



PACIFIC

The EU's relationship with the Pacific region has political, economic and development dimensions. The EU is the Pacific region's second largest trading partner and in June 2018 negotiations were launched for comprehensive free trade agreements with Australia and New Zealand. The EU has a partnership with the 15 Pacific Independent Island Countries that centres on development, fisheries and climate change, as well as partnerships with the three Pacific Overseas Countries and Territories and the Pacific Islands Forum.

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union (TEU);
- Titles I-III and V (common commercial policy; development cooperation and humanitarian aid; international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- European Union-Australia Framework Agreement;
- European Union-New Zealand Partnership Agreement on Relations and Cooperation (PARC);
- Partnership Agreement between the African, Caribbean and Pacific (ACP) Group of States, and the European Community and its Member States (Cotonou Agreement).

THE EU AND THE PACIFIC REGION

The EU and the Pacific region retain a longstanding relationship, shared values and strong economic and trade links. The EU has developed partnerships in the region with Australia, New Zealand, the 15 Pacific Independent Island Countries (PICs), the three Overseas Countries and Territories (OCTs) and the Pacific Islands Forum (PIF).

The EU, Australia and New Zealand are like-minded partners with common values and interests. The EU has developed close government and private-sector relations with both countries across a broad spectrum of issues, such as climate change and disaster risk reduction, rules-based world trade, security and development, technological research and human rights.

The EU's relationship with the Pacific Islands has traditionally been based on development cooperation in the framework of the partnership between the EU and the African, Caribbean and Pacific (ACP) countries. In recent years, this relationship has



extended to other sectors such as the environment, good governance, energy, climate change, fisheries and human rights.

A. Australia and New Zealand

1. Australia

The [European Union and Australia](#) have a long-established partnership that dates back to the 1960s. The basis of the current relationship is the 2017 [Framework Agreement between the European Union and Australia](#). This agreement focuses on political dialogue, security issues, international cooperation, economy and trade, justice, culture and education, energy and the environment. The text is undergoing ratification but has been in force provisionally since October 2018. Besides this treaty, the EU and Australia have signed 19 bilateral treaties and bilateral dialogues take place on a regular basis.

Australia is an important trading partner for the European Union. In 2018, the EU was Australia's third largest two-way trading partner in goods, accounting for a total of EUR 47.5 billion. Australia is the EU's eighteenth biggest trading partner and the EU's main export categories are machinery, chemicals and agricultural products. Australia's main exports to the EU are minerals, crude materials and manufactured objects. The EU and Australia are negotiating a free trade agreement to facilitate commercial exchanges between the two parties. The Council issued a mandate to the Commission in May 2018 and the first round of negotiations took place in Brussels in July 2018. The second round was held in November 2018 and the [third](#) and most recent round took place in Canberra, Australia in March 2019.

2. New Zealand

EU-New Zealand relations are currently governed by the [Partnership Agreement on Relations and Cooperation](#) (PARC), which was signed on 5 October 2016. The PARC facilitates bilateral engagement by strengthening political dialogue and improving cooperation on economic and trade matters and in a wide range of other areas, from innovation, education and culture to migration, counter-terrorism, the fight against organised crime and cybercrime, and judicial cooperation.

The EU is New Zealand's third largest trading partner after China and Australia. In 2018, two-way trade in goods between the EU and New Zealand amounted to EUR 9.5 billion. New Zealand's main exports to the EU consisted of food and crude materials while the EU's principal exports to New Zealand were machinery and transport equipment. The two parties are currently negotiating a [free trade agreement](#). Following the Council's approval of a mandate for the EU, on 22 May 2018, negotiations were formally launched on 21 June 2018. The first round was held from 16 to 20 July 2018, and yielded agreement between the two sides in most of the areas for negotiation. The second round took place from 8 to 12 October 2018 in Wellington, New Zealand. The third and most recent round was held in Brussels from 18 to 22 February 2019. The fourth round should take place in New Zealand in May 2019.



B. Other Pacific countries

The 15 Pacific Independent Island Countries (PICs)^[1] have a combined area of 528 000 km² and are part of the African, Caribbean and Pacific Group of States (ACP). The EU's relations with the PICs are focused on development cooperation, fisheries and climate change.

The EU's strategy vis-à-vis the PICs is set out in the 2012 joint communication entitled '[Towards a renewed EU-Pacific development partnership](#)'. It builds on the framework of the [Cotonou Agreement](#) with the ACP countries. In view of the expiration date of 29 February 2020, the negotiations on a Post-Cotonou Agreement started in September 2018. In December 2019, the application of the Cotonou Agreement was prolonged until December 2020. As the negotiations have been further delayed, the application of the agreement will be further extended until June 2021.

The position of the European Parliament has been expressed in three resolutions ([4 October 2016](#); [14 June 2018](#) and [28 November 2019](#)). Parliament welcomes the proposed overall architecture for future cooperation between the ACP and the EU and has reiterated the importance of strengthening the partnership's parliamentary dimension. In its most recent resolution adopted in November 2019, Parliament made the preservation of the ACP-EU Joint Parliamentary Assembly a precondition for giving its consent to the future agreement.

The EU27 is the ACP-Pacific region's [fifth largest trading partner](#), with trade worth EUR 2.6 billion in 2019. The negotiations for a comprehensive economic partnership agreement (EPA) between the EU and the Pacific Island Countries were paused in 2015 pending a review of the management of Pacific fisheries resources. Meanwhile, the [EU has an interim EPA with Papua New Guinea and Fiji](#), which was ratified by the European Parliament in January 2011. Samoa recently completed its process of accession to the EPA and started applying the agreement on a provisional basis on 31 December 2018. The Solomon Islands acceded to the EPA on 17 May 2020. Tonga declared its intention of acceding to the EPA in 2018 and the negotiations are set to be finalized by the end of 2020.

The EU is the third largest donor of [development assistance](#) to the ACP-Pacific countries after Australia and Japan. The [European Development Fund](#) (EDF) is the main instrument for providing EU assistance for development cooperation under the current Cotonou Agreement. Funding to Pacific ACP countries and to the region's (then) four OCTs (including the UK territory Pitcairn) for the 2014-2020 period under the 11th EDF amounted to around EUR 800 million. The funds from the 11th EDF are complemented by a number of thematic programmes under different financing instruments.

The new Neighbourhood, Development and International Cooperation Instrument (NDICI) will be the main funding instrument for EU cooperation and development with partner countries under the Multiannual Financial Framework (MFF) for 2021 to 2027.

[1]The 15 PICs are: Fiji, Papua New Guinea and Timor-Leste, which together account for 90% of the region's landmass and population, and 12 Small Island Developing States: the Cook Islands, Kiribati, Micronesia, Nauru, Niue, Palau, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.



It would integrate, inter alia, the EDF, which is currently outside of the EU budget. The EDF's integration into the Union budget would enhance the scrutiny powers of the European Parliament and help strengthen the public legitimacy and political visibility of the EU's external assistance as a whole.

Under Article 6 of its [resolution](#) adopted on 27 March 2019 the European Parliament has requested that at least EUR 620 million in 2018 prices be allocated for the ACP-Pacific region. However, to date neither the Commission nor the Council has taken an official position on that request. The negotiations on the new MFF 2021-2027 and the NDICI between Council and Parliament are still ongoing and are expected to be finalised by the end of 2020.

The PICs face major development and climatic challenges. As regards climate change, the EU and the Pacific Small Island Developing States supported the establishment of the ambitious, global Paris Agreement at the 21st UN Climate Change Conference (COP 21) in 2015. The 23rd session (COP 23), which took place in Bonn, Germany, from 6 to 17 November 2017, was chaired by Fiji.

The Pacific Islands Forum (PIF), a political grouping of 18 members, is an interlocutor for the EU for EU development funding and trade negotiations. The grouping comprises: Australia, the Cook Islands, Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu, New Caledonia and French Polynesia. New Caledonia and French Polynesia, together with Wallis and Futuna, make up the EU's three Overseas Countries and Territories (OCTs) in the region.

ROLE OF THE EUROPEAN PARLIAMENT

The European Parliament's relations with the Australian and New Zealand parliaments date back to 1979, when the [Delegation for Relations with Australia and New Zealand \(DANZ\)](#) was set up. Since then, the DANZ has engaged in regular interparliamentary meetings (IPMs) with the Australian and New Zealand parliaments in order to foster relations with both countries and discuss issues of common interest such as agriculture, energy, the environment and climate change, development and economic cooperation, science and technology, trade, the promotion of global and regional security in the Asia-Pacific region, countering terrorism, and human rights. The [39th and most recent EU-Australia IPM](#) took place in Sydney and Brisbane in October 2018. The [22nd EU-New Zealand IPM](#) was held in Wellington and Auckland in February 2018.

The European Parliament is represented in its relations with the other Pacific countries by the [Delegation to the ACP-EU Joint Parliamentary Assembly \(DACP\)](#). The DACP joins its ACP counterpart in the assembly (ACP-EU JPA), which is composed of equal numbers of EU and ACP representatives. The main task of the delegation is to prepare the meetings of the ACP-EU JPA, to evaluate and follow up on the European Parliament's activities, to organise meetings with high-level ACP figures, and to discuss topical issues relating to the implementation of the Cotonou Agreement. The [38th session](#) of the ACP-EU JPA was held in Rwanda in November 2019.

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