

Forum Island Countries not ready to begin negotiations with Australia and New Zealand – Noonan

By Online Editor

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Forum Island Countries chief trade adviser on PACER Plus, Dr Chris Noonan

***By PACNEWS Editor, Makereta Komai***

The Forum Island Countries chief trade adviser on PACER Plus, Dr Chris Noonan says most Forum Island Countries (FICs) are not ready to begin negotiations with Australia and New Zealand.

And, he admits that FIC's trade officials do not have the capacity and expertise to sit across the table from Australia and New Zealand and confidently articulate their national interests.

Dr Noonan said this was evident at the first round of negotiations in April this year in Port Vila.

“Both Australia and New Zealand each had 10 to 12 people covering five subjects, the ratio of two people per subject. For FICs, there were one or two people covering a multiple of issues and subjects in the negotiations.

“That's a reflection of the difficulties that FICs have – not having the expertise for negotiations, said Dr Noonan, whose office is yet to recruit its full complement of technical experts to assist FICs in the negotiations.

“FICs have real capacity constraints to go ahead with the negotiations. They need more time to consult and think of what their national priorities are under PACER Plus.

“PACER Plus is going to be the most important economic negotiations that FICs undertake this decade. For Australia and New Zealand, trading with the Pacific is a small part of their economy but for the Pacific it's a major part of their trading regime and the relationship is very important

“Forum Island Countries want to get this right because it is something that will have a major impact on their economies, said Dr Noonan.

Dr Noonan, who has set up office at the Melanesian Spearhead Group office in Port Vila in Vanuatu said as it stands, the 14 Forum Island Countries will ‘inevitably have a longer time frame than Australia and New Zealand in the PACER Plus negotiations.’

A workshop on Rules of Origin and Customs Procedures will be convened in Tonga in September and the second round of negotiations is scheduled for Solomon Islands in October.

To date, a number of countries have just begun their initial round of national consultations, discussing broad issues they think should be part of PACER Plus.

One of the demands of FICs was to have national consultations before actual negotiations

kicks in. Instead, Pacific Islands Forum Leaders in 2009 at their annual summit in Cairns decided to go ahead with the negotiations.

“Unfortunately negotiations have started before national consultations begin in some FICs.

Dr Noonan admits his office has not been able to prepare members properly because he hasn't been able to recruit all his technical experts to provide advice.

“The Office of the Chief Trade Adviser (OCTA) is not a legal entity yet and we have to go through the Pacific Islands Forum Secretariat to recruit staff. To some extent all the OCTA staff will be contracted as consultants to the Forum Secretariat.

“It's not an ideal arrangement but we hope will not last for a long time to allow us to do our work independently, said Dr Noonan.

Currently, funds for the establishment of OCTA come through the Forum Secretariat in Suva before it's transferred to Port Vila.

Both Australia and New Zealand have committed funding for OCTA for three years – Australia contributing AUD\$500,000 a year while New Zealand has offered NZD\$650,000 a year.

“The Australian funding is subject to 12 percent management fees and that that goes to the Pacific Islands Forum Secretariat. So when it comes to us, it's a little less than the original amount.

Dr Noonan said his office will seek donor funding to take care of the core costs and activities of OCTA in the event that the three year funding from Australia and New Zealand expires.

“The key sources of funding that we are pursuing are the Commonwealth Secretariat and the European Union – to get some share of funding from the Economic development Fund (EDF) to the region. Pacific ACP countries have agreed that some allocation from EDF to be used for OCTA. The EU is yet to formally approve this arrangement.

“Without that additional EU funding, the office will be severely constrained in what it can do for members, said Dr Noonan.

The OCTA is governed by a seven member Board of governors made up of three ministers and four senior trade officials. The current lead spokesman for PACER Plus is Solomon Islands trade minister and assisted by two alternative spokespersons from Tonga and Kiribati.

The trade officials are from Nauru, Palau, Samoa and Vanuatu.

SOURCE: PACNEWS