Our Vision

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

Pacific Forum Leaders, 2014

Our Mission

We support Forum Members to work together through deeper forms of regionalism in support of sustainable development, economic growth, good governance and security.

We co-ordinate action by states and other stakeholders to achieve these objectives.

Our focus is innovative, game changing initiatives for regional action. We promote an inclusive regional public policy approach to arrive at proposals for Leaders’ to consider and endorse.

Our role is primarily policy advice, coordination and ensuring the effective implementation of Forum Leaders’ decisions leading to tangible improvements in the lives of the people of the Pacific.

We report annually on our performance against results.
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Who we are
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 Secretary General of the Forum Secretariat
is the permanent Chair of the Council of Regional
Organisations in the Pacific (CROP) and the Chair of the
Specialist Sub-Committee on Regionalism.

The Secretary General also serves as the Pacific Ocean
Commissioner, and the Regional Authorising Officer for
the European Development Fund.

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.

Our Vision
The vision of the Forum is for a region of peace, harmony,
security, social inclusion, and prosperity, so that all Pacific
people can lead free, healthy, and productive lives. The
Forum seeks to realize this vision through its mission to:

“strengthen regional cooperation and integration ... in
order to further Members’ shared goals of economic
growth, sustainable development, good governance and
security”.

The Forum is also united by shared values which guide
all its policy making and implementation. These have
evolved over the history of the Forum, with their most
recent expression articulated in the Framework for Pacific
Regionalism.

Our 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.
Our Mission
We support Forum Members to work together through deeper forms of regionalism in support of sustainable development, economic growth, good governance and security.

We co-ordinate action by states and other stakeholders to achieve these objectives.

Our focus is innovative, game changing initiatives for regional action. We promote an inclusive regional public policy approach to arrive at proposals for Leaders’ to consider and endorse.

Our role is primarily policy advice, coordination and ensuring the effective implementation of Forum Leaders’ decisions leading to tangible improvements in the lives of the people of the Pacific. We report annually on our performance against results.

Our Members
The Pacific Islands Forum encompasses a diverse range of countries, united by their stewardship of the “Blue Pacific” Ocean Continent, spanning 40 million square kilometers of ocean space.

Starting as an ad hoc meeting of 7 countries in the early 1970s, the Forum has evolved into an established inter-governmental organization whose 18 members include: Australia, the 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, Tuvalu and Vanuatu. Associate membership of the Forum is held by Tokelau.

Observers & Special Observers
Observer membership of the Forum is held by America Samoa, the Commonwealth of the Northern Marianas, Guam, as well as Wallis and Futuna. Observer membership status is also held by the following groupings or organisations: 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. Timor Leste is a Special Observer of the Forum.

Dialogue Partners
The Pacific Islands Forum has eighteen dialogue partners: 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.
Working together remains as important as ever for the Pacific. The 2017 State of Pacific Regionalism Report outlines the range of external and internal forces that spur us to think about how we must embrace regionalism to deal with our geopolitical and developmental challenges. And amongst this context, the Framework for Pacific Regionalism remains the policy instrument to help us collectively determine the areas where we should concentrate.

As Chair of the Pacific Islands Forum for the period 2016-17, I am proud of the many things we were able to accomplish during this period of time as a Forum family.

First, in late June 2017, Forum Leaders had the privilege to be part of the completion and formal drawdown of the Regional Assistance Mission to Solomon Islands. This drawdown was a great milestone, and its success is an achievement for the people of Solomon Islands, but more broadly for the Pacific region. May I note too that it was a success for Pacific regionalism – evoking the spirit of helpem fren that underpins our notion of collective solidarity.

At its completion, RAMSI leaves a legacy to be proud of – the early restoration of law and order, ensuring stability and an enabling environment where: national institutions re-set and strengthened; gender equality is valued and promoted; national finances are stabilised; business confidence is rebuilt; greater employment opportunities exist; and reliable essential services are delivered across the archipelago. All of which provides the foundations for long term peace and stability.

Secondly, our collective action in ratifying the Paris Agreement on Climate Change enabled the early entry into force of the Agreement in November 2016 at COP 22 in Marrakech. And since this time, the Pacific Islands Forum has remained committed to the Paris Agreement, supporting Fiji’s COP 23 Presidency to progress the Paris Agreement Guidelines, the Facilitative Dialogue in 2018 and other priorities that will address the greatest emergency for our planet to date. Let me thank the ‘One CROP Team’ and other stakeholders for the assistance that they provided to Forum Island Countries during this period.

Thirdly, the inaugural United Nations Ocean Conference, co-hosted by Fiji and Sweden in June 2017 was a vital platform to promote both the needs and contributions of our region towards achieving SDG 14 and other relevant SDGs. In this regard I acknowledge Fiji’s key role as co-host of the inaugural conference, and all member countries for mobilising in support of common positions at the Conference. Our regional agencies are also to be commended for their collective commitment and support which contributed to ensuring that we as a region contributed to ensuring the outcomes of the conference contained positions favourable to us all.

Fourth, the PACER Plus Trade Agreement was signed in Tonga on June 14, 2017 by ten signatory countries, denoting a significant achievement and demonstrating members’ continued willingness to pursue trade and economic integration as a means of growth and development across the region. While there is still some way to go to full ratification of the Agreement, I note that the Agreement’s signing was a significant milestone in itself for the region.

Lastly, and perhaps most significantly, I am proud to note that it was during the 47th Pacific Islands Forum Leaders Meeting in Pohnpei that Forum Leaders admitted New Caledonia and French Polynesia as full members to the Forum family - a decision that was predicated on a more inclusive Forum, and a Forum membership reflective of the realities of the present. It is my belief that this decision will be looked upon as a watershed moment for the Forum – one in which we were able to ultimately navigate the geopolitical currents to our collective advantage.

In conclusion let me also acknowledge the 70th Anniversary of the Pacific Community, as well as the 20th Meeting of Forum Economic Ministers in 2017. I also acknowledge my fellow Leaders, as well as Ministers, Officials, and all our distinguished partners for your collective efforts in support of these endeavours. I also acknowledge the Secretary General, Dame Meg Taylor and her fellow heads of regional agencies for driving many of these activities in the name of the Forum region.

These are but a few key achievements of the past 12 months which reflect the benefit, and ongoing willingness, to work together as one region and as one Pacific Islands Forum. I have no doubt that our efforts will bear fruit in the medium and the long term.

It has been an honour to serve this region as Chair of the Pacific Islands Forum.
Message from the Secretary General of the Pacific Islands Forum Secretariat

Meg Taylor, DBE
Secretary General of the Pacific Islands Forum Secretariat

It has again been a great privilege to serve the regional and its people. At the outset, I acknowledge the outgoing Forum Chair, Hon. Peter Christian for his stewardship and guidance of the Forum – overseeing key transitions including the drawdown of RAMSI, and particularly, the introduction of the Forum’s newest members in French Polynesia and New Caledonia. It is my belief that the latter of these examples is perhaps the most profound shift in the Forum architecture in the past decade, and President Christian must be credited for this move.

2017 was a year of forward momentum for Pacific Regionalism. The Pacific Islands Forum in Samoa, Leaders endorsed the Blue Pacific Identity as the core driver of collective action to advance the Leaders vision for the region.

The Blue Pacific captures the potential of the region’s shared stewardship of the Pacific Ocean and recognises its shared identity, geography and resources. To this end, I acknowledge the incoming Forum Chair and Prime Minister of Samoa, the Hon. Tuilaepa Lupesoliai Sailele Malielegaoi for his visionary stewardship of the Pacific Islands Forum, and for championing the Blue Pacific concept at regional and global levels.

The Regional Assistance Mission to Solomon Islands (RAMSI) came to a completion in June after fourteen years. The security and civilian components worked together towards RAMSI’s objectives of stabilising Solomon Islands and rebuilding machinery of government promoting longer term economic recovery. There was a real spirit of solidarity and helpem fren on display, demonstrating the strength and commitment of the Forum to support its members in times of need.

The standing Ministerial meetings of the Forum this year focused on some major forward looking policies for the region. In April, Economic Ministers convened to consider the merits of a Regional Resilience Facility, which seeks to ensure that as a region we are able to finance the implementation of our policy priorities. While endorsing the concept, they tasked the Secretariat to continue to work on the technical detail.

In August, Forum Foreign Ministers met and considered key geopolitical and security concerns facing the region. And based on this advice the Foreign Ministers provided advice to the Leaders around the need to strengthen the region’s security and international engagement and advocacy machinery. Out of these discussions, Leaders tasked the Secretariat to conduct member consultations on the development of a Biketawa Plus declaration focused on regional security cooperation in a post-RAMSI environment.

With respect to current policy priorities, in regional fisheries, we saw increased inter-agency coordination by stakeholders in the sector led by the Forum Fisheries Agency, in pursuit of the Leaders priority on increasing economic returns on fisheries.

In climate change and disaster resilience, the Pacific Resilience Partnership was endorsed by Leaders, which will ensure that Member countries continue to address the impacts of climate change and disasters in a coordinated and integrated manner. The Framework for Resilient Development in the Pacific and the Pacific Resilience Partnership are vital instruments in this regard, and they call for innovation and multi-sectoral approaches to these issues.

The findings and recommendations of the Analysis of Regional Governance and Finance were endorsed by Leaders in Apia, laying the foundation for a more coherent and cohesive regional architecture; and one that is governed and resourced to primarily support and deliver on the priorities for Pacific regionalism. The outcomes and the implementation of this work will ensure that the Forum Membership and CROP work together in an aligned way in pursuit of the Forum agenda.

Organisational Management

Over the past two and half years the Secretariat has been through major organisational reform, ensuring that we remain relevant to our members, and that we operate as effectively and efficiently as possible. As the budget position stabilised over the year, we focused on ensuring that the organisation has the right human capital, business processes and enabling environment to deliver the services that members expect.

The Secretariat also produced a Sustainable Funding Strategy for members’ consideration. The basis for this strategy is the principle that the Forum and its Secretariat exist for the benefit of all members, who are able to retain equitable and effective ownership of the Secretariat through its funding and governance structures. The Sustainable Funding Strategy recognises that the primary function of the Secretariat is to provide robust policy advice to drive Forum Leaders’ ambitions for regionalism. In their consideration of the strategy, Leaders endorsed its underlying principles and directed that the Secretariat continue to work on the technical and financial details.

Finally and in closing, I acknowledge with warmth and appreciation the contribution of Ms Andie Fong Toy, outgoing Deputy Secretary General, who finished her term in early May 2017. Andie has been an outstanding and long serving member of the Forum Secretariat, and an industrious and hardworking servant of the region. We wish Andie all the best in her future endeavours.

Additionally, let me it state that it has been a pleasure and a blessing to serve the Forum Membership and indeed the people of the region of the first term of my tenure as Secretary General, and I look forward to serving our people over the course of the coming years.
**Introduction**

For almost five decades, the countries of the Pacific have addressed common interests through a variety of regional, and increasingly sub-regional, approaches. The motivation for this is simple: we know that we can achieve more together, than alone.

A political community of 18 independent states and self-governing territories, the Pacific Islands Forum seeks to address the challenges and opportunities that face the Pacific through political dialogue and decision-making. The Pacific Islands Forum Secretariat supports the Leaders of the Pacific Islands Forum to utilize regional action to realize their vision for the Pacific region.

The Forum is also united by shared values which guide all its policy making and implementation. These have evolved over the history of the Forum, with their most recent expression articulated in the Framework for Pacific Regionalism.

**The Framework for Pacific Regionalism**

The Forum further committed to deepening regionalism with the endorsement of The Framework for Pacific Regionalism in July 2014. The Framework commits Leaders to:

> “working together to address our common challenges, harness shared strengths and ensure that our individual and collective advancements bring practical benefits to all Pacific peoples.”

The Framework for Pacific Regionalism recognizes the need for a new inclusive and game-changing approach to Pacific regionalism that enables Leaders to lead and navigate the Pacific through the global and regional geopolitical forces that impact on our region’s ability to realize the unmet development needs of Pacific Island peoples.

Through the Framework, Leaders recognize that Pacific Regionalism now and into the future must be adaptable, innovative, inclusive and most importantly, it must positively impact the lives of our people.

In support of the realization of the Leaders’ vision, the Framework for Pacific Regionalism identifies four principal and enduring 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;
- Security that ensures stable and safe human, environmental and political conditions for all; and
- Strengthened governance, legal, financial, and administrative systems.
The Context for Pacific Regionalism

The global and regional geopolitical and development context is shifting and the region is faced with a range of external and internal factors that are acting to reshape it. Such factors impact on the Forum’s ability to advance the Leaders vision for the region and achieve the objectives of the Framework for Pacific Regionalism. The region faces some enduring challenges:

- Ongoing vulnerabilities to environmental and economic shocks;
- Continued dependencies on aid and external financing;
- Low levels of economic growth;
- Stubborn levels of poverty and rising inequalities;
- Structural constraints, generally recognized in issues such distance from markets, small productive base, high transport costs.

Interacting with these vulnerabilities and constraints is a changing global and regional context, including:

- Emerging tendencies towards populism and nationalism;
- Challenges to multilateralism, including willingness to withdraw from regional political groupings, withdrawal from multilateral trade agreements, and increased preferences for bilateral actions;
- Rising inequalities causing social and political instability and undermining development;
- Increased number of political actors and donors in the Pacific;
- Challenges to the stability of the global rules-based order and competition between Pacific Rim major powers; and
- Continued degradation of, and contestation for, natural resources.

However, global and regional developments are also raising new opportunities for the Pacific region to explore:

- Increased political attention on the role of oceans in development;
- Advances in technology that can enable the region to overcome limitations of distance;
- A set of agreed values that underpin Pacific regionalism, including the cultural values that help guide the region;
- New global frameworks and methodologies for valuing the immense ecosystems and biodiversity of the Pacific;
- Shifts in the global power and with globalization; and
- Significant increased investment by the multilateral development institutions in the Pacific.
2017 PERFORMANCE ACHIEVEMENTS

48th Pacific Islands Forum and ‘The Blue Pacific’

The 48th Pacific Islands Forum took place from 5 – 8 September, in Apia, Samoa under the theme of The Blue Pacific: Our Sea of Islands; Our Security through Sustainable Development, Management and Conservation.

As outlined in the 48th Pacific Islands Forum Communiqué, Leaders endorsed The Blue Pacific identity as the core driver of collective action for advancing the Leaders vision, under the Framework for Pacific Regionalism. Through this endorsement, Leaders also recognised The Blue Pacific as a new narrative that calls for inspired leadership and a long-term Forum foreign policy commitment to act as one “Blue Continent”. The Blue Pacific provides new emphasis for Pacific Regionalism, strengthening the narrative and the concept of regionalism within existing regionalism policy frameworks.

The 48th Pacific Islands Forum comprised of key meetings and dialogue sessions with Forum Leaders, culminating in the Forum Leaders Retreat, which was held on Friday 8 September, at Taumeasina Resort, Apia. These meetings included the Smaller Island States (SIS) Leaders Meeting, Pacific - African Caribbean Pacific (PACP) Leaders Meeting, and the range of Leaders dialogue sessions with Civil Society, Private Sector, Forum Dialogue Partners, and Observers and Associate Members.

A different format for the Dialogue Sessions from previous years was used, to promote interactive dialogue between Leaders, Forum Dialogue Partners and other key stakeholders. The feedback supported the revised format with fewer prepared statements, allowing for greater dialogue and interaction on key thematic issues.

During the same week, Forum Leaders met with the Heads of CROP Agencies immediately prior to the Forum Leaders Retreat, to discuss key issues facing the region. In addition to Forum Leaders’ endorsement of ‘the Blue Pacific’, Leaders also endorsed:

- The Pacific Roadmap for Sustainable Development
- Decisions relating to Regional Governance and Financing
- An initial two-year trialling of the proposed governance arrangements for the Pacific Resilience Partnership (PRP)
- Development of a broader approach to Regional Security.

Forum Leaders also called for Fisheries and Climate Change to be standing items on their agenda moving forward. Leaders acknowledged the signing of PACER Plus on 14 June, 2017 in Nuku’alofa, Tonga, as a milestone achievement and noted that 11 Forum member countries have signed it.

All decisions emerging from the Forum Leaders Retreat are in the 48th Pacific Islands Forum Communiqué.¹


2017 Forum Foreign Ministers Meeting

The 2017 Forum Foreign Ministers Meeting (FFMM) was held at the Forum Secretariat headquarters in Suva, Fiji, on 10 August, 2017. This was the second FFMM, since its establishment in 2016, as a standing meeting within the Pacific Islands Forum’s refocused and rationalised meeting architecture.

The meeting enjoyed a high level of participation, with 14 of the Forum’s 18 members represented at a ministerial level – including two Prime Ministers and two deputy Prime Ministers. Senior officials from CROP organisations and the UN also attended as observers.

Chaired by the Deputy Prime Minister of Samoa, the Honourable Fiame Naomi Mata’afa, the meeting provided Ministers with the opportunity to discuss a wide range of issues affecting the political and security environment of the Pacific.

Ministers discussed the importance of advocating Forum priorities through prioritised and strategic engagement in other regional and international fora, and the role of the FFMM in supporting such engagement. Ministers agreed to prioritise strategic engagement with partners and the international community on climate change and oceans, and recognised The Blue Pacific as a shared narrative for advancing the Forum Leaders’ vision for the region.

UNFCCC 23rd Session of the Conference of the Parties (COP23)

The UNFCCC COP23 took place in Bonn, Germany from 6 – 17 November, 2017 hosted by Fiji as COP23 President. The Forum through its Secretariat supported Fiji’s Presidency, and advocated Forum Leaders’ priorities for COP23, particularly through the lens of regionalism and the narrative of The Blue Pacific. The link between ocean and climate was highlighted in a number of side events.
For instance, the Secretary General was invited to the IUCN side event on the Ocean/Climate nexus to accept a banner with messages on ocean priorities, and participated in a side event on Sustainable Sea Transport organized by Palau and the Okeanos Foundation.

The Deputy Secretary General participated in panels on Ocean Governance and Climate Action as part of the EU Oceans Day, and on Ocean Energy and Offshore Renewable Technologies, as enablers of environment and sustainable economic development of SIDS.

The Secretariat also engaged in climate finance-related issues. The Secretary General set the scene at a side event on Accessing and Managing Climate Change Finance, where representatives from Forum member countries and other CROP organisations spoke about experiences from the Pacificislands region. The issue of climate finance in the main negotiations was closely followed by the Forum Secretariat and in support of participating members’ delegations.

COP23 provided a good opportunity to promote the Framework for Resilient Development in the Pacific (FRDP) and its innovative role in driving resilient and sustainable development. A side event on the FRDP was organized by the Secretariat and featured panellists from Kiribati (as a member), UNDP (as a development partner), PIPSO (as a private sector entity) and the Secretariat (as keynote and moderator). The Forum Secretariat also provided backstopping support and advice to Pacific Island Country delegations, as well as coordination with the CROP Plus team to support strong collective regional positions.

In the lead up to COP 23 and in support of stronger advocacy for the Pacific region, the Secretariat facilitated an audience between Pacific Leaders and Pope Francis at the Vatican on 11 November, 2017. This Papal Audience provided the opportunity for the Pope to add his voice and weight, as a global moral authority, to the advocacy by the Pacific region on urgency to support those States most vulnerable to the impacts of climate change.

UN Oceans Conference

The United Nations Ocean Conference was co-hosted by Fiji and Sweden from 5-9 June 2017 at the United Nations in New York. It provided the invaluable opportunity to consider regional approaches toward achieving Sustainable Development Goal 14 - Life below Water and other relevant SDGs, given the transboundary opportunities, issues and challenges that the Pacific Ocean presents and provides to the Pacific Islands Forum. The Conference sought a global common cause on the sustainable development, management and conservation of the world’s oceans, which is a central priority of the Framework for a Pacific Oceanscape endorsed by Forum Leaders in 2010. Among its key outcomes, the Conference recognised that SDG14 and SDG13 (Climate Change) are centre-point to the Region’s efforts to implement the 2030

20th Forum Economic Ministers Meeting

The Forum Economic Ministers Meeting (FEMM) remains the region’s premier meeting of Finance and Economic Ministers and Officials, focused on issues of economic policy and development financing. The theme of Innovative Financing Options for Resilient Development was the focus of the 20th FEMM held on 5-6 April 2017. Discussions focused on access to climate financing and support for a review of the underlying drivers of vulnerability indices, to ensure they account for economic and environmental challenges faced by Pacific islands countries. The Secretariat is committed to progressing this work in partnership with other regional and international agencies, and to continue its support for the strong political advocacy needed on this issue, by the Forum in both regional and global forums.

Finance and Economic Ministers also considered options proposed by the Secretariat for a Regional Financing Facility, which seeks to combine individual national financial markets into a regional market for financial assets. Ministers commended the Secretariat for its innovative proposal and agreed that further consultations with members should be carried out.

Staff of the Secretariat participate in a march through the streets of Suva, during the National Climate Change week.
Development Agenda and SDGs, the SAMOA Pathway for SIDS and the Framework for Pacific Regionalism.

The Secretariat, through the Office of the Pacific Ocean Commissioner (OPOC), supported the region’s preparations, and particularly in co-Chairing with Fiji the preparations for the regional preparatory meeting for the UN Ocean Conference convened by Fiji on 15 – 17 March 2017. This activity consolidated and agreed the outcome of a regional consultative process comprising member states, CROP agencies and other key stakeholders including non-State Actors - aimed at establishing key regional priorities for reflection in the negotiations on the Call for Action document, which was the key outcome document of the 1st UN Oceans Conference.

In addition, the Secretariat, through OPOC, convened two High Level side events: ‘The Blue Pacific’ as well as the ‘Leadership through Innovation’ activity. Documents prepared for the ‘Blue Pacific’ side event also informed a high level paper that was tabled at the 2017 Forum Leaders Meeting in Samoa2 that sought to catalyze discussion on the collective potential of our shared stewardship of the Pacific Ocean, and within keeping with the theme of the 48th Forum Leaders meeting - The Blue Pacific: Our Sea of Islands.

**Pacific SDGs Roadmap**

The Secretariat has coordinated the region’s efforts through the SDGs Regional Taskforce to develop the draft Pacific SDGs Roadmap for regional reporting and implementation of the SDGs, the SAMOA Pathway and the Framework for Pacific Regionalism. Through a comprehensive consultative and inclusive process, the region has settled on a set of regional indicators for the SDGs. These, together with the draft Regional Roadmap on SDGs were discussed at the Pacific Multi-Stakeholder Dialogue held at PIFS Headquarters from 14 - 16 June, 2017. The final draft of the Roadmap will be tabled for Leaders endorsement in September 2017.

**Analysis of Governance and Finance**

In 2015, Leaders “directed the commencement of the analysis of governance and financing options for collective action in pursuit of Pacific regionalism be completed in 2016”. The Secretariat has led this effort in close consultation with the CROP agencies.

The analysis focuses on the CROP architecture for the period 2013 – 2015 with a view to reviewing the capacity and financing flexibility of CROP agencies to respond to and progress decisions taken by Forum Leaders. The regional governance and financing initiative has been progressed with oversight from a Joint Steering Committee (JSC) comprising the Chairs of Governing Councils of the CROP agencies. The JSC met in April to discuss and agree on the findings and options to be tabled for the consideration of Leaders at the 48th Pacific Islands Forum meeting, in September.

**PACER Plus**

In 2009, PACER Plus negotiations were launched with the aim of promoting regional integration in the Pacific. In April 2017, 14 Forum Member countries concluded negotiations on the PACER Plus legal text and market access; and in June 2017, 104 Forum Member countries signed the PACER Plus Agreement. While eight Forum Member countries will need to complete the ratification process before the Agreement can come into force, the signatures to the Agreement are a significant achievement.

**Election Monitoring**

The Forum Secretariat’s engagement in election monitoring is carried out with full commitment to the Biketawa Declaration and the Pacific Islands Forum Principles of Good Leadership, which articulate the Forum’s commitment to the upholding of democratic processes and institutions.

In 2017, the Forum Secretariat supported election monitoring missions in the following four Forum Member countries - Niue, Papua New Guinea, New Zealand and Tonga. All missions were deployed at the invitation of each Forum Member country, and with their full support. The nature of each observation Mission is different, given their size and electoral context.

**Programs and Initiatives: Implementation and Reporting on Other Leaders/Ministers’ Mandates**

On its monitoring and reporting role, the Secretariat has:

- Assisted a PICTA Party (Kiribati) to complete its domestic reform requirements therein announcing readiness to trade under the agreement
- Facilitated Senior Trade Officials endorsement of a Terms of Reference for the PICTA ROO Committee
- Facilitated agreement on common Pacific negotiating position for new multilateral rules on trade

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2 The Pacific SDGs Roadmap is presented in PIFS(17)OCS.6(b)(iv)
3 The Analysis of Governance and Finance is presented in PIFS(17)OCS.6(b)(iii)
4 The ten PACER Plus signatories include: Australia, Cook Islands, Kiribati, Nauru, New Zealand, Niue, Samoa, Solomon Islands, Tonga and Tuvalu.
fisheries subsidies disciplines, e-commerce and special and differential treatment in preparation for the upcoming 11th WTO Ministerial Conference in Argentina

- Facilitated the preparation of a Pacific Regional Trade Integration Index to track implementation and impact of Regional Trade Treaties.

A draft report outlining proposals for governance reform on the marketing arm of the Pacific Trade and Invest Network, at PIFS has been completed by the independent reviewers.

**WIDER PERFORMANCE FUNCTIONS**

**Regional Authorising Officer**

As the Regional Authorising Officer, the Secretary General signed the following Financing Agreements with the EU under the 11th European Development Fund (EDF11) to further regional development: (i) Technical Cooperation and Capacity Building Facility - PIFS (7 million Euros) on 6 September in Apia Samoa; (ii) Gender: Tackling root causes of gender inequality and violence against women and girls - UN Women, SPC and PIFS (13 million Euros) on 6 September 2017 in Apia Samoa; and, (iii) Pacific-EU Marine Programme - SPC, FFA, SPREP, USP, LMMA & NGO's (45 million Euros) on 5 October in Malta.

**Office of the Pacific Oceans Commissioner (OPOC)**

The OPOC has provided policy guidance ahead of the 48th Pacific Islands Forum toward conceptualisation of The Blue Pacific narrative, as part of preparations and support for the regional preparatory meeting for the 1st UN Ocean Conference held in June 2017 in New York, which was co-Chaired by Fiji and Sweden. OPOC also provided policy support and engaged in advocacy on sustainable ocean management and conservation related elements of the UNFCCC process ahead of COP23, and coordinated technical support to member countries in the final preparatory committee session for BBNJ, in July 2017.

**Pacific Environment Community (PEC) Fund**

The Project Management Unit for the Japan funded, PEC Fund will close on 31 December 2017, with the majority of the projects for all Forum Island Countries (FICs) now implemented. Some reporting requirements remain outstanding and will need to be addressed. Three FICs (Cook Islands, PNG and Tonga) are yet to fully complete their PEC Fund projects, and no cost extensions are being sought. In consultation with the Government of Japan through the Embassy of Japan in Suva Fiji, it has been agreed that the remaining PEC Funds can be utilised for maintenance contracts between FICs and their respective Japan supplier - to maintain the assets procured under the PEC for each of the FICs. Japan has proposed that all remaining tasks of the PMU need to be concluded up by end of 2017, with work related to the maintenance contracts to be carried out by the PIC Office-Tokyo and payments from the PEC Fund to be facilitated by PIFS. These proposed arrangements will be considered by the PEC Joint Steering Committee who are scheduled to meet in early December to discuss the close-out arrangements of the PEC.

**ORGANISATIONAL MANAGEMENT**

In 2017, further reform of the Secretariat was undertaken, building on change initiatives put in place in 2015 and 2016. The Secretariat also sought to lay-down the foundations for its long term strategic and financial future, and in this regard has focused its efforts on the following:

- Development of a strategic framework.
- Development of a sustainable funding strategy.
- Review and monitoring.
- Continued organisational reforms.
- Staffing capacity and capability.

**Bedding in of organisational reforms**

- The organisational reforms put in place in 2016, such as the centralisation of administrative services and the formation of team structures around Key Result Areas (KRA’s), are beginning to demonstrate their effectiveness. The Secretariat continued to introduce reform initiatives in 2017 to further drive improvement and efficiency across the organisation.
- Developing a Human Resource Capability Framework - that articulates the skills and behaviours required to deliver against PIFS agreed key result areas. The framework will assist with performance management as well as future recruitment, and will ensure that the organisation has the right skills set to deliver on its agreed objectives.
- Strengthening Business Processes – through the mapping of current processes, procedures and systems and identifying options for streamlining and strengthening these processes, to determine improvements needed to optimise organisational effectiveness and efficiency has been completed. As a consequence, opportunities have been identified in relation to greater and better use of ICT and electronic systems to support business processes across the whole organisation.
- Strengthening Processes related to Forum Meetings: Following Forum Leaders’ intersessional endorsement of the 2016 Review of Forum Regional Meetings, the Secretariat responded to the report’s recommendations to ensure that Forum Meetings demonstrate:
  - Clear alignment to the Forum Leaders priorities consistent with the Framework for Pacific Regionalism.
• Greater efficiency and effectiveness in preparation and conduct
• Greater cost-effectiveness

- The Secretariat has also worked to ensure that meeting agendas are prioritised and aligned to Forum Leaders priorities, and to each other. A revised Forum meetings paper template was also introduced to ensure that papers are clear and concise and that they speak to the key strategic issues at hand that require decisions.

**Departures of long serving staff**

Deputy Secretary General Andie Fong Toy completed her full-term with the Forum Secretariat on 22 May, 2017, which also marked recognition of her service to the region as part of PIFS, spanning some twenty two years. With her departure, the Secretariat now operates with a single Deputy Secretary General reporting to the Secretary General, taking oversight for all the responsibilities previously shared between the two Deputies Secretary General. Supporting the Secretary General and Deputy Secretary General are four Directors.

At the end of 2017 seven long standing Secretariat staff were retired from the organization:

- **Elizabeth Ann Peterson** - KRA Administrative Assistant
- **Eferemo Elder** - Maintenance Assistant
- **Lillian Mitchell** - KRA Administrative Assistant
- **Luke Delana** - Maintenance Assistant
- **Margaret Wong** - Personal Assistant to DSG
- **Pailato Ratuqalovi** - Driver
- **Rave Tuatoko** - Personal Assistant to DSG
Management Team

Secretary General
Meg Taylor DBE

Deputy Secretary General
Cristelle Pratt

Director Policy
Paki Ormsby

Director Governance & Engagement
Sione Tekiteki

Director Programmes & Implementation
Shiu Raj

Director Corporate Services
Simon Clegg
Secretary General’s Statement

I am pleased to present the Secretariat’s financial statements and independent auditors’ report for the year ended 31 December 2017.

During the year, we expended FJD42m, while our total cash and investment holdings at year end amounted to FJD35m.

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 2017 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 2017;

(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 2017;

(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 2017; 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 2017.

Dated at Suva this 27th day of April 2018

Meg Taylor, DBE
Secretary General
Independent Auditor’s 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 2017, and the general fund statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Secretariat as at 31 December 2017, and of its financial performance and 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Secretariat in accordance with the ethical requirements of the International Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

Members and management are responsible for the other information. The other information comprises the information included in the Secretariat’s Annual Report for the year ended 31 December 2017 (but does not include the financial statements and our auditor’s report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material statement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at that date of our signing.

**Responsibilities of Members and Management for the Financial Statements**

Members and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members and management are 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 the members and management either intend to liquidate the Secretariat or to cease operations, or have no realistic alternative but to do so.

The members and management are responsible for overseeing the Secretariat’s financial reporting process.

**Auditor’s 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 auditor’s 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 the 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 the financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism 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 the members and management.
• Conclude on the appropriateness of the members and managements 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 auditor’s 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 auditor’s report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents 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.

Restriction on Use

This report is made solely to the Secretariat’s Members, as a body. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Secretariat and the Members as a body, for our audit work, for this report, or for the opinions we have formed.

PricewaterhouseCoopers
Chartered Accountants

Kaushick Chandra
27 April 2018
Suva, Fiji
### General Fund Statement of Comprehensive Income

**For the Year Ended 31 December 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FJD</td>
<td>FJD</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from Members</td>
<td>3</td>
<td>5,057,820</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>144,001</td>
</tr>
<tr>
<td>Recoveries income</td>
<td></td>
<td>1,615,850</td>
</tr>
<tr>
<td>Administration fees received</td>
<td>604,721</td>
<td>754,623</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>12,932,658</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>20,355,050</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Governance</td>
<td>5(a)</td>
<td>4,007,666</td>
</tr>
<tr>
<td>Political Governance and Security</td>
<td>5(b)</td>
<td>2,379,321</td>
</tr>
<tr>
<td>Strategic Partnerships and Coordination</td>
<td>5(c)</td>
<td>3,107,220</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>5(d)</td>
<td>5,710,443</td>
</tr>
<tr>
<td>Management of the Secretariat</td>
<td>5(e)</td>
<td>3,472,091</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td>18,676,741</td>
</tr>
<tr>
<td>Net foreign exchange (loss)</td>
<td></td>
<td>(335,477)</td>
</tr>
<tr>
<td>Surplus of income over expenditure</td>
<td></td>
<td>1,342,832</td>
</tr>
</tbody>
</table>

This statement is to be read in conjunction with the notes to and forming part of the financial statements posted on the PIFS website: [www.forumsec.org](http://www.forumsec.org)
Statement of Financial Position  
As at 31 December 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FJD</td>
<td>FJD</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>32,941,572</td>
<td>40,532,775</td>
</tr>
<tr>
<td>Held-to-maturity investments</td>
<td>2,297,196</td>
<td>2,269,616</td>
</tr>
<tr>
<td>Inventories</td>
<td>16,906</td>
<td>10,051</td>
</tr>
<tr>
<td>Receivables – Members</td>
<td>1,407</td>
<td>427,477</td>
</tr>
<tr>
<td>Other receivables and prepayments</td>
<td>197,019</td>
<td>2,700,609</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>35,454,100</td>
<td>45,940,527</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6,173,721</td>
<td>6,546,182</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>51,127</td>
<td>85,816</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>6,224,848</td>
<td>6,631,998</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>41,678,948</td>
<td>52,572,575</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current payables and accruals</td>
<td>2,007,491</td>
<td>1,716,772</td>
</tr>
<tr>
<td>Provisions</td>
<td>301,043</td>
<td>-</td>
</tr>
<tr>
<td>Contributions received in advance – Trust Fund</td>
<td>24,333,455</td>
<td>36,934,302</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>26,641,989</td>
<td>38,651,074</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>26,641,989</td>
<td>38,651,074</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>15,036,959</td>
<td>13,921,451</td>
</tr>
<tr>
<td><strong>Accumulated and reserve funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>10,960,130</td>
<td>9,281,821</td>
</tr>
<tr>
<td>Exchange translation reserve</td>
<td>(235,134)</td>
<td>100,343</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>4,311,963</td>
<td>4,539,287</td>
</tr>
<tr>
<td><strong>Total accumulated and reserve funds</strong></td>
<td>15,036,959</td>
<td>13,921,451</td>
</tr>
</tbody>
</table>

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 financial statements posted on the PIFS website: [www.forumsec.org](http://www.forumsec.org).
Statement of Changes in Funds  
For the Year Ended 31 December 2017

<table>
<thead>
<tr>
<th></th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>9,281,821</td>
<td>3,816,210</td>
</tr>
<tr>
<td>Surplus of income over expenditure</td>
<td>1,342,832</td>
<td>5,455,190</td>
</tr>
<tr>
<td>Transfer to Exchange Translation Reserve</td>
<td>335,477</td>
<td>10,421</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td><strong>10,960,130</strong></td>
<td><strong>9,281,821</strong></td>
</tr>
<tr>
<td><strong>Exchange Translation Reserve</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>100,343</td>
<td>110,764</td>
</tr>
<tr>
<td>Transfer (from) General Fund</td>
<td>(335,477)</td>
<td>(10,421)</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td><strong>(235,134)</strong></td>
<td><strong>100,343</strong></td>
</tr>
<tr>
<td><strong>Capital Reserve</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>4,539,287</td>
<td>4,811,417</td>
</tr>
<tr>
<td>Purchase of Trust Fund assets</td>
<td>23,755</td>
<td>5,056</td>
</tr>
<tr>
<td>Depreciation on PPE used for Projects</td>
<td>(251,079)</td>
<td>(277,186)</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td><strong>4,311,963</strong></td>
<td><strong>4,539,287</strong></td>
</tr>
</tbody>
</table>

This statement is to be read in conjunction with the notes to and forming part of the financial statements posted on the PIFS website: [www.forumsec.org](http://www.forumsec.org)
### Statement of Cash Flows

**For the year ended 31 December 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from Members</td>
<td>5,780,266</td>
<td>5,683,381</td>
</tr>
<tr>
<td>Trust Fund income</td>
<td>25,522,176</td>
<td>24,758,201</td>
</tr>
<tr>
<td>Programme and project costs</td>
<td>(22,703,924)</td>
<td>(23,353,525)</td>
</tr>
<tr>
<td>Other operational costs</td>
<td>(15,434,609)</td>
<td>(15,355,944)</td>
</tr>
<tr>
<td>Interest received</td>
<td>159,131</td>
<td>121,757</td>
</tr>
<tr>
<td>Rent and other income</td>
<td>189,494</td>
<td>581,071</td>
</tr>
<tr>
<td>Realised exchange (loss)/gain</td>
<td>(92)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Net cash flow (used in) operating activities</strong></td>
<td>(6,487,558)</td>
<td>(7,565,045)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(229,053)</td>
<td>(217,007)</td>
</tr>
<tr>
<td>Payments for intangibles</td>
<td>-</td>
<td>(49,755)</td>
</tr>
<tr>
<td>Movement in held to maturity investments</td>
<td>(27,581)</td>
<td>(127,056)</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(256,633)</td>
<td>(393,318)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effect on exchange rate changes</strong></td>
<td>(847,012)</td>
<td>(436,658)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net (decrease) in cash held</strong></td>
<td>(7,591,203)</td>
<td>(8,395,021)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>40,532,775</td>
<td>48,927,796</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 FJD</th>
<th>2016 FJD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>32,941,572</td>
<td>40,532,775</td>
</tr>
</tbody>
</table>

This statement is to be read in conjunction with the notes to and forming part of the financial statements posted on the PIFS website: [www.forumsec.org](http://www.forumsec.org)
2017

Forum Leaders Communique
Forum Foreign Ministers Outcomes
Forum Economic Ministers Action Plan
The Forty-Eighth Pacific Islands Forum was held in Apia, Samoa from 5 – 8 September 2017 and was attended by Heads of States, Governments, and Territories from Australia, Cook Islands, Federated States of Micronesia, French Polynesia, Republic of Kiribati, Republic of the Marshall Islands, Republic of Nauru, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The Republic of Palau was represented by their Vice President, the Republic of Fiji was represented by the Minister for Defence and National Security, New Zealand by the Minister for Foreign Affairs, and Niue by the Minister for Social Services. The Forum Leaders’ Retreat was held at Taumeasina Island Resort in Apia on 8 September 2017.

2. Tokelau attended the formal session as an Associate Member. American Samoa, Wallis and Futuna, the African, Caribbean and Pacific Group of States Secretariat; the Asian Development Bank, the Commonwealth Secretariat, the United Nations (UN), the Western and Central Pacific Fisheries Commission (WCPFC), the International Organisation for Migration 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 South Pacific Tourism Organisation (SPTO); the Secretariat of the Pacific Regional Environment Programme (SPREP); and the University of the South Pacific (USP) were represented by their respective Heads of Organisation and senior officials.

3. Forum Leaders expressed their warm appreciation to the Prime Minister of Samoa, the Government and the people of Samoa for the kind and generous hospitality extended to all delegations. Leaders commended the outstanding preparations and facilitation of the 2017 Leaders’ and related meetings which enabled Leaders and all participants to hold inclusive and constructive discussions, and contributed to the overall success of the 48th Pacific Islands Forum.

THE BLUE PACIFIC – OUR SEA OF ISLANDS – OUR SECURITY THROUGH SUSTAINABLE DEVELOPMENT, MANAGEMENT AND CONSERVATION

4. Leaders reaffirmed the Framework for Pacific Regionalism (FPR) as their platform for a renewed commitment to collective action to drive the region’s policy agenda towards the realisation of the Leaders vision for a region of peace, harmony, security, social inclusion, and prosperity so that all Pacific people can lead free, healthy and productive lives.
5. Leaders further **reaffirmed** the value of ownership of the regional agenda through an inclusive and transparent policy development process. Leaders **recognised** the value of dialogue processes with the Associate Member, Observers, Forum Dialogue Partners, CROP Heads, civil society and private sector to inform the Leaders meeting.

6. Leaders **endorsed** The Blue Pacific identity as the core driver of collective action for advancing the Leaders vision under the Framework for Pacific Regionalism. Through this endorsement, Leaders **recognised** The Blue Pacific as a new narrative that calls for inspired leadership and a long-term Forum foreign policy commitment to act as one “Blue Continent”. In considering the shifts in the global and regional contexts, Leaders **recognised** the opportunity of The Blue Pacific identity to reinforce the potential of our shared stewardship of the Pacific Ocean and reaffirm the connections of Pacific peoples with their natural resources, environment, culture and livelihoods.

7. Leaders further **recognised** The Blue Pacific as being about all Pacific peoples comprising our ocean of islands, who recognise their needs and potential, who plan and own their development agenda, and who can act collectively for the good of all, rather than a few. The Blue Pacific is the catalyst for deeper Pacific regionalism.

8. Leaders **reiterated** their support for existing regional ocean policy and declarations, and strengthening of the Office of the Pacific Ocean Commissioner for coordination and advocacy of cross-sectoral ocean issues. Leaders **called** for the commencement of the negotiations in the UN for a new Implementing Agreement on the Conservation and Sustainable Use of Biodiversity on Areas Beyond National Jurisdiction.

9. Leaders **committed** to fast track the development of policies to ban the use of single-use plastic bags, plastic and styrofoam packaging and **called** on Pacific Rim partners to join and commit to action on addressing marine pollution and marine debris, to maintain the environmental integrity of the Pacific Ocean for people, planet and prosperity.

10. Leaders **called** for a united regional effort that establishes and secures international recognition of the permanent protection and integrity of the maritime zones and sovereignty from the impacts of climate change and sea-level rise. Leaders **noted** the leadership of Cook Islands, French Polynesia, New Caledonia, Palau and Vanuatu toward integrated ocean management of their maritime and exclusive economic zones.

**ANALYSIS OF REGIONAL GOVERNANCE AND FINANCING**

11. In considering the need for coherent implementation of the Forum Leaders’ decisions as well as the need to address the current fragmentation of actors in their support of the regional policy agenda, Leaders **confirmed** they are the apex of the regional architecture and the driver of regional priority setting and resource allocation. Leaders’ **committed** to ensuring a whole-of-government engagement with the regionalism agenda to strengthen the regional architecture and maximise effective use of resources, regional actions and initiatives; embed the Forum agenda across the CROP and its member agencies, including at ministerial and institutional governance levels; and commence a Member-driven process to converge regional meeting platforms and agenda setting processes.
12. In relation to implementing the Forum agenda, while recognising national needs and priorities, Leaders **encouraged** donors and partners to the region to align their resources, including through a regular regional donor roundtable linked to the Forum Economic Ministers Meeting.

13. Leaders **instructed** CROP and its member agencies to ensure that meetings and their agendas are rationalised to take forward the Forum agenda in a synchronised way, and **directed** the CROP Chair to work closely with the Heads of CROP agencies and their respective Governing Boards to develop an implementation plan of the recommendations above and to report to Leaders on progress.

**SUSTAINABLE DEVELOPMENT PRIORITIES**

14. In endorsing the *Pacific Roadmap for Sustainable Development (PRSD)*, Leaders **reinforced** the centrality of the FPR in contextualising global commitments under the 2030 Agenda and the SAMOA Pathway. Leaders **acknowledged** with appreciation the work of the SDG Taskforce and all key stakeholders in preparing the PRSD. Leaders **committed** to focusing their national as well as regional collective efforts to ensure that “no one is left behind” and requisite resources are secured. Leaders **recognised** that the five elements of the Roadmap provided the requisite guidance for the achievement of the 2030 Agenda by the region. Specifically, the elements are: (i) leadership and coordination; (ii) advocacy and communications; (iii) regional monitoring and indicators; (iv) integrated reporting; and (v) supporting the means of implementation.

15. Leaders **agreed** to strengthen Pacific solidarity by ensuring collective efforts through improved ownership and returns from *The Blue Pacific* by way of specific initiatives including the following regional priorities:

   **(a) Fisheries**

16. Leaders **acknowledged** the progress made by the Fisheries Task Force in implementing its agreed work programme, and **noted** the need for national level policy coherence to support regional policy positions as highlighted in the Tuna Political Mapping Report and **noted** the need to consult further with the relevant fisheries experts on the proposed recommendations in the report. Leaders **recognised** from their dialogues with stakeholders that the increasing demands for fisheries resources across the region requires coherent and coordinated approaches to address multidimensional issues including illegal, unreported, unregulated (IUU) fishing, and monitoring, control and surveillance.

17. Leaders **noted** with concern reports that the negotiation of a new management measure for tropical tuna in the Western and Central Pacific Fisheries Commission (WCPFC) is being used by some WCPFC members, including some Forum Dialogue Partners to undermine zone based measures, that Forum Members have developed in exercise of their sovereign rights under international law. Leaders **called** on such partners to withdraw proposals for flag State based measures and to actively support Forum members’ efforts to gain benefits from sustainable management of fisheries in their EEZs.
(b) Climate Change and Resilience
18. Leaders reaffirmed their call for the Framework for the Resilient Development of the Pacific (FRDP) to be fully elaborated to reflect the outcomes of the Paris Agreement and called on the Forum Secretariat to undertake a process for this elaboration.

19. Leaders supported, on a trial basis for an initial period of two years, the proposed Pacific Resilience Partnership (PRP) governance arrangements agreed by the PRP Working Group to ensure effective implementation of the FRDP while encouraging flexibility to allow the participation of Members in the Task Force; and committed the Forum Secretariat to support the successful implementation of the FRDP.

20. With regard to the issue of fragility and vulnerability, Leaders reiterated their call to the World Bank for an expanded definition of “fragility” to take into account the vulnerabilities faced by Forum Island Countries.

21. Leaders welcomed the early entry into force of the Paris Agreement on Climate Change in November 2016, at the twenty-second Conference of the Parties (COP 22), in Marrakech, and reaffirmed the Pacific Islands Forum’s commitment to continue to work with others who remain steadfast on their obligations under the Paris Agreement. Leaders welcomed the adoption of the Kigali amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Montreal Protocol”) and urged countries to accede to the amendment.

22. Leaders recognised the unique opportunity that the twenty-third Conference of the Parties (COP 23) to the United Nations Framework Convention on Climate Change provides to the Pacific, building up on the outcome of the UN Ocean Conference, and expressed their support towards Fiji’s COP 23 Presidency.

23. Leaders acknowledged Fiji’s five key priorities for the COP 23 presidency, namely: (i) facilitative dialogue; (ii) implementation guidelines and the Paris Agreement Rule Book; (iii) Gender, local communities and indigenous peoples platform; (iv) Adaptation and loss and damage; and (v) Oceans pathway through 2020 that strengthens the ocean-climate change nexus.

24. Recognising the significant vulnerability of Forum Island Countries to the adverse impacts of climate change, Leaders called for urgent, ambitious action from the global community to address climate change, including the provision of finance to implement the Nationally Determined Contributions, finalising the Paris Agreement Guidelines by 2018, and launching an inclusive process to elaborate the Facilitative Dialogue.

25. Leaders tasked the Forum Secretariat to coordinate, in consultation with Members, the work of CROP agencies in preparations leading up to the COP 23 in Bonn, Germany. Leaders agreed to remain fully engaged in the upcoming regional and global preparatory meeting, including the pre-COP meeting to be held in Nadi from 17 – 18 October.

26. Leaders supported eligible Member’s application to the Green Climate Fund, including that of Nauru.
(c) PACER Plus
27. Leaders **acknowledged** the signing of PACER Plus on 14 June, 2017 in Nuku’alofa, Tonga, as a milestone achievement noting that eleven Forum member countries have already signed.

SECURITY

(a) Radioactive contaminants in the Republic of the Marshall Islands
28. 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, and that the statement of the UN Secretary-General on 14 August 2017 that “finding a solution to this issue is critical for the future of the Republic of the Marshall Islands” and his assurance that the relevant United Nations entities stand ready to respond to requests for assistance.

29. 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. Leaders **agreed** to submit letters to the US Government urging the US to take further action to meaningfully address the ongoing impacts resulting from the US Nuclear Testing Programme, and to the United Nations Secretary General regarding any requests for assistance submitted to relevant United Nations agencies by the Republic of the Marshall Islands, and any other measures which may assist to address the ongoing impacts of nuclear testing in the Pacific.

30. Leaders **recalled** their decision from 2016 and **reaffirmed** that the Forum Secretariat 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 further **tasked** the Forum Secretariat to report to the 49th Pacific Islands Forum on actions taken in this regard.

(b) Regional Assistance Mission to Solomon Islands (RAMSI)
31. In reflecting on the state of Pacific regionalism since the Forty-Seventh Pacific Islands Forum in 2016, Leaders **acknowledged** the conclusion of RAMSI and **recognised** it as a true testament to the benefits of regionalism and a shining example of regional cooperation and diplomacy, embodying more than a decade of partnership and cooperation amongst Forum members.

32. Leaders **congratulated** the Government and the people of Solomon Islands for the success of RAMSI and **acknowledged** with appreciation the support of all Forum countries to RAMSI through the deployment of personnel, and to Australia and New Zealand for the significant investment of resources to RAMSI.

33. In considering the recommendation by Forum Foreign Ministers to expand and strengthen collective action for regional security due to emerging security threats to the region, Leaders **agreed** to build on the Biketawa Declaration and other Forum security related declarations as a foundation for strategic future regional responses, recognising the importance of an expanded
concept of security inclusive of human security, humanitarian assistance, prioritising environmental security, and regional cooperation in building resilience to disasters and climate change. Leaders tasked the Forum Secretariat to initiate consultations on developing a comprehensive ‘Biketawa Plus’ declaration for Leaders consideration at their next meeting.

34. In their dialogues with various stakeholders, Leaders acknowledged the need to strengthen cooperation and information sharing in maritime domain awareness. Leaders also recognised the importance of addressing cyber-security issues.

(c) Tensions in the North Pacific
35. Leaders condemned repeated efforts by the Democratic People’s Republic of Korea (DPRK) to test nuclear weapons and ballistic missiles, and the threat posed to Guam, which constitutes a threat to the wider Pacific Islands region. Leaders also agreed on the importance of ensuring the full implementation of relevant UN Security Council Resolutions.

36. Leaders committed to deregistering any DPRK trading or fishing vessels currently flagged on Pacific states’ shipping registers. New Zealand and Australia will assist other member states with intelligence gathering to identify illegally flagged DPRK vessels and offered to off-set the financial burden incurred.

(d) West Papua (Papua)
37. Leaders recognised the constructive engagement by Forum countries with Indonesia with respect to elections and human rights in West Papua and Papua and to continue dialogue in an open and constructive manner.

FORUM MEMBERSHIP AND MEETINGS

38. Inspired by The Blue Pacific and building on the panel format initiated by the Government of Samoa this year, Leaders reaffirmed their commitment to reinvigorate their dialogue with all stakeholders in order to ensure more meaningful and robust engagement.

(a) Ministerial Meeting Charters
39. Consistent with this, Leaders also considered meeting charters aimed at ensuring greater alignment and coherence to a prioritised regional agenda, in support of the delivery of the vision and objectives of the FPR.

40. Leaders endorsed the meeting charters for the Forum Economic Ministers Meeting and the Forum Foreign Affairs Ministers Meeting respectively.

41. Leaders endorsed fisheries and climate change to be standing agenda items for Forum Leaders given that they are both key regional priorities that require a whole-of-government approach, foremost Leaders’ close oversight.

(b) Forum Membership
42. Leaders noted that French Polynesia has deposited its instruments of ratification to formalise its membership status. New Caledonia is close to concluding its instruments of ratification. Leaders agreed that the authoritative text be in English only.
43. Leaders further noted that future applications should be subject to agreed criteria and due process.

PACIFIC ISLANDS FORUM SECRETARIAT SUSTAINABLE FUNDING STRATEGY

44. Leaders emphasised the need to demonstrate members’ equitable ownership of the Secretariat and ensure adequate and predictable funding of the Secretariat in order to safeguard its role as an independent body providing high quality policy advice to advance Pacific regionalism.

45. Leaders agreed to delay implementation of the Sustainable Funding Strategy of the Secretariat, which updates the membership shares in the 2000 Agreement Establishing the Pacific Islands Forum Secretariat tasking further work to be carried out on the new sustainable funding arrangements to be implemented, to be tabled at the next meeting. Leaders noted the special position of Smaller Island States (SIS), especially their smallness and lack of capacity.

RENEWAL OF THE SECRETARY GENERAL’S TERM

46. Leaders unanimously agreed to reappointing Meg Taylor, DBE, as Secretary General for a second, three-year term.

COUNTRY INITIATIVES

(a) Insurance Facility
47. Leaders considered the concept of a Pacific Island Climate Change Insurance Facility (PICCIF) to cover the impacts of Climate Change and noted a taskforce would be established to further elaborate it. Leaders further supported the idea that the taskforce would report to the Forum Economic Ministers Meeting in 2018 and later to the Leaders meeting.

48. Leaders also received an update on the establishment of the PCRAFI initiative which is now operational.

(b) Pacific Connect
49. Leaders noted the Pacific Connect initiative of Australia, which aims to forge stronger relationships between Pacific and Australian leaders across the public and private sectors.

(c) Visa fee free Entry (Papua New Guinea)
50. Papua New Guinea advised that they are formalising visa fee free entry for all Pacific Island Forum members and encouraged members to consider offering similar arrangements to strengthen regional integration.

(d) Upper Air Space and Air Services
51. Leaders acknowledged the importance of addressing equitable and accessible air services, including maximising benefits of greater ownership of upper airspace management by SIS. Leaders further recognised the urgency of addressing air services and upper airspace management and the importance of addressing these as separate issues.
(e) United Nations Climate Change Displacement Resolution
52. Leaders considered a proposal for a UN General Assembly Resolution to Give Protection to People Displaced by Climate Change.

OTHER BUSINESS

(a) Smaller Island States Leaders Outcomes
53. Leaders noted the SIS Leaders’ Summary of Decisions.

(b) Candidacies
54. Leaders:
   (i) reaffirmed their support for the Cook Islands’ candidacy, as endorsed by Forum Leaders in 2016, for a position on the Executive Board of UNESCO for the term 2017 - 2020;
   (ii) supported Fiji’s candidacy to the Human Rights Council for the term 2019 – 2021; and
   (iii) reaffirmed their support for Australia’s candidacy, as endorsed by Forum Leaders in 2016, for the UN Human Rights Council for 2018 – 2020.

(c) Hurricane Irma in the Caribbean
55. Leaders expressed strong solidarity with the Government and people of Antigua and Barbuda, and the Caribbean region following the destruction and loss of lives in the wake of Hurricane Irma. Leaders noted that this was one of the strongest Category 5 storms to visit the Caribbean region and called on the international community to urgently consider the provision of necessary support and immediate relief supplies.

56. Leaders recalled the impact of recent cyclones in the Pacific and in particular the significant destruction to infrastructure and economies of small states. Leaders reiterated the importance for the international community to recognise the ‘existential threat’ climate change poses to the Pacific, the Caribbean and throughout the Commonwealth and the critical need to provide the necessary support as small states continue to adopt resilient and innovate approaches to pursue a development agenda and to meet the goals of the SDGs.

VENUE FOR NEXT MEETING

57. Leaders confirmed Nauru as the host for the 2018 Forum.
The second standing meeting of Pacific Islands Forum Foreign Ministers was held at the Pacific Islands Forum Secretariat in Suva, Fiji, on 11 August 2017. The Meeting was chaired by the Honourable Fiame Naomi Mata’afa, Deputy Prime Minister of Samoa, and was attended by the Prime Minister of Cook Islands, the Prime Minister of Tuvalu, and the Deputy Prime Minister of Tonga, and Ministers from Australia, Fiji, French Polynesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Solomon Islands and Vanuatu. The Federated States of Micronesia, Kiribati, New Caledonia and the Republic of the Marshall Islands were represented by officials. The Ulu o Tokelau represented Tokelau, as Associate Member.

2. The meeting was also attended by heads of the Forum Fisheries Agency, the Secretariat of the Pacific Community, the South Pacific Tourism Organisation, the University of the South Pacific, and the United Nations Resident Coordinator.

3. Ministers offered their congratulations to French Polynesia and New Caledonia for their participation in the Forum Foreign Ministers Meeting for the first time as full Forum Members.

4. Ministers expressed their appreciation to the Government of Fiji for the warm hospitality accorded to delegations, including the cocktail reception hosted by the Minister for Defence and National Security of Fiji, the Honourable Ratu Inoke Kubuabola, on Thursday 10 August 2017.


The theme for the 48th Pacific Islands Forum – The Blue Pacific


The Pacific’s political and security environment

7. Foreign Ministers discussed a wide range of issues affecting the political and security environment of the Pacific, including current shifts in global power relations, challenges to multilateralism, and increased incidence of transnational crime and illegal fishing. Ministers emphasized the importance of enhancing regional cooperation to address all aspects of existing and emerging security threats (including health, environmental, economic, human and cybersecurity).

8. Foreign Ministers:

(i) Commended the Secretariat for preparing the State of Pacific Regionalism Report, to inform Members’ discussions;
(ii) Congratulated the Government and the people of Solomon Islands in ensuring the success of RAMSI. Ministers acknowledged RAMSI as a strong example of mutual trust and regional cooperation, and committed to harnessing the lessons learned. Ministers commended the role of all Forum Members in their contributions to RAMSI;

(iii) Considered that it was timely to build on the Biketawa Declaration and other security related declarations of the Forum. Ministers recommended that Leaders initiate consultations on developing a ‘Biketawa Plus’ security declaration, as a foundation for future regional responses. Ministers recognised the importance of an expanded concept of security inclusive of human security, prioritising environmental security and regional cooperation in building resilience to disasters and climate change;

(iv) Underlined the importance of the multilateral system to promoting the interests of the Pacific Islands region;

(v) Reaffirmed their commitment to the effective implementation of the Paris Agreement on Climate Change as a critical mechanism for global climate change action. Ministers expressed concern at the decision of the US to withdraw from the Paris Agreement. Ministers urged the US to remain engaged in international efforts to combat climate change. Ministers also agreed that the impacts of climate change and environmental degradation could erode development gains, undermine economic growth and compound human security challenges;

(vi) Identified the need for coordinated collective approaches to accessing finance to address climate change issues in the region, particularly smaller island states, and supported the call by the Prime Minister for Papua New Guinea, on behalf of Forum Leaders in 2016, for continued advocacy to multilateral institutions, such as the World Bank, to ensure that existing definitions of fragility take into account the specific vulnerabilities faced by Forum Island Countries;

(vii) Reaffirmed their commitment to collectively promoting peace and stability throughout the Pacific region, and expressed continued support for the government and people of the Republic of the Marshall Islands in addressing the ongoing consequences of nuclear testing. Ministers further stressed the importance of upholding the South Pacific Nuclear Free Zone established under the Rarotonga Treaty and other disarmament and non-proliferation treaties;

(viii) Expressed their concern over the instability and current tensions on the Korean Peninsula which are the result of the illegal actions by North Korea in violation of numerous UN Security Council Resolutions. Ministers particularly expressed concern about the threat posed to Guam, which constitutes a threat to the wider Pacific region. Ministers called upon all parties to continue dialogue through the appropriate diplomatic channels to ease tensions; and

(ix) Agreed on the need for a collective Forum foreign policy to address challenges and harness opportunities to safeguard the Pacific’s interests.
The role of the Forum Foreign Ministers Meeting

9. Ministers discussed the role of the Forum Foreign Ministers Meeting within the Forum architecture, recognizing it as a platform for discussion and strategizing on regional and international issues facing the Pacific region.

10. Foreign Ministers:

   (i) Approved the draft Forum Foreign Ministers Meeting Charter (Attachment A) and referred it to Leaders for endorsement;

   (ii) Committed to ensuring whole-of-government approaches to engaging with Pacific regionalism, and strengthened coordination of Pacific Islands Forum diplomacy, internationally, and commit to reporting back to the next Foreign Ministers Meeting on national efforts; and

   (iii) Committed to strengthening the foundational architecture for effective Forum diplomacy and task the Secretariat to coordinate a Forum Officials Committee sub-committee of Members to develop a rolling Forum strategy and plan for international advocacy.

Forum priorities

11. Ministers agreed to prioritise strategic engagement with partners and the international community on climate change and oceans, and recognised the ‘Blue Pacific’ as a shared narrative for advancing the Leaders’ vision for the region.

12. Ministers:

   (i) Congratulated Fiji on its selection as incoming president of COP23, and committed to working towards advancing the Pacific’s priorities, as identified at the Climate Action Pacific Partnership Event, 3-4 July 2017;

   (ii) Congratulated Fiji and Sweden for the successful UN Oceans Conference, held in New York, 5-9 June 2017, and committed to ensuring the effective implementation of the outcomes of the Conference;

   (iii) Commended the role played by the Office of the Pacific Ocean Commissioner in ensuring the profile of the Pacific on oceans, and committed to strengthening support for the Office;

   (iv) Called for support to commence negotiations in the UN for a new Implementing Agreement on the Conservation and Sustainable Use of Biodiversity on Areas Beyond National Jurisdiction;

   (v) Discussed the critical issue of possible loss of sovereignty due to climate change and sea level rise and the implications for this issue with respect to the UN Convention on the Law of the Sea;

   (vi) Underscored the challenges in fisheries, in particular Illegal Unreported and Unregulated fishing, and discussed bilateral and regional approaches that can be taken to address the growing threats to fisheries, and recommended the need to lobby WTO to take action towards eliminating illicit fisheries subsidies;
(vii) Welcomed the conclusion and signature of PACER Plus which will support economic growth and jobs in the region;

(viii) Encouraged open and constructive dialogue with Indonesia on alleged human rights violations in West Papua (Papua). Ministers welcomed Indonesia’s invitation, and the Secretariat’s participation in observing local elections in February 2017;

(ix) Emphasised the ongoing importance of ICT connectivity and cybersecurity, and welcomed and encouraged sub-regional and regional initiatives for cybersecurity cooperation, such as Australia’s initiative for a Pacific Cybersecurity Operations Network; and

(x) Noted the interest of New Zealand and Australia to become full members of the Pacific Health Ministers Meeting process, and looked forward to a decision on the matter at this year’s meeting in Rarotonga on 28 – 30 August 2017.

New Caledonia and French Polynesia’s admission to the Pacific Islands Forum

13. Ministers recalled the decision of Forum Leaders at the 47th Pacific Islands Forum to admit French Polynesia and New Caledonia as full Members of the Forum.

14. Ministers:

(i) Welcomed the progress made by French Polynesia and New Caledonia in progressing their respective accessions to the Forum’s constituent treaties;

(ii) Noted that the issue of adjusting French Polynesia and New Caledonia’s membership contribution to reflect their status as full members is addressed in the proposed Sustainable Funding Strategy for the Secretariat; and

(iii) Convey to Forum Dialogue Partners that French Polynesia and New Caledonia are full Forum Members and therefore should be treated as such.

International candidacies

15. Ministers acknowledged the opportunity that representation on international bodies provides to champion the Pacific’s interests.

16. Ministers:

(i) Supported Cook Islands’ candidacy for a position on the Executive Board of UNESCO;

(ii) Noted the upcoming vacancy for the position of Regional Director of Western Pacific Division of the World Health Organisation, and suggested that the Pacific Health Ministers Meeting offers an opportunity for the region to discuss a process to nominate a strong Pacific candidate to this position; and

(iii) Supported Australia’s candidacy, as endorsed by Forum Leaders in 2016, for the UN Human Rights Council for 2018 – 20.

Forum Secretariat, Suva
Charter for the Forum Foreign Ministers Meeting (DRAFT)

Purpose and Role of the Meeting

1. Forum Leaders have recognised that Foreign Ministers have a key role to play in deepening regionalism through strengthening policy cohesion on agreed regional political priorities and policy positions, and engaging on these in regional and international fora.

2. This Charter reflects the decision by Forum Leaders to establish a standing meeting of Forum Foreign Ministers (FFMM) and to assist and inform Leaders of relevant regional and international issues facing the region.

3. The purpose and role of the FFMM is to discuss and direct action on:
   - foreign policy issues affecting Forum priorities and the pursuit of deeper regionalism;
   - regional security and governance issues, including the development and implementation of regional norms and standards;
   - opportunities presented by regional and international meetings to engage on agreed Forum political priorities and policy positions;
   - partnership arrangements with non-Forum members, including for example all Forum Dialogue partners, relevant inter-governmental organisations and the development of relevant multi-stakeholder partnerships;
   - applications for membership of the Forum, including admission of Associate Members and accreditation as Observers;
   - High level international candidacies by Forum members; and
   - Ensuring policy coherence and cohesion across regional Ministerial meetings on relevant political priorities and policy issues.

Governance arrangements

4. The FFMM will be chaired by the relevant Ministerial representative of the incumbent Forum Chair. This alignment of chairing arrangements serves to support the Forum Chair in their representational responsibilities, which include leading Forum delegations in summities with Forum Dialogue partners and in international conferences and negotiations.

5. The Chair shall manage the meeting and ensure that decisions are recorded in writing.

6. Forum Foreign Ministers shall receive, examine and comment on recommendations made by the Forum Officials Committee and report their meeting outcomes to Forum Leaders, through the Secretary General of the Pacific Islands Forum Secretariat.

7. The FFMM may, as necessary, oversee and task intermittent or ad hoc ministerial, officials or multi-stakeholder groups as needed to advance the Forum’s political and security interests.
Stakeholder Engagement

8. The FFMM will identify opportunities for engagement with relevant external stakeholders, including civil society and the private sector, development partners, CROP Agencies or Working Groups.

Meeting Arrangements

9. The FFMM will be convened by the Secretary General on an annual basis, prior to the Forum Leaders’ Meeting and immediately after the pre-Forum session of the Forum Officials Committee.

10. Additional meetings of the FFMM may be convened in special circumstances as necessary.

11. All other arrangements and procedures for the FFMM shall be consistent with the Forum Secretariat Meetings Policy.

Resourcing

12. The financial and staff resources required to support the Forum Foreign Ministers Meeting are provided from within the primary budget of the Secretariat. Member countries will be responsible for funding the attendance of their delegations to the meeting.

Review and amendment

13. The Forum Foreign Ministers Meeting Charter will be reviewed every three years or at the discretion of Forum Leaders, and may be amended as and when deemed necessary.

[End]
FEMM ACTION PLAN

The twentieth meeting of the Forum Economic Ministers was held at the Forum Secretariat Headquarters, Suva, Fiji on 5-6 April 2017. The Forum Economic Ministers Meeting (FEMM) was chaired by the Minister for Finance of Samoa, the Honourable Sili Epa Tuioti, and supported by the Secretary General of the Pacific Islands Forum Secretariat, Dame Meg Taylor.

2. The following Forum Member Countries were represented: Australia, Cook Islands, the Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Tokelau attended as an Associate Member. FEMM Observer representatives included: the Asian Development Bank, the Economic and Social Commission for Asia and the Pacific, the European Commission's Delegation for the Pacific, the International Monetary Fund Resident Representative Office, the Pacific Financial Technical Assistance Centre, the Oceania Customs Organisation, the Pacific Islands Private Sector Organisation, the Secretariat of the Pacific Community, the South Pacific Tourism Organisation, the United Nations Development Programme, the University of the South Pacific and the World Bank Group. Private Sector representatives and Civil Society Organisations also held a dialogue with Forum Economic Ministers on Thursday, 6 April 2017.

3. The theme of the Forum Economic Ministers Meeting was "Financing for Development Solutions".

REGIONAL DEVELOPMENT PRIORITIES

4. Economic Ministers commended the region's efforts to prepare the Pacific SDGs Roadmap for endorsement by Forum Leaders in September 2017. They noted the importance of localising indicators and ensuring that they are measurable and achievable to reduce the burden in country reporting.

5. Discussions on the Framework for Pacific Regionalism noted the importance of ensuring that the work on Business Mobility and Business Harmonisation do not overlap with similar work as part of the proposed PACER Plus and MSG Trade agreements. On the issue of fisheries, Ministers noted the work of the Fisheries Taskforce and the importance of supporting their work. Economic Ministers also noted the Framework for Resilient Development in the Pacific and stressed the importance of fragility and vulnerability related to climate induced events on issues such as debt sustainability.

6. Ministers:

The 2030 Agenda for Sustainable Development/Sustainable Development Goals (SDGs)

(1) Noted the draft Outline of the Pacific SDGs Roadmap, which was approved by Forum Leaders in September 2016;
(2) Endorsed the next steps toward finalising the Roadmap including the Regional set of indicators, noting that the Roadmap will be discussed at the Pacific Regional SDGs Multi-stakeholder Consultation and Dialogue in May 2017, and the Forum Officials Committee Meeting in August 2017;
(3) Noted that a final draft of the Pacific SDGs Roadmap will be submitted to Forum Leaders for endorsement in September 2017;
(4) Noted the need for adequate resources to support the regional coordination and national implementation of
sustainable development/SDGs initiatives;
(5) Recognised and supported the implementation of the Smaller Island States (SIS) Strategy;
(6) Called on relevant development partners to support capacity building such as Attachment programmes and other South-South initiatives; and
(7) Tasked the Secretariat to mobilise additional resources to further support the SIS Attachment programme.

**Framework for Pacific Regionalism: Regional Priorities & The Role of Forum Economic Ministers**

**Increased Economic Returns on Fisheries**

(8) Noted the progress of the Fisheries Taskforce to enhance economic returns from Fisheries;

(9) Directed Finance officials to: (a) prioritise support to requests for technical input and assistance from the Taskforce; and (b) ensure that recommendations arising from the work of the Taskforce are considered in a timely and effective manner through national finance and budgetary processes.

**Improved Mobility and Standardisation of Business Processes**

(10) Noted that Leaders recognised the potential of initiatives on regional mobility and harmonised business practice to contribute to increased economic integration, greater investment, and improved business practices;
(11) Noted that ongoing discussion as part of the PACER Plus and MSG Trade agreements may address a number of issues arising in this area;
(12) Tasked the Secretariat to identify remaining issues that require further consideration by relevant Ministers;
(13) Agreed to embed the monitoring of this work into FEMM at both the regional and national levels; and
(14) Noted the importance of remittances and their benefits to the region.

**Framework for Resilient Development in the Pacific (FRDP)**

(15) Noted the central role of Economic Ministers in the implementation of the FRDP, particularly with respect to resourcing the resilient development agenda;

**Mainstreaming the Pacific Framework for the Rights of Persons with Disabilities**

(16) Supported the promotion of livelihood opportunities through inclusive economic development approaches and decent work for persons with disabilities, as articulated by the Pacific Framework for the Rights of Persons with Disabilities, as well as by the UN Convention on the Rights of Persons with Disabilities and the Sustainable Development Goals, at both the regional and national level; and
(17) Agreed to support Disability focal Ministries at the national level to mainstream the goals of the Pacific Framework for the Rights of Persons with Disabilities within national inclusive development policies.

**FINANCING FOR DEVELOPMENT**

6. Discussions in this session considered how Forum Island Countries (FICs) can access new sources of development finance, particularly looking at their comparative advantage, planning for increases in development financing and support from development partners, as well as steps for mobilisation of new sources of development finance based on the UNDP-PIFS survey. Innovative financing modalities, such as debt for nature swap were identified and Economic Ministers recognised the importance of incorporating Financing for Development in medium term budgetary frameworks. Members requested clear guidelines on the specific financing modalities and noted the challenges of...
limited absorptive capacity. Members requested remaining countries to submit their UNDP-PIFS survey responses to improve country coverage and strengthen the conclusions of the report.

7. Members commended the Secretariat for its innovative paper on a Regional Financing Facility. It was highlighted that the proposed initiative is a good example of regionalism. However, members noted that more work is needed before development of a roadmap. Economic Ministers supported further work on this proposal but suggested a process of country consultations to provide advice on areas of work that would be needed before the development of a roadmap.

8. Economic Ministers considered presentations from the World Bank Group and the Asian Development Bank in relation to disaster responsive financing instruments and options which encompassed both, ex-post and ex-ante instruments for their respective Member States. Ministers also considered an intervention from Australia highlighting the effectiveness of humanitarian cash transfers, commending the action of the Fijian Government following Tropical Cyclone Winston in 2016. Ministers also noted an update from the Cook Islands on the progress of the Pacific Catastrophe Risk Assessment and Financing Initiative and commended the considerable work undertaken to date on the initiative. Ministers urged multilateral institutions to adopt similar products – tailored to suit the needs of the region.

9. Economic Ministers considered an update on Members’ efforts to access global climate financing, noting that climate finance forms a critical component of financing for development. Ministers also considered an update on national climate assessments undertaken to date, noting that with the completion of Palau in the coming month, eight FICs would have completed national assessments for climate financing. Ministers welcomed Fiji’s Presidency of the COP23 and identified the need to work closely as a region. Ministers also recognised the need for greater focus and innovation in the area of climate change adaptation rather than just mitigation.

10. Ministers:

**Financing for Development in the Pacific: Options for Implementation**

(18) Noted the analysis of the development finance landscape in the Forum Island Countries and supported the development of appropriate and innovative financial tools;
(19) Committed to invest in building statistical capacity for development finance to measure progress;
(20) Urged member countries to complete the country survey and be part of the development finance case study led by the UNDP and supported by relevant stakeholders;
(21) Noted the work of the World Bank Group on expanding the definition of fragility, but urged them to further refine their work to include the drivers of vulnerability experienced in the Pacific, particularly natural disasters and adverse economic shocks, and to consider these issues when making operational decisions affecting Pacific Island Countries and other small island developing states;
(22) Expressed concern that proposed changes to the IMF/WBG debt sustainability framework could impact the level of grants from multilateral development finance institutions to the Pacific and other small island developing states;
(23) Stressed the need for the proposed debt classifications and thresholds in the framework to fully capture the underlying drivers of vulnerability, particularly the impact of natural disasters and adverse economic shocks;
(24) Requested the Chair of the FEMM to write to the Managing Director of the IMF and the President of the World Bank, copying Representatives from other small island developing state representatives in New York and Washington D.C., to outline these concerns, and request them to ensure that any changes to the framework are well consulted at the country level before they are presented to the Board, and that the underlying drivers of vulnerability in the Pacific and other small island developing states are well considered as part of the framework;
(25) Requested Member countries to raise this and other issues relating to vulnerability at the 2017 Spring and Annual meetings of the IMF and World Bank;
(26) Directed the Secretariat to work with partners to review existing indices on vulnerability with the view to refining them to inform and influence consideration of the economic and environmental vulnerabilities faced by FICs; and
(27) Directed the Secretariat to support the Forum Island Countries in delivering a coordinated position at the upcoming 4th High-Level Dialogue on Financing for Development in Asia and the Pacific to be held in Bangkok in late April 2017.

Developing a Regional Finance Facility for the Pacific

(28) Requested the Secretariat to carry-out country consultations on the Regional Finance Facility and to present the outcomes at the next FEMM.

PCRAFI Foundation and Contingent Credit/Savings Facility for the Pacific

(29) Noted the role of the Asian Development Bank, the International Monetary Fund, and the World Bank in disaster finance and respective financial tools available to Pacific Islands Countries;
(30) Noted the rapid response financing instruments available from the World Bank, in particular the Catastrophe Deferred Draw Down Option (CAT-DDO);
(31) Noted that the PCRAFI Facility has been established in response to the request for its development in FEMM 2015;
(32) Acknowledged the generous support of Germany, Japan, United Kingdom and United States, which enabled the issuance of the Facility’s first insurance policies in November 2016, allowing seamless coverage for its members; and
(33) Acknowledged the importance of humanitarian cash as a form of disaster finance.

Climate Change Finance and Climate Change Trust/Insurance Funds

(34) Emphasised the need for country ownership of climate change and disaster risk reduction projects, and the need for them to be undertaken in a coordinated manner;
(35) Invited funding sources such as the Green Climate Fund, donors and accredited implementing entities to increase their support towards direct access by Pacific Island Countries;
(36) Tasked the Secretariat, in collaboration with relevant technical institutions and partners, to explore and report to the next FEMM on recommended options for private sector engagement in low carbon emission, and resilient development activities in Pacific Island Countries;
(37) Called for an increased allocation of global climate change finance towards adaptation, and encouraged greater private sector engagement in climate change adaptation;
(38) Requested the Secretariat to consult with Members, CROP agencies and partners to find ways to better access and utilise existing funds;
(39) Called for Members and the Secretariat to support the private sector in playing an enhanced role in the area of climate change and disaster risk financing, such as facilitating greater access to the private sector facility of the Green Climate Fund; and
(40) Noted the decision of Foreign Ministers at their 2016 meeting in Suva regarding the role of Economic Ministers in advising on effective funding mechanisms for climate change and disasters, and agreed to update Foreign Ministers at their next meeting.

OTHER FEMM ISSUES & SPECIFIC ISSUES ARISING RELATED TO FEMM STANDING AGENDA ITEMS
11. Economic Ministers noted the triennial stock-take of FEMM decisions for the period 2012-2014. They endorsed the FEMM Observer application by the Pacific Association of Supreme Audit Institutions (PASAI) and the release of FEMM Papers. Ministers endorsed the FEMM Charter, and agreed that FEMM be held annually. Ministers warmly welcomed Palau's offer to host the 2018 FEMM.

12. Ministers:


(41) Noted the updates on the implementation of FEMM decisions; and
(42) Requested the Secretariat to carry out a similar analysis of FEMM mandates triennially to allow sufficient time for FEMM mandates to be implemented.

**Application by PASAI: FEMM Special Technical Observer**

(43) Endorsed PASAI's application to be a Special Technical Observer at FEMM.

**Release of 2017 FEMM Papers**

(44) Supported the recommended document release classifications.

**FEMM Charter, Frequency and Next FEMM**

(45) Endorsed the draft Charter for FEMM and agreed to include economic development related Climate Change issues in the Indicative Scope of Issues for FEMM, and refer it to the Forum Leaders for approval;
(46) Agreed that FEMM will be convened every 12 months commencing in 2019, hosted at the Secretariat with a member country hosting on a triennial basis; and
(47) Accepted Palau's offer to host the 2018 FEMM.

**Out of Session Papers**

(48) Noted the out of session papers.

**Other Issues**

(49) Agreed that the issue of Remittances should be a standing agenda item for FEMM, given its importance to the region.

**FEMM MINISTERIAL RETREAT**

13. Ministers

**Oceans Finance**

(50) Noted the potential options for Ocean Finance in the Pacific Island Countries and Territories, and requested that further work and country assessments be carried out by the OPOC with CROP, other agencies and stakeholders; and
(51) Decided to await the outcomes of the United Nations Oceans Conference to be held from 5-6 June 2017 before they determine their next steps.
“The Blue Pacific – Our sea of islands – Our security through sustainable development, management and conservation”
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As an organisation and as individuals we work and serve with:

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