

# **EC/Pacific States Interim Partnership Agreement: accession of Solomon Islands**

2019/0099(NLE) - 29/04/2019

**PURPOSE:** to approve, on behalf of the European Union, the accession of Solomon Islands to the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** Council may adopt the act only if Parliament has given its consent to the act.

**BACKGROUND:** on 12 June 2002, the Council authorised the Commission to open negotiations for Economic Partnership Agreements with the African, Caribbean and Pacific Group of States.

On 30 July 2009, the Union signed the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part, which establishes a framework for an Economic Partnership Agreement. The Interim Partnership Agreement has been provisionally applied by the Independent State of Papua New Guinea, the Republic of the Fiji Islands and the Independent State of Samoa since 20 December 2009, 28 July 2014 and 31 December 2018, respectively.

Accordingly, on 4 June 2018, Solomon Islands submitted a request to the Council together with a market access offer to accede to the EPA. The Commission assessed the offer and, after modifications, found it to be acceptable. Accordingly, it concluded negotiations on behalf of the Union on 23 October 2018. The European Parliament was informed via its Committee on International Trade (INTA).

**CONTENT:** the Commission proposes that the Council decide to approve, on behalf of the Union, the accession of Solomon Islands to the Interim Partnership Agreement between the European Union, of the one part, and the Pacific States, of the other part, subject to Solomon Islands' deposit of the act of accession.

The accession of Solomon Islands to the EPA between the EU, Fiji, Papua New Guinea and Samoa, which is an asymmetric and WTO-compatible trade agreement, reinforces the legal framework of the EU trade relations with partner countries and facilitates reciprocal trade. It also incorporates Solomon Islands into the regime of joint rules and institutions established by the EPA.

The Economic Partnership Agreement contains provisions on Sustainable Development, whereby the Parties reaffirm that the objective of sustainable development shall be an integral part of the provisions of this Agreement, consistent with the overarching objectives and principles set out in Cotonou Agreement, and especially the general commitment to reduce and eventually eradicate poverty in a way that is consistent with the objectives of sustainable development. The EPA is a development-oriented trade agreement, which offers asymmetric market access to Solomon Islands and allows it to shield sensitive sectors from liberalisation, while providing a large number of safeguards and a clause for infant industry protection. It further contains provisions on the rules of origin that facilitate Solomon Islands' exports into the EU.

Over the course of its implementation, the EPA will largely relieve EU exporters of industrial products to Solomon Islands from paying customs duties. The EPA concerns 90.3% of tariff lines, corresponding to

83% in volume of EU exports over 15 years. Solomon Islands will benefit from maintaining their duty-free quota-free market access into the EU market.

Solomon Islands will take part in the Trade Committee which shall deal with all matters necessary for the implementation of the Agreement, including monitoring and review its implementation.

**BUDGETARY IMPLICATIONS:** Solomon Islands is projected to graduate from the Least Developed Countries category in 2021; as such it will continue to benefit from the 'Everything But Arms' initiative which offers exports duty-free quota-free market access into the EU for a transitional period of three years thereafter. There will be no budgetary implications as the accession to the Agreement will continue Solomon Islands' market access into the EU on the same terms.