

EC/Pacific States Interim Partnership Agreement: accession of Vanuatu

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PURPOSE: to approve the accession of Vanuatu to the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part.

PROPOSED ACT: Decision of the Council.

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 the conclusion of Economic Partnership Agreements (EPAs) with the African, Caribbean and Pacific (ACP) countries.

On 30 July 2009, the EU signed an interim EPA between the Union (then the European Community), on the one hand, and the Pacific States, on the other. 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. The Independent State of Samoa and the Solomon Islands acceded to the Agreement and have been applying it provisionally since 31 December 2018 and 17 May 2020 respectively.

On 10 July 2024, Vanuatu submitted to the Commission an application for accession to the interim EPA, accompanied by a market access offer. The Commission examined the offer and found it acceptable. Accordingly, the Commission concluded the negotiations on behalf of the Union.

CONTENT: this proposal for a Council Decision constitutes the legal instrument for the approval, on behalf of the European Union (EU), of the **accession of Vanuatu** to the Interim Partnership Agreement between the European Community, of the one part, and the Pacific States, of the other part and for the provisional application of that Agreement.

The interim EPA is a **development-oriented trade agreement**, which offers asymmetric market access to Vanuatu 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 Vanuatu's exports to the EU.

The interim EPA establishes the conditions for EU economic operators to take full advantage of existing opportunities between the respective economies. During its implementation, the interim EPA will largely relieve EU exporters of industrial products to Vanuatu from paying customs duties.

Vanuatu's market access offer is well within the WTO threshold of 83% liberalisation (in terms of tariff lines), which corresponds to 91% of EU exports by volume over 20 years. Vanuatu will benefit from maintaining its duty-free, quota-free access to the EU market.

The interim EPA also establishes a set of disciplines in the areas of sustainable development, technical barriers to trade (TBT), and sanitary and phytosanitary measures, among others. In addition, the parties to the interim EPA participate in the Trade Committee established by 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.