



PACIFIC ISLANDS FORUM SECRETARIAT

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FORUM ECONOMIC MINISTERS MEETING

August 1 - 2, 2024
Suva

INFORMATION PAPER 6: PACIFIC ISLANDS INVESTMENT FORUM UPDATES

Purpose and Summary

Purpose

This paper provides a progressive update on the Pacific Islands Investment Forum (PIIF) co-investment platform to finance infrastructure investment opportunities across the Pacific. This update follows on from previous presentations by PIIF at the 2019, 2020, 2021, and 2023 Forum Economic Ministers Meetings (FEMM).

Summary

The PIIF members' have developed a co-investment platform memorandum of understanding to commit its member funds to work together to co-invest in commercially viable investments, focusing on infrastructure, across the Pacific. Ten (10) of the Member Funds have signed up to this commitment and the co-investment platform is ready to launch this year.

The commitment PIIF to co-invest in quality infrastructure across the Pacific is aligned to the 2050 Strategy for the Blue Pacific Continent, particularly through the Pacific Roadmap for Economic Development (PRED).

The Co-Investment Platform is made up of a specialist investment team that will work to take national infrastructure projects and convert them to commercially viable projects for investment.

A non-traditional donor is progressing to replace NZMFAT as the partner for the PIIF co-investment platform and all future infrastructure projects.

The PIIF is engaging with the PITAA to further support solutions to the free flow of Pacific Capital for Pacific Investment.

A. Overview

Pacific Islands Investment Forum

The PIIF co-investment platform offers an opportunity to bridge the financing gap on infrastructure and private sector development via pooling part of the investible funds available through the PIIF membership, noting that the combined assets and portfolios of PIIF members are currently estimated at US\$50 billion.

2. Contrasting this investment pool, there are estimates by the Asian Development Bank that the funding shortfall on Pacific infrastructure investment to be in the vicinity of USD45 billion over the next 10 years.

B. Implementation status

3. Progress made since engagement with the FEMM:
 - i) A formal Secretariat role commenced in late 2019. This role brings a co-ordination function between the PIIF Board, PIIF member funds and external stakeholders.
 - ii) Recognising the technical challenges to develop a suitable platform, technical expertise through IFC was engaged in June 2020 to identify co-investment structure options.
 - iii) A report outlining a global analysis of the co-investment platform concept was completed by IFC for PIIF consideration. In February 2021, the PIIF Board selected the preferred platform structure.
 - iv) The PIIF Board developed a co-investment Memorandum of Understanding which was approved by the members in Auckland, New Zealand in September 2022.
 - v) The Investment teams from the Member Funds met in Rotorua, New Zealand in November 2022 to workshop the co-investment platform and develop investment policies and processes.
 - vi) The PIIF CEO Forum in Papua New Guinea confirmed a total of 11 Member Funds signed onto the co-investment platform. The PIIF Board approved for the platform to obtain donor funding to support its launch.
 - vii) The PIIF have approved the Establishment Operational and Investment Policies for the co-investment platform.
 - viii) New non-traditional donor meetings held in June 2024 and progressing support to partner with the co-investment platform and infrastructure investments for the next 20 years, this will replace the NZ MFAT who declined support.
 - ix) Cook Islands Government have presented an infrastructure investment opportunity to the PIIF for potential partnership.
 - x) Invitation to present to the Pacific Islands Tax Administrators Association in September 2024 to consider solutions to the taxation of Infrastructure Investments.
 - xi) Investment Forum to be held in November 2024 to progress the pipeline of investments and introduce non-traditional donor partner.
 - xii) PIIF CEO Forum to be held in Fiji hosted by the Fiji National Provident Fund in May 2025 with a focus on Infrastructure Investment Partners.

C. Next Steps

4. The Secretariat will provide progressive updates to FEMM annually.

Pacific Islands Forum Secretariat
Suva, Fiji
29 July 2024