



PACIFIC ISLANDS FORUM SECRETARIAT

PIFS(21)FEMM.3b.Rev

FORUM ECONOMIC OFFICIALS MEETING

6 – 7 July 2021

FORUM ECONOMIC MINISTERS MEETING

13-14 July 2021

Virtual

AGENDA ITEM 3B: SOCIO-ECONOMIC IMPACTS OF COVID-19 PANDEMIC

Purpose

This paper provides an overview of the draft report on the COVID-19 Socio-Economic Impact Assessment (SEIA) conducted by the CROP Taskforce¹ co-chaired by the Secretariat and the Pacific Community.

Summary

Forum Economic Ministers at their meeting in 11 -12 August 2020, endorsed the conduct of a regional assessment on the social and economic impacts of COVID-19 in the Pacific to be led by a CROP Taskforce co-chaired by PIFS and SPC and to report back to FEMM in 2021.

The SEIA report provides an overview of the socio-economic impacts that COVID-19 is having on the region, as well as opportunities for immediate, medium and long-term recovery strategies. The assessment was conducted through the analysis of secondary data sources compiled through an annotated bibliography that looks at impacts of COVID 19 in the Pacific.

On the social front, the economic downturn experienced in countries, has notable impacts on health and wellbeing coupled with the lack of and limited access to services for sexual reproductive health, maternal and child health, counselling and other basic health care needs.

During the course of the assessment, the region also experienced natural disasters such as TC Harold for Fiji, Vanuatu, and Tonga, typhoons that hit the Federated States of Micronesia (FSM). These crises further exacerbate the pressures that COVID-19 has had on Pacific Communities.

To ensure coherence with other regional efforts underway through the COVID-19 Economic Recovery Taskforce (CERT) and the Pacific Humanitarian Pathway-Covid-19 (PHP-C), the report identifies opportunities for Members to consider and discuss.

¹ Socio-Economic Impact Assessment (SEIA) Taskforce is co-chaired by the Secretariat and the Pacific Community (SPC) with membership from the Forum Fisheries Agency (FFA), University of the South Pacific (USP), Pacific Aviation Safety Office (PASO), and the South Pacific Tourism Organisation (SPTO)

A. Problem/Opportunity Identification

The global crisis brought on by the COVID-19 pandemic continues to evolve. Given this uncertainty, Forum Members are likely to face increasing challenges and limitations to accessing timely and requisite data to inform appropriate and effective policy responses at both the national and regional levels.

2. Noting that the social and economic impacts of the pandemic in the region are on-going as signified by the presence of the variant B1617 in Fiji, and the surge of cases in Papua New Guinea, the social and economic impacts will significantly affect Pacific countries and their economies over the short to medium term, making it more challenging for progressing efforts towards recovery and resilience.

B. Background (Context)

3. The COVID-19 pandemic continues to dominate the global and regional landscape into the second year since the outbreak in late 2019. While the Pacific has been able to successfully mitigate the spread of COVID-19 more broadly across the region with six Pacific Island Countries still COVID-19 free, the region continues to face a range of socio-economic challenges. In response, the PIF has directed the following streams of regional action to support members.

Pacific Humanitarian Pathway-COVID-19 (PHP-C)

4. In response to the crisis, Members collectively agreed to establishing PHP-C under the Biketawa Declaration. This regional mechanism provides the enabling political environment and commitment as endorsed by the Forum Foreign Ministers in 2020, to provide the necessary political environment to facilitate the movement of medical and humanitarian assistance. The PHP-C further facilitates repatriation and movement of humanitarian personnel in and across with assistance from regional, international development partners.²

COVID-19 Economic Recovery Taskforce (CERT)

5. Further to this, in early 2020, the Secretariat conducted an economic impact assessment³ of COVID-19 in the region and its effect on the economy of Forum Member countries. The assessment provided Members with an analysis of the pandemics projected impacts on the region's resources and revenue. The endorsement by Members to establish CERT has provided a mechanism for on-going advice to Members and monitoring of the economic situation in the region.

Socio Economic Impact Assessment (SEIA)

6. A concept note on the social impacts⁴ of COVID-19 was presented to Forum Economic Ministers in 2020 highlighting social impacts on vulnerable communities such as youth, women, children, and persons living with disabilities. Members endorsed the establishment of the CROP SEIA Taskforce to conduct a regional assessment complementary to the work by CERT and provide a report at the next Forum Economic Ministers meeting in 2021.

C. Policy Analysis

7. The CROP socio-economic impact assessment report ([Annex 1](#)) provides an overview of key findings categorised under five thematic areas and proposed recommendations for Members to

² PIFS paper on Pacific Humanitarian Pathway-COVID 19, 2020

³ PIFS, Overview on the economic impacts of COVID-19 in the Pacific, 2020

⁴ PIFS Concept note on social impacts of COVID-19, 2020

consider:

- i. Health and Wellbeing;
- ii. Integrated pathways for economic recovery and resilience;
- iii. Adaptive learning and employment pathways;
- iv. Inclusive social protection systems; and,
- v. Sustainable livelihoods and food systems.

Health and Wellbeing

8. The Pacific islands region will face significant challenges in managing any incursion of COVID-19 into its borders given its vulnerable health systems faces. Any large-scale community transmission will have the potential to overwhelm their fragile public health infrastructure. Assessed impacts on mental health, sexual and reproductive health, NCDs and sanitation and hygiene issues have led to proposed recommendations to:

- i. Prioritise containment and prevention measures of COVID-19 with vaccination roll-out and public health expenditure for medical supplies and equipment to combat the pandemic and,
- ii. Strengthen coordination to support regional frameworks and public health policies that respond to COVID-19 and future shocks aligned to public health policy initiatives.⁵

Integrated pathways for economic recovery and resilience

9. Impacts on major industries such as tourism and fisheries have resulted in further economic downturn for Pacific economies leading to more unemployment, business closures, and trade disruptions. The following are proposed recommendations:

- i. Use regional mechanisms responding to COVID-19 for humanitarian efforts, to explore trade and economic opportunities and management of natural resources; and,
- ii. Strengthen regional cooperation to trade for economic resilience, labour mobility and employment, and support regional efforts for economic recovery and support fiscal policy development that supports low-income earners, small business, vulnerable communities, and strategies to rebuild economies.⁶

Adaptive learning and employment pathways

10. Education systems were able to implement contingency learning plans including online platforms, TV, radio and social media. Member countries are looking at strengthening early childhood education, inclusive education, Technical and Vocational Education and Training (TVET), and learning platforms to respond to the current situation but also to lead and prepare for similar shocks in the future. Proposed recommendations include:

- i. Support regional education frameworks for early childhood education, inclusive education and distance learning with appropriate technical capacity and equipment for recovery and future shock;⁷ and,

⁵ Includes Pacific Healthy Islands Framework, NCD Roadmap, Elimination of child obesity plan, and work by the Mental Health and Psychosocial Support Cell. Further recommendations are provided in the SEIA report June 2021

⁶ Further provided in SEIA report June 2021

⁷ Outcomes and recommendations of the Pacific Regional Education Framework (PacREF) and endorsed by Education Ministers meeting April 2021 and further provided in SEIA report June 2021

- ii. Identify technical needs required to inform priority areas of study at regional and national level and scholarship awards in relevant fields and strengthen regional data collection systems and monitoring to inform education policy reforms and labour market.

Inclusive social protection systems

11. Social protection measures varied across the region with more advanced countries able to support businesses, unemployed, and assistance to all vulnerable communities. Traditional social protection practices were revitalized during the crisis. The following are proposed for consideration:

- i. Research social protection systems across the region within the context of climate change and COVID-19 to inform policy development, recognising limitations and risks of current fiscal environments for PICTs; and,
- ii. Revisit social protection systems that will protect vulnerable groups and inform design of long-term social protection systems that are gender responsive and benefits both formal and informal workers in PICTS.⁸

Sustainable livelihoods and food systems

12. The pandemic exacerbated existing food insecurities in the region, and highlighted support needed to strengthen food systems and livelihoods for the region leading to the following proposed recommendations:

- i. Assess resourcing required to ensure food sovereignty and robust food systems for strategies towards ‘building back better’ Pacific communities; and,
- ii. Strengthen governance and management of the regions natural resources and investments such as agriculture, fisheries and domestic food supply for long term sustainability⁹; and,
- iii. Recognise the complementary value of traditional knowledge, skills and expertise alongside technical and scientific knowledge and skills to strengthen food production practices and policy reforms on trade, fisheries, agriculture.

Access to Standardised Socio-Economic Data

13. The development of a regional methodology on reporting and providing a single source of socio-economic data would be useful to inform national recovery strategies and Members’ more medium to longer-term recovery strategies from COVID-19 in alignment existing regional frameworks and the development of the 2050 Strategy.

Other Key Policy Areas

14. Through the consideration of the CROP SEIA Report, Forum Members have the opportunity to propose other areas key areas to be considered in the monitoring and reporting of COVID-19 impacts.

15. Given the SEIA assessment as a baseline and taking into account the evolving nature of the crisis and emerging issues, further policy recommendations implemented by Members at national level can be shared to inform each other’s national and also shape regional responses.

D. Consultation

⁸ Further to recommendations provided in SEIA report June 2021

⁹ Food System working group chaired by Minister for Health of Tonga, CROP led SPC and technical agencies

16. The SEIA Report was prepared by the Secretariat and SPC through the CROP Taskforce. Consultations were held with CROP agencies and CROP working groups, Civil Society Organisations, Research Reference Group for Disabilities, PacREF Facilitation Unit and PIFS Advisers.

E. Next Steps

18. Based on the decision by the Forum Economic Ministers' the Forum Secretariat will work closely with CROP agencies and development partners to coordinate and implement the 2021 FEMM decisions as relevant working closely with development partners, CSOs and the private sector.

F. Regional Governance Implications

19. The 2021 FEMM decision will outline any regional governance arrangements to support Pacific countries respond to the socio-economic impacts of COVID-19 including responsibilities of CROP agencies, relevant development partners, Civil Society Organisations and appropriate regional meetings and fora.

G. International Advocacy and Engagement Implications

20. The Secretariat would advocate for and engage with relevant international and regional partners and stakeholders on appropriate FEMM decisions covered in this paper and the report.

Pacific Islands Forum Secretariat
17 June 2021