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Text shows PACER-Plus letting Pacific down on development

Civil Society Organisations have had their fears about the impacts that regional trade talks will have on development prospects for the Pacific, confirmed with the leaking another chapter of the agreement. The chapter, titled “Development Assistance and Economic Cooperation”, considered one of the two most crucial areas of negotiations for Forum Island Countries (FICs), outlines the framework for assistance to be provided to FICs if they agree to conclude the regional free trade negotiations, known as PACER-Plus by 2016.

Controversially launched in 2009, PACER-Plus is seen as one of the most important trade negotiations for the Pacific in a decade. As part of including a 'development' component the Pacific have insisted on the inclusion of labour mobility and development assistance in the talks, the two areas of most interest to the Pacific Countries.

For seven years, negotiations have crawled along, buoyed only by the aggressive instance of Australia and New Zealand to lock down a legally binding agreement. Forum Island Countries have been reluctant with Papua New Guinea threatening to exit negotiations citing few, if any, benefits to them. Whilst Fiji having just rejoined is considering in detail whether the current text will hold any benefits for Fiji.

“This chapter was seen by Pacific countries as one of the key areas of benefit under PACER-Plus yet this chapter confirms that the Pacific are having to forgo their ability to determine their economic future in exchange for voluntary commitments from Australia and New Zealand to help implement the agreement plus some extra bilateral aid” commented Adam Wolfenden, Campaigner from the Pacific Network on Globalisation (PANG).

“This agreement is a Trojan horse to increase access to Pacific markets despite the fact that Australia and NZ already disproportionately benefit from current trade flows. It is a well known fact that 'national interest' is a key part of Australia's aid program and the proposals made by Australia in this text just show how determined they are to control how the Pacific makes decisions about its development,” stated Thulsi Narayanasamy, Director of AID/WATCH, Australia's independent watchdog on its aid program.

The text contains a Pacific proposal calling for a dedicated “Aid for Trade” fund to be administered through the bilateral aid programs of Australia and New Zealand. Aid for Trade encompasses a large number of activities including infrastructure initiatives, upgrading customs procedures, training for officials, and regulatory reform.

“Australia and New Zealand have existing Aid for Trade programs and Australia has already stated its targets for increasing this type of aid. It appears that the FICs are in the position of having to sign a trade agreement, an agreement that undermines their ability to develop, just to get a few extra aid dollars. That's not development by anyone's definition,” added Ms Narayanasamy.

One contentious proposal under the chapter is that Pacific nations would need to provide a contribution to any projects funded under the Aid for Trade fund. This allows the possibility of projects to not be funded by Australia and New Zealand if FICs can't afford to also contribute.

“It is shameful see Australia foisting this agreement on the Pacific and to then turn around and keep attempting to limit the ways it should contribute. The text shows Australia trying to leave any future support to only being possible if there are 'available resources'. Asking the Pacific nations to contribute to any additional projects funded throws away the veil that this was a development agreement” continued Ms Narayanasamy.

There has been a groundswell of opposition to the proposed agreement with Pacific Islanders and Civil Society groups rallying behind the Tabu PACER-Plus campaign. The next round of PACER-Plus negotiations will be taking place in Melbourne on October 7-9 with demonstrations expected.

“We know that this chapter has now been agreed upon but we don't know how these issues have been resolved. We continue to demand that the negotiations be suspended, all chapters made public and a human rights impact assessment undertaken,” concluded Mr Wolfenden.

The leaked text can be accessed at:

<http://www.pina.com.fj/index.php?p=pacnews&m=read&o=86385074655ff5c326734fcf90f4f8>

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