



## PACIFIC ISLANDS FORUM SECRETARIAT

### 2021 FORUM ECONOMIC MINISTERS MEETING

Virtual Meeting

13-14 July 2021

#### Outcomes

The 2021 Forum Economic Ministers Meeting (FEMM) was convened virtually on 13 & 14 July 2021. The meeting was chaired by the Honourable Seve Paeniu, Minister for Finance of Tuvalu, and supported by Mr Henry Puna, Secretary General of the Pacific Islands Forum.

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, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

3. FEMM Observer representatives included: Asian Development Bank, European Commission's Delegation for the Pacific, International Monetary Fund (IMF) Resident Representative Office, Oceania Customs Organisation (OCO), Pacific Financial Technical Assistance Centre (PFTAC), Pacific Island Forum Fisheries Agencies (FFA), Pacific Islands Private Sector Organisation (PIPSO), Pacific Community (SPC), Pacific Island Development Programme (PIDP), Pacific Tourism Organisation (SPTO), United Nations Residence Coordinators Office and UN agencies (ESCAP-Pacific Office), University of the South Pacific (USP), and World Bank Group.

4. Forum Economic Ministers also had their annual dialogue with the Pacific's Private Sector and Civil Society Organisation (CSO) representatives on 14 July 2021. Economic Ministers acknowledged their contribution towards building a resilient Pacific economy post-COVID 19 with a range of socio-economic and trade propositions and ideas. CSO and PIPSO Statements are included in **Annex 1**.

#### REGIONAL INITIATIVES TO SUPPORT ECONOMIC RECOVERY

5. Forum Economic Ministers considered the work carried out by the COVID-19 Economic Recovery Taskforce (CERT) to support Forum Island Countries (FICs) efforts to combat the impacts of COVID-19. The initiatives proposed by CERT included a monitoring and evaluation framework, options to address FIC debts, and regional freight assistance scheme.

6. Forum Economic Ministers:

- (i) **Commended** the CERT for the progress achieved so far in developing the proposed initiatives intended to strengthen resilience and provide immediate support to the region in its efforts to recover from the impacts of COVID-19 and to continue in the important role of supporting FEMM in this area;

### *Monitoring & Evaluation Framework*

- (i) **Discussed** the progress of COVID-19 response measures as provided by the selected indicators on humanitarian, social and economic interventions across the region;
- (ii) **Endorsed** the Secretariat's close collaboration with Members, regional agencies and partners, particularly the Socio-Economic Impact Assessment (SEIA) Taskforce in further updating and combining the monitoring templates into an amalgamated monitoring and evaluation framework to inform future work; and
- (iii) **Endorsed** the Secretariat to develop policy recommendations emanating from the findings of the monitoring process that are consistent with and support the recommendations encapsulated in the proposals on debt financing and freight costs.

### *Options to Address FIC Debts*

- (i) **Noted** FICs debt profile and **considered** policy options to address the high Debt Sustainability Analysis (DSA) rating profile of countries in the region;
- (ii) **Noted** some Members have benefitted from the G20 Debt Service Suspension Initiative (DSSI) and IMF's Catastrophe Containment and Relief Trust (CCRT) and **directed** the Secretariat to explore options and strategies in addressing FIC debts, including debt swap initiatives;
- (iii) **Emphasised** the need for instruments to be simple, manageable and implementable given FICs' limited resources, the time-bound nature of debt instruments and the increasingly constrained development finance landscape worldwide; and
- (iv) **Endorsed** the convening of a regional debt conference between FICs and their Creditors to discuss and explore options for debt relief and **directed** the Secretariat to carry out further work including on a regional strategy and negotiating positions of the FICs prior to the debt conference.

### *Regional Freight Assistance Plan*

- (i) **Noted** the Pacific Humanitarian Pathway on COVID-19 (PHP-C) mechanism and the potential to support the exports of high value products from FICs and **directed** the Secretariat to carry out an assessment for further analysis and discussion by FICs which would lead to the establishment of viable, time-bound and sustainable mechanism facilitating the movement of goods at subsidised rates in support of Pacific SME businesses during disasters and economic shocks;
- (ii) **Encouraged** Members to provide required data to support the Secretariat in seeking freight assistance for its Members from development partners and donors;
- (iii) **Reiterated** the need for evidence-based policy decisions, and **directed** the Secretariat, in consultation with Members and partners, to carry out research on supply-chain disruption and its economic impact on the businesses in FICs, due to the pandemic; and

- (iv) **Directed** the Secretariat, through the Pacific Trade and Invest Network, to identify potential options to mobilise funding from development partners to temporarily subsidise freight costs for Pacific SME businesses through established mechanisms for their respective markets in response to the COVID-19 pandemic.

## **SOCIAL IMPACTS OF COVID-19 PANDEMIC**

7. Forum Economic Ministers discussed a regional assessment carried out by CROP-led (SEIA) Taskforce, which was established by 2020 FEMM. The regional assessment covered the social and economic impacts of COVID-19 in the Pacific. Ministers noted that the pandemic-driven crisis is still evolving and will have long-term consequences, and that updated information on response efforts will be an ongoing process.

8. Forum Economic Ministers:

- (i) **Commended** the SEIA Taskforce for the regional assessment and valuable information provided on the socio-economic impacts of COVID-19 in the region;
- (ii) **Acknowledged** the importance of accessing data on national key socio-economic indicators of COVID-19, recognising the varying levels of data collection and surveys being conducted in the region;
- (iii) **Tasked** the Secretariat, in finalising the report, to include appropriate analysis and monitoring frameworks that capture the impacts of the pandemic on vulnerable communities, including domestic coping mechanisms; and
- (iv) **Endorsed** the CROP COVID-19 Socio-Economic Impact Assessment Report incorporating feedback from Members

## **BLUE PACIFIC ECONOMIC STRATEGY**

9. Forum Economic Ministers discussed a Concept Note for a proposed Blue Pacific Economic Strategy (BPES) which presented a medium-term strategic framework in support of regional economic development in the Pacific. Ministers discussed the proposed BPES which aims to cover key thematic areas, among others, economic policy advisory and technical advice, sustainable development of the ocean /blue economy, and building economic resilience to climate change, disasters and shocks, which are crucial for economic development in the region. While acknowledging the importance and urgency of the proposed BPES, in terms of building resilience and capabilities to better respond to current and future economic shocks, Members noted that given the current focus on combating the impacts of COVID-19, the proposed BPES be sequenced with the completion of the 2050 Strategy for the Blue Pacific Continent.

10. Forum Economic Ministers

- (i) **Noted** the unprecedented scale of the economic scarring from COVID-19 and **reaffirmed** the urgent need to explore innovative and collective approaches to address the economic impacts of the pandemic and position the region to enhance future regional responses to such events; and
- (ii) **Agreed** to sequence this work with the 2050 Strategy for the Blue Pacific Continent and

**recognised** the importance of ensuring coherence and complementarity with current and future related initiatives.

## **LEVERAGING CLIMATE CHANGE FINANCE OPPORTUNITIES**

11. An update on regional enabling approaches which will support Members to leverage new sources of finance to address the climate change crisis facing Pacific Island Countries and promote a COVID-19 recovery pathway that is climate-sensitive and more resilient was considered by Forum Economic Ministers.

12. Ministers noted that access to climate finance is critical to unlock the ‘triple dividend’ of resilience, which in this context are: (i) reduce losses and damage from climate change impacts; (ii) stimulate socio-economic recovery; and (iii) achieve resilient development outcomes.

13. Forum Economic Ministers:

- (i) **Commended** the progress achieved by the Technical Working Group (TWG) on Climate Finance and Public Financial Management and **directed** the TWG to develop a workplan to support FICs with annual progress updates to FEMM.
- (ii) **Agreed** to formalise the role of the TWG as an expert advisory group to FEMM on relevant issues including climate finance and public financial management.
- (iii) **Supported** the Secretariat’s effort in assisting national private sector organisations to access Green Climate Fund readiness and project funding; and
- (iv) **Noted** options for innovative opportunities to attract new sources of financing for a sustainable and resilient recovery, including Debt-for-Climate Swaps, Carbon Emissions Levy, Coral Reef financing, Green bond, Blue bond, and Forest Carbon Facility, and **directed** the Secretariat, in collaboration with the Micronesian Centre for Sustainable Transport, to undertake further analysis and consultation with Members on the benefits and challenges of these options, taking into account the concerns raised by some Member countries.

## **LEVERAGING DISASTER RISK FINANCING OPPORTUNITIES**

14. Forum Economic Ministers considered an overview of the region’s disaster risk financing landscape and the opportunities to improve coordination and collaboration between regional partners and Members with a view to strengthening the financial protection and resilience of FICs against disasters, as well as on how best the regional architecture for disaster risk financing (including PIFS) can best support FICs to strengthen their financial protection and resilience against disasters.

15. Forum Economic Ministers:

- (i) **Commended** the collaborative work of the Pacific Resilience Partnership Working Group on Disaster Risk Finance (PRPWG) as a regional-level mechanism for Disaster Risk Finance support to FICs and **tasked** the Secretariat to provide a progress update in 2022.

- (ii) **Agreed** that the PRPWG serve as an expert group for advisory support to FEMM on Disaster Risk Finance and, **encouraged** all Members to join the Working Group; and
- (iii) **Tasked** the Forum Secretariat to coordinate partners supporting Disaster Risk Finance capacity building for FICs, and
- (iv) **Noted** the objectives and strategic direction being pursued by the Pacific Catastrophe Risk Insurance Company (PCRIC) in furtherance of the 2015 FEMM mandate, with oversight support from FICs that are part of PCRIC through its Council.

## **PACIFIC RESILIENCE FACILITY**

16. An update on the progress of the Pacific Resilience Facility (PRF) (including a short video on the PRF), since the last FEMM was considered by FEMM, and noted the importance of lending support to the Secretariat to mobilise development partners and donors' support for the PRF, leading up to a Global Pledging Event to capitalise the PRF.

17. Forum Economic Ministers:

- (i) **Acknowledged** the Office of the Forum Chair, the PRF Technical Working Group, and the Secretariat for the progress of work undertaken on the PRF since the last FEMM.
- (ii) **Acknowledged** New Zealand's willingness to confirm a financial contribution in advance of the pledging conference with the aim of encouraging donor support.
- (iii) **Agreed** to advocate to donors and development partners to solicit their support for the PRF.
- (iv) **Agreed** for the Secretariat to liaise with the Office of the UN Secretary General to determine a suitable date and associated next steps to convene a Global Pledging Event to capitalise the PRF; and
- (v) **Tasked** the Forum Secretariat to report back on progress at the next Forum Economic Ministers meeting or the next appropriate opportunity.

## **IMPROVING FINANCIAL INCLUSION IN THE PACIFIC – THE MONEY PACIFIC GOALS 2025**

18. FEMM considered a final update on regional efforts to support financial inclusion and awareness in the Pacific under the Money Pacific Goals 2020 and proposed a new set of regional commitments to improve financial inclusion, the Money Pacific Goals 2025. FEMM also noted efforts by the governments of FICs, with the support of Pacific Financial Inclusion Programme in association with the Alliance for Financial Inclusion Pacific Islands Regional Initiative and the South Pacific Central Bank Governors, to improve financial inclusion, literacy and awareness in the region.

19. Forum Economic Ministers:

- (i) **Noted** the progress on improving financial inclusion made by Pacific countries to achieve the Money Pacific Goals 2020.
- (ii) **Endorsed** the new Money Pacific Goals 2025 to further improve financial inclusion and literacy in the Pacific; and
- (iii) **Requested** that the United Nations Capital Development Fund (UNCDF) as the convening agency for the new programmes, Pacific Digital Economy Programme (PDEP) and Pacific Insurance and Climate Adaptation Programme (PICAP), (successors to PFIP) provide an annual progress report to FEMM with inputs from the respective Pacific Central Banks, relevant Ministries, and other agencies of FICs.

### **OBSERVER APPLICATION BY PACIFIC CATASTROPHE RISK INSURANCE COMPANY (PCRIC)**

- (i) Forum Economic Ministers **endorsed** PCRIC's application to be a Special Technical Observer at FEMM.

### **CORRESPONDENT BANKING ISSUES IN THE PACIFIC**

20. Members noted that correspondent banking relationships (CBRs) globally are in decline due to rising risk management and compliance costs resulting from anti-money laundering and countering financing of terrorism (AML/CFT) requirements, general profitability and reputational risks. This trend is known as de-risking.

21. While the factors driving de-risking are global, the impact in the Pacific is more acute, including limiting a nation's access to the global financial system, in the extreme case, and with it the ability to perform the basic payment and currency exchange transactions which facilitate remittance and trade. Many people could lose access to payment and remittance services, while others might turn to unregulated payment options outside of the formal banking sector. Even if the extreme case is avoided, continued decline in access to correspondent banking in the Pacific could see prices for cross-border banking services rise, and may increase financial stability risks.

22. Forum Economic Ministers:

- (i) **Noted** the challenges facing the banking sector across a number of Member countries;
- (ii) **Agreed** to consider policy actions to strengthen the Pacific's financial and banking sector, including reforms to improve the risk profile of Member jurisdictions; and
- (iii) **Agreed** for the Secretariat to work with Members, leveraging existing resources where possible, to identify opportunities for engagement by Economic Ministers, as policy makers and legislators, and report back to the next Forum Economic Ministers Meeting.

### **EU NON-COOPERATIVE JURISDICTION FOR TAX**

23. Forum Economic Ministers noted that the Pacific is disproportionately singled out by the European Union (EU) despite its minute share of potential tax avoidance and illicit financial flows. The Pacific countries are also subject to additional scrutiny of their international

financial transactions and can be subject to sanctions on investment and development assistance flows by the EU, which would, among others, increase the cost of doing business, and affect resource mobilisation and the capacity to implement economic development strategies.

24. Economic Ministers also noted the ongoing efforts through the Organisation of African, Caribbean and Pacific States (OACPS) process, including through a common OACPS Strategy to dialogue with EU, and encouraged Members to leverage other international and regional fora to highlight and advocate for Pacific Members on this matter.

25. Forum Economic Ministers also noted regional efforts, including the recruitment of an expert to provide support on regional assessment and bilateral technical support to relevant Members in partnership and collaboration with agencies such as PIFS, PITAA, and UNDP, as well as to engage with OACPS and facilitate information exchange amongst relevant parties.

- (i) Forum Economic Ministers **directed** the Secretariat to follow developments closely, including at the regional level, as well as through the OACPS process, and provide requisite support to Member countries on issues related to EU Non-Cooperative Jurisdiction for Tax.

## **INFORMATION PAPERS**

- (i) Forum Economic Ministers **noted** the Information papers.

## **NEXT FEMM**

26. Forum Economic Ministers:

- (i) **Noted** that the ongoing impact of the COVID-19 pandemic has adversely affected the FEMM Charter meeting cycle.
- (ii) **Agreed** that should borders of all Pacific Island Forum Member countries open to quarantine-free international travel in 2022, Vanuatu will host the 2022 FEMM, and the meeting cycle shall revert to the FEMM Charter for 2023 and beyond; and
- (iii) **Agreed** that in such rare and exceptional circumstances as a global pandemic or any other disasters which may prevent face-to-face hosting/convening of FEMM in a year (including by a Forum Member or the Forum Secretariat), the decisions of Forum Economic Ministers should take precedence over the provisions of the FEMM Charter.

*Pacific Islands Forum Secretariat  
14 July 2021*

## ANNEX 1



**PIPSO**  
Pacific Islands Private Sector Organisation

**PRIVATE SECTOR DIALOGUE WITH FORUM ECONOMIC MINISTERS**  
**Wednesday 14 July 2021**  
**10:00am – 10:40am**  
Virtual

**STATEMENT TO THE FORUM ECONOMIC MINISTERS**  
**PIPSO VICE CHAIRPERSON – JENNIFER ULA-FRUEAN**

- The Honourable Minister for Finance of Tuvalu, the Chair of the 2021 Forum Economic Ministers Meeting;
- Honourable Forum Economic Ministers;
- The Secretary-General of the Pacific Islands Forum Secretariat;
- Representatives of the Private Sector; and
- Ladies and Gentlemen

Talofa lava and greetings from Samoa.

Honourable Ministers, it gives me great pleasure to represent the Pacific private sector and business communities here today alongside our PIPSO members from Australia, Fiji, Cook Islands, Tuvalu and from the Association South Pacific Airlines.

This year's dialogue is happening again amidst continuing unprecedented business losses and damage due to the COVID-19 pandemic. Last year when we had the dialogue, the Pacific countries faced closed borders and circumstances brought on by the health crisis beyond our region. This year however, it is vastly different in some countries in our Oceania region are facing a severe health crisis. Our condolences to all the families whose lives have been affected by personal loss.

As we have in the past, we value and appreciate this opportunity to dialogue with you about emerging common private sector issues of importance to the region for which regional solutions can be discussed, and actioned. This year, even more than 2020 because business disruption has now continued unabated for almost one and a half years, is hinged on economic recovery, but we can all agree, that this is needed even more now with greater urgency and much needed fervour.

Honourable Ministers, at our dialogue last year we highlighted how Pacific Businesses are faced with a crisis. That situation has become more dire. We recognise the urgent health attention brought about by the pandemic, and that the safety and wellness of all our people is paramount! However, we equally recognise that business resumption also needs the same level of attention. A dwindling dual crisis is something we just cannot afford. The stakes are indeed high!

We know that private sector organizations and business collectives have been having consultations and lobbying Governments at national level. However today, we come united as a regional business collective and reiterate that business survivability is on the line and that enabling people and businesses to move around safely and resume operations, including employment, is essential. Employment and labour issues concerning movement/mobility and costs (amid COVID protocols and compliance) is a confronting and very real barrier.

Rest assured, the Pacific private sector will do its part in supporting our Governments in the vaccinations programme roll out. We wholly support and advocate for this knowing that:

(i) the safety and well-being of our employees, customers and those along the supply chain is paramount; and

(ii) that businesses and border re-openings will be founded on herd immunity, and populations in our countries being vaccinated. The science clearly indicates to us that vaccine efficacy will have an impact on herd immunity thresholds. Currently, our countries in the region are at varying degrees of vaccine roll out and we know that figures estimate from 60% to 80% being quoted as ideal stages in which to consider near normal resumption and/or considerations for borders opening.

A pathway for economic recovery has been on the forefront of Governments and development partner agendas – what we would like to be more definitive, is what this pathway would look like, post-vaccination period. How will business and tourism bubbles be created intra-regionally? What systems and facilitation is needed to get this off the ground and working practically, cost-effectively and most importantly, safely? We in the private sector are still of the view that there seems to be no reasonable forecast for when we can do business again beyond our borders, and intra-regionally. Of particular interest is business travel and engagement, albeit a phased or transitional approach - which in our view is at the heart of economic recovery. **Beyond COVID recovery, we are also very mindful that whilst the most immediate attention is this, climate change is still the biggest threat to us and to Pacific private sector.** We are looking forward to more work and effort and specific engagement with the private sector on climate financing and the ongoing suite of issues with private sector – example, insurance, investments, - and in relation to the recently launched Pacific Resilience Facility.

Pacific economies had negatively contracted in 2020, particularly tourism reliant economies such as Fiji, Cook Islands, and Vanuatu which are facing further baseline reductions in GDP. We are aware of Government and development partner interventions – as many of us have been in some of these consultations – however, relaxing strict border entry policies and or opening borders alone will not necessarily deliver immediate economic benefits. Core and fundamental to these recovery policies is the need to work and collaborate with us, the private sector and look at interventions to ensure a more sustainable economic recovery.

We look to our Pacific brothers and sisters the Cook Islands, and their recent bubble with New Zealand as a great example of a plan to promote intra-regional ‘travel bubbles’, but highly dependent on safe and sustained containment, improved testing mechanisms, tracing and the roll out of vaccines. For the Pacific region, what will this ‘evolving normal’ look like – noting that what was normal 2 years ago, is no longer normal now, and will have to be further examined in another 2 year’s time. What will this mean for the costs to general international travel requirements and protocols for businesses, advocates for travel and increased mobility?

Two weeks ago, we took note of our Forum Leaders meeting with the Government of Japan at the annual PALM Meeting. We acknowledge the Honourable Prime Minister of Papua New Guinea’s statement and echo his call to Japan, Australia and New Zealand to open up an

‘economic bubble’ with Pacific Island Nations as part of their interventions in the fight against COVID-19 by operating a specific trade and economic bubble so that our countries’ economies can survive through these tough times.

A trade and economic bubble can be stimulated by national governments and donors bringing forward sustainable infrastructure and building and construction projects of varying scale to create local economic activity through employment and supply chains including in the SME sector.

Honourable Ministers, we also take this opportunity to call on our Governments to look at the transportation issues facing the region – airlines have been grounded and indeed are facing an existential crisis of solvency, while shipping and freight costs have increased exponentially. While the question of shipping and freight costs has been an ongoing cost of business issue pre-pandemic it has been exacerbated by COVID-19 and those relating to crew costs, fuel, maintenance, containers, port compliance is not looking to be alleviated anytime soon.

The airlines are facing the brunt of the pandemic. But let us not also forget the broader aviation business entities – our aviation authorities, and the like. Depleting and poorly maintained airport and airways infrastructure in the long term will mean flight restrictions into our countries as airlines will be unable for safety and regulatory reasons to fly into our airports. As a tourism dependent region this cannot be allowed to happen.

We note reports from the very recent Regional Aviation Minister’s Meeting (RAMM) and its Port Moresby Declaration which gives renewed focus to implementing a holistic and collaborative regional approach to achieving sustainable aviation safety and security, and to the Secretary-General’s comments about the importance of building a sustainable aviation sector for our region; and one which promotes the spirit of the Blue Pacific while respecting national jurisdictions and development aspirations. We recommend that governments give priority to implementing the outcomes agreed at the RAMM.

Increased freight costs have further limited exporter opportunities. The 2020 Pacific Islands Export Survey highlighted freight costs as one of the top three barriers to export – and was further exacerbated when COVID-19 drastically affected shipping routes, delays in consignments and inflated costs. At this juncture, we do acknowledge the grant facility by the Pacific Trade Invest

(PTI) Australia which has helped to alleviate some of these costs for businesses. This type of assistance is highly appreciated, and we call our Governments and partners to support like-minded large-scale initiatives where businesses are currently facing tremendous cash flow issues. Freight shipping at these exorbitant costs will remain a deterrent for trade and business, and remain a barrier under economic recovery post- COVID-19 unless similar initiatives like these are developed and rolled out. We note that this has also been an issue raised at your Ministerial meeting this week and look forward to some promising outcomes.

We come as the Pacific private sector today knowing that as a region, we can garner major benefits for all in working together as a block. We again reiterate the need for business confidence and recovery and especially call on Governments to provide businesses the opportunity to find their space and be successful again.

Honourable Ministers, I thank you for your indulgence and again hereby reaffirm our support as the Pacific private sector, and PIPSO Members, to working with you all towards a greater resilience for our Pacific economies and businesses post-COVID-19.

Talafa lava and thank you.

PIPISO Secretariat, Suva, Fiji



## PACIFIC ISLANDS FORUM SECRETARIAT

### FORUM ECONOMIC MINISTERS MEETING DIALOGUE WITH CSOs

*Theme: “Building Pacific Economic Resilience Post COVID- 19”*

Pacific Islands Forum Secretariat, Suva Fiji.

14 July 2021

### CIVIL SOCIETY ORGANISATIONS STATEMENT

#### A. Introduction

1. Good morning Honourable Ministers, Excellencies and distinguished colleagues,
2. My name is Teri Tuxson. I work for the Locally Managed Marine Area Network International and I am based in Suva, Fiji. It is an honour to be selected by our hardworking civil society organisations from around the Pacific to deliver this statement at today’s Forum Economic Ministers Meeting and we acknowledge the opportunity that we have been given to contribute to this year’s meeting.

#### B. Background

3. By way of background, civil society organisations remain committed to adding value to this open and constructive dialogue and wish to continue this dialogue and engagement in all regional mechanisms, including the 2050 Strategy for the Blue Pacific Continent. We would also like to take this opportunity to congratulate members on the review of the Pacific Leaders Gender Equality Declaration.
4. We realise that due to the pandemic and ongoing border closures there has been a slowdown of trade and economic activities in the region and this has exacerbated socio-economic losses for communities, especially those from urban poor, rural and maritime areas.

#### C. Key Issues

5. Honourable Ministers, with your indulgence, I now wish to turn to the key issues that Pacific CSOs would like to raise for your consideration as you start to deliberate on key economic recovery options for a resilient Pacific economy post Covid 19.
6. Civil society **supports** the need to seek viable options for sustainable financing for our Member countries including potential financing relief and concessions to address short-term and medium-term economic recovery as well as **promoting a framework of economic justice** to ensure people-centred and sustainable recovery.
7. Excellencies, CSOs would like to **urge countries to reconsider** the continued irresponsible extraction of our natural resources that threatens livelihoods, undermines accountable governance and inclusive growth, which has the potential for regional instability and conflict and we **recommend** that livelihood security and safeguarding be the main frame of natural resource use for economic recovery, focusing on community action and resilience.

#### **D. Building empowered, sustainable and resilient communities through innovative economic recovery**

8. Esteemed ministers, on regional economic recovery options, we **support** the proposed Debt Conference as an important initiative to bring together all stakeholders to discuss the viability and effects of key financing options for the Pacific region. We **note** the multi stakeholder approach and **urge** the full engagement of civil society in all stages of development and implementation of the Debt Conference. We also **call** for specific spaces and processes for community consultations.

9. Recalling the Teieniwa Vision and acknowledging the need for a system change in debt management, we **call** for a better understanding of Public Finance Management as a transition to Citizen Budgeting, in particular robust engagement in the budgetary processes and anti-corruption mechanisms to ensure due diligence, especially with multinational corporations and extractive industries.

#### **E. Financial Inclusion – Money Pacific Goals 2025**

10. Your excellencies, our Pacific civil society organisations **acknowledge** the initiative to improve Financial Inclusion in the Pacific through the proposed Money Pacific Goals 2025. However, we **note** that consultations have primarily been with banking institutions rather than with communities and community based organisations. We therefore **call** for inclusive consultations with communities and localised research on saving mechanisms, microfinancing and cooperatives to better inform processes.

11. We also **recognize** that financial literacy is a key component of financial inclusion, noting that it is a means of ensuring governance and accountability. Civil society organisations also **recognise** the connection between financial literacy and education systems as a catalyst for mind-set change, thus we make a **call** for renewed efforts to include financial literacy in school curricula.

#### **F. Socio-economic impacts assessment report**

12. Honourable Ministers, CSOs wish to **note** with appreciation the **CROP Taskforce report on the Socio-economic Impact Assessment on Covid19** before you.

13. CSOs continue **reaffirm** that agriculture is a key sector in the immediate to medium-term economic recovery, as an alternative livelihood option to address unemployment due to job losses and to ensure food security, and therefore, we **call** for greater investment and support for community agriculture.

13. Furthermore, CSOs are **concerned** that the economic impacts of Covid19 have exacerbated the overfishing of coastal fisheries due to little or no management or enforced regulations especially in urban and peri-urban areas.

14. Your excellencies, Civil society organisations wish to **reaffirm** the need to invest in coastal fisheries management, particularly community-led or community-based management,

to ensure that coastal fisheries are sustainably managed or restored and thus strengthening food security for communities and countries.

15. As such, CSOs **call** for improving transparency and accountability in the governance of coastal and other fisheries; **noting** that improved governance of high value fisheries such as beche de mer could result in more than doubling the value of those fisheries for both government and communities.

16. Honourable Ministers, CSOs note the emotional toll the pandemic has had on people of the Pacific in particular women, children and the marginalised. Not only do our communities struggle with the psychosocial impacts post Covid19, but the subsequent economic effects are real and getting worse and thus we **call** for increased funding for mental health services and mental health training for both preparedness and recovery work.

17. Your excellencies, we must also **emphasise** the importance of responsible business conduct and as such, Pacific CSOs **call** for a reexamination of the Public Private Partnership and the privatization of essential services which has seen the increase in costs affecting Pacific peoples including vulnerable groups.

## **G. Labour Mobility**

18. Honourable Ministers, it would be amiss for CSOs not to **reiterates** its call for the protection of workers in labour mobility programmes and further **request** the **consideration** of setting up a mechanism to discuss and propose regional guidelines and standards around labour mobility across Forum Island Countries (FIC) including receiving countries.

## **H. Conclusion**

19. Finally, Your Excellencies we would like to congratulate the Forum for the publication and launch of the Pacific Resilience Facility Prospectus in May this year. We recognise that this has set in place the necessary mechanism for the global pledging conference for the Pacific Resilience Facility later this year. We would like to call for a strong, effective and inclusive governance mechanism both at the regional and national level to ensure that the facility is truly a Pacific owned initiative that promotes equitable sharing and caring for each other.

20. Thank you for providing the space and opportunity for our civil society organizations to collectively contribute to this very important dialogue.

21. The team is more than happy to clarify on any of the points mentioned above and we hope to receive consideration on these matters.

Vinaka vaka levu, fa'afetai, malo 'aupito, meitaki, and tenkyu tumas