EC/Pacific States Interim Partnership Agreement: accession of Tuvalu

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PURPOSE: to approve, on behalf of the European Union, the accession of Tuvalu to the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part (the 'Interim Partnership Agreement'), subject to Tuvalu's deposit of the act of accession pursuant to Article 80(2) thereof.

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 EU signed an interim EPA between the Union, of the one part, and the Pacific States, of the other part. The interim EPA has been provisionally applied by Papua New Guinea and the Republic of Fiji since 20 December 2009 and 28 July 2014, respectively.

Article 80 of the interim EPA provides for the possibility for other Pacific Islands to accede to the Agreement. Accordingly, the Independent State of Samoa and Solomon Islands acceded to the Agreement and are provisionally applying it since 31 December 2018 and 17 May 2020, respectively.

On 31 March 2023, Tuvalu submitted a request to the Commission, together with a market access offer, to accede to the interim EPA. The Commission assessed the offer and, after amendments, found it to be acceptable. Accordingly, it concluded negotiations on behalf of the Union on 28 April 2023.

In accordance with Article 76(3) of the Agreement, the Union and Tuvalu are to provisionally apply the Agreement 10 days after notifying each other in writing of the completion of the procedures necessary for this purpose.

The accession of Tuvalu to the Interim Partnership Agreement should be approved on behalf of the Union, subject to Tuvalu's deposit of the act of accession pursuant to Article 80(2) thereof.

It is now necessary to approve the accession of Tuvalu to the Interim Partnership Agreement on behalf of the European Union.

CONTENT: the Commission proposes that the Council should decide to approve on behalf of the Union, the accession of Tuvalu to the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part, subject to Tuvalu's deposit of the act of accession pursuant to Article 80(2) thereof.

The proposal contains provisions on the approval, on behalf of the Union, of the accession of Tuvalu to the interim EPA and on notifications in order to express the consent of the European Union to accession and the provisional application of the Agreement. It specifies that the approval of the accession must not be construed as conferring rights or imposing obligations which can be directly invoked before the Union or Member State courts or tribunals.

The interim EPA is a development-oriented trade agreement, which offers asymmetric market access to Tuvalu and allows it to shield sensitive sectors from liberalisation, while providing a large number of safeguards and a clause for infant industry protection.

In particular, the interim Agreement:

- contains provisions on the rules of origin that facilitate Tuvalu's' exports into the EU;

- establishes the conditions for EU economic operators to take full advantage of the opportunities between the respective economies. Over the course of its implementation, the interim EPA will largely relieve EU exporters of industrial products to Tuvalu from paying customs duties. It satisfies the criteria established in Article XXIV of the GATT 1994 (to eliminate duties and other restrictive regulations of commerce with respect to substantially all trade between the parties). The offer meets WTO threshold, i.e. 80.2% of liberalisation (in tariff lines), corresponding to 82.1% in volume of EU exports over 20 years. Tuvalu will benefit from maintaining its duty-free quota-free access into the EU market;

- establishes a set of disciplines in the areas of sustainable development; Technical Barriers to Trade (TBT); and Sanitary and Phytosanitary (SPS) measures among others. Furthermore, the Parties to the interim EPA participate in the Trade Committee established under the Agreement. The possibility of the EU to avail itself of the bilateral dispute settlement mechanism foreseen under the Agreement contributes to the objective of securing a transparent, non-discriminatory and predictable environment for EU operators in the Pacific countries.

Budgetary implications

Tuvalu is expected to graduate from the Least Developed Countries category in 2024. It will continue to benefit from the EU's 'Everything But Arms' preferences, which offers duty-free quota-free access to EU market for all products (except arms and ammunitions), for a transitional period of three years thereafter. There will be no budgetary implications as the accession to the Agreement will continue Tuvalu's market access into the EU on the same terms of preferences.