



LISTENING TO THE PACIFIC

FRAMEWORK FOR PACIFIC REGIONALISM REGIONAL INITIATIVE SUBMISSION TEMPLATE 2016

The Framework for Pacific Regionalism

The Framework for Pacific Regionalism represents a high-level commitment to pursuing deeper regionalism and establishes a process for developing and prioritising regional public policy. It articulates the vision, values and objectives of an enhanced Pacific regionalism. It also sets out an inclusive process by which anyone can propose ideas for regional initiatives to address key challenges facing the Pacific. For more information, [click here](#).

Regional Issues and Guidance

When preparing your submission, think carefully about why this is an issue of regional significance and why it should be placed before the Leaders of the Pacific Islands Forum. For further information on the process and types of submissions being sought, please refer to the guideline below.

To Submit a Regional Initiative

1. Complete the below regional initiative template below.
2. Submit initiative to the Forum Secretariat by deadline: **5pm, Fiji time, Sunday 10 April 2016.**
3. Initiatives should be submitted to the Forum Secretariat, through one of the following ways:



FRAMEWORK FOR PACIFIC REGIONALISM – REGIONAL INITIATIVE TEMPLATE

Please complete each section below.

1. Contact Details

Please provide the following contact details:

Name of individual or group submitting initiative

Infrastructure Partnerships Australia

Name and position of primary contact

Nick Hudson, Senior Policy Officer

Email address

Phone number

Fax number

Mailing address

2. Name of Initiative

Pacific Infrastructure Strategy



3. What is the common regional issue or challenge that this regional initiative aims to address?

You may also want to address the following: What are the causes of this issue? Are there links to national, regional or international goals/policies?

Please limit your response to no more than 750 words.

Social and economic infrastructure is essential to sustainable economic growth and poverty alleviation. Infrastructure links markets and people with all levels of an economy. This includes between rural local communities, between major cities and surrounding regions, and between domestic industries and global supply chains.

Further, infrastructure supplies key inputs into production such as water and electricity. The cost and reliability of which can have a significant impact on the productivity and competitiveness of industry.

The Asian Development Bank estimates that the Asia-Pacific region requires US\$750 billion per annum of infrastructure investment to sustain economic growth. To meet this challenge, new global institutions and multilateral development banks such as the Global Infrastructure Facility and Asian Infrastructure Investment Bank have been established to not only increase the scale of investment, but also to ensure the provision of infrastructure delivers the right outcomes at the lowest cost to users and government.

While the needs and challenges of infrastructure delivery are different around the world, many common challenges are shared. This includes obtaining funding for new projects, reforming infrastructure markets, successfully leveraging private finance and mitigating negative environmental externalities.

The Pacific Islands are no different – yet the region also faces a unique set of challenges and constraints for the provision of infrastructure. These includes:

- A large quantity of small counties spanning an immense area of ocean. Countries often comprise of a parcel of isolated island;
- Landscapes can be rugged and subject to extreme weather conditions;
- Climate change considerations add an extra layer of complexity to infrastructure investment decisions and regulation;
- Small and sparse populations;
- Poor project visibility for the private sector; and
- Small economies with small to medium size projects.

It can be seen that the Pacific Islands faces its own unique set of challenges. Combined, these ultimately add to the cost of developing infrastructure, while also increasing the complexity of investment decisions. Some of these issues - such as the geography of the region, rising sea levels and small economies - cannot be avoided. Nevertheless, a high-level, regional approach to infrastructure provision can prepare the Pacific Island counties for the future through enhanced regional governance, sustainable and equitable economic growth and improved security.

4. Briefly describe this regional initiative

You may also want to address the following in this section:



How would this initiative contribute to a positive change to the region?

Who are the main beneficiaries?

How would the initiative contribute to the vision, values and objectives of the Framework for Pacific Regionalism?

Has the initiative been carried out previously?

What are the key risks in implementing this initiative?

Are there any complementary projects and programmes that are currently active?

Please limit your response to no more than 750 words.

Pacific Infrastructure Strategy

The Pacific Infrastructure Strategy (the Strategy) is a three pronged initiative designed to build on the current institutional framework in place in the Pacific. The Strategy is designed to “lift” the level of policy thinking, coordination and global profile of the infrastructure sector and Pacific Island region more broadly.

As such, IPA submits that the Pacific Region Infrastructure Facility (PRIF) is the appropriate “home” for the Strategy. However, an overarching council or board comprising of members from Pacific Island Forum countries would oversee its development and implementation to ensure sovereignty is upheld.

Funding for the Strategy would need to be determined for this “soft infrastructure”, however the benefits described would be significant for a relatively modest financial contribution.

It should be noted that the Strategy presented should not be viewed as fixed programme, but rather a dynamic process that requires further detail, stakeholder engagement and renewal.

Infrastructure Partnerships Australia (IPA) collaborates with private and public sector leaders from across the Australia and New Zealand infrastructure markets, including international aid, trade and diplomacy agencies. If the Strategy is selected to progress, IPA would welcome the opportunity to remain involved as a stakeholder. We would be willing to leverage our networks and deep knowledge base to assist the Pacific Island Forum to achieve its priorities.

As a first step to address the Pacific Islands infrastructure challenges and constraints, IPA submits the first three components of the Strategy:

Pacific Infrastructure Pipeline

The Pacific Islands cover a broad expanse of ocean, and includes countries of varying economic scale (typically small) and levels of development. One of the major challenges for infrastructure provision is building economies of scale and attracting global investment.

Greater cooperation and closer integration of the Pacific Island nations’ infrastructure markets could assist the region to meet these challenges. As a first step, a common infrastructure pipeline of projects known as the Pacific Infrastructure Pipeline (PIP) would serve to increase the scale and depth of the infrastructure market, growing the Pacific Islands’ attractiveness to foreign practitioners and investors.

Further, a comprehensive forward pipeline of projects would better incentivise firms to grow in the region due to the improved transparency. This is because infrastructure pipelines provide certainty and visibility of future projects, which requires commitment from government to deliver a project.



In practical terms, the PIP would be a collation of current and future infrastructure projects in the region. Some countries in the Pacific have developed comprehensive infrastructure plans which identify key projects to be delivered. Pending their “readiness” to be delivered, these projects would be added to the PIP to increase their profile in procurement. Countries without detailed or up-to-date infrastructure plans could also submit projects for admission. A project’s status is updated on the PIP as it moves through the project lifecycle.

A set of criteria is required to define project inclusion within the PIP. The proposed criteria would be deliberately minimal to ensure the PIP captures all infrastructure opportunities. Criteria that would need to be addressed includes:

- Minimum project cost threshold;
- Project has funding or investment committed, or is approved by government
- Project or asset is either economic infrastructure (transport, mining and utilities) or social infrastructure (education, health, justice and social housing).

Project level data and information required to form the PIP would likely include:

- Capital cost;
- Procuring agency, jurisdiction and project summary;
- Likely funding model and sponsoring governments or agencies;
- Likely procurement model;
- Stage of development, beginning with “project approved, no funding allocated” ending with “construction complete”;
- Project delivery timeframe;
- Infrastructure class (e.g. road, ports, education); and
- Contact information.

Joint advocacy will be crucial for the success of the PIP during its developmental stages and subsequently in promoting its use. A joint launch of the PIP once it has been developed is one means of raising its profile, and assisting with ongoing joint advocacy. After the PIP is live and operational, joint advocacy in both domestic and international jurisdictions will assist in realising the benefits of the enlarged market.

Pacific PPP Unit

Public Private Partnerships (PPP) are an innovative procurement model used for the provision of social and economic infrastructure. While predominantly applied in industrialised countries, less developed countries are increasingly (and successfully) utilising PPPs. McKinsey and Company has estimated that of the projected \$8 trillion of infrastructure investment over the next ten years, \$1 trillion will be open to private investors through PPPs.

The Pacific Island has also begun to develop an interest in PPPs. Asian Development Bank funding to establish PPPs in Papua New Guinea is a recent example.

While acknowledging there are challenges, IPA submits that the institutional framework and economic scale of some Pacific Island nations (such as Fiji, Samoa and Papua New Guinea) is at a level where they are ready to begin to build PPP capacity.

PPPs are complex, and the variation between states means a “one size fits all” approach would not be appropriate. Instead, a dedicated PPP team within the PRIF could work with government to begin the process of building tailored PPP capacity, and to provide ongoing support throughout the project lifecycle.

Climate Resilient Building Code

Recent extreme weather events - such as cyclones and drought – have reminded us of the vulnerability of many Pacific Island nations. Rising seas levels caused by climate change can damage and undermine the infrastructure networks which support the economy and society.



With this in mind, the Pacific Island Forum could consider developing the appropriate regulation to ensure new infrastructure has been designed to accommodate climate change over the project lifecycle (which can be upwards of 50 years). Ensuring infrastructure is climate resilient will mean future generations will not be burdened with compromised infrastructure quality and substantial upgrade and maintenance costs.

Some states have adopted modest building code practices to account for climate change, while some have not. Stronger and consistent building codes would better serve the region as it protects against future climate uncertainty.

5. Why does this initiative require the attention of the Leaders of the Pacific Islands Forum?

Please consider whether this initiative requires the attention and consideration of the Leaders of the Pacific Islands Forum in order to be implemented and outline why this is the case. Could it not be overseen or implemented at the level of Ministers, officials or by a regional agency?

Please limit your response to no more than 750 words.

High level regional initiatives such as the Pacific Infrastructure Strategy would only be possible with the support and direction of the Pacific Island Forum leaders.

The multidimensional nature and timeframe of the Strategy requires an ongoing commitment from government. Only leaders can provide this support at a regional level, while ensuring the Strategy is implemented at home.

Further, the provision of infrastructure is not limited to one government department or agency. Several departments can be involved, such as treasury, planning and transport. National governments can also be required to work with subnational jurisdictions. As such, leaders and their respective central departments are required to coordinate infrastructure programmes and reforms.

Moreover, the roles of member countries will also be different for the Strategy. For instance, Australia and New Zealand could have a supportive role in further developing and implementing the Strategy.

Both countries have proven to be world leaders in PPPs, and this knowledge could be leveraged to assist the Pacific PPP Unit.

Support could also be provided for the PIP. The Australian Government currently maintains the National Infrastructure Construction Schedule which is a pipeline of major government funded construction projects. The Australian Government could leverage knowledge and experience to help build the PIP.

With this in mind, coordination amongst leaders is critical to developing and implementing the Strategy.



6. Attachments

Please attach additional information in support of this initiative.

Please attach no more than 3 pages.

7. Uploading initiatives to the Forum Secretariat website

In line with the process outlined in the [Framework for Pacific Regionalism](#), all submitted initiatives, inclusive of all attachments, will be publicly available via the Forum Secretariat website.

8. Guidelines and Contact Details

For further information on completing this template, consult the submissions guideline below or contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:



Submission Guidelines

These guidelines are designed to assist those submitting regional initiatives through the Framework for Pacific Regionalism. For more information contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:

1. About the Framework for Pacific Regionalism

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2. How do I submit a regional initiative?

To submit a regional initiative, complete all sections of the submission template and submit to the Forum Secretariat by no later **5pm, Fiji time, Sunday 10 April 2016**.

Submissions must be made on this template. Submissions made directly via email, letter or other format will not be considered.



3. Who can submit an initiative?

Any interested stakeholder can submit a regional initiative. This may include individuals, or groups of individuals or organisations, including government, civil society (including church or religious organisations), the private sector, community groups, multilateral agencies and CROP agencies.

4. What information is required?

In completing the regional initiative template, you should:

- a. Identify and seek to respond to issues and challenges that are common to the Pacific region and that could be best addressed through a regional response.
- b. Demonstrate that a high level political decision needs to be made.

This is not a process for seeking endorsement of existing projects or activities. No standing fund exists in which to allocate funds to initiatives that are endorsed. Submissions that consist of projects or initiatives that may be ordinarily carried out under the governance arrangements or work-plan of the submitting organisation are unlikely to be successful.

- c. Demonstrate how the initiative would contribute to one or more of the objectives of the Framework for Pacific Regionalism.

5. What assistance will the Forum Secretariat provide through this process

The Forum Secretariat will provide general advice and suggestions to those making submissions. This advice will include clarifying the information set out in this guideline, such as how initiatives can be completed and submitted; the type and level of information sought; the assessment process; and clarification of the overall process.

6. Assessment process

- Step 1** The Forum Secretariat will collate all submitted initiatives and check them for completeness.
- Step 2** The Forum Secretariat will, in collaboration with CROP agency officials and other experts as required, conduct a first round of assessment of all submitted initiatives using the tests for regional action (see Table 1 below).
- Step 3** The Forum Secretariat will provide all assessed initiatives to the Specialist Sub-Committee on Regionalism (SSCR), which will assess initiatives against the vision, values and objectives set out in the Framework (see Table 2 below). Reports on current regional initiatives under the Framework for Pacific Regionalism that are in progress will also be considered by the SSCR when they assess initiatives.
- Step 4** Based on its assessment of all submissions, the SSCR may recommend a limited number of initiatives to Forum Leaders. Those initiatives recommended to Leaders will be first sent to the Forum Officials



Committee for commentary and incorporation on the Leaders' annual meeting agenda. Forum Leaders will then receive the final recommendations of the SSCR and make decisions on these at the annual Forum Leaders Meeting. In 2016 this meeting will take place in the Federated States of Micronesia

Proponents whose initiatives have been selected for Leaders' consideration will be informed of this selection within two weeks of the SSCR's decision. All proponents will be informed in due course of the outcome of their submissions.

7. Leaders' decisions on initiatives

Forum Leaders' decisions on initiatives will be publicly announced through the Forum Leaders' Communique that is issued at the conclusion of the Leaders' meeting. As directed by Leaders, the Forum Secretariat will initiate implementation of the decisions in consultation with the proponent, the proposed implementing agencies, funding partners, and other relevant organisations or stakeholders.

8. Further help and feedback

For further information or guidance or to provide feedback on the process, contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:



Table 1 – Tests for Regionalism

TEST	CRITERIA FOR REGIONAL IMPLEMENTATION
Market test	The initiative should not involve a service that markets can provide well.
Sovereignty test	The initiative should maintain the degree of effective sovereignty held by national governments (countries, not regional bodies, should decide priorities).
Regionalism test	<p>The initiative should meet one of the following criteria at a sub-regional or regional level, in support of national priorities and objectives:</p> <ul style="list-style-type: none">▪ establish a shared norm or standard▪ establish a common position on an issue▪ deliver a public or quasi-public good which is regional (or sub-regional) in its scope realise economies of scale▪ overcome national capacity constraints▪ complement national governments where they lack capacity to provide national public goods like security or the rule of law▪ facilitate economic or political integration▪ Where benefits accrue sub-regionally, the contribution to broader regionalism should be clear.
Benefit test	<p>The initiative should bring substantial net benefits, as demonstrated by a cost-benefit analysis. The distribution of benefits across countries and across stakeholders within the region should also be considered—particularly with respect to:</p> <ul style="list-style-type: none">▪ The relative costs and benefits for smaller island states (an “SIS test”)▪ How inclusive the proposal is of all stakeholders who might benefit from regionalism.
Political oversight test	The initiative should require the Leaders’ attention and input (as opposed to being within the mandate of Ministers or other governing bodies).
Risk and sustainability test	The initiative should demonstrate a robust risk and sustainability evaluation, be based on a sound implementation plan, be supported by some identified funding, and demonstrate available capacity and experience for successful implementation.
Duplication test	The initiative should not be currently under progress by another organisation or process, and there should be no duplication of effort.



Table 2 – Vision, Values and Objectives of the Framework for Pacific Regionalism

Vision:

Our Pacific Vision is for a region of peace, harmony, security, social inclusion, and prosperity, so that all Pacific people can lead free, healthy, and productive lives

Values:

- We value and depend upon the integrity of our vast ocean and our island resources.
- We treasure the diversity and heritage of the Pacific and seek an inclusive future in which cultures, traditions and religious beliefs are valued, honoured and developed.
- We embrace good governance, the full observance of democratic values, the rule of law, the defence and promotion of all human rights, gender equality, and commitment to just societies.
- We seek peaceful, safe, and stable communities and countries, ensuring full security and wellbeing for the peoples of the Pacific.
- We support full inclusivity, equity and equality for all people of the Pacific.
- We strive for effective, open and honest relationships and inclusive and enduring partnerships—based on mutual accountability and respect—with each other, within our sub-regions, within our region, and beyond.

These Pacific regional values will guide all our policy-making and implementation.

Principal Objectives:

- Sustainable development that combines economic social, and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- Economic growth that is inclusive and equitable;
- Strengthened governance, legal, financial, and administrative systems; and
- Security that ensures stable and safe human, environmental and political conditions for all.