

Annual Report 2016



PACIFIC ISLANDS
FORUM SECRETARIAT

The Pacific Islands Forum

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 defense 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.

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THE PACIFIC ISLANDS FORUM

The Pacific Islands Forum is the region's political organisation. Founded in 1971, it has 18 Members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, and Vanuatu. Associate membership of the Forum is currently held by Tokelau. American Samoa, Commonwealth of the Northern Marianas, Guam and Wallis and Futuna, who are territories of either France or the United States of America; and, the African Caribbean Pacific Secretariat, Asian Development Bank, Commonwealth Secretariat, International Organization for Migration, the United Nations, Western and Central Pacific Fisheries Commission, World Bank Group hold Observer status, with Timor Leste holding Special Observer status. The eighteen Forum Dialogue Partners include Canada, Peoples Republic of China, Cuba, the European Union, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Malaysia, Philippines, Spain, Thailand, Turkey, United Kingdom and the United States of America.

The Forum's Pacific Vision is for a region of peace, harmony, security, social inclusion and prosperity, so that all Pacific people can lead free, health, and productive lives.

The Forum's work towards this Vision is guided by the **Framework for Pacific Regionalism**, which is a robust process for supporting focused political conversations and settlements for identifying and addressing **priority** regional strategic issues. The Framework sets out the strategic vision, values, objectives and approaches to achieving deeper regionalism. **Deeper regionalism** is defined in the Framework as:

The expression of a common sense of identity and purpose, leading progressively to the sharing of institutions, resources, and markets, with the purpose of complementing national efforts, overcoming common constraints, and embracing sustainable and inclusive development within Pacific countries and territories and for the Pacific region as a whole.

The Framework for Pacific Regionalism explicitly recognizes that all Pacific people have a role to play in regionalism and commits the Forum to **inclusive** regional public policy development and implementation.

The Pacific Islands Forum Secretariat is mandated through the 2005 Agreement Establishing the Pacific Islands Forum to provide policy advice to the Forum and coordinate the implementation of Forum Leaders' decisions. The Secretariat is based in Suva, Fiji, and is led by the Secretary General, Dame Meg Taylor of Papua New Guinea. The Forum Officials Committee (consisting of nominated representatives from all Forum Governments) is the governing body of the Secretariat. The Forum Secretariat is funded by its member governments through assessed membership contributions, as well as voluntary and extra budget contributions from members and donors.

The Secretary General of the Forum Secretariat is the permanent Chair of the Council of Regional Organisations in the Pacific (CROP). The Secretary General also serves as the Pacific Ocean Commissioner, the Chair of the Specialist Sub-Committee on Regionalism, and the Regional Authorising Officer for the European Development Fund.

For more information about the Pacific Islands Forum and the Secretariat please visit www.forumsec.org

*The Pacific Islands Forum Leaders
Vision is for a region of peace,
harmony, security, social inclusion and
prosperity, so that all Pacific people can
lead free, health, and productive lives.*
(Framework for Pacific Regionalism, 2014)



Figure 1. Pacific Islands Forum Members

MESSAGE FROM THE OUTGOING CHAIR OF THE PACIFIC ISLANDS FORUM



Honourable Peter O'Neill
Prime Minister of Papua New Guinea

The past year has been a very busy time for the Pacific Islands Forum group of nations. In Port Moresby, Papua New Guinea, Forum Leaders reaffirmed their commitment to a prioritised regionalism agenda under the Framework for Pacific Regionalism, adopted in Palau in 2014.

The Framework is in the early and formative stages of a new era for the Pacific region. Coupled to this is the 2030 Development Agenda and Sustainable Development Goals, which represent the new universal development paradigm for all nations. Our challenge is to implement this in a way that is consistent with our region's, and also our individual national concerns and context.

As a group of island nations – the status of our marine environment remains a priority. Last year we prioritised action to ensure a sustainable increase on our return on fisheries. We must not lose sight of this commitment and we must monitor implementation.

But there are also global challenges that we face today. Global commodity prices are low, there is a slowdown in larger Asian trading partners. Global pressures affect all island nations. The slowdown affects tourism, and demand for non-resources commodities.

*As outgoing Chair, I acknowledge
all the Pacific Island Nations in our
collective efforts to deal with the
concerns of our collective nations.*

47th Pacific Islands Forum, 2016

But we must continue to work together, think smarter and be sensible in our economic decisions, so that our growth continues.

Climate change makes these challenges worse. Climate change is more than an environmental issue – it is an economic and a political issue as well. Climate change is destroying communities and costing jobs and displacing many of our people. The Paris Agreement in which we led the discussions has set targets, and provided global recognition of the concerns and realities. As a global community we must deliver on these promises for our people.

The recent commitment by the United States and China to ratify the Agreement is most welcomed. We must continue to show leadership and encourage all countries to ratify the agreement.

We also as a region, continue to engage as a group in multilateral discussions with our major trading partners. We have held discussions with Japan, China, India and last week with the United States. These engagements gives collective strength to bring concerns to the largest global economies. Through these engagements we are able to better realise our collective vision for the region. We need to continue to expand this collective representation.

As outgoing Chair, I acknowledge all the Pacific Island Nations in our collective efforts to deal with the concerns of our collective nations.

I also acknowledge the good work of the Staff of our Secretariat and the Secretary General of the Pacific Islands Forum - Dame Meg Taylor, who have been the driving strength behind many of the issues that the Leaders have raised. Individually, our nations are small in global terms – but together we are strong.

MESSAGE FROM THE SECRETARY GENERAL OF THE PACIFIC ISLANDS FORUM



Meg Taylor, DBE
Secretary General of the Pacific Islands Forum

It has been another tremendously busy and productive year for us all. This year we welcomed New Caledonia and French Polynesia into the Pacific Islands Forum family and we supported the first standing Forum Foreign Affairs Ministers meeting – which is to be an ongoing meeting in the Forum Meetings architecture to support and inform regional decision-making and our links to the outside world.

Implementation of the Framework for Pacific Regionalism (the Framework) has remained the priority for the Secretariat in 2016. At the heart of this work has been the bedding down of an inclusive approach to regional public policy development. The establishment of the Specialist Sub-Committee on Regionalism (SSCR) process has changed the nature of the regional policy dialogue and brought a range of issues to the political fore, including the Secretariat's intent to prepare a state of regionalism report.

The Secretariat facilitated the Civil Society Organisations (CSO) – Leaders Dialogue, and the Private Sector Dialogue, both of which were held with our Leaders, and reflect the value placed on inclusive approaches to regional policy and decision making by our Leaders.

The Secretariat's role in regional policy-making and implementation in 2016 has been guided by Forum Leaders' vision, values and objectives as articulated in the Framework for Pacific Regionalism, in particular through ensuring an inclusive and transparent policy development cycle, and forging genuine and durable partnerships in support of Leaders' ambition for the Pacific region.

Continuing to embed the principles and processes under the Framework for Pacific Regionalism within the Secretariat, through our regional agencies, and across the Membership has been a big focus this year. We undertook a Review of Forum Regional Meetings, and an Analysis of Regional Governance and Finance. This work has generated dialogue across the membership about the future arrangements for regional agenda-setting, decision-making and implementation; the intention is to produce a more cohesive and effective set of institutional arrangements to deliver regional outcomes.

Throughout 2016 we continued organisational reform to ensure that the Secretariat is dynamic and is fit-for-purpose. Most importantly that as a members-owned organisation it delivers the results that our Members expect. The reforms included introducing centralisation of services; strengthening the capabilities of existing human resources; and institutionalising a regular process of (quarterly) reviews of the Secretariat's Results Framework. These reforms have contributed to significant savings of approximately \$2.5M.

In looking to 2017 and beyond, there is still much to be done. We will continue to work towards a more effective regionalism that is valued and driven by the membership – as the Framework for Pacific Regionalism calls for.

WELCOMING FRENCH POLYNESIA AND NEW CALEDONIA TO THE FORUM

2016 was a watershed moment for the Pacific Islands Forum, with the Forum Leaders' at the 47th Pacific Islands Forum deciding to accept French Polynesia and New Caledonia as full members. This is the first time in the history of the Forum that non-independent territories have become full members. The decision is further indication of Forum Leaders' ambitions for a more inclusive and strategic political dialogue in the Pacific Islands region.



Figure 2. 47th Pacific Islands Forum held in Pohnpei, Federated States of Micronesia in September 2016.

PROMOTING INCLUSIVE REGIONALISM

In 2016, the Secretariat announced its second call for submissions from the public on potential priorities for regionalism. In response, the Secretariat received 47 policy submissions from NSAs and members of the public focused on a range of issues including West Papua, Climate Change, ICT, and the movement of people throughout the region.

In December 2016, the Secretary General launched the PIFS-CSO Engagement Strategy. The strategy outlines guiding principles and protocols for engagement from both PIFS and CSO perspectives and commits PIFS to report annually on a range of measurable indicators that illustrate the degree of compliance to protocols outlined.

A regional CSO Forum was held in Suva in August which saw 37 representatives from 15 countries discuss issues including climate change, disaster response, labour mobility, disability, sports, and human rights in West Papua. A small group was elected from this Forum to take the views of CSOs to the Forum Troika when Leaders met for the 47th Pacific Islands Forum, in FSM.

The subsequent CSO Dialogue with the Forum TROIKA included the Prime Minister of Samoa, and Presidents of Marshall Islands and FSM. Senior Ministers from PNG and Palau were also present. Further evidence of increased commitment by Forum Leaders to engaging with CSOs came when the future Chair of the Pacific Islands Forum, Prime Minister Tuilaepa Sailele Malielegaoi of Samoa, committed to hosting the CSO Dialogue in 2017 with all the 18 Forum Leaders.

Under the Secretariat's Non-State Actors Grants Facility launched in September 2016, a total of 49 Grant applications were received to support NSA participation in regional policy making processes. The applications were evaluated by the Grants Evaluation Committee in the month of November and 23 applicants were shortlisted for the second stage of the evaluation process. Shortlisting of grant awards is scheduled for 2017.

Inclusiveness is one of the key values underpinning the Framework for Pacific Regionalism.



Figure 3. CSO Dialogue with the Forum Troika which was held in Pohnpei, Federated States of Micronesia in September 2016.

ADVANCING FORUM PRIORITIES FOR REGIONALISM

Maximising sustainable economic returns on fisheries

At the 2015 Pacific Islands Forum Leaders Meeting, Leaders affirmed the central importance of maximising the economic returns from the region's fisheries and for ensuring its sustainable management. Leaders also endorsed the Regional Roadmap for Sustainable Pacific Fisheries and directed that increases in the economic returns from the fisheries sector be achieved within five years. In 2016 a multi-agency Task Force, consisting of the Pacific Community (SPC), the Forum Fisheries Agency (FFA), Parties to the Nauru Agreement (PNA) Office and the Forum Secretariat, developed and began implementing a work programme to support this priority. At their 2016 Forum, Pacific Leaders endorsed the Work Programme of the Fisheries Task Force, noting that it is consistent with the Goals and Strategies contained in the Regional Roadmap for Sustainable Pacific Fisheries. Some of the key activities identified for the 2017 Work Programme include taking fisheries management related issues to the Japanese PALM interim Ministers meeting in January; development of a baseline for employment standards for the tuna industry; explore policy approaches that will lead to the domestication of value added services within the region; and that there is a need to identify which tuna species in the long line fishery could be certified.

The 2016 Report on Fisheries in the Economies of Pacific Island Countries and Territories revealed that coastal fisheries production has not increased significantly between 1999 and 2014, despite indications of increasing fishing pressure at the national level. In response to the report, Forum Leaders recognised that coastal fisheries management received inadequate attention at the national level, and they agreed to expand their priority on fisheries to include coastal fisheries, noting links to communities, food security, health issues and in particular non-communicable diseases. The Pacific Community (SPC) was tasked with coordinating National Fisheries Agencies, CROP agencies and regional and national community groups, to strengthen support and resourcing for coastal fisheries management.

PIFS supported sustained regional political pressure at the international level for ratification of the Paris Agreement, contributing to its entry into force in September 2016.

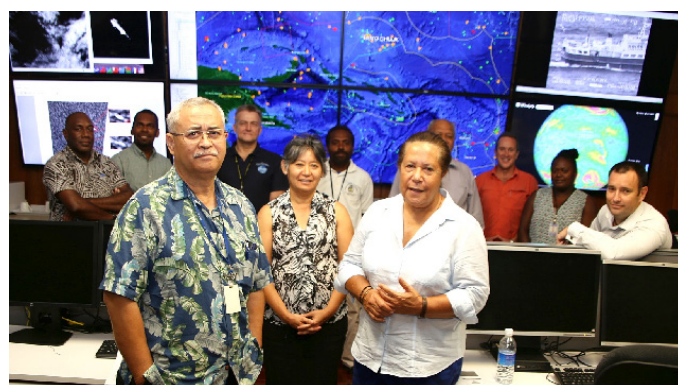


Figure 4. FFA DG James Movick, PIFS DSG Andie Fong Toy & PIFS SG Meg Taylor at FFA Headquarters in Honiara, Solomon Islands 2016.

ADVANCING FORUM PRIORITIES FOR REGIONALISM

Promoting a Climate and Disaster Resilient Pacific

The Forum Secretariat worked closely with Partners and CROP Agencies across the year to provide support for Members towards addressing climate change and disaster risk through improved access to finance. The Secretariat provided advice and support to members on climate change and disaster risk finance and took up strategic roles as Green Climate Fund Observer and Readiness Delivery Partner to further assist with this work into the future.

Ensuring the ratification of the Paris Agreement was a priority for the Forum and Fiji was the first globally to sign and ratify the agreement while six Forum Members were amongst the first fifteen globally to ratify the agreement in April 2016. PIFS supported sustained regional political pressure at the international level for ratification of the Paris Agreement, contributing to its entry into force in September 2016. The Forum Secretariat was part of the One CROP team that supported Members during the Pre-COP22 preparatory regional workshop and the COP22 meeting itself.

The Secretariat also completed consultations on the Framework for Disaster Resilient Development in the Pacific (FRDP), which Leaders endorsed in September 2016. Leaders agreed for the FRDP to be fully elaborated and operationalised upon the entry into force of the Paris Agreement and recognised its potential to support coordination and action on a number of key issues related to climate change and disaster risk management.

These initiatives were made possible with the enhanced capacity of the Secretariat's Resilience Team, thanks to a number of projects that co-locate staff at the Secretariat, including the USAID/SPC Institutional Strengthening for PICs to Adapt to Climate Change (ISACC) project, DFAT/GIZ Climate Finance Readiness of the Pacific project, ADB's Strategic Program for Climate Resilience and World Bank's Pacific Resilience Program.

PIFS supported sustained regional political pressure at the international level for ratification of the Paris Agreement, contributing to its entry into force in September 2016.



Figure 5. Pacific Climate Change & Migration participants.

ADVANCING FORUM PRIORITIES FOR REGIONALISM

Preventing Cervical Cancer

In 2016 under the Cervical Cancer Taskforce, the Forum Secretariat commissioned the Fiji National University to conduct a situation analysis on the prevalence of cervical cancer in the region and worked with partners including the Pacific Community, United Nations and the Asian Development Bank. The survey established a baseline for cervical cancer prevalence across the region including mortality rates (see figure below).

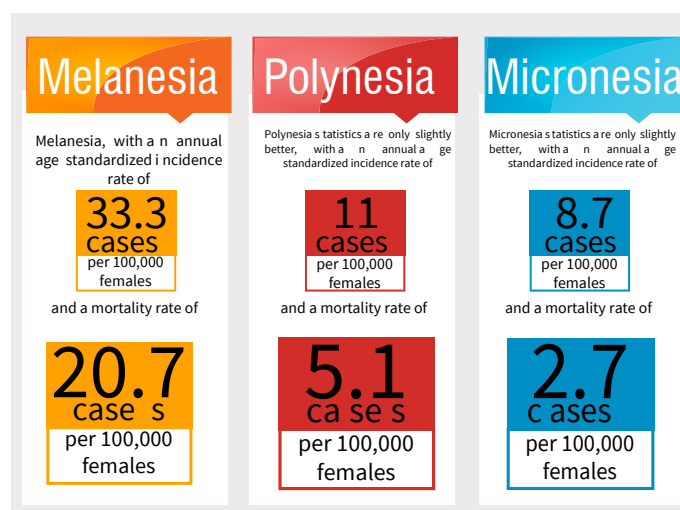
The research findings informed the subsequent strategy for establishing a regional bulk procurement programme for the purchase of HPV vaccines used to immunize girls from cervical cancer. The strategy was endorsed by Leaders in September 2016, who noted, “the existing bulk procurement programme managed by the United Nations Children’s Fund (UNICEF) and urged Members to avail themselves of the UNICEF programme.”

Later in 2016, the Forum Secretary General approached the Asian Development Bank for funding support towards the cervical cancer initiative and the introduction of HPV vaccines into immunization programmes. In response, ADB has pledged to support Samoa, Tonga, Tuvalu and Vanuatu, as they introduce three new life saving vaccines, including the HPV vaccine, into their national immunization programmes. Subsequently, the Forum Secretariat worked with UNICEF who were able to negotiate with pharmaceutical providers for a reduction in the cost of HPV vaccines to countries in the region.

In 2016, only five Forum Island Countries (36%) managed to include HPV vaccination into their routine immunization programmes. Some countries conducted pilot programmes but were not able to continue due to the high costs involved.

This now means that nine countries in the region (64%) will be vaccinating girls against cervical cancer in future.

From 2016, 9 countries in the region (64%) will be vaccinating against cervical cancer.



ADVANCING FORUM PRIORITIES FOR REGIONALISM

West Papua

In 2015, Forum Leaders, whilst recognising Indonesia's sovereignty, noted concerns about the human rights situation in the Papuan provinces and called on all parties to protect and uphold the human rights of all residents in Papua. In 2016, Leaders agreed the issue of alleged human rights violations in West Papua should remain on their agenda and agreed on the importance of an open and constructive dialogue with Indonesia.

The Forum Secretariat in 2016 Coordinated information-sharing and communication between the Forum Chair and the President of Indonesia regarding the human rights situation in West Papua.

Leaders recognised the political sensitivities of the issue of West Papua (Papua) and agreed the issue of alleged human rights violation in West Papua (Papua) should remain on their agenda.

2016 Forum Communique

Using ICT for Growth and Governance

In recognising the unprecedented economic and educational opportunities provided by Information Communication Technologies (ICT), in 2015 Leaders tasked the Secretariat and the University of the South Pacific to consider the merit of a regional ICT advisory council.

In response, the CROP ICT working group was expanded to incorporate additional key stakeholders. The working group is now developing a regional ICT strategy, which, following the 2016 decision by Forum Leaders, will be addressed at a ministerial level going forward.

ADVANCING FORUM PRIORITIES FOR REGIONALISM

Smaller Island States Strategy

2016 marked a milestone year for the Smaller Island States (SIS) sub-region of the Pacific Islands Forum, with the addition of the Federated States of Micronesia (FSM) as a new member, and the adoption of the first SIS Regional Strategy 2016-2020 by SIS Leaders and subsequently the wider Forum collective.

Following a directive from SIS Leaders in 2015 to develop an SIS Regional Strategy, the Secretariat undertook a comprehensive consultation across SIS and wider Forum members, CSO's and development partners on how best to position SIS to influence and shape the Forum's regional decision making and policy processes. The SIS Regional Strategy identifies 5 priority areas and outlines a way for SIS Leaders to effectively influence the direction of regional development in the Pacific, and increase access to resources for SIS members to address their special circumstances.

Since the adoption of the Strategy, both the Secretariat of the Pacific Community (SPC) and the Forum Secretariat have embedded relevant key results and actions from the Strategy into their respective key results and budget frameworks. The SIS Regionalism Officers continue to play a key role in supporting the Strategy and ensuring a whole of government approach by members to its implementation.

“Leaders agreed to adopt the SIS Regional Strategy as the strategic platform to ensure greater influence and presence by the SIS in shaping the regional policy.”agenda and direction.

2016 Special Smaller Island States Leaders Meeting



*Figure 6. Smaller Island States Leaders with SG Meg Taylor.
(From left to right) H.E Baron Waqa (Nauru), Hon. Billy Kuartei (Palau), H.E Peter Christian (FSM), H.E Hilda Heine (RMI), Hon. Henry Puna (Cook Islands), Hon. Enele Sopoaga (Tuvalu), Special Envoy H.E Reteta Rimon (Kiribati)*

OTHER INITIATIVES

Election Observation

The Biketawa Declaration and the Forum's Principles of Good Leadership express Forum Leaders' commitment to upholding democratic processes and institutions to allow for the peaceful and lawful transfer of power. In 2016, the Secretariat was invited to observe elections in Vanuatu, Samoa and Nauru.

The Secretariat was also invited by the Australian Electoral Commission to participate in its Election Visitor Programme (EVP). The Forum Secretariat also facilitated peer learning amongst Forum Members, including with those that did not have elections this year.

The Secretariat intends to host a regional workshop for 2017 to discuss and analyse the outcomes of Forum election observation mission with the view of developing a common approach and a standard approach for future Forum election monitoring missions.

“Upholding democratic processes and institutions which reflect national and local circumstances, including the peaceful transfer of power, the rule of law and the independence of the judiciary, just and honest government.”

Biketawa Declaration



Figure 7. PIFS Human Security Officer, Angela Thomas, Solomon Islands Registrar of Political Parties, Calvin Ziru and Samoa's Electoral Commissioner, Mathew Lemesio during Samoa's 2016 General Elections.

OTHER INITIATIVES

Development Finance

Responding to a request by the Forum Economic Ministers Meeting (FEMM), in 2016 the Forum Secretariat took the lead in development finance assessments in the region, in partnership with the United Nations Development Programme (UNDP) and funded by Australia and New Zealand.

In addition, the Forum Secretariat began work on the feasibility of a regional finance facility (RFF) to look at securing the long-term financing needs of the region. The proposed Regional Finance Facility would amplify economic and political gains by transforming national markets into a combined regional market for financial assets. Further work will be carried out by the Forum Secretariat in 2017 to explore the feasibility of the Facility.

The Forum Secretariat advocated for re-defining how multilateral banks define ‘fragility’ so as to be inclusive of climate change. The Secretariat successfully assisted Pacific countries to raise this matter at the Asia Development Bank Annual Meeting, the IMF-World Bank Group (WBG) annual meetings, and a UNDP-PIFS seminar on financing for development.

These actions enabled Pacific countries to secure high-level commitment from global institutions to progress this matter in 2017. Additionally, the WBG and the Forum Secretariat have agreed to host a side-event at the 2017 FEMM for FICs Finance Ministers, Private Sector and Civil Society Organisations (CSOs) on WBG’s IDA allocation and progress on re-defining fragility.

“A shift in defining the meaning of “fragile” will ensure that appropriate support is available for the Pacific SIDS/FICs by Development Finance institutions.”

*The Honourable Peter O'Neill,
Forum Chair & Prime Minister of Papua New Guinea, August 2016*



Figure 8. SG Taylor and Axel van Trotsenburg, Vice President of Development Finance, World Bank Group, October 2016.

OTHER INITIATIVES

Review of Forum Meetings

In response to the 2013 Pacific Plan Review, and in recognition of the plethora of regional meetings, Forum Leaders called for a Review of Regional Meetings in 2014, to ensure that there is alignment across the regional architecture, and that regional meetings collectively support the delivery of the Pacific Islands Forum Agenda.

In response, the Forum Secretariat conducted a review of Forum Regional Meetings, which concluded in 2016. It comprised a desk based analysis of Forum regional meetings held over the previous 5 years, as well as in-country consultations with Forum Members.

The review made a number of recommendations that have an impact on enabling Pacific regionalism as directed by the FPR:

- The call for a core framework of standing meetings of the Pacific Islands Forum, supplemented with other meetings held on a needs basis;
- Confirmation of the central role of the Secretary General in determining the agenda for the Leaders' meeting, noting that that the Secretary General's advice to Leaders must take full and transparent account of the recommendations of members conveyed through the Forum Officials' Committee and other standing meetings and with a view to ensuring that all future regional meetings make an explicit contribution to deepening Pacific regionalism.

Forum Leaders endorsed the review report intercessionally, and the Forum Secretariat has begun to implement its recommendations.

Forum Leaders strongly encourage all Pacific regional organisations and international partners to rationalise the regional meetings they convene in the Pacific.

The 5 standing meetings of the Pacific Islands Forum consist of the following:

1. Forum Leaders' Meeting
2. Smaller Islands States Leaders' Meeting
3. Forum Foreign Affairs Ministers' Meeting
4. Forum Economic Ministers' Meeting
5. Forum Officials' Committee



Figure 9. The Inaugural Forum Foreign Affairs Ministers Meeting held at the Forum Secretariat in Suva, Fiji in October, 2016.

CORPORATE

MANAGEMENT TEAM



Deputy Secretary General
Andie Fong Toy



Secretary General
Dame Meg Taylor



Deputy Secretary General
Cristelle Pratt



Director
Economic Governance
Shiu Raj



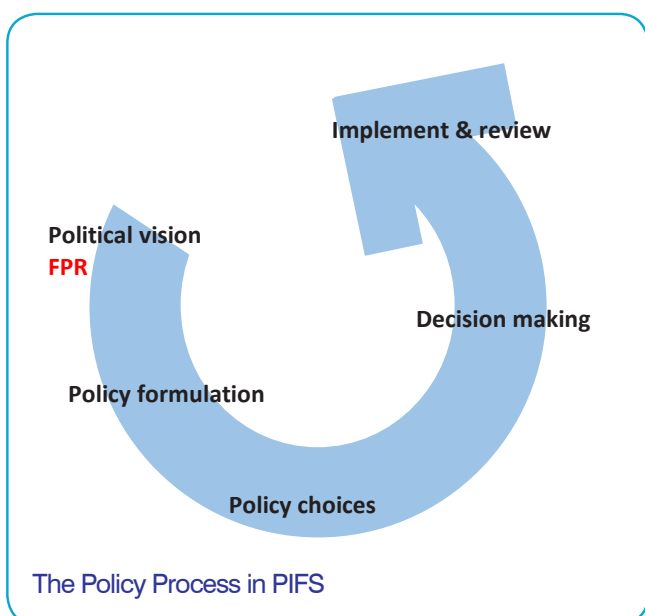
Director
Political Governance & Security
Sione Tekiteki



Director
Corporate Services
Simon Clegg

ORGANISATIONAL DEVELOPMENT

Guided by the Strategic Results Framework 2016-18, the Secretariat has continued to roll out a series of necessary institutional reforms required to become a more efficient, effective and relevant organisation that is fit for purpose. This has included the institutionalisation of a quarterly progress review and a transition toward greater coordination of cross-sector teams in support of regional priorities. Fundamentally, the Secretariat has applied its understanding of the policy process towards ensuring appropriate resource allocation to, and performance in, key aspects of the process under the Framework.



The Secretariat's change process has also been assisted by the FOC Sub-Committee on Prioritisation and Funding, which met three times in 2016 to develop prioritisation principles to guide a streamlined work programme. Additionally the Secretariat has made progress in strengthening accountability systems and improving efficiencies with a focus on making savings in 2016 expenditure and then a prioritised resource allocation for the 2017 Budget.

Following decisions of Forum Leaders in September 2016, the Secretariat commenced

work on a revised strategic plan for 2017-2019. The plan is constructed around a results framework of three key results areas (KRAs). KRA1 focuses on a prioritised regionalism agenda. KRA2 looks at implementation of Forum Leaders' priorities, and KRA3 covers corporate accountability and effectiveness.

Against this backdrop of change, the Secretariat's ongoing work on organisational reforms has continued throughout 2016.

The Secretariat's efforts to centralise support services like travel booking and procurement resulted in greater efficiencies and strategic purchasing arrangements to obtain better value for money. A Contracts and Procurement Unit was established to facilitate greater compliance to high-quality procurement processes through standardised processes and checks, supported by a central register of all contracts and tenders. Strategic purchasing from a panel of travel service providers through a centralised travel team produced an 18% savings in travel expenditure in 2016. The potential for further efficiencies remains, which the Secretariat will pursue in 2017.

Human Resources and People Development

The Human Resources team support the management and development of the Secretariat's staff. In 2016, the Secretariat adapted individual performance management processes to align with the Strategic Results Framework 2016-18, updated human resources policies and procedures and developed a strategic staff training and development plan to support organisational changes. A Capability Framework has been finalised and in 2017 will facilitate greater alignment of staff competencies to support a prioritised regional agenda. Additionally, the capacity of the HR team was strengthened by the addition of a Human Resources Officer.

Information and Communication Technology (ICT)

The ICT team supports the technology requirement of the Forum Secretariat. This year, guided by an

ORGANISATIONAL DEVELOPMENT

ICT strategy developed around the ITIL standard, the Secretariat has systematically implemented a series of improvement projects, which have included strategic purchasing of equipment and services which in turn have rendered significant cost savings while providing the staff with updated equipment and infrastructure to work with. An ICT review was completed at the end of the year and this will inform selective outsourcing that that will provide further improvements in 2017 whilst further reducing the cost of operations.

Services, Contracts and Procurement

The Contracts and Procurement team works to ensure high quality procurement processes are maintained across the Secretariat. This year the team has worked to develop a central register of all of contracts and tenders. The tender handling processes have been strengthened by moving to an online tender submission service, better promotion of tender opportunities, making its policies and processes public, establishing a complaints mechanism, and publicising the outcomes of its tenders.

The Secretariat's Disaster/Recovery Business Continuity plan which was developed last year, was tested in during Cyclone Winston in March this year. The plan proved its worth with the Secretariat being able to continue its operations without any serious interruption. More work will be carried out in 2017 to further test this plan against a variety of other potential scenarios.

Finance

In 2016, the Secretariat combined the regular and core budgets into one Primary budget and for the first time reflected this in its annual audited Financial Statements. The Primary Budget represents the Secretariat's total discretionary funds and it is reflected under the General Fund Statement of Comprehensive Income. The Extra Budget which are donor contributions for donor specific activities that are governed by specific agreement is set out in the Trust Fund Income statement that is contained under the Notes to Accounts.

As a result of combining regular and core budgets, the total income increased to \$22.9 million in 2016 compared to \$10.4 million in 2015 while total expenditures increased to \$17.5 million compared to \$9.1 million in 2015. The higher income and lower expenditures with a lower net foreign exchange loss for 2016 resulted in a higher surplus of \$5.4 million in comparison to the \$0.7 million surplus in 2015. This resulted in a healthy General Fund reserve of \$9.2 million at the end of the year which is worth about 6.2 months of Primary Budget operational expenses.

In comparison to the 2016 Revised Budget, the 2016 surplus is higher than the budgeted surplus of \$1.04m due substantially to a lower expenditure for the year compared to that which was budgeted.

The lower expenditure is primarily due to lower personnel and activities cost for the year of \$2.4m or 12%. The lower personnel cost was primarily due to the SDR being weaker than forecasted and the lower activity costs were due to savings from the use of Extra budget funding, wherein activities either not being held or deferred to the following year, as well as lower costs than budgeted. The total income on the other hand, of \$22.9m is slightly below budget of \$23.6m by \$0.7m or 3%.

The bottom line forward projections based on the actual 2016 total expenditure were improved from the earlier deficit projections as the Secretariat continues to find opportunities to reduce cost, find efficiency savings in many areas and closely manage activities.

The Secretariat with the Sub-Committee on Prioritisation and Funding will continue its work in 2017 including the development of a comprehensive Sustainable Funding Strategy.

AUDITED FINANCIAL STATEMENTS



Secretary General's Statement

I am pleased to present the Secretariat's financial statements and independent auditor's report for the year ended 31 December 2016.

During the year, we expended FJD44m, while our total cash and investment holdings at year end amounted to FJD43m.

I remain conscious of the responsibility entrusted to the Secretariat by Members of the Pacific Islands Forum, and by our development partners, to manage such a substantial level of funding. I therefore reaffirm our commitment to ensure that these financial statements provide an accountable and transparent summary of the Secretariat's financial activities for the 2016 financial year.

In my opinion:

- (a) the accompanying General fund statement of profit or loss is drawn up so as to give a true and fair view of the results of the Secretariat for the year ended 31 December 2016;
- (b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the Secretariat's affairs as at 31 December 2016;
- (c) the accompanying statement of changes in funds is drawn up so as to give a true and fair view of the movement in funds of the Secretariat for the year ended 31 December 2016; and
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Secretariat for the year ended 31 December 2016.

Dated at Suva this

4th

day of

May

2017

Meg Taylor, DBE
Secretary General



Independent Auditors' Report to the Members of Pacific Islands Forum Secretariat

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pacific Islands Forum Secretariat ("the Secretariat"), which comprise the statement of financial position as at 31 December 2016, and General Fund Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out in pages 8 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Secretariat as at 31 December 2016 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Secretariat in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Members' and Management

Members and Management are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as Members and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making estimates that are reasonable in their circumstance.

In preparing the financial statements, management is responsible for assessing the Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Secretariat or to cease operations, or has no realistic alternative but to do so.

Members are responsible for overseeing the Secretariat's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Secretariat's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Members and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

- i) proper books of account have been kept by the Secretariat sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and
- ii) to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Secretariat's financial regulation in the manner so required.

4 May, 2017
Suva, Fiji

KPMG KPMG
Chartered Accountants

KPMG, Fiji partnership, is part of the KPMG international network.
KPMG International Cooperative ("KPMG International") is a Swiss
entity.



PACIFIC ISLANDS FORUM SECRETARIAT

General Fund Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016	2015
		FJD	FJD
Income			
Contributions from Members	3	5,057,820	4,046,251
Interest income		92,587	96,868
Recoveries income		1,434,385	1,848,800
Administration fees received		754,623	1,265,110
Other income	4	15,595,121	3,144,685
		<u>22,934,536</u>	<u>10,401,714</u>
Expenditure			
Economic Governance	5(a)	3,417,141	178,282
Political Governance and Security	5(b)	2,631,474	412,931
Strategic Partnerships and Coordination	5(c)	3,501,400	320,972
Corporate Services	5(d)	5,077,503	5,309,644
Management of the Secretariat	5(e)	2,841,407	2,854,831
		<u>17,468,925</u>	<u>9,076,660</u>
Net foreign exchange (loss)		<u>(10,421)</u>	<u>(643,663)</u>
Surplus of income over expenditure		<u>5,455,190</u>	<u>681,391</u>

This statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements posted on the PIFS website: www.forumsec.org




PACIFIC ISLANDS FORUM SECRETARIAT

Statement of Financial Position As at 31 December 2016

	Note	2016 FJD	2015 FJD
Current assets			
Cash and cash equivalents	6	40,532,775	48,927,796
Held-to-maturity investments	7	2,269,616	2,142,559
Inventories	8	10,051	8,626
Receivables – Members	9	365,470	641,007
Other receivables and prepayments	10	2,700,609	8,667,483
Total current assets		<u>45,878,521</u>	<u>60,387,471</u>
Non-current assets			
Property, plant and equipment	11	6,546,182	6,934,312
Intangible assets	12	85,816	58,795
Total non-current assets		<u>6,631,998</u>	<u>6,993,107</u>
Total assets		<u>52,510,519</u>	<u>67,380,578</u>
Current liabilities			
Current payables	13	1,654,766	1,747,477
Contributions received in advance – Trust Fund	14	36,934,302	56,389,309
Deferred income – General Fund	15	-	505,401
Total current liabilities		<u>38,589,068</u>	<u>58,642,187</u>
Total liabilities		<u>38,589,068</u>	<u>58,642,187</u>
Net assets		<u>13,921,451</u>	<u>8,738,391</u>
Accumulated and reserve funds			
General fund		9,281,821	3,816,210
Exchange translation reserve		100,343	110,764
Capital reserve		4,539,287	4,811,417
Total accumulated and reserve funds		<u>13,921,451</u>	<u>8,738,391</u>

For the Pacific Islands Forum Secretariat


Meg Taylor, DBE
Secretary General


Simon Clegg
Director Corporate Services

This statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements posted on the PIFS website: www.forumsec.org



PACIFIC ISLANDS FORUM SECRETARIAT

Statement of Changes in Funds For the Year Ended 31 December 2016

	2016 FJD	2015 FJD
General Fund		
Balance at the beginning of the year	3,816,210	2,491,156
Surplus of income over expenditure	5,455,190	681,391
Transfer to Exchange Translation Reserve	10,421	643,663
Balance at the end of the year	<u>9,281,821</u>	<u>3,816,210</u>
Exchange Translation Reserve		
Balance at the beginning of the year	110,764	754,427
Transfer (from) General Fund	<u>(10,421)</u>	<u>(643,663)</u>
Balance at the end of the year	<u>100,343</u>	<u>110,764</u>
Capital Reserve		
Balance at the beginning of the year	4,811,417	5,106,565
Purchase of Trust Fund assets	5,056	-
Depreciation on PPE used for Projects	<u>(277,186)</u>	<u>(295,148)</u>
Balance at the end of the year	<u>4,539,287</u>	<u>4,811,417</u>

This statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements posted on the PIFS website: www.forumsec.org



Statement of Cash Flows
For the year ended 31 December 2016

	Note	2016 FJD	2015 FJD
Cash flow from operating activities			
Contributions from Members		5,683,381	4,215,870
Trust Fund income		24,758,201	31,270,189
Programme and project costs		(23,353,525)	(37,802,821)
Other operational costs		(15,355,944)	(6,938,630)
Interest received		121,757	96,975
Rent and other income		581,071	465,866
Realised exchange (loss)/gain		14	530
Net cash flow (used in) operating activities		<u>(7,565,045)</u>	<u>(8,692,021)</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		500	752
Payments for property, plant and equipment		(217,007)	(277,476)
Payments for intangibles		(49,755)	-
Movement in held to maturity investments		(127,056)	59,041
Net cash flow used in investing activities		<u>(393,318)</u>	<u>(217,683)</u>
Effect on exchange rate changes		(436,658)	1,565,514
Net (decrease) in cash held		(8,395,021)	(7,344,190)
Cash and cash equivalents at the beginning of the year		<u>48,927,796</u>	<u>56,271,986</u>
Cash and cash equivalents at the end of the year	6	<u>40,532,775</u>	<u>48,927,796</u>

This statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements posted on the PIFS website: www.forumsec.org

Technical Cooperation and Associated Functions

Regional Authorising Officer

The Regional Authorising Officer (RAO) for the Pacific ACP region administers the European Development Fund (EDF) for the Pacific members of the African, Caribbean and Pacific (PACP) states.

Since the signature of the 11th EDF Regional Indicative Programme on 16th June 2015 for €166 million, no funds have been formally committed under the Pacific Regional Indicative Programme (PRIP) in any of the three priority areas being:

- (i) Regional Economic Integration (€50 million);
- (ii) Sustainable Management of Natural Resources and the Environment and the Management of Waste (€66 million); and
- (iii) Inclusive and Accountable Governance (€18 million).

In 2016, the programme contributed to the effective coordination (including oversight monitoring) of EDF 11 programming in the Pacific region and increased visibility and awareness of EDF Programmes through the annual regional steering committee meeting held at the Forum Secretariat Headquarters, Suva, Fiji. The RAO also participated in various steering committee meetings of EDF 10 Projects thus contributing effectively on wider commitments with the region, apart from the PRIP implementation.

Priorities in 2017 will include: Completing the programming for the 11th EDF funds; ensuring effective start-up and implementation of the signed 11th EDF programmes; providing effective support to the ongoing 10th EDF programmes; and facilitating closures of 10th EDF programmes.

The programme contributed to the effective development coordination (including oversight monitoring) in the Pacific region and increased visibility and awareness of EDF Programmes.



Figure 10. SG Meg Taylor meets with European Commission Director General Stefano Manservigi at the Forum Secretariat in Suva, Fiji.

The Pacific Ocean Commissioner was established and agreed by Leaders as part of the *Framework for a Pacific Oceanscape* (endorsed in 2010). The position is currently held by the Secretary General of the Pacific Islands Forum in an *ex officio* capacity. The Office of the Pacific Ocean Commissioner (OPOC) was established in 2014 and provides policy coordination and technical support to the Pacific Ocean Commissioner. The Pacific Ocean Alliance, an information sharing and coordination mechanism which has an open-ended, inclusive membership is facilitated by the Pacific Ocean Commissioner. It was launched and has been functioning since May 2015. OPOC is currently located at the Pacific Islands Forum Secretariat

OPOC and POA activities and outputs for 2016 included:

***BBNJ** - preparation of a technical report and three technical papers to support Pacific islands countries delegations for the preparatory committee sessions; Provided technical assistance from members of the Pacific Ocean Alliance, including CROP agencies (SPREP, SPC and FFA) to the preparatory sessions held in March/April and August/September 2016.

Framework for a Pacific Oceanscape - Production of a Results Framework for the Framework for a Pacific Oceanscape (FPO) based on “theory-of-change”; and a draft Report against the FPO Results Framework to identify gaps in implementation of the FPO; support to preparing the Pohnpei Ocean Statement – a Course to Sustainability, a key outcome of the 47th Pacific Islands Forum.

Meetings - co-hosted the POA/CB-SOI Regional Workshop in Apia, Samoa in December 2016, which re-emphasized the central importance of SDG 14 and in particular SDG14.7, which focuses on sustainable economic benefits, as a hub for future efforts in the region. Emerging from the workshop was a need for more integrated thinking and doing, improved existing policy traction and a clearer institutional positioning to build the asset base of the region to pursue integrated ocean management and sustainable maximization of income streams. OPOC also developed and finalized POA Management Arrangements; Presentations were also made at the ANU/USP Ocean Governance – Shaping Our Future; Commonwealth Marine Economies Workshop; and the Pacific Islands Development Forum (PIDF) Summit

*UN Resolution 69/292 for the development of an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction)

“No single country in the Pacific can by itself protect its own slice of the oceanic environment; the very nature of that environment prescribes regional effort and to develop the ocean resources sustainably, a regional unity is required.”

Our Sea of Islands. Epeli Hau'ofa. 1994

There was a notable increase in engagements and visibility of the Pacific Ocean Commissioner and the OPOC such as: a foreword for a blue economy report by WWF; a paper for a Caribbean journal; a brochure for the OPOC; an info-graphic on the importance of the ocean to Pacific development; a report on the POA for UN DESA on Small Island Developing States (SIDS) partnerships.

There is also increasing recognition of the utility of OPOC and its role in regional coordination. This has been formally recognised by Permanent Representatives at the United Nations in New York and CROP Marine Sector Working Group.

Looking forward to 2017 - Leaders tasking of the Office of the Pacific Ocean Commissioner, in their 47th PIFL Communique to coordinate preparation for the inaugural UN Ocean Conference on SDG14, in consultation with members of the Pacific Ocean Alliance, to ensure a united and thus strong voice and representation of the concerns and aspirations of Our Sea of Islands – Our Livelihoods – Our Oceania; and BBNJ preparatory sessions.



Figure 11. Word cloud generated by the participants attending the Regional POA/CB-SOI Workshop held in Apia Samoa, December 2016.

FORTY-SEVENTH PACIFIC ISLANDS FORUM

Pohnpei, Federated States of Micronesia

8 – 10 September, 2016

FORUM COMMUNIQUÉ

The Forty-Seventh Pacific Islands Forum was held in Pohnpei, Federated States of Micronesia from 8 – 10 September 2016 and was attended by Heads of State and Government of Australia, the Cook Islands, Federated States of Micronesia, the Republic of Nauru, New Zealand, Papua New Guinea, Republic of the Marshall Islands, Samoa, Tonga, Tuvalu and Vanuatu. The Solomon Islands was represented by their Deputy Prime Minister, the Republic of Fiji, Niue and the Republic of Palau by their Ministers of Foreign Affairs and Kiribati by a Special Envoy. The Forum Leaders' Retreat was held at FSM Congress Chamber in Palikir on 10 September 2016.

2. French Polynesia, New Caledonia and Tokelau attended the formal session as Associate Members. The Commonwealth of the Northern Marianas Islands, Timor-Leste, Wallis and Futuna, the Asian Development Bank, the Commonwealth Secretariat, the United Nations (UN), the Western and Central Pacific Fisheries Commission and the World Bank attended as Observers. The Council of Regional Organisations of the Pacific (CROP): the Pacific Islands Forum Fisheries Agency (PIFFA); the Pacific Power Association (PPA); the Secretariat of the Pacific Community (SPC); the Secretariat of the Pacific Regional Environment Programme (SPREP); and the University of the South Pacific (USP) were represented by their respective Heads of Organisations.

3. Leaders extended their warmest gratitude to His Excellency, President Peter M. Christian, and the Government and the people of the Federated States of Micronesia for the excellent arrangements for the 2016 Forum Leaders' meeting and warmly thanked the hosts for their generous hospitality extended to them during their stay in Pohnpei.

PRIORITIES IDENTIFIED BY THE SPECIALIST SUB-COMMITTEE ON REGIONALISM

4. Leaders noted that in 2016, the Specialist Sub-Committee on Regionalism (SSCR) had identified persons with disabilities, oceans, and regional mobility and harmonisation of business practices as having met the tests for regionalism specified in the Framework for Pacific Regionalism (Framework) and warranting Leaders' consideration. Leaders commended the progress made in the implementation of the five priorities endorsed in 2015, which had been identified and proposed by the SSCR through the public submissions process under the Framework - greater economic returns on fisheries and strengthening of maritime surveillance and enforcement; climate change; Information Communication Technologies (ICT); cervical cancer; and West Papua (Papua). Leaders also highly commended the national and regional interagency coordination and cooperation in implementing the priorities, including with international organisations.

Fisheries

5. Leaders were pleased with the positive collaborative work that has been undertaken by the Forum Fisheries Agency (FFA), the Forum Secretariat, the Parties to the Nauru Agreement Office (PNAO), and the SPC, as the Fisheries Task Force, in implementing their decision on increasing economic returns and ensuring the sustainable management of fisheries. Leaders acknowledged the good work of the PNA in achieving significant increased economic returns.

6. Leaders endorsed the Fisheries Taskforce's Economic Returns Work Programme and Report, and noted that the four areas of work under the Programme: reform of the management of longline fishery; increasing the value of employment and ensuring effective labour standards are in place; facilitating investment and trade; and value chain participation, are consistent with, and expedite implementation of, several of the Goals and Strategies in the Fisheries Roadmap. Leaders concurred with the view of the Task Force that there is no need to change the management of the purse seine Vessel Day Scheme in the foreseeable future. At the same time, Leaders welcomed the PNAO's openness to considering such a change, should it be appropriate at some future time. Leaders acknowledged the importance of ensuring more onshore investment opportunities.

7. Leaders also endorsed the review of the regional Monitoring Control and Surveillance (MCS) arrangements, and concurred that the combination of MCS tools, programmes, assets and activities at the national and regional level represent a world class MCS Framework that has achieved positive results for FFA members. Leaders noted that there were further improvements that would substantially enhance the MCS at the national and regional level, and which the FFA would pursue.

8. Leaders called for action to end Illegal Unregulated Unreported fishing and associated activities, including high seas bunkering, human trafficking, and illicit trade. Leaders encouraged FFA to ensure the rapid implementation of the

Tokelau Arrangement. Leaders urged flag states to exercise more diligent efforts in carrying out their flag state responsibilities and control of nationals.

9. Recognising the ongoing importance of increasing economic returns and the sustainable management of fisheries, Leaders agreed that fisheries should remain on their agenda, and on the need for ongoing cooperation between members of the Taskforce to implement the Work Programme.

10. In noting that coastal fisheries management continues to receive inadequate attention at the national level, Leaders agreed to expand the broad heading of "fisheries" to include coastal fisheries, noting links to communities, food security, health issues and in particular non-communicable diseases. Leaders also noted the need to ensure eco-system integrity to address issues such as ciguatera outbreaks and to sustainably manage Beche-de-Mer. To that end, Leaders tasked the SPC to coordinate with National Fisheries Agencies, CROP agencies and regional and national community groups, to strengthen support and resourcing for coastal fisheries management.

11. With regard the Regional Roadmap for Sustainable Fisheries and its report cards, Leaders noted the good progress and performance on indicators related to sustainability of tuna stocks, access revenue to Governments, and employment rates; the continued commitment to progress work on harvest strategies for tuna stocks; ongoing concerns about the impacts of fish price volatility on indicators such as proportional fishery value, contribution of domestic fleets to Gross Domestic Product, and value of exports to other Countries; and the need to better understand and improve the contribution of offshore fisheries to food security.

12. Leaders noted the progress in planning for the implementation of work to achieve the Goals of the Regional Roadmap for Sustainable Fisheries over its 10 year window.

13. Leaders noted the positive outcomes

from the final renegotiation session of the Treaty between the United States of America and Certain Pacific Island Parties, noting that the outcomes provide flexible yet commercially valuable arrangements, as well as a sustainable long term basis for delivery of Economic Assistance from the US Government. Leaders congratulated Forum Fisheries Ministers for the successful renegotiation of the Treaty and acknowledged the leadership of the late Hon. Minister Elisala Pita of Tuvalu.

Climate Change and Disaster Risk Management

14. Leaders reiterated the importance of the Pacific Islands Forum in maintaining a strong voice considering the region's vulnerabilities to the impact of climate change. Leaders welcomed the Paris Agreement and reinforced that achieving the Agreement goal of limiting global temperature increases to 1.5 C above pre-industrialised levels is an existential matter for many Forum Members, which must be addressed with urgency. Leaders congratulated the eight Forum countries that have ratified the Agreement and encouraged remaining Members and all other countries to sign and ratify the Agreement before the end of 2016, or as soon as possible. Leaders called for ambitious climate change action in and across all sectors and encouraged key stakeholders to prioritise their support for the implementation of key obligations under the Agreement.

15. Leaders endorsed the Framework for Resilient Development in the Pacific (FRDP) and agreed for it to be fully elaborated and operationalised upon the entry into force of the Paris Agreement, and recognised its potential to support coordination and action on a number of key issues related to climate change and disaster risk management. Leaders noted that the FRDP (attached at Annex 1), is a voluntary non-political framework which does not replace the role of existing regional political statements or declarations on climate change and disaster risk management. Leaders agreed that the Pohnpei Statement: Strengthening Pacific Resilience to Climate Change and Disaster Risk, (attached

at Annex 2), would complement the FRDP, and tasked the Forum Secretariat to convene a Working Group, including Members, CROP agencies, and relevant stakeholders, to elaborate on the Pacific Resilience Partnership (PRP) process by December 2016, to implement the FRDP.

16. Leaders welcomed last year's Dubai Pathway on Hydrofluorocarbons (HFC), in which Parties to the Montreal Protocol agreed to work to an amendment this year to phase down HFCs under the Treaty. They highlighted the progress made by Parties at the recent Montreal Protocol meetings in

Vienna, and reiterated their support for an amendment to be agreed at the Meeting of the Parties in Kigali, this October. Leaders highlighted that such an amendment could prevent warming of up to 0.5 C by 2100 and is therefore critical for achieving the long-term temperature goals of the Paris Agreement.

17. Leaders stressed that the amendment should include an early freeze date for HFC production and consumption, followed by a rapid phase down of HFCs. They also emphasised the need to maximise the climate benefits of an HFC phase down by providing incentives to secure the major energy efficiency gains in applications that can be achieved concomitant with the global phase down of HFCs.

West Papua (Papua)

18. Leaders recognised the political sensitivities of the issue of West Papua (Papua) and agreed the issue of alleged human rights violations in West Papua (Papua) should remain on their agenda. Leaders also agreed on the importance of an open and constructive dialogue with Indonesia on the issue.

Cervical Cancer

19. Leaders considered the need for the development of a regional bulk procurement programme for the cervical cancer vaccine (and screening and related equipment where possible).

Leaders noted the existing bulk procurement programme managed by the United Nations Children's Fund (UNICEF) and urged Members to avail themselves of the UNICEF programme. Regional Mobility and Harmonisation of Business Practice

20. While recognising the potential of initiatives on 'Regional Mobility and Harmonisation of Business Practice,' to contribute to increased economic integration, greater investment and improved business practices, Leaders noted the potential to duplicate processes already underway through the PACER Plus Agreement, Melanesian Spearhead Group Trade Agreement, and the Pacific Labour Mobility Annual Meeting. Leaders tasked the Secretariat to work with Forum Members, relevant technical agencies and the private sector to coordinate efforts for increased mobility and harmonisation of business practices in the region.

21. Leaders noted the messages conveyed by the private sector through the Private Sector Dialogue. Leaders reaffirmed their commitment to support private sector development in the region with a focus on improved mobility of businesses and skilled personnel, including the streamlining of business processes to support the ease of doing business in the Pacific. Leaders directed relevant Ministerial Meetings to lead and monitor progress on the implementation of these initiatives as appropriate.

22. Leaders discussed the importance of remittances to the economic wellbeing of Forum Island Countries and expressed concern at the proposed wholesale closure of money transfer agents' bank accounts abroad without due de-risking consideration and proper understanding on the impacts on Members.

Persons with Disabilities

23. Leaders acknowledged that disability continues to be an issue of significance for the region - reflecting on the region's ability to protect the marginalised, as well as those that have been

left behind in development processes. Leaders recognised that persons living with disabilities, and their families, continue to be disproportionately affected by poverty due to inaccessible services and the built environment, which prevent them from participating independently and being included in their own societies.

24. Leaders endorsed the Pacific Framework for the Rights of Persons with Disabilities (PFRPD) 2016 – 2025 to support Pacific governments promote and protect the rights of persons with disabilities as outlined in the UN Convention on the Rights of Persons with Disabilities, and provide a regional modality to strengthen coordination and collaboration in support of national initiatives. Leaders tasked the Forum Secretariat to coordinate the effective implementation of the PFRPD and work with Forum Member countries, CROP agencies, the Pacific Disability Forum, and development partners to mainstream the PFRPD at regional and national levels.

2015 Priorities for Referral for Ministerial Oversight and Crosscutting themes

25. Leaders endorsed the SSCR's recommendation that the 2015 priorities relating to ICT; and cervical cancer (national policy responses), be referred to the relevant ministries for discussion and oversight. Leaders agreed that while important, these issues do not require their continued discussion to be progressed. Leaders also reaffirmed their commitment to continue to focus on the issues of gender and poverty, and encouraged Ministers and Officials to mainstream both gender and poverty across all sectoral and thematic areas of work.

OCEANS

26. Leaders reaffirmed that the Pacific region's most important natural resource is the ocean. Leaders recalled that the Pacific had shown strong global leadership on oceans through the SAMOA Pathway and in ensuring a stand-alone SDG on the ocean and seas (SDG14). Leaders noted that the UN Conference on Oceans and Seas to support the implementation of SDG14, 5

– 9 June 2017, will now be held in New York. The Conference will provide the Pacific with another opportunity to lead the way and demonstrate its collective interest in the sustainable development, management and conservation of the Pacific Ocean and its resources, including through the Office of the Pacific Ocean Commissioner (OPOC).

27. Leaders recalled their support for negotiations towards implementing a new agreement to deal with biodiversity of areas beyond national jurisdiction, and acknowledged the technical support coordinated through the OPOC at discussions underway on the issue at the UN. Leaders agreed on the importance of maintaining the Pacific momentum towards a swift conclusion of the Preparatory Committee, to ensure approaches to ocean management across jurisdictions that do not undermine existing regional fisheries management arrangements. To that end and noting the global attention on oceans, Leaders endorsed the Pohnpei Oceans Statement: A Course to Sustainability (attached at Annex 3), and reaffirmed their support to the OPOC, given its central coordination role with respect to ocean governance and integrated ocean management in the region, under the Framework for a Pacific Oceanscape.

THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT/SUSTAINABLE DEVELOPMENT GOALS

28. Leaders commended progress by the Pacific Sustainable Development Goals (SDGs) Taskforce and Reference Group on the development of a draft Outline of the Pacific SDGs Roadmap for regional reporting and implementation of the SDGs, SAMOA Pathway and the Framework. Leaders noted that the final Roadmap will be submitted for approval in September 2017.

29. Leaders acknowledged the regional leadership role by Samoa in being the first Pacific country and Small Island Developing State to

submit its National Voluntary Report on the SDGs at the High Level Political Forum in July 2016.

MEMBERSHIP

30. Leaders accepted French Polynesia and New Caledonia as full Members of the Pacific Islands Forum.

REGIONAL ASSISTANCE MISSION TO SOLOMON ISLANDS

31. Leaders applauded the Regional Assistance Mission to Solomon Islands (RAMSI) as a regional success story that has also contributed to strengthening regional cooperation and capacity building on security. Leaders welcomed the initiative taken by the Solomon Islands Government in addressing the underlying causes of the ethnic tension, which include prioritisation and sequencing of the Truth and

Reconciliation Commission's recommendations, land reform initiatives, legislative reforms, economic development initiatives and healing processes. Leaders welcomed commitments from the Governments of Australia and New Zealand that support to Solomon Islands will continue postRAMSI, including to the Royal Solomon Islands Police Force, and will be developed in close consultation and coordination with the Solomon Islands Government. Leaders applauded the significant progress made so far in the drawdown of RAMSI and supported the oversight role of the Pacific Islands Forum on the eventual withdrawal of RAMSI in June 2017.

PACER PLUS

32. Leaders reiterated the need for PACER Plus to promote regional integration in the Pacific, and to assist the Forum Island Countries to achieve robust economic growth and sustainable development. In that regard, Leaders welcomed the conclusion of negotiations on all fifteen chapters of the PACER Plus text and called on all participants to continue to demonstrate good will

and flexibility. Leaders noted that a timetable has been agreed for the conclusion of market access negotiations by the end of October 2016, and for the Agreement to be signed by the end of 2016. Leaders noted the withdrawal by Papua New Guinea from PACER Plus and reservations by Fiji on the current legal text.

33. Leaders welcomed the commitment by Australia and New Zealand to provide appropriate resources for the implementation of PACER Plus with respect to the development and economic cooperation chapter of the text, and for the broader trade related assistance needs of the FICs. This includes an initial joint A\$7.7 million Readiness Package to be available to signatories between signature and entry into force, to assist in undertaking necessary work for the ratification process of PACER Plus.

34. Leaders noted that the conclusions and recommendations of the Sustainable Impact Assessment prepared by the Office of the Chief Trade Adviser in consultation with relevant stakeholders, would be used as a basis for ongoing engagement with stakeholders on the possible economic, social and environmental impacts of trade liberalisation under PACER Plus.

PACIFIC LEADERS GENDER EQUALITY DECLARATION

35. Leaders noted that since the adoption of the 2012 Pacific Leaders Gender Equality Declaration (PLGED), regional progress on achieving gender equality has generally improved, albeit slowly. Common challenges include attitudinal and behavioural barriers, insufficient funding, and fragmentation and lack of coordination amongst agencies.

36. Leaders agreed that future reporting on the PLGED would comprise: a full report on progress against the PLGED incorporated into the proposed quadrennial regional reporting of progress against the SDGs, with the first regional report proposed for 2018; and a report on a

particular theme/area of the PLGED prepared biennially, between the full regional SDGs report, to maintain a focus on progressing gender-related commitments.

CYBER SECURITY

37. Leaders welcomed the exponential growth in internet connectivity in the region and access to world markets and global knowledge it brings. Leaders agreed Forum members should work together to establish a Computer Emergency Response Team capacity for the region to combat cyber threats and cybercrime.

CRIMINAL DEPORTEES

38. Leaders noted the challenges and inherent security risks faced by Forum Members relating to the growing number of criminal deportations from metropolitan countries.

RADIOACTIVE CONTAMINANTS IN THE REPUBLIC OF THE MARSHALL ISLANDS

39. Leaders recalled that the Republic of the Marshall Islands was placed by the international community under the trusteeship of the United Nations administered by the United States of America, both of which therefore have ongoing obligations to encourage a final and just resolution for the Marshallese people. Leaders welcomed the recommendations in the Special Rapporteur's report submitted to the UN Human Rights Council in September 2012.

40. Leaders supported bilateral, regional and multilateral action to assist the Republic of the Marshall Islands in its efforts to engage the United States towards a justified fair and just resolution to the U.S. Nuclear Testing Programme and agreed to submit letters to the United States Government urging the United States to take further action to meaningfully address the ongoing impacts resulting from the U.S. Nuclear Testing Programme, and to the United Nations

Secretary-General seeking action in response to the recommendations contained in the 2012 report of the UN Human Rights Council Special Rapporteur for “the international community, including relevant United Nations departments, funds and agencies” to address the ongoing impacts of nuclear testing in the Pacific.

41. Leaders tasked the Forum Secretariat to coordinate assistance by CROP Agencies to the Republic of the Marshall Islands in addressing ongoing impacts of nuclear testing, including, inter alia, human rights, environmental contamination, and health impacts. Leaders also tasked the Pacific Islands Forum Secretary General to report to the 48th Pacific Islands Forum on actions taken in this regard.

POST-FORUM DIALOGUE APPLICATION

42. Leaders agreed to admit the Federal Republic of Germany as the eighteenth Post-Forum Dialogue Partner, and noted that it will attend the 2016 28th Post-Forum Dialogue Plenary Meeting.

CANDIDACIES

43. Leaders supported the candidacies of Australia to the Human Rights Council 2018-2020 and the Cook Islands to the UNESCO Executive Board 2017.

OUTCOMES OF THE SMALLER ISLANDS STATES LEADERS MEETING

44. Leaders endorsed the SIS Regional Strategy as the basis for articulating SIS regional priorities and aspirations with the Framework.

45. Leaders noted the outcomes of the SIS Leaders Meeting held in Pohnpei, Federated States of Micronesia on 7 September 2016 and welcomed the SIS Leaders’ decision to admit the Federated States of Micronesia in the SIS Group.

VENUE FOR NEXT MEETING

46. Leaders confirmed Samoa as the host for the 2017 Forum, Nauru in 2018, and Tuvalu in 2019.

Framework for Resilient Development in the Pacific

An Integrated Approach to Address Climate Change and Disaster Risk Management (FRDP)
2017-2030

To view a copy of this publication please visit the link below.

<http://bit.ly/2dMMGfl>

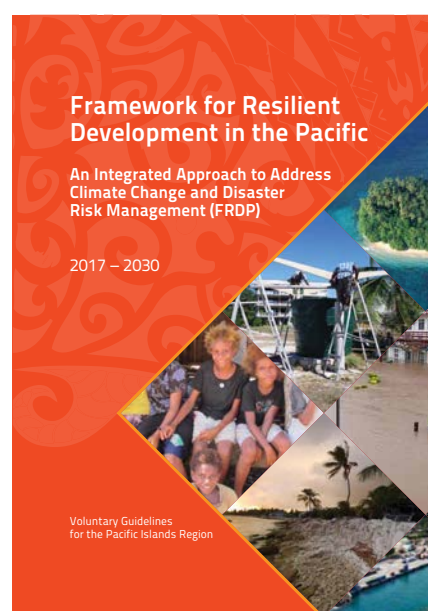


Figure 12. Cover of the FRDP 2017-2030 publication

POHNPEI STATEMENT: STRENGTHENING PACIFIC RESILIENCE TO CLIMATE CHANGE AND DISASTER RISK

1. At their meeting in Pohnpei, Federated States of Micronesia, on 8-10 September 2016, the Leaders of the Pacific Islands Forum expressed their deep concern about the vulnerability of the Pacific to climate change impacts and natural hazards.

2. Leaders reiterated the importance of amplifying the Pacific voice, ensuring early entry into force of the Paris Agreement, and securing support to deliver on commitments under the Paris Agreement and the Sendai Framework for Disaster Risk Reduction. Leaders emphasised their commitment to address climate change and disaster resilience as expressed in other regional declarations, the SAMOA Pathway and the Sustainable Development Goals.

3. Leaders endorsed the Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management (FRDP) and agreed for it to be fully elaborated and operationised upon the entry into force of the Paris Agreement and recognised its potential to support coordination and action on a number of key issues related to climate change and disaster risk management.

4. Leaders emphasised the importance of immediate, significant and coordinated practical action to address climate change and disaster risk management. Leaders agreed such action would be guided by the FRDP and the following principles:

i. Effective action to build resilience to climate change and disasters in the Pacific will complement broader efforts to build a stable and secure Pacific, and enhance opportunities for sustainable and inclusive development.

ii. Financing and action on climate change and disaster risk management in the Pacific should be in accordance with nationally led and determined, and agreed regional priorities.

iii. Simplified processes and effective funding mechanisms to enhance access to climate change and disaster risk financing for implementation.

iv. Recognition that in addition to national governments and development partners, effective action will also come from the private sector, technical and educational institutions, and civil society.

v. Coordinated implementation of the FRDP will involve working across local, national, regional and international agencies to ensure a more resilient Pacific.

vi. Disaster response and early recovery should be nationally-led and supported by regional and international efforts

vii. Recognition that, in line with the Framework for Pacific Regionalism, effective action to build resilience will require greater coordination and, collaboration.

viii. Acknowledgement that our Council of Regional Organisations of the Pacific will continue to provide valuable coordination, policy advice, applied scientific and technical expertise, capacity supplementation and capacity building support for action on climate change and disaster risk management.

5. Leaders called on all development partners, the private sector and civil society to join with Pacific Islands Countries and Territories to support the principles and the implementation of this statement through high-level participation in a new Pacific Resilience Partnership.

POHNPEI OCEAN STATEMENT: A COURSE TO SUSTAINABILITY

We, the Heads of State and Government and representatives of States and Governments of the Pacific Island Forum, gathered in Pohnpei, Federated States of Micronesia on 11 September 2016:

1. Recognise the inseparable link between our, ocean, seas and Pacific island peoples: their values, traditional practices and spiritual connections. The invaluable methods and principles passed down from our fore bearers are key to a sustainable future for our ocean. We are custodians of some of the world's richest biodiversity and marine resources and recognise that this natural endowment is our greatest asset that must be sustainably managed for the benefit of our present and future generations. A shared Ocean means a shared responsibility and shared benefits for our environment, our economies and our communities. We also acknowledge that the ocean brings unity in a diverse and dynamically evolving world. Therefore as guardians of the largest portion of the Pacific Ocean, our leadership matters.

2. Recognise that the ocean is the basis of livelihoods for Pacific peoples and is also susceptible to the effects of climate change. In this regard, we call for early action by all countries to ratify and implement the Paris Agreement and provide adequate and simplified access to finance for adaptation and mitigation by Pacific Small Islands Developing States (SIDS) to address the impacts of sea level rise and climate change. .

3. Reaffirm our call to action under the Framework for Pacific Regionalism, the 2014 Palau Declaration: "The Ocean: Life and Future" to chart a course to sustainability and its support of the 'pre- cautionary principle'. We also reaffirm the 2002 Pacific Islands Regional Ocean Policy and the 2010 Framework for a Pacific Oceanscape: "Our Sea of Islands, Our Livelihoods, Our Oceania" and the Framework for Resilient Development in the Pacific as our guiding regional Ocean policy instruments and reaffirm our commitment to implementing the

"Regional Roadmap for Sustainable Pacific Fisheries" to ensure our ocean and its resources are managed sustainably.

4. Support the decisions taken by the Leaders of Smaller Island States in June 2016 and recognise the importance of sustaining and preserving our coral reefs to the health and wellbeing of our most vulnerable communities. We encourage investments in science and research in order to better understand the capacity of our Ocean to provide for our future, and we underscore the unique and particular vulnerabilities of Pacific SIDS in managing these natural assets, including the need to understand and build resilience to ocean acidification.

5. Welcome the adoption of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) as a universal, overarching plan for eradicating poverty, fighting inequalities, building peaceful, inclusive, and resilient societies, and securing the future of the planet and the wellbeing of future generations.

6. Commit to continue the strong leadership as demonstrated by the Pacific region in calling for urgent action on oceans which led to the adoption of SDG14 and its many targets, including: the prevention and reduction of marine pollution of all kinds; sustainable management and protection of marine and coastal ecosystems; minimise and address the impacts of ocean acidification; conservation of marine areas, sustainable management of fisheries and the elimination of fisheries subsidies that contribute to illegal, unreported and unregulated fishing; and increasing economic benefits for all from the ocean including fisheries, aquaculture and tourism.

7. Underscore the need for meaningful implementation of SDG14 commitments, in particular, genuine and durable "partnerships for action", as articulated in the SAMOA Pathway, to accelerate the realisation of our regional and national commitments towards our common

global vision and recognise this should be country-led and country-driven.

8. Call on the Office of the Pacific Ocean Commissioner, regional and sub-regional organisations and commissions and partners of the Pacific Ocean Alliance, based on their individual mandates competencies and comparative advantages, to provide the necessary technical, financial and administrative support to countries' implementation of SDG14.

9. We note the opportunity presented by the United Nations Conference to Support the Implementation of Sustainable Development Goal 14: Conserve and Sustainably Use the Oceans, Seas and Marine Resources for Sustainable Development, in June 2017. We reaffirm the leadership, advocacy and facilitative role of the Pacific Ocean Commissioner under the region's Framework for a Pacific Oceanscape, to coordinate with Forum Member States and partners in the Pacific Ocean Alliance, Pacific regional engagement, technical support and initiatives for the UN Conference.

10. Reflect on the significant international developments over the past year on oceans and urge a timely and comprehensive conclusion to the Preparatory Committee process established to make substantive recommendations to the United Nations General Assembly on the elements of a draft text of an international legally binding instrument, under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction. We support the convening of a time-bound intergovernmental conference no later than during the seventy-third session of the United Nations General Assembly.

11. Commit to this shared vision for a secure future for our people based on the sustainable development, management and conservation of our Ocean and its resources. To ensure that no one is left behind, we must embrace transformative change and action now.

Pacific Trade and Invest

The Pacific Islands Trade and Invest (PT&I) is a professional network which operates to improve services to Forum Members, and increase the volume and value of Pacific Island exports and Investment. The Forum Secretariat has PT&I offices in Australia, China, Europe, Japan, & New Zealand.

The PT&I produces its own annual report which is available at www.pacifictradeinvest.com





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