

PACIFIC ROADMAP FOR ECONOMIC DEVELOPMENT

An Implementation Plan for the “Resources and Economic Development” Thematic Area of the 2050 Strategy for the Blue Pacific Continent

1 July Draft

Contents

Abbreviations.....	3
Glossary of terms	3
Taking leadership to secure Pacific Futures	1
A. Regional Economic Context, Linkages to the 2050 Strategy and Strategic Focus Areas ..	2
1. The strategic aims of the PRED	2
2. PRED is an impetus for transformative economic responses to regional challenges	2
3. The PRED to make a difference in our lives.	3
4. The PRED is aligned to the Implementation Plan of the 2050 Strategy.....	4
5. The PRED catalyzes and supports the achievements of the other six thematic areas of the 2050 Strategy.....	4
6. The PRED’s Regional Priority Actions will help achieve National Plans and Strategies.	5
7. The duration and priorities of the PRED	6
8. The PRED will help meet the region’s SDGs.....	6
9. The PRED Strategies and Regional Priority Actions	7
B. Approach to PRED Implementation.....	9
10. The PRED to be fully implemented.	9
11. How the PRED will be resourced.	9
11.1 Strategic funding principles of the PRED	10
11.2 Resourcing plan	11
12. The PRED to be regularly monitored.....	11
12.1 Monitoring Framework.....	11
C. PRED IMPLEMENTATION PLAN AND KEY PERFORMACE INDICATORS	12
Strategic Focus Area 1: Macroeconomic resilience, stability, and growth.....	12
Strategic Focus Area 2: Financial Resilience and Access.....	19

Abbreviations

ADFIP:	Association of Development Financial Institutions in the Pacific
BBNJ:	Marine Biodiversity of Areas Beyond National Jurisdiction
CROP:	Council of Regional Organisations of the Pacific
ESCAP:	Economic and Social Commission for Asia and the Pacific
FAO:	Food and Agriculture Organization
FEMM:	Forum Economic Ministers Meeting
FFA:	Forum Fisheries Agency
GDP:	Gross Domestic Product
GGGI:	Global Green Growth Institute
IP:	Implementation Plan
MSME:	Micro Small and Medium Enterprises
MVI:	Multi Vulnerability Index
PACER:	Pacific Agreement on Closer Economic Relations
PAFTS:	Pacific Aid for Trade Strategies
PEFA:	Public Expenditure and Financial Accountability
PFM:	Public Financial Management
PICTA:	Pacific Islands Trade Agreement
PIFS:	Pacific Islands Forum Secretariat
PIMA:	Public Investment and Management Assessment
PLGED:	Pacific Leaders Gender Equality Declaration
PRED:	Pacific Roadmap for Economic Development
PRF:	Pacific Resilient Facility
PRISE:	Pacific Regional Integration Support Programme
RCAs:	Regional Collective Actions
RED:	Resource and Economic Development
RPAs:	Regional Priority Actions
SDG:	Strategic Development Goal
SFAs:	Strategic Focus Areas
SIS:	Smaller Island States
SOE:	State Owned Enterprise
SPC:	Secretariat for the Pacific Community
SPIRIT:	Strengthening Pacific Intra-regional and International Trade
SPTO:	South Pacific Tourism Organisation
UN:	United Nations

Glossary of terms

Blue: Blue refers to the ocean and the blue skies.

Green: Green refers to the sustainability and the resilience of the economy or systems. For instance, greening the infrastructure means designing and constructing them to better withstand the effects of climate change.

Proofing: Proofing refers to protection and safeguards.

Regional priority actions: These are actions implemented through collective regional approaches rather than national.

Regionalism: In its very fundamental form, regionalism refers to countries in a defined region working together for the benefits and the interest of all members.

Resilience: Resilience refers to stability, versatility, and strength.

Socio-economic wellbeing: Is defined as the lived-experience of an individual or household involving economic and social status and general living standards; this includes factors such as income/wealth, education attainment, employment/occupation, access to essential services (water, sanitation, connectivity), good health/nutrition and empowerment to participate.

THE PACIFIC ISLANDS FORUM

2050 STRATEGY FOR THE BLUE PACIFIC CONTINENT

RESOURCES AND ECONOMIC DEVELOPMENT

“A resilient Pacific Region of peace, harmony, security, social inclusion, and prosperity that ensures all Pacific peoples can lead free, healthy, and productive lives.”

Taking leadership to secure Pacific Futures

Our Pacific Leaders charted a vision of prosperity and wellbeing in their historic decision on the 2050 Strategy for the Blue Pacific Continent. The seven thematic areas in the Strategy embody the plans for our successes in all areas of our lives from leadership, people, peace, economic development, climate change, technology, and the protection of our oceans. This Pacific Roadmap for Economic Development (PRED) is our guide on the aspiration to develop our resources and economies.

The Pacific islands cover a vast ocean area representing nearly 20 percent of the earth’s surface; this provides many opportunities for economic development and prosperity, but it also presents many challenges. We recognize that our individual countries are small with limited natural and human resources. Therefore, we are convinced that the most effective way to take full advantage of the opportunities before us is to muster regional approaches that will catalyse our own national efforts. This Roadmap outlines the regional approaches which we aim to implement to achieve the 2050 Strategy outcomes of prosperity and peace, and particularly improved socio-economic wellbeing of all our Pacific peoples.

Our own strenuous and committed efforts and resources will be needed to achieve success, however, we cannot undertake these regional or country specific tasks outlined in this Roadmap without the help of our development partners in financing and supplementing our capacity and resources. We also recognise that there are many partners, contributors and stakeholders in the implementation of PRED. This Roadmap is presented by the Pacific Islands Forum Secretariat (PIFS) to provide a guide to all those who would assist us in reaching our 2050 goals; our development partners, Council of Regional Organisations of the Pacific (CROP) and other regionally located agencies, the private sector and the internal development community.

Our Leaders and the Pacific people are grateful to all our development partners and stakeholders for their immense support and look forward to their continuing assistance and goodwill to implement the PRED.

Our Leaders clearly recognised that we must take the helm of our own destiny and lead the implementation of this Roadmap. We are collectively committed to its implementation. Our Pacific people and our future generations deserve to live in a better Pacific than that which we inherited.

This PRED is our own. It is developed in the Pacific spirit of unity and cooperation. On our own, as individual nations we may not have the capacity and the finance to grow at a pace to improve our livelihoods sustainably. But together in the true Pacific spirit, we can improve our chances of success many fold.

“Securing the future of the Blue Pacific cannot simply be left to chance, but rather requires a long-term vision, a carefully considered regionalism strategy, and most importantly a collective commitment to achieve it” - Pacific Islands Forum Leaders 2019 Communique

There are three parts to the PRED:

- A. The Regional Economic Context, Linkages to the 2050 Strategy, and Strategic Focus Areas
- B. The approach to PRED Implementation
- C. PRED Implementation Plan and KPIs

A. Regional Economic Context, Linkages to the 2050 Strategy and Strategic Focus Areas

1. The strategic aims of the PRED

Economic development involves both macro and micro-economic interventions; it involves every aspect of life, livelihoods and our lived-environment; it involves multiple development partners, CROP agencies, donors, financial institutions, the private sector and our communities themselves. All have a role to play at their respective levels and capabilities.

It is therefore not the intention of the PRED to cover all the actions and interventions being undertaken by these multiple players. PRED’s aim is to focus on and address the major macroeconomic and financial issues and challenges from a regional perspective; what, as a region through strengthened cooperation and integration, should we be doing to support the multiple and often micro-level interventions being undertaken by all our partners in the 2050 Strategy.

In this context the intentions of the PRED are to:

- a) Showcase in one document, the main drivers and directions of these actions to promote the economic development of our Pacific people;
- b) Catalyse the achievements of national actions through supporting Regional Priority Actions (RPAs);
- c) Strengthen national policy making through studies, surveys and sharing data and of lessons learnt;
- d) Promote the cooperation, coherence and synergizing of actions being undertaken by regional organisations and partners; and
- e) Promote regional economic and financial cooperation and integration.

2. PRED is an impetus for transformative economic responses to regional challenges

The regional priority actions under the PRED are designed to collectively address the economic challenges that we face in the region. These economic challenges include our vulnerability to global economic developments and shocks as well as regional natural disasters, the limited financial resources and human capacity that we experience as small isolated and often resource-poor island states, the high cost of mitigating and adapting to the impact of climate change, our

narrow revenue base, and the lack of opportunities for economic diversification in small island environments.

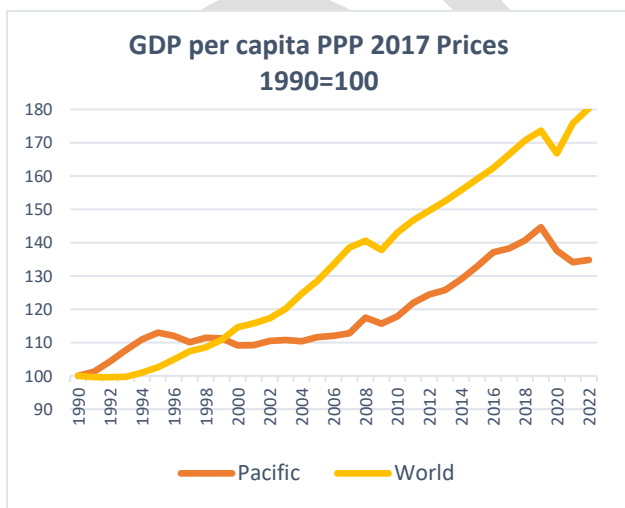
Due to these challenges, many of our small economies have struggled to sustainably raise their economic performance. Figure 1 illustrates that our collective performance has fallen behind that of the global economy. COVID-19 pandemic exacerbated the challenges by causing us to become cut-off from our markets and sources of tourism income. Many lost their jobs, small businesses were forced to close, the cost of living has risen and the incidence of hardship and poverty is likely to have increased.

Reflecting our different economic fortunes, our rate of economic growth vary widely. This is illustrated in Figure 2 indicating our average annual per capita growth rates of GDP between 2016 and 2023. In the medium term, we know that we have not made enough progress on many of the Sustainable Development Goals (SDGs). We therefore have a lot to do. The Roadmap offers pathways to raise our performance and improve the lives of our people.

3. The PRED to make a difference in our lives.

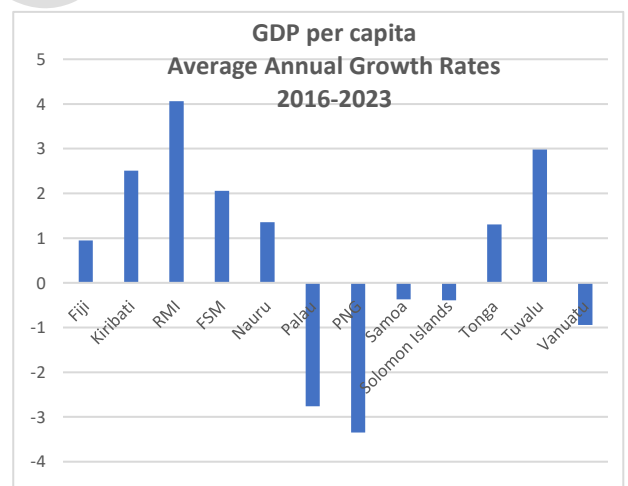
We are very mindful that the PRED should not become another planning document that is not fully implemented. It is important that the PRED makes a difference to our lives. To achieve this the PRED sets out regional priority actions that are specific and focused on addressing the challenges that we face, identifies pragmatic measurable performance yardsticks, and, very importantly, commits ourselves to work together with our partners, friends and all stakeholders to implement the PRED as fully as possible.

Figure 1: GDP per capita, PPP



Source: World Bank & PIFS estimates

Figure 2: GDP per capita Average Annual Growth Rates 2016-2023



Source: World Bank & PIFS estimates

The actions under the PRED are designed to be transformative by identifying new economic frontiers, setting new platforms to share knowledge, and innovative areas of research and study to extend our economic boundaries. In addition, the PRED clearly identifies the CROP agency to initiate and monitor the actions in the PRED.

4. The PRED is aligned to the Implementation Plan of the 2050 Strategy

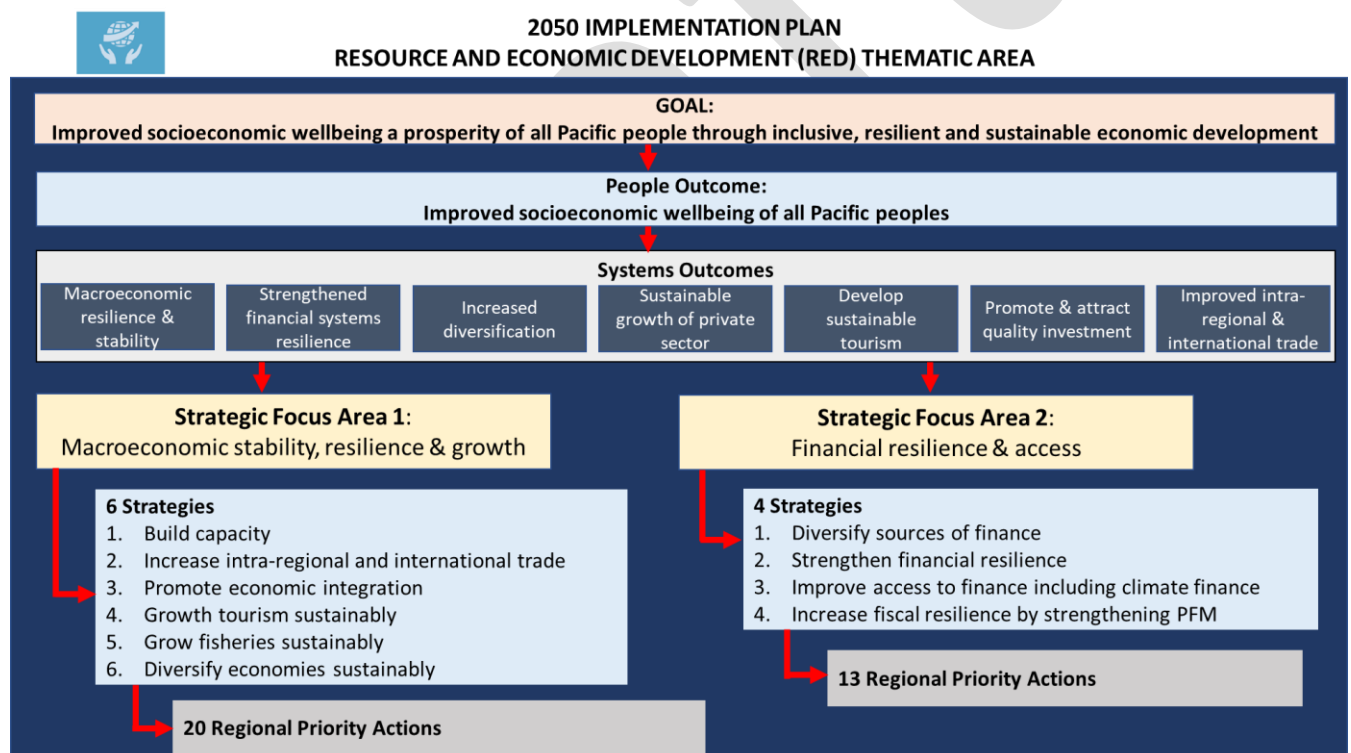
Resources and Economic Development (RED) is one of the seven thematic areas of the 2050 Strategy. The Implementation Plan (IP) for the 2050 Strategy released in 2023 outlined regional collective actions that each thematic area would pursue.

This Roadmap is the detailed implementation plan for the RED thematic area. It builds and expands on the RED thematic area of the Implementation Plan (IP) of the 2050 Strategy.

Figure 3 illustrates the structure of the PRED as it aligns to the 2050 IP while also building on and providing more strategic clarity. PRED identifies two specific Strategic Focus Areas, each with its own strategies and Regional Priority Actions (RPAs) in support of the Regional Collective Actions (RCAs) in the 2050 IP.

RCAs are the 12 regional collective actions outlined in the RED component of the 2050 IP. However to achieve the RED outcomes, the RPAs are proposed as regional actions to complement the RCAs.

Figure 3: Structure of the PRED



5. The PRED catalyzes and supports the achievements of the other six thematic areas of the 2050 Strategy

The seven thematic areas of 2050 Strategy are interlinked and interdependent. The PRED focuses on the economic and financial challenges that the region faces. But the solutions to many of these challenges are multifaceted and are more appropriately covered in another thematic area. An example is the impact of economic development such as tourism, on the environment. Actions to promote tourism must be balanced by the need to ensure environmental sustainability. PRED includes actions to attract more investment into tourism

but leaves the environmental impact of the investment to the Oceans and Environment thematic area. In this manner, each thematic area deals with their relevant issues in collaboration with other related themes.

Raising our national incomes is a powerful enabler to the achievements of our Leader's vision for 2050. Economic growth, through raising per capita incomes and reducing hardship and poverty, is a necessary condition for the achievement of the 2050 Strategy. But economic growth alone is not a sufficient condition to improve the overall improvement of socio-economic wellbeing. The success of the PRED in promoting economic growth will both influence and be influenced by actions taken to achieve the outcomes in the other six thematic areas of the 2050 Strategy.

Empowerment and participation are essential components of socioeconomic development and wellbeing. Gender equity and social inclusion are therefore central to the actions proposed under the PRED. The Revitalised Pacific Leaders Gender Equality Declaration (PLGED) will guide the mainstreaming of gender equity to support and strengthen economic empowerment of women.

6. The PRED's Regional Priority Actions will help achieve National Plans and Strategies.

While we are all committed to the Blue Pacific Continent concept, we recognise that members each have their unique national set of challenges and priorities. The constraints, challenges and development needs of the Small Island States (SIS) of the region may be very different from those of the high, often volcanic, land and resource rich states.

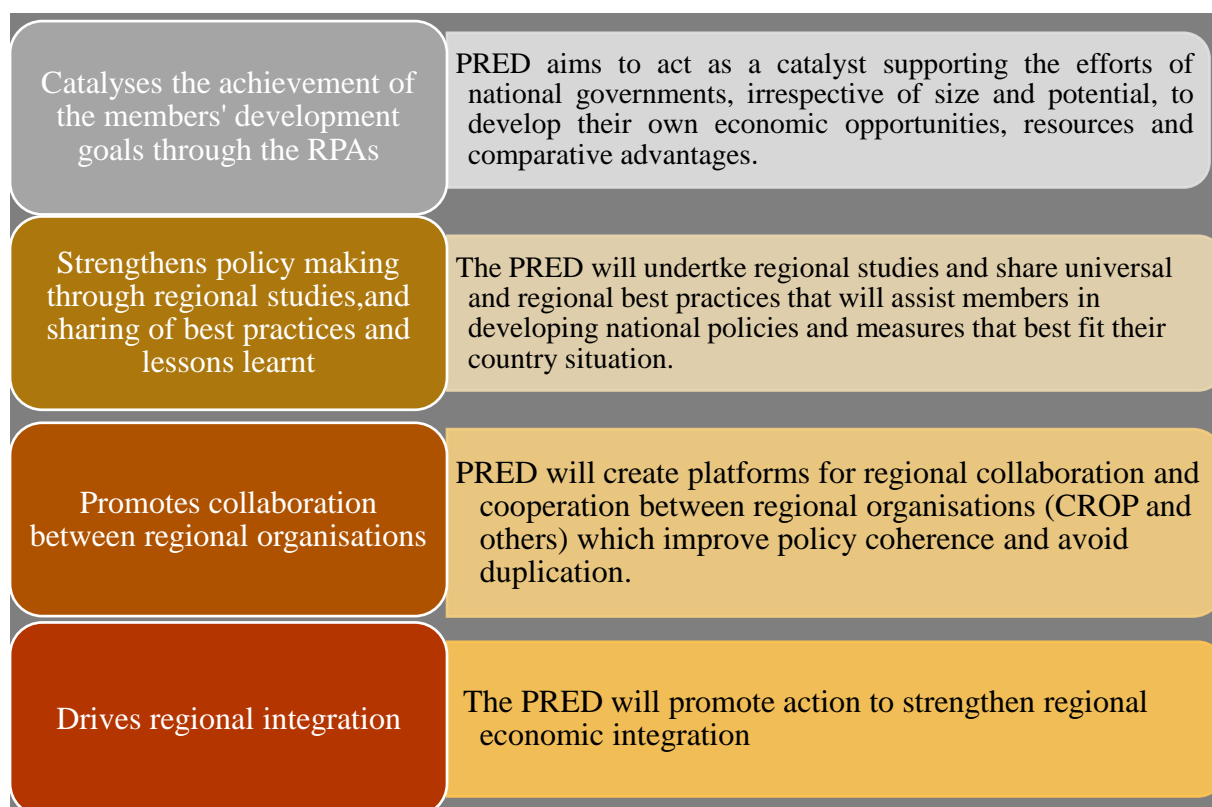
Nevertheless, as a regional roadmap, the PRED focuses on priority actions that the region can take collectively. But it is important to keep in mind that these regional priority actions are aimed at helping each member to meet the specific national challenges being faced and the opportunities available. This linkage is an important aim of the PRED.

Members' economic priorities and aspirations are in their national development plans and strategies. The PRED has surveyed the national development plans of all members and has identified and included the common priority sectors into the PRED framework. These include fisheries, tourism, and agriculture as well as livelihoods, trade, economic diversification, private sector development and employment.

PRED has therefore designed regional actions on issues that have collectively been identified by members as priorities. These regional actions include the undertaking of regional studies and research, the collection of best practices, improving data availability, collective marketing, cooperation and integration, closer relationships with development partners, and the convening of regional fora for learning and sharing.

As a regional roadmap, the PRED plays the following roles as indicated in Figure 4.

Figure 4: Regional Roles of the PRED



7. The duration and priorities of the PRED

For planning purposes, the periods of the 2050 Strategy are divided into decades.

While the overall achievement of PRED is aligned to the 2050 Strategy, for monitoring and review purposes the first phase of the Roadmap is aligned to the period of the 2030 Sustainable Development Agenda and Goals. It is envisaged that the PRED will be reviewed and updated in 2030 to be aligned with any subsequent extension or renegotiation of the SDGs. This is a pragmatic approach to allow future PRED to remain relevant to the changing priorities and situation of the region.

As a general indication of priorities, the duration of this PRED is separated into two three-year slots. The first runs from 2024 to 2026 and the second is from 2027 to 2030. The PRED assigns the implementation of each collective action to one of the two phases based on a general assessment of the lead time, urgency and the likely impact on the challenge or issue that the intervention addresses. These priorities are indicative only.

8. The PRED will help meet the region's SDGs

The 2022 Second Quadrennial Development Report¹ clearly indicated that the Pacific is unlikely to meet even 20 percent of the targets set for the seventeen SDG goals. However, as a consequence of the setbacks caused by the impact of the pandemic on the economies and social situation in member countries, it is unlikely that any of the SDGs will be fully achieved by 2030. Even where progress is being made the ever-present threats posed by climate change and climate-induced disasters can have had a devastating impact on our progress toward achieving the SDGs in the Pacific.

¹ Second Quadrennial Pacific Sustainable Development Report 2022 / Pacific Islands Forum Secretariat. Suva, Fiji.

The latest UN Economic and Social Commission for Asia and the Pacific (ESCAP) regional progress report² released in March 2023, confirmed that based on current trends, it will take another 42 years for Asia and the Pacific to achieve the 2030 Agenda for Sustainable Development. For the Pacific the report notes that no single Goal is on track to be achieved by 2030 but significant data gaps mean that the true picture cannot be properly measured. The relevant SDGs to the PRED are outlined in *Annex 1*.

9. The PRED Strategies and Regional Priority Actions

Based on the strategic linkages above and after extensive consultation with Members, the two key Strategic Focus Areas (SFAs) of PRED are:

- 1) **Macroeconomic Resilience, Stability and Growth;**
- 2) **Financial Resilience and Access.**

To deliver these for the Pacific, six key strategies have been identified to deliver **macro-economic resilience, stability and growth**, and four key strategies to deliver **financial resilience and access** for the region, Figure 5. These are all expected to be co-delivered through partnerships, cooperation and collaboration amongst partner agencies and all stakeholders in accordance with the detailed implementation plan timelines outlined in Section C.

Figure 5: PRED Strategies and Regional Priority Actions

PRED Strategic Focus Area #1: Macroeconomic Resilience, Stability and Growth	
Strategies	Regional Priority Actions (RPAs)
1.1 Build capacity. The loss of skills from the labour mobility schemes and outmigration is exerting additional stresses to the low level of capacity	1.1.1 Strengthen and utilise existing institutions to meet the skills and labour demand gaps in the region especially from the impact of human mobility and climate change
	1.1.2 Strengthen capacity building in the productive sectors including agriculture, fisheries, and tourism related services and the private sector
1.2 Increase intra-regional and international trade	1.2.1 Encourage members to ratify and implement the relevant regional and international trade agreements
	1.2.2 Review the Pacific Aid for Trade Strategy (PAfTS) to inform the next iteration of the Aid for Trade Strategy and implement it
1.3 Promote regional economic integration	1.3.1 Promote the harmonization of laws, reduce barriers to the movement of capital and labour, and in the long term, explore the establishment of a common currency area
	1.3.2 Review sustainable movement of the Pacific people and assess the socio-economic impacts of regional labour mobility schemes and outmigration
	1.3.3 Promote the development of quality infrastructure in support of building resilient infrastructure for resilient economic development
1.4 Grow tourism sustainably.	1.4.1 Support the SPTO in the implementation of the Pacific Sustainable Tourism Framework (PSTF) to collect data on tourism and its economic impact on the country

² The Asia and the Pacific SDG Progress Report 2023, available at:// <https://www.unescap.org/kp/2023/asia-and-pacific-sdg-progress-report-2023>

Tourism is the mainstay of several countries and has the potential to grow in other countries.	1.4.2	Support the digital skill development for the SPTO and National Tourism Organisations and tourism stakeholders across the region by securing funding to acquire digital tools and systems to enhance service delivery
	1.4.3	Promote investment in tourism to build supply chain resilience including infrastructure development and improve accessibility to ports of entry (airport & port), hotel room inventory and internet connectivity
1.5 Grow fisheries sustainably.	1.5.1	Implement the East New Britain initiatives to increase the value of fisheries to member countries and the contribution of fisheries to the economies of the region
	1.5.2	Review the regional fisheries policies including the Regional Roadmap for Sustainable Pacific Fisheries, New Song for Coastal Fisheries
	1.5.3	Combat, deter and eliminate Illegal, Unreported and Unregulated (IUU) fishing in the region
1.6 Diversify the economy sustainably within and across sectors to reduce the risks of over reliance on a few sectors.	1.6.1	Develop a regional Blue Economy Policy to maximize its economic benefits sustainably
	1.6.2	Support producers value-add targeting high value products and markets by creating niche products
	1.6.3	Undertake a regional study on the best practices of increasing agriculture sustainably
	1.6.4	Develop new economic frontiers including use of air space and seabed mineral activities
	1.6.5	Promote the growth of Medium, Small and Medium Enterprises (MSMEs) and strengthen the collaboration with regional organisations like PIPSO and PITIA on private sector growth and development including reduction in the cost of doing business in the region
	1.6.6	Support and strengthen mechanisms such as the Pacific Trade and Investment (PTI) Network in enhancing regional Pacific value chains
	1.6.7	Promote the use of technology and improve connectivity and support the implementation of ICT Ministers Meeting (Lakatoi Declaration)

PRED Strategic Focus Area #2: Financial Resilience and Access.

Strategies	Regional Priority Actions (RPAs)
2.1 2.1 Diversify the sources of finance for economic development	2.1.1 Explore the feasibility of establishing innovative financing facilities, instruments, and mechanisms
	2.1.2 Raise the engagement and advocacy for increased access to concessional financing facilities and increased grant element in lending to the PICS including advocating for the use of MVIs
2.2 Strengthen financial resilience	2.2.1 Establishment of a stable correspondent banking relationships (CBR) and efficient payment systems for PICs
	2.2.2 Strengthen the oversight of financial institutions
	2.2.3 Create financial buffers to protect countries from external shocks including financial crises
	2.2.4 Reduce the climate risks to the financial system
2.3 Improve access to finance including climate finance	2.3.1 Explore the possibility of a regional credit guarantee facility.
	2.3.2 Strengthen regional collaboration to increase access to climate finance and support members meet international standards and requirements to access with consideration of multi-vulnerability index (MVI)
	2.3.3 Increase financial literacy in the region including tailored programs targeting women.
	2.3.4 Explore the possibility of a regional credit bureau that is funded by the private sector. The bureau helps the lenders determine the customer risks

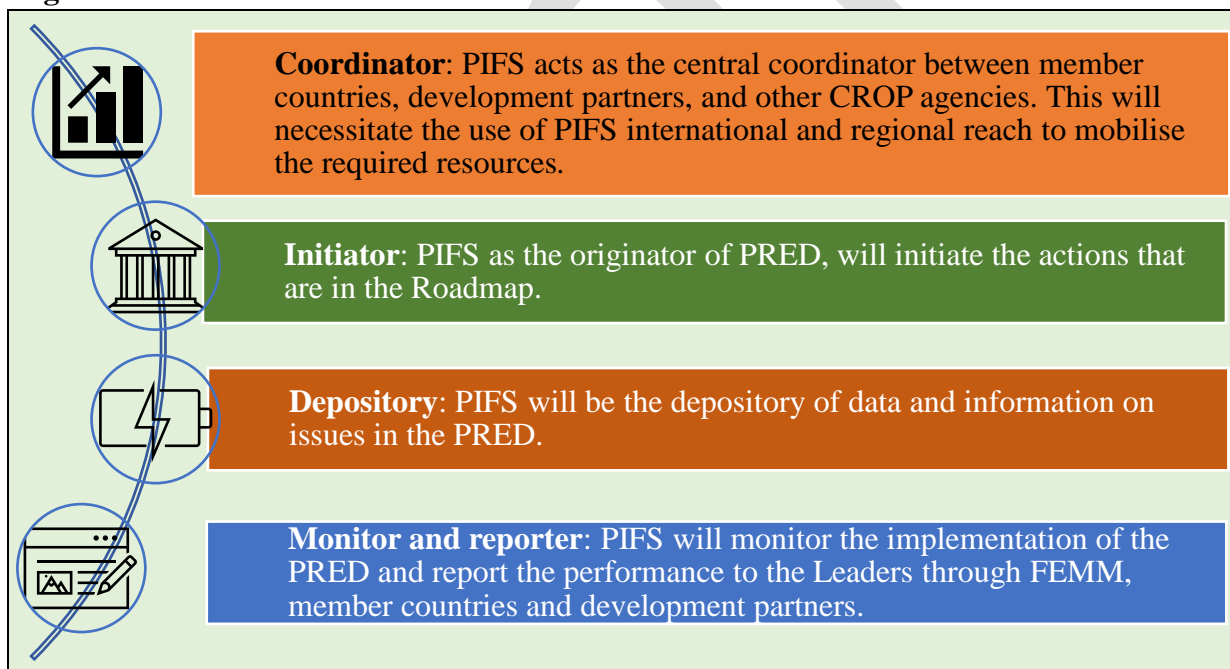
		and may lead to lower interest rates.
2.4 Increase resilience by strengthening public financial management	fiscal	
	by	2.4.1 Enhance regional cooperation on Public Financial Management including governance and create a depository of regional best practices in PFM.
	strengthening public financial management	2.4.2 Increase our voice in international meetings for the adoption of debt relief measures such as debt swaps, multi-vulnerability index, debt restructuring, debt moratoriums, and debt write offs.
		2.4.3 Strengthen regional collaboration to support the monitoring, legislation, and governance of the SOEs to reduce fiscal risks.

B. Approach to PRED Implementation

10. The PRED to be fully implemented.

We are committed to the full implementation of the PRED. The PRED has clearly identified in Section C the CROP agencies that will be responsible for implementing the regional priority actions. The PIFS has been assigned the responsibility to coordinate and drive the implementation of the PRED as indicated in Figure 6.

Figure 6: Roles of the PIFS under the PRED



To support the Leaders vision, the PRED is designed to be ambitious. But it is also designed to be doable because its implementation will not be by PIFS alone but shared by other relevant CROP agencies. The log frame of the PRED has identified the relevant CROP agencies. In addition, many of the proposed work are expected to be undertaken by short term consultants.

11. How the PRED will be resourced.

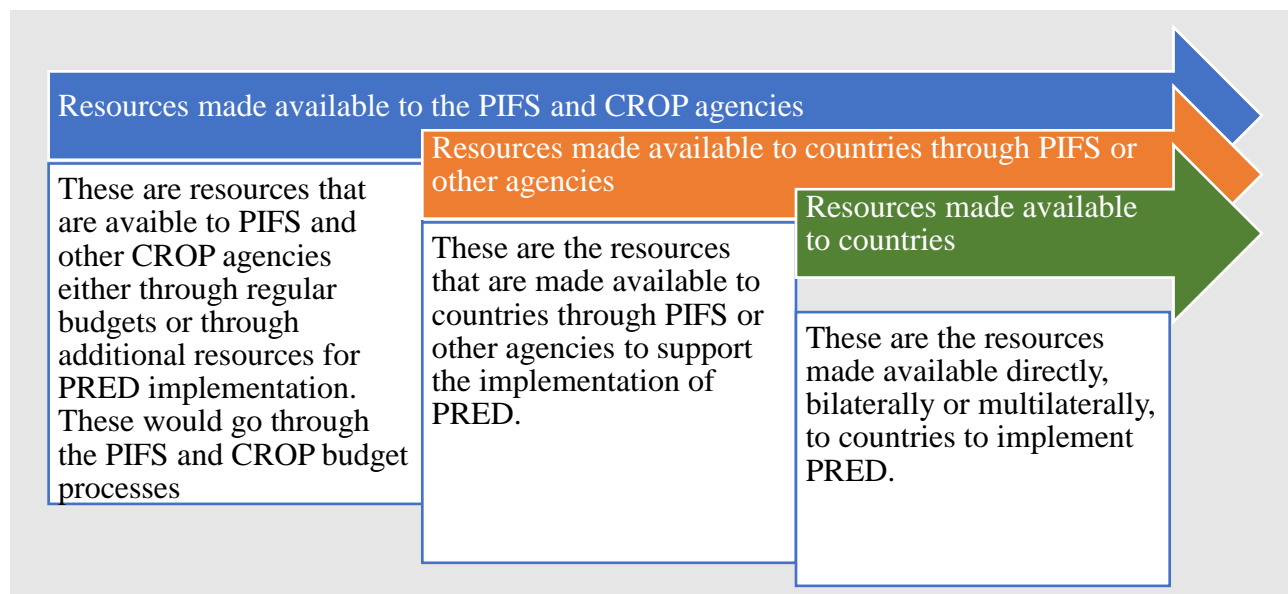
We realise that our plan is only effective if it is implemented. Adequate resourcing is therefore essential if we are going to fully implement the PRED. To this end we have aggregated the

RPA into programmatic areas to enable co-funding opportunities within the various components to be identified.

The scope and complexity of many of the programmatic areas in the Roadmap mean that the costs cannot yet be precisely identified; these costs will become clearer as the programmes and individual action components are defined and designed.

We envisage that the resourcing of the PRED to be through three channels:

Figure 7: Resourcing channels for the PRED



11.1 Strategic funding principles of the PRED

The following principles will be considered in the mobilisation of resources for the PRED:

1. Resources channeled to the PIFS and other CROP agencies under the PRED should be additional regional resources and not reallocations from existing funding envelope to individual member countries or agencies;
2. Resources may be sourced from existing regional envelopes; and
3. New funding sources should be encouraged. These should include:
 - a. Public-Private Partnerships (PPPs); including potentially for education, health and other infrastructure;
 - b. Impact Investing that seeks positive social and environmental outcomes alongside financial returns; these might include targeted skills development and employment opportunities for youth and women, or financial inclusion targeted at women and girls in unbanked communities;
 - c. Philanthropic foundations; including those focused on health and resilience;
 - d. Climate finance mechanisms that support economic development activities that also contribute to climate change mitigation and adaptation; and
 - e. Debt-for-nature swaps with creditors; focusing on climate change mitigation and adaptation projects.

11.2 Resourcing plan

To facilitate the resourcing of the PRED, PIFS plans to do the following:

- a) Prepare the resourcing list of the regional projects under programs;
- a) Map the resourcing list to the known preferences of development partners;
- b) Discuss the resourcing list individually with the development partners including multilateral agencies with the aim of matching the requirements to the priorities and preferences of the donor partners;
- c) Present an indicative resourcing plan for noting and approval to the FEMM and to the Leaders, highlighting the resource gaps;
- d) Present the plan to the Donors Roundtable after the FEMM; and
- e) Implement the resource plan collectively with the development partners and report periodically to the FEMM and the Leaders.

12. The PRED to be regularly monitored.

To support our commitment for the PRED to make a difference in our people's lives, the PIFS will regularly monitor and evaluate the performance of the Roadmap. We need to know where we are on our journey to our destination of the Forum Leaders' 2050 vision of better lives of our Pacific people.

To assist in its monitoring and evaluation, the following attributes have been built into the PRED implementation plan:

- a) Each RPA identifies the accountability of each performance indicator; and
- b) Performance indicators are measurable, some requiring data requirements and the frequency of reporting to be identified.

The overall responsibility of the monitoring, evaluating, and updating the PRED rest with the Economic Policy Division in PIFS:

- a) The PRED will be monitored every two years and a report submitted to the FEMM, the member countries and the development partners;
- b) Using the latest biennial monitoring and evaluation report, the PRED is updated every ten years. In this update, the relevance of the goals, outcomes, strategies, and indicators should be reviewed to ensure that they remain relevant and fit for purpose; and
- c) A staff member in the Economic Policy Division will be dedicated to the implementation, monitoring, and review of the PRED. The funding for the position could be supported by development partners.

12.1 Monitoring Framework

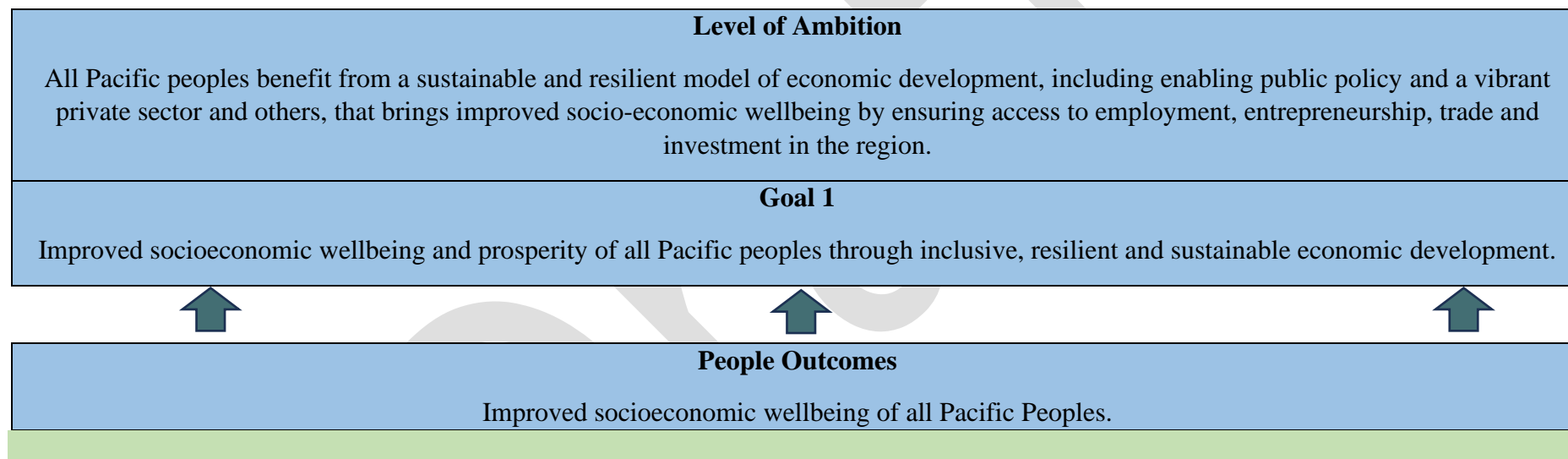
The monitoring system of the PRED build from the 2050 MEL Framework that is currently being developed by the PIFS. If the need arises, the PIFS framework can be adapted to better fit the PRED's template.

C. PRED IMPLEMENTATION PLAN AND KEY PERFORMANCE INDICATORS

Resources and Economic Development



This thematic area highlights the importance of improving socio-economic wellbeing of all Pacific peoples through improving macroeconomic resilience and stability, strengthening financial system resilience, diversifying economies, supporting private sector growth in creating employment and entrepreneurial activity in the micro, small and medium-sized enterprises (MSMEs) and improving trade and sustainable labour mobility.



Strategic Focus Area 1: Macroeconomic resilience, stability, and growth

Challenges and the relevant 2050 IP System Outcomes	Strategies	Regional Priority Actions (RPAs) And Related RED RCAs as outlined in Annex II	Performance Indicators	Priority and Responsible Agencies All Actions Involve Relevant and Responsible Member Authorities
To address the challenge of limited	1.1 Build capacity. The loss of skills from the	1.1.1 Strengthen and utilise existing institutions to meet the skills	Revitalise the South South Cooperation and peer to peer	By 2026: PIFS work with existing institutions to identify

<p>capacity, the system outcomes 1.7 of the IP identified sustainable labour mobility as important in building capacity in the region.</p>	<p>labour mobility schemes and outmigration is exerting additional stresses to the low level of capacity</p>	<p>and labour demand gaps in the region especially from the impact of human mobility and climate change. (RCA 7)</p>	<p>learning mechanisms. Number of South-South/Peer-to-Peer engagements.</p>	<p>capacity gaps and establish a database of training needs and opportunities at scale.</p>
		<p>1.1.2 Strengthen capacity building in the productive sectors including agriculture, fisheries, and tourism related services and the private sector. (RCA 7)</p>	<p>Training needs analysis on productive sectors completed by end 2026.</p>	<p>By 2026: PIFS to coordinate with USP</p>
			<p>Additional training workshops, webinars, and capacity-building sessions. Number of events conducted.</p>	<p>By 2026: PIFS to work with relevant agencies</p>
		<p>Increasing trade both regional and international is important to earn much needed foreign exchange and in creating jobs. The IP system outcomes 1.7 aims at promoting trade.</p> <p>The IP system outcomes 1.4 aims at improved policies to support macroeconomic resilience and stability.</p>	<p>1.2 Increase intra-regional and international trade</p>	<p>1.2.1 Encourage members to ratify and implement the relevant regional and international trade agreements. (RCA 6)</p>
<p>1.2.2 Review the Pacific Aid for Trade Strategy (PAfTS) to inform the next iteration of the Aid for Trade Strategy and commence implementation.</p>	<p>Import substitution consideration between PICs. Intra-regional trade indicator developed and being monitored by 2026.</p>			<p>By 2030: PIFS to lead</p>
	<ul style="list-style-type: none"> • Extend IT enabled services like E-commerce. • Improve connectivity and trade in services • Deepen and diversify markets. <p>Relevant indicators developed and being monitored by 2027.</p>			<p>By 2026: PIFS to lead.</p>
<p>1.3 Promote regional economic integration</p>	<p>1.3.1 Promote the harmonization of laws, reduce barriers to the movement of capital and labour, and in the long term, explore the establishment of a common currency area. (RCA 3)</p>	<p>Develop a discussion paper to promote economic integration including the harmonization of laws and free movement of capital and labour.</p>	<p>By 2030: PIFS with discussion with relevant bilateral and multilateral partners.</p>	
		<p>Undertake a project to review and recommend</p>	<p>By 2030: PIFS.</p>	

			<p>harmonization of relevant laws and regulations on intra-regional investments to lessen restrictions in the flow of capital within the region. Increase in FDI measured through national accounts and reported on an annual basis.</p>	
			Establish the trade and economic database in PIFS by end of 2025.	By 2026: PIFS with consultation with SPC.
		<p>1.3.2 Review sustainable movement of the Pacific people and assess the socio-economic impacts of regional labour mobility schemes and outmigration. (RCA 2)</p>	A review and socioeconomic impact assessment to be completed by end 2024.	By 2026: PIFS with discussion with development partners.
			Develop the regional labour mobility principles by 2025 and start implementation.	By 2026: PIFS to start implementation of the labour mobility principles
			Establish a database on human movement across the region by 2025 and training needs and opportunities at scale.	By 2030: PIFS to coordinate with relevant partners and agencies
			Introduce a Blue Pacific Card by 2030 to facilitate cross border investments, business to business and people to people movement.	By 2030: PIFS to lead
		1.3.3 Promote the development of quality infrastructure in support of building resilient infrastructure for resilient economic development.	Implement the endorsed Pacific Quality Infrastructure Principles by 2026.	By 2026: PIFS in consultation with members and relevant partners including Pacific Region Infrastructure Facility (PRIF) and ADB.
Reaching the full potential of our main industries like tourism remains a challenge.	1.4 Grow tourism sustainably and inclusively. Tourism is the mainstay of	1.4.1 Support the SPTO in the implementation of the Pacific Sustainable Tourism Framework (PSTF) to collect	Establish a tourism database by 2025.	By 2026: SPTO to be supported by PIFS to mobilise funding for the implementation of sustainable tourism program

To address this challenge, the IP systems outcomes 1.5 aims at improved collaboration and policies for the planning, development and management of sustainable tourism.	several countries and has the potential to grow in other countries		data on tourism and its economic impact on the country. (RCA 5)		
		1.4.2	Support the digital skill development for the SPTO and National Tourism Organisations and tourism stakeholders across the region by securing funding to acquire digital tools and systems to enhance service delivery. (RCA 5)	Install digital technologies and tools for service providers to enhance service delivery, e.g. social media/digital marketing tool, online payment & booking systems, and digital mapping of the region, by 2030.	By 2026: SPTO to lead and supported by PIFS in shifting more focus to the needs assessment of the PICs.
		1.4.3	Promote investment in tourism to build supply chain resilience including infrastructure development and improve accessibility to ports of entry (airport & port), hotel room inventory and internet connectivity. (RCA 5)	Develop a discussion paper identifying infrastructure gaps and needs for tourism-related activities to inform broader regional infrastructure work for resource mobilization, by 2026.	By 2026: PIFS to lead supported by the SPTO.
With 20% of the world ocean, fisheries are the centerpieces of many of the member countries. Increasing the benefits from this industry will build stability and economic resilience.	1.5 Grow fisheries sustainably	1.5.1	Implement the East New Britain initiatives to increase the value of fisheries to member countries and the contribution of fisheries to the economies of the region. (RCA 1)	Using the hubs and spokes approach, upscale national priorities including the collaboration with the private sector (eg. Walmart). Proposal developed by end 2026.	By 2026: The FFA in collaboration with members, regional agencies and partners.
		1.5.2	Review the regional fisheries policies including the Regional Roadmap for Sustainable Pacific Fisheries, New Song for Coastal Fisheries.	The next iteration of regional fisheries roadmap is developed to guide sustainable regional fisheries management and development including strengthening food security through increased sustainable	By 2026: The FFA and SPC in consultation with members and partners.

			supply of fish for domestic consumption.	
		1.5.3 Combat, deter and eliminate Illegal, Unreported and Unregulated (IUU) fishing in the region.	Higher investment for monitoring, control, and surveillance (MCS). Annual data shows reduction in IUU.	By 2030: PIFS to support the FFA to highlight the issue in international for a and secure investment.
			Legislative and policy reforms in fisheries (WTO, FAO, BBNJ).	By 2030: PIFS to support the FFA to highlight the issue in international fora.
			Negotiate and conclude the comprehensive fisheries subsidies agreement (FSA) of the WTO and encourage the ratification of comprehensive FSA by Pacific WTO Members.	By 2026: The PIFS in consultation with FFA and relevant agencies.
Given our small geographical sizes and limited natural resource endowments, the lack of diversification is a major challenge in the region. The systems outcomes 1.1 and 1.3 aims at improving macroeconomic resilience and stability as well as increasing the opportunities for sustainable diversification of Pacific economies	1.6 Diversify the economy sustainably and inclusively within and across sectors to reduce the risks of over reliance on a few sectors Agriculture has considerable potential in some of the larger countries in the region. Forestry and mining are also important to some countries. There is potential new frontiers that can be explored.	1.6.1 Develop a regional Blue Economy Policy to maximize its economic benefits sustainably.	Increase the share of the blue economy as % of GDP. Define and identify data requirements to measure the Blue Economy with annual data showing progress.	By 2026: PIFS and OPOC.
			Develop an approach to support members in the valuation of ecosystem goods and services as baselines for informed decision making when harnessing the full potential of the blue economy. Define and identify data requirements to compile ecosystem valuation indicators with annual data showing progress.	
		1.6.2 Support producers value-add	Active engagement and	By 2030: The PIFS to lead in

<p>The IP systems outcomes 1.4 aims at strengthening policies, legislations and mechanisms that support the development and sustainable growth of private sector</p> <p>System outcomes 1.6. Improved policies and legislations to promote and attract quality investment</p>	<p>There is potential for the private sector especially MSMEs to lead growth in some countries.</p>	<p>targeting high value products and markets by creating niche products.</p>	<p>cooperation with specialized firms or sectors towards new markets and new products with provision of infrastructure and investment incentives. Optimize the value of high value products from the Pacific Define and identify data requirements to compile product valuation indicators with annual data showing progress.</p>	<p>collaboration with relevant agencies and partners.</p>
		<p>1.6.3 Undertake a regional study on the best practices of increasing agriculture sustainably.</p>	<p>Increase in the contribution of agriculture as a % of GDP.</p>	<p>By 2030: PIFS and the SPC.</p>
			<p>Implementation of the Regional Kava Strategy. Exports of kava increase with annual data showing progress.</p>	<p>By 2030: PIFS to lead</p>
		<p>1.6.4 Develop new economic frontiers including use of air space and seabed mineral activities.</p>	<p>Prepare a study to identify innovative ways to sustainably develop new economic frontiers including the use of the region's airspace and mining. Study completed by 2027.</p>	<p>By 2026: PIFS in consultation with multilateral institutions.</p>
		<p>1.6.5 Promote the growth of Medium, Small and Medium Enterprises (MSMEs) and strengthen the collaboration with regional organisations like PIPSO and PITIA on private sector growth and development including reduction in cost of doing business in the region. (RCA 9)</p>	<p>Finalise the Regional Private Sector Strategy to include strengthening coordination of private sector development and strengthen the regional collaboration on the access to finance of the MSMEs. Undertake a regional survey on the access to finance of the MSMEs, including for female</p>	<p>By 2026: PIFS with relevant CROP and multilateral agencies.</p>

			MSME owners by end of 2026 Define and identify data requirements to compile private sector indicators with annual data showing progress.		
			Revitalised and strengthen the governance and monitoring of PIPSO with renewed mandate, ambition and representation from all Members' Chambers of Commerce. Review and recommendations implemented by 2027.	By 2026: PIFS and PIPSO.	
			Undertake a feasibility study of regional or sub regional investment fund. Feasibility study completed by 2027.	By 2026: PIFS in consultation with PIIF (superannuation funds) and other investors.	
			Undertake regional investment promotion at international meetings.	By 2026: PIFS in consultation with relevant regional organisations	
		1.6.6	Support and strengthen mechanisms such as the Pacific Trade and Investment (PTI) Network in enhancing regional Pacific value chains. (RCA 8)	Grow the number of Pacific-led businesses participation in the value chain. Define and identify data requirements to measure participation in the value chain, by 2026.	By 2026: PTI Network in consultations businesses and relevant stakeholders.
		1.6.7	Promote the use of technology and improve connectivity and support the implementation of ICT Ministers Meeting (Lakatoi Declaration).	Undertake a feasibility study on improving connectivity in the region including freight and air services.	By 2030: PIFS to lead in consultation with the relevant CROP agencies.
				Convene the Supply Chain Forum by 2026.	By 2026: PIFS to lead in consultation with key stakeholders.

Strategic Focus Area 2: Financial Resilience and Access

Challenges and the relevant 2050 IP System Outcomes	Strategies	Regional Priority Actions (RPAs) And (Related RCAs as outlined in Annex II)	Performance Indicators	Priority and Responsible Agencies All Actions Involve Relevant and Responsible Member Authorities
<p>As the intermediary between savers and investors, the financial sector plays a critical role in growing the economy. Financial soundness and stability is therefore important especially from the impact of climate change.</p> <p>Access to affordable finance is a continuing challenge for the Pacific.</p> <p>The IP system outcomes 1.2 aims at strengthening financial system resilience and adapt to emerging financial mechanisms, including diversifying financing options</p>	<p>2.1 Diversify the sources of finance for economic development</p>	<p>2.1.1 Explore the feasibility of establishing innovative financing facilities, instruments, and mechanisms. (RCA 10)</p>	Fully capitalize the PRF by 2025.	By 2026: PIFS to lead.
		Develop options on modalities for a regional fisheries development fund for members to consider by 2025.	By 2026: The PIFS and FFA in collaboration with SPC and PNAO.	
		Study the establishment of a sub-regional stock exchange by 2025.	By 2026: PIFS in consultation with central banks and Stock Exchanges.	
		<p>2.1.2 Raise the engagement and advocacy for increased access to concessional financing facilities and increased grant element in lending to the PICS including advocating for the use of multi-vulnerability index (MVIs).</p>	Prepare a paper to adapt the fiduciary requirements of global funds to fit the capacity of Pacific Islands. Paper prepared by 2025.	By 2026: PIFS in consultation with multilateral agencies.
	Raise our voice and advocate in international fora by developing an approach to influence and shape MVI discussions. Participations and active engagements reported.	By 2026: PIFS		
<p>2.2 Strengthen financial resilience</p>	<p>2.2.1 Establishment of a stable correspondent banking relationships (CBR) and efficient payment systems for PICs. (RCA 12)</p>	Implementation of the CBR Roadmap including the Pacific Finance for Growth Project to reduce cost of remittances and increase usage of digital	By 2026: PIFS in consultation with MFIs	

			payment platforms. Consider feasibility of developing a regional or sub-regional development bank. Implementation commenced by end 2024.		
		2.2.2	Strengthen the oversight of financial institutions.	Explore the establishment of a sub-regional supervisory body to strengthen financial system stability in the region. Feasibility study completed by 2027.	By 2026: PIFS in consultation with central banks.
		2.2.3	Create financial buffers to protect the countries from external shocks including financial crises.	Create a database in PIFS on the coverage of foreign reserves in months of import of members. Database compiled by end 2024, updated and reported annually.	By 2026: PIFS in consultation with members
		2.2.4	Reduce the climate risks to the financial system.	PIFS to periodically host regional workshops on climate risks to the financial system and the economy and to be informed by reports from Central Banks regarding their greening efforts. Biennial meeting convened from 2025.	By 2026: PIFS in consultation with central banks.
				Members are supported in the development and strengthening of the enabling environment for Disaster Risk Finance (DRF). Two national DRF strategies are developed by 2024 and another 2 national DRF strategies are developed in 2025.	By 2026: PIFS in consultation with members
	2.3 Improve access to finance including	2.3.1	Explore the possibility of a regional credit guarantee	Undertake a feasibility study on the establishment of a regional	By 2030: PIFS in consultation with the central banks and development

	climate finance	facility.	credit guarantee facility by 2027.	partners.
		2.3.2 Strengthen regional collaboration to increase access to climate finance and support members meet international standards and requirements to access with consideration of MVIs.	A Climate Finance Access and Mobilization Strategy (CFAMS) is developed in consultation with member countries. CFAMS developed and advocated at relevant fora.	By 2026: PIFS in consultation with members and partners.
		2.3.3 Increase financial literacy in the region including tailored programs targeting women. (RCA 9)	Increase the number of bank account ownership including women by 10 percentage points every 10 years. Define and identify data requirements and report annually from 2024.	By 2030: PIFS in consultation with central banks, commercial banks, and financial inclusion organisations.
			Increase access to formal financial service by 5 percentage points every 10 years. Define and identify data requirements and report annually from 2024.	By 2030: PIFS in consultation with central banks, commercial banks, and financial inclusion organisations.
			Explore and support initiatives around the empowerment of women to access finance and economic opportunities for growth. Grow the number of women participation in economic activities. Define and identify data requirements to measure women's participation in business in the region.	By 2026: PIFS in consultation with members and partners.
2.3.4 Explore the possibility of a regional credit bureau that is funded by the	Prepare a Concept Note to assess the feasibility of a regional credit bureau by 2030.	By 2030: PIFS in consultation with central banks, banking commissions and credit bureaus.		

		private sector. The bureau helps the lenders determine the customer risks and may lead to lower interest rates.		
2.4 Increase fiscal resilience by strengthening public financial management	2.4.1	Enhance regional cooperation on Public Financial Management including governance and create a depository of regional best practices in PFM.	Convene regional PFM symposium every two years commencing 2025.	By 2026: PIFS in consultation with PFTAC and multilateral development agencies.
			Re-establish the Forum Compact reviews on good governance standards including best practices from 2025.	
	2.4.2	Increase our voice in international meetings for the adoption of debt relief measures such as debt swaps, multi-vulnerability index, debt restructuring, debt moratoriums, and debt write offs. (RCA 11)	Reduce debt as % of GDP to sustainable levels. Report on annual debt to GDP levels annually.	By 2030: PIFS to lead.
	2.4.3	Strengthen regional collaboration to support the monitoring, legislation, and governance of the SOEs to reduce fiscal risks. (RCA 4)	Undertake a regional study on the efficacy of SOEs and prepare a policy paper to guide members. Study completed by end 2026.	By 2026: PIFS in consultation with multilateral institutions.

Annex 1

Table 1: Relevant SDGs to PRED

Thematic Area of Vision 2050	Level of Ambition	Relevant SDGs	Relevant PRED Strategies
<p>“Resource and Economic Development”</p>	<p>Through increased regional integration, the region has a sustainable and resilient model of economic development, that includes enabling public policy and a vibrant private sector and others, to ensure expanded opportunities for employment, entrepreneurship, trade, and investment in the region.</p>	<p>SDG 1: End poverty in all its forms everywhere.</p>	<p>Growing and diversifying our economy sustainably and inclusively.</p>
		<p>SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	<p>Growing and diversifying our economy by increasing the contribution of agriculture and fisheries to our GDP.</p>
		<p>SDG 8: Promote sustained, inclusive economic growth, full and productive employment, and decent work for all.</p>	<p>Build capacity, cooperation, integration and enabling environments in all sectors, including tourism, promote sustainable human movement of Pacific people to take advantage of available opportunities.</p>
		<p>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>Increase investment in resilient infrastructure and develop policies in the development of the blue economy.</p>
		<p>SDG 10: Reduce inequality within and among countries.</p>	<p>Promote opportunities for employment in MSMEs, private sector and the informal economy for sustainable livelihoods for vulnerable groups. Promote financial literacy, especially for women and girls and vulnerable groups. Diversify economies into new frontiers, grow intra-regional trade and adopt a regional approach to trade promotion and integration.</p>
		<p>SDG 12: Ensure sustainable consumption and production patterns.</p>	<p>Increase production in agriculture, domestic fisheries, strengthen food security and lower the cost of inward remittances.</p>

Annex II

Regional Collective Actions (RCAs) of the Resources and Economic Development Thematic Area

Policy and Frameworks	RCA 1	Development of regional fisheries Hubs and Spokes Initiatives
	RCA 2	Enhance regional cooperation on labour mobility involving workers, employers, governments, and non-state actors to maximise the socio-economic benefits for both labour sending and receiving countries and mitigate potential negative impacts
	RCA 3	Consider greater regional economic integration initiatives and ensure that other key stakeholders, including resource sectors, state-owned enterprises (SOE), private sector and civil society are involved in this process
	RCA 4	Strengthen regional collaboration to support improvements to legal, regulatory, governance, and monitoring arrangements to strengthen State Owned Enterprises commercial mandate, enhance transparency, and improve accountability
	RCA 5	Strengthen inter-sectoral linkages through related policies that support sustainable tourism
Capacities and Capabilities	RCA 6	Support the ratification and effective implementation of trade agreements
	RCA 7	Empowering Pacific Education for Workforce Development Initiatives
	RCA 8	Continue to support Business Link Pacific, an established regional programme that is well placed, resourced and mandated to support SMEs to establish and implement resilient practices
	RCA 9	Create a conducive environment for women and girls' economic empowerment inclusive of those working in the informal and unpaid care economy, women and girls with disabilities and women and girls in rural, remote and maritime areas
Financing	RCA 10	Establishment of a regional fisheries development fund
	RCA 11	Develop a regional approach to policy issues that would assist Members to address their national debt burdens
	RCA 12	Raise the efficiency of financial intermediation through regional approaches for pooling of risk, correspondent banking and innovative financing that takes into account Multi vulnerability Index principles