

Attachment A: PACER Plus Development and Economic Cooperation Work Programme

Introduction

This document is the *Development and Economic Cooperation Work Programme* (Work Programme) for the *Pacific Agreement on Closer Economic Relations Plus* (PACER Plus / the Agreement). It outlines the assistance that will be provided to the Participants to implement the Agreement, has six components linked to different aspects of the Agreement, identifies the expected outcomes for each of the six components and provides a broad description of activities that will be implemented. The Work Programme provides flexibility for emerging and changing priorities to be addressed through development and economic cooperation, as they are identified during the implementation of the Agreement.

Two elements important for the effective implementation of the Work Programme and of the Agreement are the support for a PACER Plus Implementation Unit in its role in the implementation of the Agreement; and in the management of the Work Programme.

Establishment of a PACER Plus Implementation Unit

A PACER Plus Implementation Unit will be established to assist the Joint Committee and the participants to implement the Agreement. A Budget subcommittee will also be established and will comprise of representatives from Participants: ~~two~~ one from Australia, one from New Zealand and four from the Forum Island Countries (FICs) including the host country of the PACER Plus Implementation Unit. The Budget subcommittee will propose its terms of reference subject to the approval of and review of the Joint Committee.

The Unit, working with the Budget subcommittee, will manage the day-to-day expenditure of the Work Programme budget and resources. Participants will be able to second staff directly into the Unit.

The PACER Plus Implementation Unit will undertake the following functions:

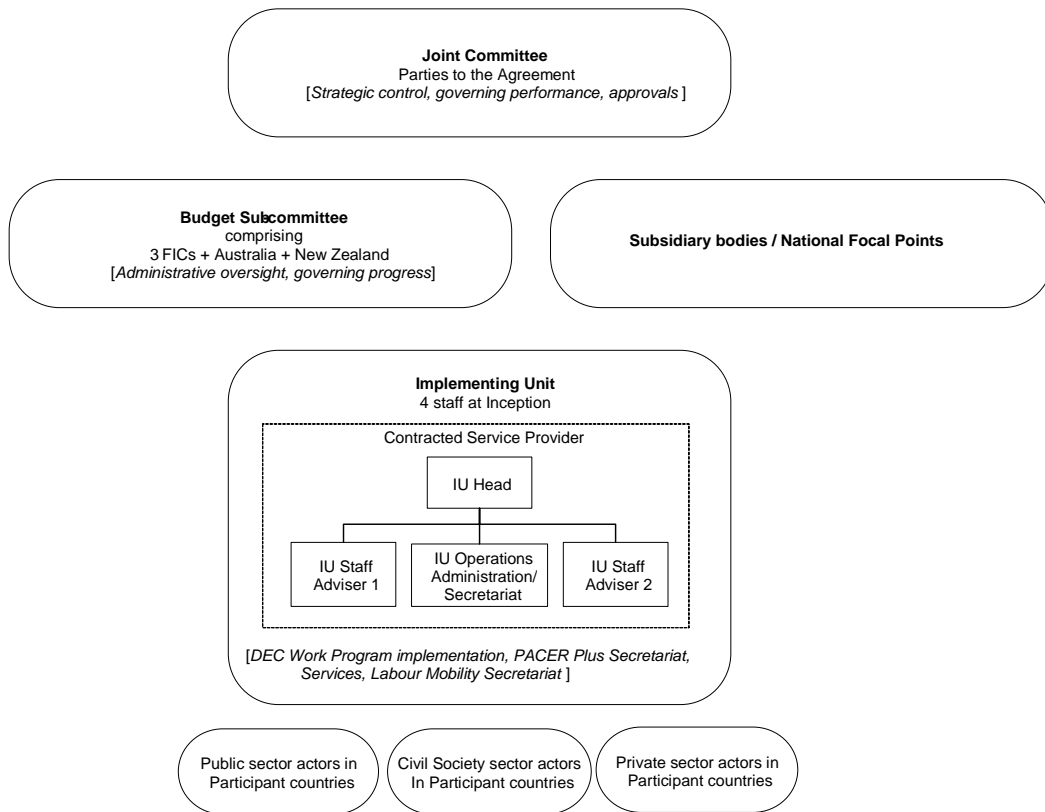
- (i) provide information to the Joint Committee to assist in decision making and implementing decisions;
- (ii) provide regular financial reporting on the Work Programme budget and expenditure;
- (iii) assist with the preparation and hosting of meetings, including coordinating dates and logistics, and organising agenda and papers, and reporting outcomes;
- (iv) coordinate the development of the Work Programme, including liaising with the subsidiary bodies and national focal points;
- (v) develop and maintain a Monitoring and Evaluation Framework for the Joint Committee's approval;
- (vi) assist Participants to monitor, report and evaluate progress of the Agreement's implementation against objectives and the Monitoring and Evaluation Framework, including identifying successes to build upon and problems that need to be addressed;
- (vii) support capacity development of the national institutions of participants to operationalise the Agreement and address regional implementation gaps;
- (viii) assist the development of regional mechanisms for effective collaboration and cooperation in the execution of the provisions of the Agreement;

- (ix) support Participants in the promotion of the Agreement to key stakeholders such as business and industry, including through the development of communications strategies, tools and resources; and
- (x) any other function as determined by the Joint Committee.

Following the six month inception phase, the Joint Committee will adopt terms of reference for the Implementation Unit elaborating its functions.

Management structure

Critical to the implementation and effectiveness of the Work Programme is the development of a management and implementation structure. The Implementation Unit will report directly to the Joint Committee. The figure below illustrates the relationship between the management and implementation structure within the PACER Plus Implementation Unit and the Joint Committee, its subsidiary bodies, national focal points, and the contributing and recipient participants at inception. The structure also features the importance of private sector and civil society engagement at the national level for the successful implementation of the Work Programme and the Agreement.



Annual Programmes

The PACER Plus Implementation Unit in consultation with the Participants will develop annual programmes that will be submitted to the Joint Committee for approval. The Joint Committee will refer the Annual Programme to the Budget subcommittee to advise the Unit on any aspect

relating to financial approval or any other matters delegated by the Joint Committee. Where required technical working groups could be set up to help develop activities under the Work Programme.

Activities may be approved by email in between annual meetings. Annual Programmes may outline multi-year activities.

For reference, an indicative list of trade and investment related needs identified by the FICs in 2016 is attached to this Work Programme¹ at Attachment B. Note: This indicative list will be updated following the completion of the 2021 rapid needs assessment.

¹ For greater certainty, this list is not exhaustive and may be amended by the Participants.

Component 1 – Rules of Origin and other Aspects of Implementation of 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.

Expected 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 the ready availability to business of the substantive ROO requirements and procedures; the 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. The outcomes of this component are also relevant to the other chapters of the Agreement such as the Trade in Goods chapter.

While all Participants will benefit from cooperation activities on ROO and on other aspects of implementing tariff commitments, it is expected that FIC Participants will benefit the most from this component.

Indicative Activities

The Work Programme may include the following:

1. Build capacity of the private sector to be able to comply with the requirements of the Agreement and maximise benefits from the Product Specific Rules;
2. Develop or improve legislation, regulations and attendant processes and procedures to ensure the smooth implementation of ROO requirements and procedures;
3. Capacity building on ROO within relevant institutions and assisting countries to effectively implement the provisions of the ROO Chapter;
4. Assist FIC governments to develop procedures to administer documentary evidence of origin provisions, including to undertake verification of origin;
5. Assistance with the transposition of earlier HS Codes to later versions.

Component 2 – Customs

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.

Expected Outcomes

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. The outcomes in this component are also relevant to other chapters, for example on Rules of Origin.

Indicative Activities

Activities under this component will build on the existing extensive arrangements for regional and international cooperation on Customs matters.

The Work Programme may include the following:

1. Assistance for implementing an automated system or upgrading an existing automated system;
2. Training of officials and private sector to acquire expertise in customs procedures including classification, valuation and risk management;
3. Assistance with reviewing existing and drafting new customs legislation and confidentiality laws and regulations.

Component 3 – Sanitary and Phytosanitary Measures

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.

Expected Outcomes

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.

All FIC Participants will benefit from this component, particularly those with less developed capacities in this area.

Indicative Activities

The Work Programme may include the following:

1. Capacity building on developing and enforcing export certification systems;
2. Technical assistance to improve industry compliance with export certification systems;
3. Assistance to establish or strengthen capacity to manage sanitary and phytosanitary risks including food safety.

Component 4 – Technical Regulations, Standards and Conformity Assessment Procedures

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.

Expected Outcomes

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.

Indicative Activities

The Work Programme may include the following:

1. Assistance in the adoption and application of technical regulations, standards and conformity assessment procedures;
2. Assistance to improve technical analysis, product testing and certification (including organic certification) of local products to ensure that they meet international standards;
3. Support for relevant central institutions in negotiating and implementing regulatory cooperation agreements with respect to technical regulations, standards and the results of conformity assessment procedures.

Component 5 – Trade in Services

This component supports the implementation of the Agreement's Chapter on Trade in Services, including the 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.

Expected Outcomes

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 streamlined and harmonised regulatory arrangements which facilitate trade in services, and stronger institutions.

Indicative Activities

The Work Programme may include the following:

1. Assistance in developing and strengthening qualifications frameworks in consultation with relevant competent agencies;
2. Assistance to explore possible recognition of qualifications in sectors of comparative advantage between national competent bodies in the Participants;
3. Assistance with strengthening the capacity of the FICs to regulate services, according to international standards and benchmarks, particularly in the financial and telecommunication sectors;
4. Assistance to build capacity for compiling and analysing trade in services data.

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.

Expected Outcomes

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.

Indicative Activities

The Work Programme may include the following:

1. Assistance to enhance capacity of participants to facilitate investment flows including through the private sector;
2. Assistance to undertake legislative reforms that enhance the investment and business operating environment, including with regard to public enterprises;
3. Assistance to assess and improve the investment climate with the involvement of the private sector.