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Subject:	COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT Participation of the European Union as Permanent Observer in the Pacific Community (SPC)

Delegations will find attached document COM(2018) 575 final.

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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE  
EUROPEAN PARLIAMENT**

**Participation of the European Union as Permanent Observer in the Pacific Community  
(SPC)**

## **Introduction**

The Pacific region comprises 15 States from the African, Caribbean and Pacific (ACP) Group of States and four Overseas Countries and Territories (OCTs). The region has a combined land area of 580,000 km<sup>2</sup> and a vast Exclusive Economic Zone (EEZ) of approximately 30 million km<sup>2</sup> for a total population of about 12 million people that includes over 500,000 EU citizens.

The EU has strategic interests in the Pacific. Together, the EU and the 15 Pacific States from the ACP Group form a strong coalition to tackle climate change and other global issues, including ocean governance. The Pacific also presents economic and trade opportunities for the EU, notably in relation to fisheries<sup>1</sup> and minerals. Closer ties with the Pacific countries will also strengthen the EU's cooperation with Australia and New Zealand in the region.

The Pacific region represents an opportunity to use, in a coordinated and comprehensive way, a range of different components of EU external action, including the Common Foreign and Security Policy, EU development policy, and economic diplomacy. With very few EU Member States having representations in the Pacific countries, establishing closer ties with the Pacific Community (hereinafter SPC), formerly called the South Pacific Commission, would also be a way to reinforce the EU's cooperation with the Pacific countries.

The EU implements part of its regional and bilateral programmes through regional organisations in the Pacific. SPC is the main implementing organisation for EU programmes in the Pacific. On 11 February 2016, SPC invited the EU by means of a letter to the Head of the EU Delegation to the Pacific in Fiji, to become a permanent observer. This represents an opportunity to enhance the EU-SPC partnership and to reinforce the EU's policy dialogue with SPC on regional matters.

## **The Pacific Community (SPC)**

The SPC was established under the Canberra Agreement in 1947. It is the main regional implementing organisation and plays an active role for inclusive regional development, cooperation and integration in the Pacific. It currently counts 26 members: American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United States of America, Vanuatu, and Wallis and Futuna.

Aiming to foster closer and more substantive engagement with entities that do not wish to hold or do not qualify for membership status with the Pacific Community, SPC adopted, in November 2015, during its 9<sup>th</sup> Conference, a new Policy on Membership and Observer Status [document SPC/CRGA 45 (15)], establishing the category of 'permanent observers to the Pacific Community'.

Acknowledging the importance of coordinated approaches to development policy and programming, the European Commission and SPC have enhanced their collaboration by

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<sup>1</sup> The EU is a member of two Regional Fisheries Management Organisations (RFMOs) in the Pacific Ocean: the Western and Central Pacific Fisheries Commission (WCPFC) and the South Pacific Regional Fisheries Management Organisation (SPRFMO), where it actively contributes to the long term conservation and management of fishery resources.

signing an administrative arrangement to establish a partnership on 16 June 2015<sup>2</sup>. In this context, the Commission was informally invited as an observer in SPC's annual governance meetings. Following the adoption of the new Policy on Membership and Observer Status of the Pacific Community, SPC invited the European Union to become the first permanent observer to the Pacific Community on 11 February 2016.

### **The Permanent Observer status of the Pacific Community**

The permanent observer status is intended to engage entities within or outside of the Pacific region that have the will and capacity for substantive engagement with the Pacific Community but that do not want, or do not qualify for, membership status.

As stated in the Policy on Membership and Observer Status of the Pacific Community ('the Policy'), permanent observers may expect to receive the following treatment:

1. Permanent observers may attend the Committee of Representatives of Governments and Administrations<sup>3</sup> (CGRGA) and Conference<sup>4</sup> and other SPC meetings. With the authorisation of the chairperson, they may participate in discussions and debates.
2. Permanent observers may present proposals at SPC meetings. Such proposals would only be submitted for decision to the members of the Pacific Community at the request of at least one member of the Pacific Community.
3. The chairperson of the meeting may decide, when appropriate, to allow a permanent observer additional speaking time to reply in relation to positions or proposals upon which it has presented.
4. Permanent observers may, at the discretion of the members of the Pacific Community and the SPC secretariat, be invited to participate in working groups established by the governing body or the secretariat, subject to normal procedures governing the composition of such working groups.
5. The SPC secretariat expects to notify all permanent observers of workshops, seminars and other ad hoc meetings of members convened by the Pacific Community and its secretariat and to extend invitations to permanent observers in connection with such events.

Granting of permanent observer status is subject to the following procedure, which is described in detail in the Policy:

1. Submission of a written request to the Conference of the Pacific Community, addressed to the Director-General of the Secretariat, concisely setting out the claims of the applicant against the criteria for permanent observer status.
2. Assessment of the request by the Secretariat and recommendation to the Conference chairperson and all SPC members.

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<sup>2</sup> Document registered as Ares (2015)2773568

<sup>3</sup> The Committee of Representatives of Governments and Administrations (CRGA) is a committee of the Conference of the Pacific Community which meets annually. In years when the Conference does not meet, the CRGA is empowered to make decisions on governance.

<sup>4</sup> The Conference of the Pacific Community is the organisation's governing body. It meets every two years. Each member country and territory is entitled to one vote on decisions.

3. Assessment of the request by the Committee of Representatives of Governments and Administrations (CRGA) and recommendation to the Conference.
4. Decision made by the Conference by consensus.
5. Notification of the decision to the applicant by the Director-General of the Secretariat.

While it is expected that permanent observers fund their own participation at the Pacific Community meetings, by exception to section 37 of the Policy, the annual contribution to the Pacific Community budget may be waived by Decision of the Conference if the permanent observer provides significant financial support to SPC programmes via other mechanisms. In view of the substantive EU financial contribution to the region (see below), the request to become permanent observer will be submitted subject to the condition that its annual contribution to the SPC budget is waived by the Conference.

The procedure for becoming a permanent observer is an administrative procedure. The permanent observer status as such does not give any substantive rights nor does it create any obligations. In accordance with Article 17(1) of the Treaty on the European Union, the Commission should represent the Union in the SPC.

## Objectives

The Commission and SPC have developed a longstanding cooperation to support development in Pacific Island Countries and Territories. EU activities supported through the Pacific Community have so far enabled to address challenges as well as promoting relevant opportunities, *inter alia*, in the areas of climate change, disaster risk reduction, fisheries, trade development, sustainable energy, culture, human rights and deep sea minerals. In 2017, about EUR 160 million were committed by the EU in development programmes for the Pacific States.

The SPC's regional mandate is closely aligned to focal sectors in the Pacific as well as the focus of the EU development aid. SPC is by far the EU's largest implementing partner in the Pacific and a key regional organisation to advance mutual interests. On an annual basis, the EU provides on average EUR 30 million to SPC. In 2016, this represented nearly 40% of SPC annual expenditure. The sizeable support provided to SPC by the Commission also justifies closer engagement between the two institutions.

Overall, the permanent observer status represents **an opportunity for the EU to increase the coherence and efficiency, as well as to enhance the quality, visibility and impact of the activities of the Commission and SPC. It would also help reinforcing the Commission's policy dialogue with SPC on regional issues.** Moreover, the permanent observer status would strengthen EU cooperation with the Pacific Community, which might be of mutual interest in view of the upcoming negotiations on the post-Cotonou Partnership Agreement with the ACP countries. Since one EU Member State (France) is already a full member of the SPC (like Australia, New Zealand and the United States of America), the Commission becoming a permanent observer would provide the EU with opportunities to widen its partnerships in the region.

## Conclusion

SPC being both a strategic regional platform and a key regional partner with which enhanced collaboration on areas of mutual interest is desirable, the Commission intends to answer

favourably to SPC's invitation to become a permanent observer on behalf of the EU. The formal request that will be addressed to the Director-General of the Secretariat will expressly include the condition that the obligation to contribute financially to the Pacific Community budget is waived by the Conference.