



JOINT CONCLUSIONS
of the
THIRD HIGH LEVEL POLITICAL DIALOGUE BETWEEN EU – PNG
UNDER ARTICLE 8 of the COTONOU Agreement in Brussels, 1 June 2018

1. The Third (3rd) Papua New Guinea (PNG) – European Union (EU) High Level Political Dialogue was held in Brussels, Belgium, on 1 June 2018. The PNG delegation was led by Ms Barbara Age, Secretary for Foreign Affairs, and comprised senior officials from relevant government departments. The EU delegation was led by Ms Paola Pampaloni, Deputy Managing Director for Asia-Pacific in the European External Action Service (EEAS) and comprised the EU Head of Delegation to PNG, Ambassador Ioannis Giogkarakis-Argyropoulos and officials from the EEAS, the EU Delegation in PNG, and the European Commission.
2. In their opening statements Co-chairs of EU and PNG acknowledged the steady broadening and deepening of the EU-PNG partnership and reiterated the importance of the Dialogue as a platform to review progress and contribute to further advancing and strengthening of the relations.
3. Drawing on the successful outcome of the two previous dialogues in 2014 and 2016, the 3rd Dialogue covered a wide range of issues of common interest to PNG and EU. It included Political Developments in PNG and the EU, Regional and International Cooperation, Good Governance, Trade, Investment and Sustainable Growth, Development Cooperation and Future Cooperation focussing on Post-Cotonou.

Domestic Political Developments

4. The Dialogue noted and underscored the significance of the priority development sectors of the Government of PNG, including economic growth, reviving the agricultural sector, infrastructure, law and order, education, revenue increase, and investment in rural development. Achievements were acknowledged and the challenges associated with the successful implementation of programmes and policies in these key sectors were underlined. The EU reiterated its commitment to align to government priorities and implementation channels and its support to strive for better governance, including financial governance.
5. EU informed about major political developments in EU, including migration and UK leaving the EU (commonly referred to as *Brexit*), notably the impact the latter has on trade agreements and other international agreements. The EU gave an account of recent economic developments, noting that the Eurozone was continuing its economic recovery with most recent data displaying a real GDP growth of 2.4% for 2017. Parties agreed that terrorism and security should figure on the agenda of the next Dialogue as a separate agenda point. Parties also agreed to continue to work closely and update each other on developments with implications for the EU-PNG relationship.

Regional and International Cooperation

6. Parties discussed PNG's leadership role in the region with regard to promoting regional cooperation. In that context they addressed climate change, security, with a view to the future Biketawa Plus declaration, support to Solomon Islands, air service agreements with FSM and RMI, and PNG's role as MSG chair and the current status of the MSG FTA. Parties discussed the political dynamics in the Pacific, in particular the role of traditional partners and new active players, including the role of China in economic and security terms. PNG informed about the preparations for a feasibility study on a Free Trade Agreement between PNG and China.

7. Parties exchanged views about the preparations for the 49th PIF Leader's Forum in Nauru in September 2018 and their expectations. They also discussed the creation of a regional Pacific resilience fund and EU's possible contribution. PNG in this context reaffirmed its view that PIF is the premium regional organisation in the Pacific.

8. EU confirmed its commitment to promoting global maritime security and international cooperation at sea and increasing its role as a global security provider. EU set out its Maritime Security and Global Security Strategies and described interlinkages of these and other EU strategies (EU Global Strategy for Foreign and Security Policy, EU-Asia connectivity, Permanent Structured Cooperation - PESCO) with other players'; Indo-Pacific strategies and China's Belt and Road scheme. PNG reiterated its commitment to a peaceful and stable Pacific.

9. EU appreciated PNG's support to the membership requests of New Caledonia and French Polynesia (OCTs) to the Pacific Island Forum and expressed confidence in fruitful and close cooperation of PNG and the OCTs within the Forum.

10. EU appreciated PNG's role in the High Ambition Coalition. Parties reaffirmed their existing commitments to strengthen the global response to the threat of climate change from all countries and to work for ambitious climate action towards the full and effective implementation of the United Nations Framework Convention on Climate Change and the Paris Agreement. In the context of climate change, PNG confirmed difficulties in accessing climate funds, a concern often raised by Pacific countries. EU agreed to support the regional efforts to obtain more climate funding, as well as PNG lobbying for Climate Change to be prominent on the agenda of the UN Security Council. Moreover, the Parties recognised the importance of ensuring an ambitious and meaningful greenhouse gas (GHG) emission reduction objective for the shipping sector and engaged to work with IMO in this regard.

11. PNG and EU agreed that ocean governance must become more effective. Both saw the need to make sure that international ocean governance provides the right framework to protect and conserve ocean health by ensuring that resources are used sustainably so that the "blue economy" is able to develop further on a sound and responsible basis. EU welcomed the prominent role played by PNG in the Our Ocean Conference in Malta in October 2017. Parties addressed seabed mining and its consequences for the oceanic ecosystem as a challenge that needs to be further researched and relevant legislation developed and adopted as PNG currently does not have in place a legislative framework on seabed mining. PNG announced that its National Ocean Policy is being finalized and that an Oceans Office will be established. A plastic ban is also planned which is, inter alia, an important measure to protect marine life.

12. EU solicited PNG's support for the reform of the UN.

13. Parties agreed to closely cooperate internationally on the implementation of Agenda 2030.

Good Governance

14. PNG reported on the latest progress as regards the implementation of the recommendations of the 2016 Universal Periodic review and especially on the prospects of implementing its long-standing commitment of establishing a national human rights institution. PNG reiterated its commitment to establish the Human Right Commission. Both Parties discussed the possible support available for PNG to meet its reporting obligations under the international human rights treaties. In this context they further discussed PNG's possible accession to, and ratification of other core international instruments and treaties, including the Convention against Torture and its optional protocol, the International Convention on Migrant Workers and their Families, the Protocol to prevent, suppress, and punish trafficking in persons, especially women and children, as well as the Rome Statute (ICC). PNG and the EU will remain in close contact as regards the upcoming voting on the resolution on the moratorium on death penalty at the 73rd session of the UN General Assembly.

15. PNG informed on its efforts to secure decent futures for the remaining refugees on Manus Island, both in PNG and abroad, and on its Refugee Policy.

16. PNG acknowledged the contribution of the EU election experts mission (EEM), which was deployed to observe the 2017 national elections and to draw lessons from the conduct of the elections. PNG informed of its intention to launch a review of the organic law on the national and local level government elections taking into consideration the recommendations of all election observers.



17. Both Parties discussed the lack of female representation as members of Parliament in PNG in this term of Parliament, the reasons for this and possible remedies to the situation with a view to the next elections.

18. As regards the fight against gender based violence EU mentioned Commissioner Mimica's 'Spotlight initiative' with a Euro 500m endowment and a specific Pacific window with country allocations.

19. EU and PNG agreed on continuing close dialogue on, and the need for a smooth implementation of the Bougainville Peace Agreement. European Union inquired the PNG's expectations for assistance and support from the European Union for the preparation and organisation of the Bougainville Referendum and the implementation of the Bougainville Peace Agreement, including the possible deployment of an Election Expert Mission if there was a request to that end by both parties to the Agreement. PNG confirmed its intention to invite international observers including EU observers. PNG announced the commitment of 20 million Kina under the national budget for the Bougainville Referendum Commission (BRC) and informed that it will consult internally to determine options on how EU can provide support to the UN-led BRC-support project. EU will examine the UN proposal.

Environmental Governance

20. Both Parties evaluated the viability of reinforcing FLEGT and related forestry governance policies and plans in PNG. The Parties also looked into how to effectively utilise the EU-funded National Forest Inventory as a decision-making tool for land planning and for the sustainable management of forest resources. EU made specific reference to the need to successfully fight illegal logging and that, according to certain reports, 70% of logging activity in PNG is illegal. PNG raised questions on the accuracy of the figures and reliability of the report and reiterated its commitment to a sustainable management of forest resources. EU also referred to the Timber Regulation which aims at reducing risk of illegal timber entering the EU market, in any form, through tracing its origin by a due certification procedure.

21. The Parties agreed to continue the excellent cooperation that has developed between European competent authorities and their PNG counterparts to ensure shared export quality standards are maintained for the trade of fishery products. Both Parties are aware of the importance of the sustainability of IUU controls by PNG in view of the size of the catches in the EEZ and also in view of global sourcing. EU appreciated PNG's commitment and willingness to continue its regional and international advocacy for sustainable management of oceans and marine resources and to convince other countries about the benefits that can be derived from fighting IUU fishing.

Economic Governance

22. PNG informed about current challenges and next steps on Public Finance Management (PFM) reform, the reform of State-Owned Enterprises and the status of the National Procurement Act. EU congratulated PNG on the progress made regarding the implementation of the Roadmap for PFM reform and in the fight against corruption. EU assured PNG of its continued support to ongoing and still to be undertaken reform processes with the medium term objective for PNG to meet the eligibility criteria for Budget Support.

Trade, Investment and Sustainable Growth

23. PNG informed about the numerous meetings in the APEC context and the preparation for the APEC Summit itself. EU congratulated PNG on its achievement in this regard thus far. PNG expects enhanced connectivity and digital development to be the most important benefits of the country hosting the APEC Summit this year.

24. The Dialogue stressed the importance of trade and investment as agents fostering sustainable growth, jobs creation and poverty reduction in PNG. The EU thanked PNG for promoting the widening of the existing EPA to other Pacific Island States and for PNG supporting the accession process of Samoa. The Parties agreed to do their utmost to hold the next EPA Committee in October 2018 in the margins of the Joint ACP-EU Ministerial Trade Committee in Brussels in order to move forward the accession of Samoa and the overdue EPA implementing decisions (notably the Rules of Procedure) as well as the technical modifications to the Agreement to take into account the accession of Samoa.

EU-PNG Connectivity: Businesses/Investments and People

25. EU underlined the need for reinforcing people to people contacts, elaborated on its Action Plan for European Economic Diplomacy in PNG and stated its intention to organise an EU-PNG Business Conference in Sydney,

back-to-back with the annual Mining Conference in early December. EU expressed hope that PNG would support involvement of the Papua New Guinea Business Council and the EU-PNG Business Council in the event in order to ensure strong ownership of the PNG side of this new initiative. The Parties exchanged ideas on how the two Business Councils can be better used to promote closer bilateral economic and trade relations between the EU and PNG with a view to further grow trade and investment. PNG updated on its longer-term policies for improved connectivity with the region.

26. EU reassured that the relevant European services are aware of PNG's strong interest to be transferred to the visa-free-list, and that at the next revision PNG's inclusion in the list will be examined in light of the legal conditions that will be applicable at that time. In the meantime, the EU is working with Member States to find appropriate alternative arrangements to facilitate Schengen visa application for PNG citizens in the country.

Development Cooperation

27. The Parties agreed on the need to effectively advance the finalisation and preparation of programmes under the National Indicative Programme following the Mid-Term Review and in line with PNG Government priorities in the new Medium Term Development Plan III 2018-2022. This notably includes the largest EU-contribution towards PNG's development efforts, the EUR 85 million programme "Support to Rural, Entrepreneurship, Investment and Trade in PNG". Under this supporting the value chains of cocoa, vanilla and fisheries in East Sepik and Sandaun provinces was highlighted. The Mid-Term Review was seen by the Parties as a constructive approach to advancing and improving EU development cooperation in PNG and strengthening its alignment to PNG's development priorities. In particular the new focal sector Good Governance/Policy Reform can make a substantial contribution to the Government's reform agenda. The increased allocation for investments under the MTR was discussed in the light of PNG's development priorities.

Post-Cotonou

28. Parties recalled that the Cotonou Agreement, which has been the basis for the long-lasting, fruitful relationship between the EU and PNG, expires on 29 February 2020 and that negotiations on a new agreement are set to start by August 2018. PNG will be one of the ministerial lead negotiators at political level in the Central Negotiating Group on the Pacific side. In the frame of the future agreement the Parties aspire to build an even closer partnership, based on shared values and interests and taking account of regional specificities and priorities agreed with each of the three ACP regions. The EU also expressed its intention to boost the political dimension of the relationship, embracing a universal, transformative and inclusive agenda, reflecting the new global priorities of present times.

Next Meeting

29. Both sides agreed for the next Dialogue to take place in 2020.

For Papua New Guinea
Port Moresby,



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