

The agreement recognises that Pacific Island countries face challenges in participating in international trade. It therefore includes arrangements to support Pacific Parties to build their capacity to trade and attract investment, so that they can take full advantage of the opportunities PACER Plus provides. The agreement also includes more flexibility around implementation than some of New Zealand's other free trade agreements, taking into account these challenges.

Development and Economic Cooperation

PACER Plus Readiness Package

Completing national processes to approve and ratify a regional trade agreement can be a complex process, requiring updates to legislation and customs systems. Australia and New Zealand have pledged a combined AU\$7.7 million to meet Pacific requests for technical assistance to prepare for entry into force of the agreement. This "Readiness Package" of support is being implemented with those Pacific Island countries that have signed PACER Plus.

This package includes technical assistance for:

- completing domestic approval processes, including reviewing and updating legislation;
- updating and harmonizing customs systems and tariff codes at the border;
- training on new requirements to promote transparency and availability of information under the agreement;
- Training the private sector on the new, simplified rules of origin;
- communications and stakeholder outreach on benefits and implications of the agreement; and
- planning and mitigating revenue loss from tariff reductions under the agreement.

The package of support is designed to be flexible and responsive to the needs of the Pacific Island countries that sign PACER Plus. The implementation of some activities may carry through to the Development and Economic Cooperation Work Programme once the agreement enters into force.

Development and Economic Cooperation Work Programme

Australia and New Zealand have committed a combined AU\$25.5 million for a five-year work programme to support Pacific Island countries once the agreement enters into force. The programmes will support them to:

- modernise their customs and clearance systems;
- reduce biosecurity risks;
- meet technical regulations and standards of foreign markets;
- promote Pacific exports internationally; and
- attract investment into local enterprises.

All Parties will be represented on a PACER Plus Joint Committee, which will approve the work programme priorities and funding, and review progress towards objectives. A regional implementation unit will be established to manage the operational aspects of the work programme, and will report to the joint committee. On conclusion of the five-year period the Parties will decide whether to extend the work programme and any associated funding commitments.

Pacific Aid for Trade Investment target

New Zealand has also committed to invest at least 20 percent of its total Official Development Assistance in 'Aid for Trade' in the Pacific. 'Aid for Trade' covers a broad range of support that enables trade. This commitment



will also be for a period of five years from when the Agreement enters into force. This regional investment target will be implemented differently in each country, according to the priorities agreed through our bilateral development talks.

For New Zealand this means investing at least 20 percent of its total Official Development Assistance in 'Aid for Trade' for the Pacific for the five years after PACER Plus enters into force. The exact amount is yet to be determined but if the target were applied to New Zealand Aid Programme's next three year funding cycle (2018-2021) then it would amount to potential investments of over NZDS\$ 435 million in economic infrastructure and capacity building.



Development and Economic Cooperation

THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS

The Pacific Agreement on Closer Economic Relations Plus is a landmark trade and development agreement that will raise living standards, create jobs, increase exports in Pacific Island countries and provide greater certainty for New Zealand businesses trading in the Pacific.

Want to find out more?

Visit the Trade section of the Ministry for Foreign Affairs and Trade website www.mfat.govt.nz/en/trade to find out more about PACER Plus and the benefits it is designed to deliver. This website includes:

- The full text of PACER Plus
- Factsheets on key areas for New Zealand; and
- The National Interest Analysis.

Disclaimer – This document is for information purposes only, and does not constitute legal advice.

Submissions or requests for information can be sent to: PACREG@mfat.govt.nz