

PHASE II IMPLEMENTING ARRANGEMENT FOR DEVELOPMENT AND ECONOMIC COOPERATION UNDER THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS

The Governments of Australia, the Cook Islands, the Republic of Kiribati, New Zealand, Niue, the Independent State of Samoa, Solomon Islands, the Kingdom of Tonga, Tuvalu, the Republic of Vanuatu (the Participants);

ACKNOWLEDGING the breadth of their ongoing cooperative relationship, encompassing political and security cooperation, socio-cultural cooperation, development cooperation and economic cooperation;

FURTHER ACKNOWLEDGING the distinct challenges faced by Forum Island Countries (FICs) including small and dispersed populations that are constrained in their participation in international trade;

FURTHER ACKNOWLEDGING that the Participants entered into the 2017 Implementing Arrangement at Nukualofa for a period of five years, which commenced on 13 December 2020, when the PACER Plus entered into force;

HAVE MUTUALLY REACHED THE FOLLOWING UNDERSTANDINGS:

Development and Economic Cooperation Work Programme

1. The Participants will take part in the *Development and Economic Cooperation Work Programme* (Work Programme), which has been developed for the purpose of Chapter 10 (Development and Economic Cooperation) of the *Pacific Agreement on Closer Economic Relations Plus* (PACER Plus). The Work Programme is attached to this Implementing Arrangement.
2. The Australian Government will provide AUD 23.2 million to fund the management and delivery of the Work Programme.
3. The New Zealand Government will provide NZD 10 million to fund the management and delivery of the Work Programme.

Broader Trade and Investment Related Assistance

4. To maximise the benefits from the expected liberalisation of the trade and investment environment that will flow from PACER Plus, the Participants will, to the extent possible, improve the broader trade and investment-related programme of assistance through their existing development and economic cooperation relationships.
5. This broader trade and investment related assistance, which will include funding for PACER Plus related projects, will complement and be additional to the implementation assistance provided through the Work Programme.

6. Taking into account the individual priorities of the FICs, the broader trade and investment related assistance will be consistent with the OECD Development Assistance Committee definition of what constitutes Aid for Trade and may include the following areas:

- a. trade policy and regulations;
- b. economic infrastructure;
- c. building productive capacity;
- d. trade-related adjustment; and
- e. other needs, if identified as trade-related development priorities in the FICs' national development strategies.

7. This broader trade and investment related assistance will address the needs identified by the FICs and be mutually prioritised and determined by Australia and individual FICs in their aid partnerships; and between New Zealand and individual FICs in their Statements of Partnership.

8. The Australian Government and the New Zealand Government will approve an Aid for Trade funding target for the Pacific of 20 per cent of their respective Pacific Official Development Assistance.¹

Consultation

9. Any differences in the interpretation or application of this Arrangement will be resolved by discussions between the Participants.

Amendment

10. This Arrangement may be amended at any time by the mutual written consent of all the Participants.

Commencement and duration

11. This Arrangement and accompanying Work Programme will commence on the date that the 2017 Implementing Arrangement ends, on 13 December 2025.

12. This Arrangement and accompanying Work Programme will operate for a period of five years.

13. The Joint Committee will review the Arrangement and accompanying Work Programme prior to the end of the five years. Any further renewal of the Arrangement and Work Programme will be subject to the mutual consent of the Participants.

SIGNED at Honiara this twenty-seventh day of November two thousand and twenty-five, in one copy in the English language.

¹ International Development Cooperation.

Australia



The Cook Islands



The Republic of Kiribati



New Zealand



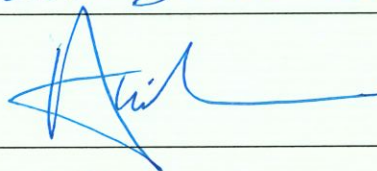
Niue



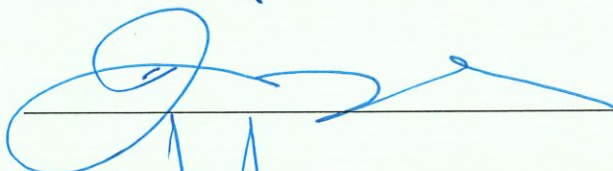
The Independent State of Samoa



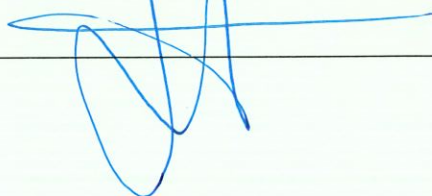
Solomon Islands



The Kingdom of Tonga



Tuvalu



The Republic of Vanuatu

Attachment A

PACER Plus Development and Economic Cooperation Work Programme (2025-2030)

Introduction

This is the *Development and Economic Cooperation Work Programme* (Work Programme) for the *Pacific Agreement on Closer Economic Relations Plus* (PACER Plus / the Agreement).

This Work Programme supports and should be read in conjunction with the:

- PACER Plus Trade Agreement Chapter 10: Development and Economic Cooperation
- PACER Plus Trade Agreement, Chapter 12: Institutional Arrangements
- Memorandum of Arrangement relating to the Establishment of the PACER Plus Implementation Unit and its Constitution
- PACER Plus Implementation Unit Policy and Operations Manual
- Host Agreement
- Joint Funding Arrangement between the PPIU, Australia and New Zealand

Development and Economic Cooperation Work Programme – Objectives - Strategic Plan 2025-2030

In order to deliver on trade and development aspirations set out in the Agreement, the Participants have identified and agreed to the following strategic objectives for the PACER Plus *Development and Economic Cooperation Work Programme 2025-2030*:

- a. *Rules of origin*: Increase trade in goods through greater access to preferential treatment under PACER Plus. Facilitate effective utilisation of the Agreement through efficient and transparent administration of Rules of Origin associated requirements and procedures and other aspects of the implementation of tariff commitments. Increase private sector support and understanding of, and capacity to benefit from, PACER Plus preferential treatment.
- b. *Customs procedures*: Increase trade in goods by promoting and strengthening cooperation among Customs Administrations of Participants. Improve harmonisation, modernisation and transparency of customs procedures to ensure compliance with the Agreement. Improve the efficiency and predictability of border processes to reduce trade costs and also to support and enable the private sector to benefit from faster, more reliable customs clearance.
- c. *Sanitary and Phytosanitary Measures*: Increase trade in goods through improved Sanitary and Phytosanitary (SPS) Measures. 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. Strengthen cooperation between authorities responsible for dealing with the matters covered in the SPS chapter. Increase private sector support, knowledge and capacity to trade by better managing risks associated with biosecurity, food safety, plants and animal health.
- d. *Technical barriers to trade*: Increase trade in goods through the application of international best practices on Technical Regulations, Standards and Conformity Assessment Procedures (TBT). Enable joint efforts in the fields of technical regulations, standards and conformity assessment procedures. Assist in promoting mutual understanding of Participants' Technical Regulations,

Standards and Conformity Assessment Procedures. Strengthen information exchange and cooperation among the Participants. Provide support to the private sector to strengthen their capacity to meet international standards and increase market access.

- e. *Trade in services:* Facilitate increased cross-border flows of services among the Participants. Assist Participants to strengthen and align domestic regulatory frameworks affecting services trade, reduce barriers, and promote transparency and predictability. Create an enabling environment that supports and encourages private sector participation in priority service sectors and increases exports of services between and among Participants.
- f. *Investment:* Facilitate the flow of inclusive investment across Participants by promoting a transparent, predictable and enabling investment environment. Strengthen cooperation to reduce policy and regulatory barriers and foster linkages between foreign and domestic investors. Deepen regional investment integration and expand investment opportunities directly and indirectly attributable to the Agreement.
- g. *Labour mobility:* Facilitate development outcomes from labour mobility by strengthening linkages with trade in services, movement of natural persons and investment under PACER Plus. Enhance labour mobility growth and cooperation amongst Participants to improve the enabling environment and governance of labour mobility; increase development outcomes through sustainable reintegration practices; and increasing opportunities including through intra-pacific labour mobility.
- h. *Cross cutting:* Promote the successful implementation of PACER Plus through strong governance, partnerships and private sector support and engagement that embed principles of inclusive economic empowerment of women, people with disabilities, youth and marginalised communities, and build climate resilience into trade practices. The primary outcome is deeper economic integration amongst Participants, increased awareness of private sector stakeholders of PACER Plus, and greater partnerships amongst key trade-related stakeholders in the Pacific.

Annual Programme

Annual programmes will be developed that support strategic objectives set out above. Annual Programmes will be approved through the PACER Plus agreed governance structures, processes and policies as set out in the Agreement, Constitution and Operations Manual, and other relevant documents.

The PACER Plus Implementation Unit will support the design and delivery with direction and oversight from the Joint Committee, Budget Committee, and subsidiary bodies including the Labour Mobility Working Group as well as consultation with other relevant stakeholders. Annual programming will be approved by the Joint Committee.