and the role they play in encouraging investment
- IO 4 – Labour Mobility: Supporting data collection and deepening our understanding of remittances from Pacific Diaspora. Design evaluations which closely monitor labour mobility for any unintended consequences (positive or negative) for women, disabled, youth or remote communities
- IO 6 – IU Performance: Trade Statistics baseline stocktake
- IO 6 – IU Performance: GEDSI trade-related baseline stocktake.

The Agreement maintains a 30-year horizon for development and economic outcomes. The relationship of inputs over this five-year period (i.e., the Work Programme) to medium-term outcomes will help us understand the attribution and/or contribution of the Agreement to increased trade flow and development outcomes. In parallel to monitoring and evaluating the activities of the Work Programme, a series of indicators and monitoring procedures will be established to track the Agreement’s impact, to assist our learning and ability to adapt for the next strategy. This will be key to understanding the overall impact of the Agreement, building on the success and challenges of Work Programme in this five-year period.