What is the Pacific Regional Debt Conference?

The Pacific RDC is a mandate of the 2021 Pacific Island Forum Economic Ministers Meeting (FEMM) that will bring together Pacific Small Island Developing States (PSIDS) and PSIDS Creditors to discuss and explore options for debt relief. It will be co-convened by Fiji as the Forum Chair, and Tuvalu as the FEMM Chair and co-hosted by the Pacific Islands Forum Secretariat and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

The Conference is set against the backdrop of recent Debt Sustainability Assessments of the IMF, which placed several PSIDS at a high level of debt distress due to the impact of COVID-19 on revenue contraction, elevated fiscal deficits, and increased pressure on borrowing as well as the risk from climate-related events to exacerbate the current debt crisis.

The outcomes of the Conference will be tabulated at the 2022 FEMM later in the year.

Why is the Pacific Regional Debt Conference important for the region?

The Conference is very crucial in allowing joint deliberations around the issue of debt sustainability across PSIDS considering the exacerbation of debt and fiscal sustainability challenges of PSIDS by the COVID-19 pandemic.

The-Pacific Regional Debt Conference (RDC)

5-8 April 2022

The ‘Talanoa’ sessions of the Conference therefore aim to allow debtors, creditors, and other important stakeholders to discuss debt financing in COVID-19 economic recovery efforts which can quickly escalate PSIDS towards a severe debt crisis if left unchecked.

Who attends the Pacific Regional Debt Conference?

Ministers and senior officials from relevant Government ministries, particularly the ministries of finance, planning and climate and disaster finance, and other public institutions that oversee national planning, finance, debt management, aid coordination, and execution of debt arrangements from the PSIDS: Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, New Caledonia and French Polynesia. PSIDS’ bilateral and multilateral creditors.

Donor and development partners, private sector and civil society organisations from the region and countries from the Caribbean and Indian Ocean.

What are the priority issues at RDC?

The fiscal, debt, and financing challenges faced by the PSIDS to recover from the COVID-19 pandemic. The policy measures which have been implemented to create fiscal space and restructure public debts, and what additional measures need to be implemented to strengthen fiscal governance and effectiveness.

The debtors and creditors perspectives and insights on fiscal, debt and climate vulnerability risks, including loss and damage caused by natural disasters, faced by PSIDS and what measures should be implemented to reduce such risks.

The potential of innovative financial instruments and mechanisms such as the Pacific Resilience Facility, Debt for climate swaps and contingent disaster financing to strengthen financial resilience to climate-related risks going forward.

The additional solutions that are available to address the collective development financing risks faced by PSIDS, and what role can the provision of concessional finance based on a multidimensional vulnerability index play in this regard.