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**Pacific Regional Preparatory Meeting on the  
Mid-Term Review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway in the Pacific  
Nuku'alofa, Tonga  
19 - 21st June 2018**

**Draft Pacific Regional Report**

**Preamble**

1. The SIDS Accelerated Modalities of Action (SAMOA) Pathway was adopted in 2014, at the UN Third International Conference on Small Island Developing States (the SIDS Conference), as the overarching framework for guiding global, regional and national development efforts in small island developing States. It builds on the Barbados Programme of Action (BPOA) for the Sustainable Development of Small Island Developing States (SIDS) and the Mauritius Strategy for the Further Implementation of the BPOA.

2. In 2016, the United Nations General Assembly, by its resolution A/RES/71/225, decided to convene a one-day high-level review, at United Nations Headquarters in September 2019, to review progress made in addressing the priorities of small island developing States through the implementation of the SAMOA Pathway. The regional preparatory meetings for the Mid-Term Review (MTR) of the SAMOA Pathway are held pursuant to paragraphs 27 and 28 of United Nations General Assembly Resolution A/RES/72/217. Paragraph 28 called for “regional preparatory meetings of small island developing States in their respective regions, as well as an interregional meeting for all Small Island developing States, in order to undertake a review of progress in the implementation of the SAMOA Pathway at the national and regional levels.”

3. The working arrangements and reporting obligations of the UN in the MTR are inscribed in General Assembly Resolution A/RES/72/217<sup>1</sup> and the SAMOA Pathway itself (paras 122-124). Regional preparatory meetings are being held in the three SIDS regions and an inter-regional preparatory meeting will be convened in Samoa in October/November 2018. The process will be capped by a one-day high level review, which will be held in September 2019 during the UN General Assembly. The high-level review will assess progress made in addressing the priorities of small island developing States (SIDS) through the implementation of the SAMOA Pathway and will result in “a concise action oriented and inter-governmentally agreed political declaration.”

4. Building on the BPOA and the MSI, in September 2014, the General Assembly adopted the SAMOA Pathway, as an international framework, reaffirming SIDS as a special case for sustainable development and underscoring priority areas for action by the international community to support SIDS to realise their sustainable development aspirations. The MTR provides an important opportunity to ensure that the special case for SIDS, in recognition of their unique challenges and vulnerabilities (first recognized in the Rio Declaration of the 1992 UN Conference on Environment and Development), is consistently addressed across the various global sustainable development frameworks. These include the

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<sup>1</sup> Para 27. Reaffirms its decision to convene a one-day high-level review, at United Nations Headquarters in September 2019, to review progress made in addressing the priorities of small island developing States through the implementation of the SAMOA Pathway, which will result in a concise, action-oriented and intergovernmentally agreed political declaration, and decides to consider further the modalities of the review before the end of its seventy-second session;

Para 28. Decides to convene, in 2018, regional preparatory meetings of small island developing States in their respective regions, as well as an interregional meeting for all small island developing States, in order to undertake a review of progress in the implementation of the SAMOA Pathway at the national and regional levels, and also decides that, for this purpose, the Department of Economic and Social Affairs, through its Small Island Developing States Unit, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the relevant agencies of the United Nations system, including the regional commissions, within their respective mandates and existing resources, should organize, facilitate and provide necessary support to the review process at the national, regional and international levels;

2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Sendai Framework for Disaster Risk Reduction 2015-2030, and the Paris Agreement on Climate Change.

5. This Report assesses the progress of the Pacific Region in implementing the SAMOA Pathway and was compiled by the UN Secretariat<sup>2</sup>, based on existing reports and relevant processes, including a series of Pacific regional sustainable development briefs, which UN agencies in the Pacific had developed in collaboration with Pacific regional organisations. The Report also focuses on SAMOA Pathway implementation in the Pacific as part of an integrated approach to implementing and monitoring several global mandates under a unifying regional framework, and in this context, the Report is informed by the zero draft of the Pacific Sustainable Development Report (PSDR). The final Report has taken into account the inputs from Member States received at and after the Pacific Regional Preparatory Meeting.<sup>3</sup>

## I. Introduction

6. This report presents a regional overview of the key sustainable development achievements, challenges and gaps for SIDS in the Pacific, within the context of the SAMOA Pathway. While the report primarily focuses on the regional level, it also includes some reference to national achievements and lessons shared during the Pacific preparatory meeting in June 2018.<sup>4</sup>

7. The Pacific, a diverse region of 19 island countries and territories, has long been recognized by the international community as a special case for development, given its geographic isolation, remoteness from export markets, diseconomies of scale in production and exchange of goods and services, high vulnerability to external market shocks and increasing vulnerability to natural disasters and climate change.

8. To provide a snapshot of how the Pacific region fared in 2015 compared to other countries, insight is provided by the Human Development Index (HDI) – based on life expectancy at birth, average years of schooling and gross national income per capita. This assessment shows mixed results for the Pacific over time. Table 1 indicates that all Pacific countries covered by the HDI made good progress overall between 1990 and 2010, but then, with the exception of Fiji and Palau, progress slowed between 2010 and 2015 for most countries, with two staying the same and five moving downwards in overall ranking. Despite Papua New Guinea (PNG) being the second lowest ranked Pacific country in 2015, it made the most gains between 1990 and 2015, moving from 0.360 to 0.516 HDI, an increase of 43.4 per cent.

**Table 1: Composition of Human Development Index (HDI) rank in 2015 and comparison with 1990, 2000 and 2010**

HDI rank	Country	Human Development Index (HDI)				Change in HDI rank		Average annual HDI growth			
		Value				2010-2015	a	(%)			
		1990	2000	2010	2015			1990-2000	2000-2010	2010-2015	1990-2015
<b>VERY HIGH HUMAN DEVELOPMENT</b>											
2	Australia	0.866	0.899	0.927	0.939	1		0.38	0.31	0.24	0.32
13	New Zealand	0.818	0.868	0.901	0.915	0		0.61	0.36	0.32	0.45
<b>HIGH HUMAN DEVELOPMENT</b>											
60	Palau	..	0.741	0.770	0.788	2		..	0.38	0.47	..
91	Fiji	0.641	0.683	0.709	0.736	6		0.64	0.37	0.75	0.56
101	Tonga	0.648	0.674	0.712	0.721	-8		0.38	0.56	0.24	0.42
104	Samoa	0.598	0.645	0.693	0.704	0		0.75	0.72	0.32	0.65

<sup>2</sup> The report was coordinated by UN-ESCAP, UN-OHRLS, and UN-DESA.

<sup>3</sup> For the purposes of this report, the SIDS in the Pacific region refers to the following countries: Fiji, Kiribati, Federated States of Micronesia, Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu. It also includes the Associate Members of UNESCAP in the Pacific.

<sup>4</sup> See the Tonga MTR Meeting Report for a full account of the proceedings.

MEDIUM HUMAN DEVELOPMENT												
127	Micronesia (Federated States of)	..	0.604	0.638	0.638	-6	..	0.56	-0.01	..	..	..
134	Vanuatu	..	..	0.591	0.597	-1	..	..	0.20	..	..	..
137	Kiribati	..	..	0.585	0.588	-3	..	..	0.10	..	..	..
LOW HUMAN DEVELOPMENT												
154	Papua New Guinea	0.360	0.422	0.494	0.516	1	1.60	1.57	0.90	1.45	..	..
156	Solomon Islands	..	0.442	0.497	0.515	-3	..	1.19	0.71	..	..	..
	Developing countries	0.514	0.569	0.640	0.668	—	1.02	1.18	0.85	1.05	..	..

*Notes*

<sup>a</sup>. Data refer to 2015 or the most recent year available. <sup>b</sup>. Based on data from the national statistical office. <sup>c</sup>. Based on Barro and Lee (2016). <sup>d</sup>. Value from UNDESA (2011). <sup>e</sup>. Based on cross-country regression. <sup>f</sup>. Updated by HDRO based on data from UNESCO Institute for Statistics (2016). <sup>g</sup>. Based on data from United Nations Children’s Fund (UNICEF) Multiple Indicator Cluster Surveys for 2006–2015. <sup>h</sup>. Updated by HDRO based on data from ICF Macro Demographic and Health Surveys for 2006–2015.

Source: <http://hdr.undp.org/en/composite/HDI>

## II. Regional progress, trends and challenges in implementing the SAMOA Pathway and in achieving sustainable development in SIDS in the Pacific

9. As a region, the Pacific last reported on development progress in 2015 where the unfinished business of the MDGs highlighted the need for further effort to reduce poverty, reduce inequality and improve quality of education. In transitioning to the 2030 Agenda, a number of SIDS priorities in the SAMOA Pathway were carried forward for the Pacific, although regional attention to these has varied. For example, with the recasting of the Pacific Plan 2005-2020 in 2013 as the Framework for Pacific Regionalism, the region’s earlier emphasis on transportation within the context of connectivity transitioned to a focus on ICT.

10. A key feature of the SAMOA Pathway is the importance accorded to the stated SIDS priorities relating to climate change, oceans, health and non-communicable diseases, poverty and social protection, gender equality, sustainable transportation, renewable energy, WASH, food security, peaceful societies and culture. At a regional level, these priorities have received varying levels of policy attention. Climate change, oceans and NCDs have, as reflected in the Framework for Pacific Regionalism priorities and other key policy frameworks such as the Framework for Resilient Development in the Pacific, are a particular regional focus. Yet at the national level, several countries are pursuing a range of initiatives in the other SIDS priority areas as well.

### II.A. Social inclusion

11. Social inclusion under the SAMOA Pathway includes: Gender equality and women’s empowerment; Poverty, inequality and social protection; Health and NCDs; Persons with Disabilities; Water and Sanitation; Education; and Cultural and Social development. As one of the three dimensions of sustainable development, it is crucial to ensuring development progress by SIDS. Efforts to enhance social protection and inclusion, and to improve well-being and guarantee opportunities for the most vulnerable and disadvantaged are of critical importance in this regard. This also calls for commitment to an approach to development that enables citizens and local communities to participate in decision-making on social development policies and programmes.

#### *Gender Equality and Women’s Empowerment*

12. The SAMOA Pathway recognizes “that gender equality and women’s empowerment and the full realization of human rights for women and girls have a transformative and multiplier effect on sustainable development and are a driver of economic growth in small island developing States” (paragraph 76, see also 77).

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13. Gender inequality remains a key challenge in the region. It is most starkly manifested in the high prevalence rates of violence against women – with women in some Pacific Island Countries and Territories (PICTs) experiencing the highest rates of intimate partner violence in the world. Fertility rates remain high in many of the PICTs and sexual and reproductive health and rights issues continue to be a major challenge, reflected in the high rate of sexually transmitted diseases including cervical cancer and teenage pregnancies.

14. Women’s political empowerment is glaringly limited in Pacific SIDS. While one country has a woman head of government (RMI) and another has a female Deputy Prime Minister (Samoa), the Pacific has the lowest representation globally of women in national parliaments and local governments (17.9%).<sup>5</sup> This representation is much lower at national level alone. In May 2018, only 7.7 per cent of seats in the national parliaments of 14 Pacific island countries, were held by women.<sup>6</sup> The Federated States of Micronesia, Papua New Guinea and Vanuatu are three of only four countries globally that currently have no women representatives in their national parliament.<sup>7</sup> Only two countries have adopted specific measures to support increased women’s leadership and political participation.<sup>8</sup> An increased commitment is required to transform political culture, social norms and practices at both regional and national level to ensure women’s full and equal participation.

15. Women’s labour force participation rates remain low across the Pacific, and in a number of countries, men’s participation in the formal economy is almost double that of women’s. Similarly, Pacific men outnumber women in paid employment outside the agricultural sector by approximately two to one.<sup>9</sup> Women dominate the informal economy, which is an important source of livelihood for households across the Pacific, and are involved in agricultural work, market vending, fisheries including seafood and shell fish collection and sales, as well as cultural industries which are a growing source of income. However, this work is typically unregulated and open to exploitation. In addition, women are expected to perform a greater share of unpaid care and domestic work than men, including a disproportionate role in the care of children, older family members and those who are sick or have disabilities. This restricts their ability to engage in employment and other economic activity, and exposes them to higher risks of poverty.

16. In 2012, a high-level commitment was made by the Pacific Islands Forum, through the 2012 Pacific Leaders’ Gender Equality Declaration (PLGED), which emphasizes the commitment to implement specific actions to progress gender equality through the implementation of gender responsive government programs and policies, increasing women’s participation in decision-making, supporting women’s economic empowerment, ending violence against women, improving women’s health and gender parity in education. In 2016, a PLGED report noted that the level of country leadership and financial investment for addressing the causes of gender inequalities and progress remain insufficient to achieve substantive gains. There has been important progress towards gender equality in some areas of development in Pacific island countries in the past 20 years, particularly in education and healthcare. However, as a region that reports extremely low levels of women’s political participation and economic empowerment, as well as very high levels of gender-based violence, much progress is needed to be achieved, including through many of the other regional initiatives under consideration.

### *Poverty, Inequality and Social Protection*

17. Poverty eradication is highlighted in the SAMOA Pathway within the context of “sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities,

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<sup>5</sup> Inter Parliamentary Union, UN Women (May 2018) Women in Politics Global Map. <http://archive.ipu.org/wmne/world.htm>

<sup>6</sup> Fiji, Kiribati, Niue, Papua New Guinea, Palau, Cook Islands, Samoa, Tuvalu, Tonga, Marshall Islands, Solomon Islands, Nau

<sup>7</sup> <http://archive.ipu.org/wmn-e/classif.htm>

<sup>8</sup> Samoa and Vanuatu recently passed Constitutional Amendments to promote women’s political participation: 10% of seats reserved for women in Samoa Parliament and 30% in municipal councils in Vanuatu. New Caledonia and French Polynesia both have been implementing to the French Parity Law since 2000, which requires political parties to put forward equal numbers of women and men candidates for legislative office. In Bougainville, PNG, three seats are reserved for women Parliamentarians.

<sup>52</sup> Pacific Women Shaping Pacific Development Annual Progress Report 2016-2017

<sup>53</sup> Cook Islands 47.3%, Kiribati 47.4% and Tonga 47.9%.

<sup>9</sup> Pacific Regional Millennium Development Goals Tracking Report 2013

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raising basic standards of living, fostering equitable social development and inclusion and promoting the integrated and sustainable management of natural resources and ecosystems that supports, inter alia, economic, social and human development while facilitating ecosystem conservation, regeneration, restoration and resilience in the face of new and emerging challenges” (paragraph 6).

18. According to the Pacific Sustainable Development Report (PSDR), inequality is increasing in the region, with inequality between urban and rural areas becoming more pronounced. Inequality is usually measured by the Gini Coefficient, where a coefficient of between 0.3 and 0.4 is deemed to be a ‘reasonable’ level of inequality. Based on household survey data, Samoa, Kiribati, Fiji, Nauru Cook Islands and Solomon Islands have recorded Gini coefficients at the upper end or even above this “acceptable” range over the last decade. Another way of viewing inequality in the Pacific is by measuring the number of people living below national poverty lines, which in the case of the Pacific islands, according the PSDR, would be somewhere around one in four persons.

19. In 2015, the Pacific reported the greatest difficulty in achieving poverty reduction under the MDGs. Despite efforts by governments, income and food poverty, as well as unequal access to basic services persist. Hardship and poverty, in terms of the lack of economic opportunity and social exclusion, prevail for many Pacific people, with increasing inequality, particularly amongst marginalised population groups, especially people living in remote communities. It is estimated that one in four people across the Pacific Island states are living below the average national basic needs poverty line (BNPL). This poverty line not only takes account of the amount needed to guarantee a minimum food intake, it also considers other essential expenditure such as housing, transport, education, clothing and utilities. Combating poverty in the Pacific through growth and job creation alone is constrained by several factors, including generally low or negative economic growth, lack of employment prospects and rising prices, exacerbated by island states’ inherent geographical disadvantages and vulnerabilities as underscored by the special case of SIDS. The urbanisation of poverty, gender inequalities and social exclusion are some of the persistent drivers of vulnerability and insecurity in the region.

20. Unemployment, particularly of women and young people, is a major concern, with youth unemployment averaging 23 per cent in the Pacific region, compared with a global figure of 12 per cent. Inequality and insecurity is deepening across the region and this potentially gives rise to economic, social and political instability. Based on an inequality survey undertaken by the Pacific Community (SPC) in five Pacific countries, the bottom 20 per cent of the population account for 4.5 per cent of total household income while the top 20 per cent of the population account for 52 per cent of total household income.

21. Changing demographics in the Pacific is leading to an increased percentage of elderly in national populations and a rising rate of disability. In 2015, it was estimated that there were approximately 600,000 persons aged 60 years and above, with the proportion of elderly people ranging from 18 per cent in Niue to 4 per cent in Nauru, with an average of about 8.5 per cent across all PICTs. Assuming a continuous increase at around 3.5 per cent per annum, the elderly population will reach around two million by 2050. At the same time, the prevalence of NCDs is resulting in an increase in frequency, duration and cost of health care needs of the elderly. With aging populations, there is a risk of increased poverty at individual and household levels, and rising health expenditure for families and governments.

22. Household surveys in seven Pacific island countries indicate that the elderly were over-represented amongst the population in poverty or in being highly vulnerable to falling into hardship and poverty. In Kiribati, for example, 39 per cent of the elderly are in the poor and highly vulnerable groups, while in Tuvalu the proportion reached 40.4 per cent. FSM (39.3 per cent) and Palau (38.6 per cent) followed closely. The elderly were under-represented in these groups only in Samoa and Tonga.

23. Women are also more vulnerable to falling into poverty and hardship when cultural and social barriers to gender equality exist. Data from national census and household surveys indicate that in general, women have lower labour force participation rates than men, and have fewer opportunities for employment and income generating activities. Where they are in employment: women tend to work mostly in the informal sector, including subsistence agriculture, handicrafts and local markets; are often not protected by labour laws; and are excluded from participating in social insurance schemes.

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24. Female-headed households are often highly vulnerable to falling into poverty because of a shock, such as death or disability in the family, or a natural disaster. As Pacific populations age, the number of widows far exceeds that of widowers, and widow-headed households do tend to be concentrated in the poorest deciles. Teenage mothers are especially vulnerable and, in some societies, they face active discrimination and exclusion. Climate change continues to exacerbate the frequency and intensity of extreme climate events and disasters, affecting livelihoods and environmental sustainability, testing the resilience of Pacific people and demonstrating gendered impacts. Women, the elderly and children are more likely to die during an extreme weather event. For example, 70 per cent of deaths in the tsunamis in Samoa (2009) and Solomon Islands (2013) were either children or female.

25. Social protection strategies are key to reducing poverty and vulnerability, and ensuring inclusivity. Usually in the form of predictable direct transfers to individuals and households and fee-free access to essential basic services, social protection is a proven strategy to reduce poverty and vulnerability. Evidence suggests that pensions reduce the poverty and vulnerability of older people and results in net contributions to multigenerational household economies and the wider community. A 2012 study showed that a universal cash grant to all children under five would cost approximately 1.7 per cent of GDP in Kiribati, Samoa and Solomon Islands, and 0.7 per cent of GDP in Vanuatu. It was estimated that this would lead to a 10 per cent reduction in the proportion of households living below the national basic-needs poverty lines.

26. Currently, SIDS in the Pacific engage in both traditional and formal protection systems. Traditional forms of social protections operate informally, with access to land and marine resources being a crucial foundation. They are based on the principles of reciprocity and solidarity, centred around the Pacific's clan and extended family structures, and play an important role in mitigating the impact of economic pressures on households. The kinship system, referred to as *veiwekani* in Fiji, *fa'a Samoa* or *wantok* in PNG, Solomon Islands and Vanuatu, sustains individuals and groups on a daily or occasional basis. However, urbanization and migration and the changing social and cultural landscape have come with weakened community and family ties, and have been associated with a gradual erosion of informal systems, leaving an increasing part of the population without adequate protection.

27. Formal social protection systems cover only a fraction of the population which generally consists of those who are employed in the formal sector and are already better-off. These systems include national provident funds, which usually provide lump sums for retiring at a certain age, permanent migration, death or invalidity. There is significant variation in terms of government spending on social protection systems among SIDS in the Pacific. Most Pacific island countries spend around 1-2% of GDP on social protection, while FSM and Tuvalu spend 10% and 4% of GDP respectively, and PNG spends only 0.1% of GDP (ILO, 2016c). Policy emphasis on social protection linked to formal employment omits informal economic activity and unpaid care provider roles which are of particular concern for women.

#### *Health/NCDs*

28. The SAMOA Pathway highlights the priority to address non-communicable diseases (NCDs, paragraphs 72 – 75). At the high-level Pacific NCDs Summit in Tonga in 2016, countries expressed serious concern that the response to the NCDs crisis in the Pacific was grossly underfunded in light of its magnitude. At the most recent Pacific Health Ministers Meeting in 2017, Ministers endorsed the MANA dashboard for monitoring the progress of NCD related actions to strengthen NCD accountability; Healthy Islands Monitoring Framework including NCD indicators; and the concept note on a proposed Pacific Legislative Framework on NCDs that would harness the power of Pacific voice through collective approaches to tackle the Pacific NCD crisis. Stronger regional efforts are needed given some of the latest global health ranking, which puts seven SIDS in the Pacific (Fiji as number one, Kiribati, FSM, Samoa, Solomon Islands, Tonga, and PNG) in the list of twenty countries with the highest rate of death caused by diabetes with both childhood obesity and stunting being a concern. Timor-Leste, in contrast, ranks 121<sup>st</sup> out of 122 countries.<sup>10</sup>

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<sup>10</sup> <http://www.worldlifeexpectancy.com/cause-of-death/diabetes-mellitus/by-country/>

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29. SIDS in the Pacific also have a substantial burden of cervical cancer caused by sexually transmitted Human Papilloma Virus. For example – Melanesia has been classified as a region which has one of the highest incidence rates of cervical cancer in the world, with 33.3 cases per 100,000 females per year.<sup>i,iii</sup>

30. While SIDS in the Pacific have made some advances in sexual and reproductive health; major achievements such as better country-level data to inform country-led interventions, and increasing contraception choices, access in rural areas and outer islands remain a challenge. This is largely due to a lack of human resources and cost of transport. The Pacific region has an aging midwifery workforce, and training is still based on outdated curricula. There is also still insufficient policy attention given to young unmarried people. The SIDS in the Pacific report high rates of unplanned teen pregnancy, while many RPH initiatives are targeted at married couples.

### *Food Security and Nutrition*

31. The Pacific region is experiencing a triple burden of malnutrition, with both overweight/obesity, undernutrition and micronutrient deficiencies being significant issues. The SAMOA Pathway recognizes the role of food security and nutrition in addressing the triple burden of malnutrition currently faced by the region. Paragraph 59 emphasizes the ‘need to support the right of everyone to have access to safe, sufficient and nutritious food, the eradication of hunger and the provision of livelihoods while conserving, protecting and ensuring the sustainable use of land, soil, forests, water, plants and animals, biodiversity and ecosystems’.

32. As requested under paragraph 61 of the SAMOA Pathway a *Global Action Programme for Food Security and Nutrition of Small Island Developing States (GAP)* was developed by FAO through a consultative process at the global and regional levels. The GAP provides a framework within which SIDS and their development partners can better articulate and mobilize coordinated actions at the local, national, regional and global levels. In the Pacific, the GAP was supported by Health and Agriculture Ministers during their respective ministerial meetings in 2017. To progress its implementation in the region, a *Regional Framework for Accelerating Action on Food Security and Nutrition in SIDS in the Pacific (Pacific Framework)* is being developed focusing on region-specific GAP priority actions. The Pacific Framework recognizes that Pacific island economies are particularly vulnerable to externally induced economic shocks, natural disasters and the impacts of climate change, and acknowledges that sustainable food systems and value chains are fundamental for providing food security and nutrition, and livelihood options in SIDS in the Pacific.

### *Persons with Disabilities*

33. The SAMOA Pathway reaffirms commitment “to respect, protect and promote human rights and fundamental freedoms for all, without distinction of any kind as to [...], disability or other status” (paragraph 8). As a cross-cutting issue for every sector, the SAMOA Pathway emphasises the importance of data and statistics disaggregation by sex, age and disability to strengthen national policy responses and planning.

34. There is an estimated 1.5 million people or 15 per cent of the total Pacific population living with some form of disability, and disability prevalence is generally on the increase in the region due to high rates of diabetes-related amputations and blindness; increasing traffic and work-related accidents; and ageing populations. Prevalence rates appear to vary dramatically across PICTS - ranging from an estimated 1.2 per cent in Samoa to 12 per cent in Vanuatu and Papua New Guinea.<sup>11</sup> However, ESCAP notes that across countries, variations in disability prevalence stem from differences in the definition of disability as well as the purpose and method of collecting data.

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<sup>11</sup> United Nations Economic and Social Commission for Asia and the Pacific (2012) *Disability at a Glance 2012: Strengthening the Evidence Base in Asia and the Pacific*, UNESCAP: Bangkok .

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35. There is generally limited accurate official data on disability, but PICTs have made progress in collecting statistics through household surveys and national censuses, using the standard set of questions developed by the Washington Group. Six Pacific countries included the Washington Group Set of Questions on Disability in their most recent censuses: Kiribati (2015), Palau (2015), Niue (2016), Samoa (2016), Tonga (2016), and Fiji (2017). Two countries have produced disability census monographs and others are expected to follow.

36. Reflecting global trends, persons with disabilities in PICTs are among the poorest and most marginalized members of their communities. They are less likely to be economically active, have limited access to education, employment, health and other services, and are generally excluded from or underrepresented in community life, including in national decision-making. Persons with disabilities generally have poorer economic, health and education outcomes, which are only nominally mitigated by disability specific social assistance in a few countries.

37. Very few persons with disabilities are in decision-making positions at any level in PICTs, and their lack of empowerment is reflected in almost every aspect of their lives. Children with disabilities make up at least one-third of all children who do not attend school, and the dropout rate at the primary level is higher among children with disabilities compared with their peers. Inclusive education has been identified as a crucial area for development in the region. Women with disabilities are particularly vulnerable to gender-based violence.

38. Disability in SIDS in the Pacific has typically been an invisible issue: low on national policy agendas and receiving very little in the way of national budgetary resources. It is estimated that on average, PICTs spend less than 0.1 per cent of their GDP on persons with disabilities, although there is some improvement evident, notably in countries like Tuvalu and Fiji. Other positive steps have been taken as well during the last decade. There is increasing awareness of disability issues across the region, and enhanced political will to ensure that policies and development plans are disability-inclusive. All but two Pacific SIDS have now ratified the UN Convention on the Rights of Persons with Disabilities (CRPD), and, while implementation remains a challenge, there is a growing momentum to domesticate the Convention. Most countries have national disability policies, and several have conducted legislative reviews for the purpose of harmonizing domestic laws with the Convention.

39. In 2016, Pacific Islands Forum Leaders endorsed the Pacific Framework for the Rights of Persons with Disabilities. Development partners and inter-governmental organizations have taken a strong lead in providing technical assistance and resources for CRPD implementation. Through the Pacific Enable Project, the UN Partnership to Promote the Rights of Persons with Disabilities (UNPRPD) has funded CRPD implementation and reporting activities undertaken by various UN agencies. Joint technical assistance has been given by ESCAP and PIFS to a growing number of Pacific island countries seeking support with the ratification and/or legislative implementation of the CRPD. With this support, the Republic of the Marshall Islands has pioneered legislative reform, enacting a Rights of Persons with Disabilities Act in 2015, and currently, is developing legislative amendments to a wide range of statutes in order to mainstream disability rights.

40. Amongst the persistent challenges are the need to develop accessibility environments for persons with disabilities. While a few countries have begun to address disability in their building codes, there is generally a lack of accessibility across physical infrastructure, transportation, and ICT. Inaccessible environments and services promote inequality and exclusion, so it is imperative that accessibility standards are developed and adopted in order to enable persons with disabilities to live independently and participate in all aspects of life.

### *Water and Sanitation*

41. The SAMOA Pathway highlights the priority to address water and sanitation (paragraphs 64 and 65) and the SIDS in the Pacific have highlighted it again in the context of the MTR. From 2000 to 2015, the Pacific region's combined sanitation coverage levels stagnated at 31%, while drinking water coverage dropped from 51% to 48%. Over the same period, the world average increased by 9 percentage points for sanitation and 8 points for water. Despite strong global progress in addressing open defecation, it is



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estimated that some 1.3 million Pacific islanders continue to rely on the bush or the beach for their toilet. Pacific communities are also highly vulnerable to the WASH-related impacts of climate change and disasters, including threats to water security due to sea level rise, changing rainfall patterns and more frequent extreme weather events, as well as an increasing burden of climate-sensitive water-borne and water-related diseases. The strengthening of WASH facilities and practices is therefore an important tool for building the resilience of SIDS in the Pacific to the impacts of climate change and natural hazards, and critical to progress towards goals 1 and 3 of the Framework for Resilient Development in the Pacific, which was endorsed by Pacific Islands Forum Leaders in 2017. The Board of the Pacific Water and Wastewater Association (PWWA) has revived the organization in 2015 and a new Constitution adopted in 2016, with the mission to develop expertise, collaborate and advocate for the sustainable management of water and wastewater services in the Pacific region.

42. The links between climate change, water and sanitation and health are critical for SIDS. For example, the Infrastructure Goal of the Kiribati Development Plan and the Kiribati Vision 20 years (KV20) intend to build capacity and resilience of communities in the outer islands through WASH initiatives. Among the good practices is community participatory consultation that includes youth, women and elders to identify WASH-related infrastructure project needs. Communities commit to supporting the projects through their Village Action Plans, which were developed with assistance of SPC and MISC. Kiribati has highlighted the challenges of a “projectized” approach to WASH initiatives, and the benefits of a more programmatic, nation-wide, multi-stakeholder approach to foster sustainability.

#### *Education and Culture*

43. Apart from ‘equal access’ to quality education (para 87), the SAMOA Pathway commits the international community to support SIDS’ efforts to provide quality education and training “with a focus on the most vulnerable, in particular persons with disabilities, including in creative, cultural and environment related fields ... that contributes to further building peace and promoting social inclusion ... including vocational training ... entrepreneurial skills ... use of distance teaching and the development of SIDS-appropriate training approaches” (para 88; see also para 52 on disaster risk education). It “affirms that SIDS require continued and enhanced investments in education and other training programmes to develop human and institutional capacities, in order to build the resilience of their societies and economies, while encouraging the use and retention of knowledge in all its forms, including traditional knowledge, within SIDS and ensuring accountability and transparency in all capacity building efforts by all parties” (para 108). Science, technology and innovation and ‘know-how’ are recognized as essential enablers and drivers (paras. 110 and 111).

44. Access to education in the Pacific has improved and most PICTs are close to achieving gender parity in primary enrolment. With improving access to basic education, focus has shifted to quality and lifelong learning, with an emphasis on Early Childhood Care and Education (ECCE) and Technical Vocational Education and Training (TVET)/Post-secondary education and training. At the primary level, most PICTs have consistently shown above 80 per cent Net Enrolment Rates with any exceptions trending in the 70-77 percentile, demonstrating an improvement since 2014.<sup>12</sup> Statistics are not consistently available to make similar statements about secondary education, although the latest available data at Lower Secondary Level from each country has a gross enrolment rate (GER) in the range of 63-113 with a median of 98. Across the region, national education systems have increased the number of years of education considered part of “basic education” from what was seen as primary education. Basic education is now set at a total of at least 8 years of ECE/primary education with an additional 2-4 years of lower secondary in alignment with the Education for All initiatives.

45. There has been improvement in access to education in many SIDS in the Pacific, though far from universal. Based on the latest available data from 15 countries, the measure of out of school children at the primary level ranges from 0-37% with a median of 8% (SPC, 2018).

46. With better access to basic education has come a shift in focus to quality and the role of culture; and with the advent of the 2030 Agenda, there is now an opportunity to improve the measure of quality

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<sup>12</sup> UIS 2018.

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education. SDG 4.7, if implemented, can put much needed impetus behind education for sustainable development with a stronger and necessary focus on sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

47. The *Pacific Education Development Framework* (PEDF) 2009-2015 confirmed political recognition of education as a fundamental building block for society and provides for coordination of regional activities advocacy and leadership in education policy dialogue. A new *Pacific Regional Education Framework* was endorsed by Pacific Islands Forum Education Ministers to guide regional education policy and strategies until 2030.

48. The field of Science Technology and Innovation (ST&I) is becoming increasingly critical for adaptation, as social and environmental pressures mount in the Pacific. In this regard, innovation needs to be a much stronger element of education as noted in the SAMOA Pathway, and focused more addressing the SIDS' geographical disadvantages, diseconomies and vulnerabilities to external economic shocks and climate-related disasters. The SAMOA Pathway also gives priority to the role of knowledge and innovation in enhancing human and institutional capacities for resilience and mitigation (para 108), and the Pacific may wish to take better advantage of the opportunities available through the UN's global network and other means of south-south and triangular networking and knowledge sharing (see Capacity Building and Technology section).

49. In the Pacific, the importance of culture to development has been recognized at the highest levels, through the Framework of Pacific Regionalism 2014; the Pacific Ministers for Culture Declarations 2002, 2012 and 2016 and by the Pacific Islands Forum Trade Ministers.<sup>13</sup>

50. Indeed, it is recognized in the Pacific that culture, in all its dimensions, is a fundamental component of sustainable development. As a sector of activity, through tangible and intangible heritage, creative industries and various forms of artistic expression, culture is a powerful contributor to economic development, social stability and environmental protection. This is manifested through sustainable tourism, handcraft production, creative and cultural industries utilizing local content, agriculture, and fisheries. Traditional farming, fishing and food preparation and processing practices incorporated into modern practices enhance food security and resilience to natural disasters and climate threats. The integrated conservation of cultural and natural heritage, including marine heritage, underscores the deep connections among people, culture, knowledge and the environment. This, as recognized in the SAMOA Pathway (paragraph 80), can meaningfully advance sustainable development and social cohesion. In the Pacific, supporting the balanced blending of traditional systems and modern systems of governance provides a pathway for sustainable development, and community well-being. Cultural and creative industries and activities are growing rapidly in the Pacific, but they have yet to gain a prominent place in the architecture of development strategy.<sup>14</sup>

51. Despite the fact that the Pacific is a region rich in culture and cultural diversity, the role played by culture in achieving economic growth and sustainable development is yet to be fully harnessed. Culture receives little attention or recognition as a formal sector of the economy, and therefore lacks astute management to maximize its economic and social benefits.<sup>15</sup> There is insufficient quantitative and qualitative evidence to support the economic and social contributions of culture, and the lack of evidence has often resulted in an undervaluing of culture. The first Regional Cultural Statistics Meeting was held in 2011 to build capacity in the area of cultural statistics. The implementation of the Regional Culture Strategy 2010-2020, will further advance these efforts on promoting the production and analysis of cultural statistics towards informing policy and decision making. A literature review conducted by SPC

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<sup>13</sup> SPC (2010). Valuing culture in Oceania, methodology and indicators for valuing culture, including traditional knowledge in Oceania.

<sup>14</sup> World Bank (2014). The Creative Wealth of Nations: How performing arts can advance development and human progress, World Bank Group, Development Economics Vice Presidency, Office of the Chief Economist.

<sup>15</sup> SPC (2018). Social Development Programme Draft Business Plan, 2018–2023.

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on valuing culture showed that promoting culture as a vehicle for economic growth has tangible and intangible outcomes that reach beyond the pillar of economic growth; and a sustainable society depends on a sustainable culture.<sup>16</sup>

52. More value needs to be given to culture as an enabler and driver of sustainable development, to deter erosion of culture and traditions as a form of social protection and promoting social cohesion, while at the same time addressing those aspects which constrain social inclusion.

53. On the other hand, it should be recognized also that culture has dimensions that are not conducive to inclusive development, including for women and people with disability, as noted above. There are also concerns related to the impact of cultural and religious obligations on household budgets and community developments which could be captured through household income and expenditure surveys.

## **II. B. Environmental integrity**

54. The regional priorities of the SAMOA Pathway discussed under the environment integrity heading are climate change and disaster risk reduction (paras 31-46; and 51-52); oceans and seas (paras 53-58); management of waste (paras 70-71); and biodiversity (paras 89-94).

### *Climate Change (and disaster risk reduction)*

55. The ambition of the SAMOA Pathway is greatest in climate change and is more commensurate with the existential threat it poses to the Pacific and humanity. It recognises sea-level rise and other adverse impacts of climate change for the ‘gravest threats’ they represent to the survival and viability of SIDS, including in the ‘loss of territory’ for some (para 11); it commits to implement and operationalize the Warsaw International Mechanism for loss and damage (para 43); it advocates ‘adaptive capacity’ to deal with the ‘respective vulnerabilities and environmental and social situations’ of SIDS (para 44); it benchmarks the ‘GCF board decision to aim for a floor of 50% of the adaptation allocation for particularly vulnerable countries, including SIDS’ (para 15); and it notes the importance of ‘accessing and managing climate finance’ (para 15). It focuses on the need address the ‘gap’ between emission rates and a pathway ambition of below 2° C (para 36) and to pursue disaster risk management including for ‘displaced persons’ in the context of ‘the special case and unique vulnerabilities of SIDS’ (para 52).

56. Noting that the region contributes around 0.03% of global emissions, Pacific Leaders have shown their commitment to the Paris Agreement with some ambitious Nationally Determined Commitments. With the (proposed) establishment of the Pacific regional NDC Hub to support the implementation and ambition of decarbonization, NDCs have the potential to galvanize national actions to pursue higher emission targets and compliance both nationally and regionally including in high emitting sectors/industries such as energy, transportation and land use, and urban areas. The assessment and reporting of NDCs could be made an integral part of any future enhanced monitoring of the SAMOA Pathway monitoring and the SDGs. The Pacific Climate Change Centre is now being set-up under SPREP in Samoa. As part of the Fiji COP23 Presidency and under the guidance of the SPREP, the Pacific fully engaged in the Climate Action Pacific Partnership – pre-COP23 and pre-COP24 Conferences to help mobilise the partnerships and investment needed to accelerate climate action in the Pacific, in support of the more ambitious target of keeping global temperature increase to within 1.5 Celsius and to achieve net-zero emissions as soon as possible. At the 3rd Summit of the PIDF leaders in 2015, the Suva Declaration on Climate Change was adopted and further championed in COP21 in Paris, calling for high ambition and urgency in divesting and phasing out of fossil fuels including a moratorium on new coal mines. Pacific leaders have also endorsed drafts of a Pacific Climate Treaty and a Climate Road Map for consultation. At the implementation level, the region has encouraged ecosystem based approaches and their integration into national and sector plans, including environmental thematic plans such as NAPAs, NBSAPs, NAPs and JNAPs. In 2014 SPREP, in partnership with the Governments of Fiji, Solomon

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<sup>16</sup> SPC (2010). Valuing culture in Oceania, methodology and indicators for valuing culture, including traditional knowledge in Oceania.

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Islands and Vanuatu implemented the Pacific Ecosystems-based Adaptation to Climate Change Project, a five-year project to explore and promote Ecosystem-based Adaptation options for adapting to climate change.

57. Climate change and the related issue of disaster risk reduction is a high priority for the SIDS in the Pacific, often presented as dealing with an existential threat that will cause irreversible loss and damage to Pacific societies, livelihoods and natural environments. It has been recognized by SIDS leaders in the Pacific as the key economic, environmental and social challenge to the region since the late 1980s. Accordingly, it is a high priority of all UNDAFs in the Pacific region. Threats identified include slow onset events, such as the impact of ocean acidification on coral reefs and the growing risks resulting from sea level rise, but also climate-related disasters such as the recent category 5 cyclones. The focus of the regional narrative is that the Pacific island countries are among those with the highest risk of experiencing natural disasters. Cyclone Pam, which struck Vanuatu in March 2015, and Cyclone Winston, which struck Fiji in February 2016, cost each country close to \$500 million. In Vanuatu, this represented approximately 61 per cent of GDP, while in Fiji it equated to 7.5 per cent of GDP. The need to address climate change and DRR in a coherent manner is reflected in the 2016 adoption of the Framework for Resilient Development in the Pacific (FRDP), as well as through a number of national-level integrated policy frameworks. The FRDP is the regional framework for implementing the Paris Agreement on Climate Change, the Sendai Framework on Disaster Risk Reduction, the SAMOA Pathway priorities on resilient development, and Goals 11, 12 and 13 of the Sustainable Development Goals. The FRDP represents voluntary guidelines that seeks to support coordination and action on: strengthened integrated adaptation and risk reduction to enhance resilience to climate change and disasters; low-carbon development; and strengthened disaster preparedness, response and recovery. It does not replace the very important role of existing regional political statements or declarations on climate change and disaster risk management, but provides a framework for action suggested for national governments, regional agencies, private sector and civil society.

58. Climate finance has also been a key priority for the Pacific, and was one of the five key priorities of Fiji's COP 23 presidency. Concerns remain in the Pacific about the adequacy of the financial resources and support that have been made available, including through the Warsaw International Mechanism on Loss and Damage, to help address the impacts of climate change for the most vulnerable. Short-term climate finance/donor cycles are insufficient for addressing the longer-term, slow-onset events which create a loss of biodiversity, permanent loss and damages, in addition to the impacts caused by extreme weather events. While the Green Climate Fund has adopted a simplified access procedure for SIDS, this applies primarily to low-risk projects, while other essential Pacific island initiatives requiring climate finance remain unfunded. The additionality of climate finance to existing ODA flows in the region require further high-level discussion with development partners. Further, a programmatic approach is needed for accessing climate change resources commensurate with needs in the region.

59. The Pacific has been a driving force for climate change and oceans issues, and many aspects of international agreements have been based on Pacific submissions, underpinned by a solid foundation of regional frameworks and national plans.

60. Challenges for the Pacific going forward include an overemphasis on the Paris Agreement and risk of failure with voluntary commitments of NDCs and lengthy negotiations.

61. Internal population displacement due to the impacts of climate change is also a challenge for the region, and needs to be highlighted as it is already a reality: such as the recent temporary displacements following natural disasters and permanent community relocation in Fiji, Papua New Guinea and Vanuatu. International migration options are also being discussed in the region for vulnerable populations living on atolls.

62. Another challenge for the region is scaling up successful programmes. One successful initiative in the Pacific is the PACC project, funded by GEF and UNDP, which focused on water security, food security and coastal management, through the Pacific climate change portal and relevant national portals. The project delivered crucial on the ground adaptation in each country, provided important lessons learned and numerous studies, and serves as a basis for knowledge management on adaptation in the

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region. Despite the project's success, its activities need to be implemented in all sectors, in all communities, and in all countries. This challenge, for example, will require a concerted effort to develop new proposals for each country, for which support is needed to identify concepts, develop full projects and support for implementation.

### *Oceans and seas*

63. The SAMOA Pathway links the health of oceans with poverty eradication, nutritious food, livelihoods, economic development, and essential ecosystem services including carbon sequestration, and underscores that oceans represent an important element of identity and culture. It promotes sustainable fisheries and aquaculture, coastal tourism, possible use of seabed resources and potential sources of renewable energy as main building blocks of a sustainable ocean-based economy in SIDS (para 53); agrees on the need for their development to be based upon the best available science, giving due regard to conservation efforts and precautionary approaches (para 57); highlights the threat of ocean acidification (para 58), including in the context of climate change (para 32); and notes the importance of food security (para 63), and marine debris (para 57). The use of subsidies is raised as a concern in the context of fisheries (para 58) and international agreements related to fisheries and conservation whose implementation is a key strategy for SIDS.

64. Ocean acidification and warming are an existential threat – low carbon development, therefore, is the highest priority with regard to both oceans and climate change. For oceans and seas, it is also important that recognition of ecosystem services derive from a holistic view with all their inter-linkages, including food security, nutrition, economic growth, renewable energy and natural resources. Moreover, full recognition of the multitude of threats to the balance, including climate change and ocean acidification, marine debris, plastic litter, overfishing, illegal practices, and the lack of precautionary approaches.

65. In terms of oceans achievements for SIDS in the Pacific, outcomes include the UN Oceans Conference; internationally recognized treaties on fisheries and codes of conduct, including those addressing illegal, unreported and unregulated (IUU) fisheries; and recognition of marine litter, micro-plastics, effective vessel monitoring (through the Forum Fisheries Agency's Monitoring, Control and Surveillance efforts), and a precautionary approach to deep sea bed mining.

66. The Pacific Islands Regional Oceans Policy (PIROP) was endorsed by Pacific Island Forum Leaders in 2002, and while it remains the most comprehensive ocean policy guidance in the region, PIROP does not define an adequate coordination or resourcing approach. This gave rise to a further decision by Leaders in 2009 to develop the Framework for a Pacific Oceanscape (FPO) to promote implementation. In 2015 and 2016, Leaders again raised the Ocean as a priority by issuing the Palau Declaration on The Ocean: Life and Future and the Pohnpei Ocean Statement – A Course to Sustainability. Leaders underscored the need for meaningful implementation of SDG14 commitments. Through the Framework for a Pacific Oceanscape, the Leaders established a Pacific Ocean Commissioner (POC), supported by the Office of the Pacific Ocean Commissioner (OPOC). In addition, Leaders called for the establishment of the Pacific Ocean Alliance (POA), with a broad stakeholder base made up of private, public and civil sector representatives acting together to advance integrated ocean management. In September 2017, Pacific Leaders adopted the Blue Pacific identity as 'the core driver of collective action' to strengthen solidarity, reinforce the potential of the shared stewardship of the Pacific Ocean, and improve ownership and returns from fisheries. The Blue Pacific identity is intended to form the basis of a long-term regional foreign policy commitment to act as one 'Blue Continent'. For the SAMOA Pathway, of particular relevance is "the deep connections among people, culture, knowledge and the natural environment" (para 80) and the promotion of "cultural diversity, intercultural dialogue and international cooperation in cultural field" (para 81 a). The Fiji COP 23 Presidency also prioritises the 'Oceans pathway for strengthening the ocean-climate change nexus' - the points of intersections between various causes of impacts of climate change and oceans.

67. The 2017 Pacific Year for the Ocean campaign was launched at the IUCN Congress in Hawaii in September 2016. The Pacific engaged and participated in the UN Ocean Conference held in NY in June under the co-chairs Fiji and Sweden, including hosting pre-Conference Pacific preparatory meeting

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that led to the Call for Action on SDG14 and Pacific commitments on the ocean in June 2017. Following the Global Ocean Conference, the 1<sup>st</sup> High-level Pacific Blue Economy Conference was held in 2017 and provided a road map for mainstreaming sustainable blue economy in the Pacific Islands. Ocean stewardship requires a unified front, and the Pacific and its agencies should be unified in their approaches and inter-actions with donors and partners.

68. The ratification of major MEAs along with the Pacific Ocean Alliance has also provided support to countries in the development of an international legally binding instrument on the conservation and sustainable use of biodiversity in areas beyond national jurisdiction (BBNJ).

69. With regards to considerations for oceans and seas in the future, it is important to provide consideration for international agreements to safeguard the resources and address issues related to maritime boundaries. Greater support is also needed for the sustainable use of fisheries, especially in the Pacific island countries, where national fish consumption is three to four times the global average, representing 50 to 90 per cent of animal protein consumed by many island populations. Fisheries account for more than 50 per cent of all exports in half the States of the region and, even in countries that fall short of this threshold, it constitutes a large part of their exports. Earnings from fisheries remain disproportionately low, representing only a small percentage of the value of the landed catch, partly owing to illegal, unreported and unregulated fishing. Several valuable species, in particular bigeye tuna in offshore and bêche-de mer in inshore fisheries, are now under significant pressure and are at risk of depletion. Marine debris and the environmental risks inherent to deep-sea mining are other critical areas to address. There is also a need for stronger monitoring/surveillance/patrolling to enforce fishing regulations and maritime security.

#### *Biodiversity*

70. The ambition of the SAMOA Pathway is to promote international cooperation in support of the UN Decade for Biodiversity, 2012-2020, encouraging the active involvement of all stakeholders in conservation and sustainable use of biodiversity, access to and fair and equitable sharing of benefits and utilization of genetic resources with the vision of living in harmony with nature (para 89).

71. Habitat loss continues to be a challenge, due largely to human impact and unsustainable practices such as unsustainable logging and forest conversion for plantation and agriculture; land-based activities that contribute to marine pollution and other forms of improper waste management; clearance of mangrove areas, foreshore reclamation, coral harvesting, dredging, sand mining and coastal development; poorly managed mining operations; and the impact of natural disasters and extreme events. Invasive species is the leading cause of species extinction on island ecosystems and can also have an impact on food and economic security through the introduction of new diseases and pathogens with the potential to wipe out agricultural, fisheries and crop development. The management of invasive species requires a national commitment and a regionally coordinated response as these unwanted species respect no borders, boundaries or jurisdictions. There continues to be a high level of political commitment to address the issues of invasive species and targeted interventions have been and continue to be implemented locally, nationally and regionally but the trends suggest alarm and need for greater efforts.

72. In the Pacific, the Framework for Nature Conservation and Protected Areas in the Pacific (2017-2020) charts the course for conservation practice. It provides strategic guidance and encourages coordination and cooperation amongst key conservation players working in the region. A coalition of regional organizations and partners, under the auspices of the Pacific Islands Round Table for Nature Conservation, continue to work together to support implementation of the Framework.

#### *Management of Chemicals and Waste*

73. For the SAMOA Pathway, while sound management of chemicals and waste is crucial for human health and environment across the board and borders, the small land area remote and fragile ecosystems of SIDS pose a particular challenge (para 70).

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74. Indeed, in the Pacific, growing economies and populations coupled with poor waste management practices and limited land availability has resulted in increased volumes of solid and hazardous wastes that threatens the environment and sustainable development of the Pacific islands. The indicative waste generation for the entire Pacific urban population is estimated at over 1.16 million tonnes in 2013, and projected to be more than 1.59 million tonnes by 2025. Organic waste constitutes an average of 44 per cent of the waste stream, which in turn contributes to odours, pests and noxious leachate from dumps. These impacts can largely be minimized by diverting organic waste into recycling programmes such as composting or anaerobic digestion.

75. In the context of transportation, shipping and marine pollution are key threats, due to the special value and sensitivity of the region's coastal environments and the current inadequacy of regional and national capacity to address the issue. While marine pollution often originates on land it includes the development and operation of ports with severe pollution in many ports; leaching of toxins from anti-fouling paints on ships' hulls; disposal at sea of ships' wastes, marine litter (including plastics, general garbage and lost or discarded fishing gear); inadequate facilities to receive ships' waste; vessel grounding and sinking, which can result in physical damage to coral reefs, in addition to shipping accidents sometimes resulting in catastrophic releases of contaminants; and oil pollution from WWII wrecks. These developments are undermining the quality and health of vulnerable ecosystems and having a negative impact on health care, environmental quality, water resources, fisheries, agriculture, tourism, trade and food security.

76. There is a growing number of national and local initiatives to help improve waste management in the region, there are a growing number of national and local initiatives. Approximately 88 per cent of the urban population (or 47 per cent of the national population) across 18 PICTS have access to a regular collection service. However, providing consistent and reliable waste collection services in rural areas and on outer islands of many Pacific island countries and territories continues to be a challenge. Local initiatives such as the 'Container Deposit Programmes'; pre-paid waste collection bag systems; and the introduction of waste tipping fees to assist countries finance the appropriate disposal of waste are encouraging and should be supported and replicated. These initiatives are being driven through public education and awareness activities, such as the 3Rs+Return, eco-bags and the Clean Schools programmes. Recycling initiatives in a number of countries, including Palau and Kiribati, have resulted in a substantial volume of materials taken offshore, which relieved the pressure on limited landfill space in the islands. All Pacific island countries have phased out the use of CFCs, and currently face the challenge of completely phasing-out consumption of HCFCs or the main ODSs used in the Pacific region primarily used in refrigeration and air-conditioning.<sup>17</sup>

77. Other examples of positive steps taken in the Pacific include: the passing of legislation in Vanuatu in February 2018 to ban the use, manufacture and importation of single use plastic bags and polystyrene takeaway food containers; Palau banning the use of single use bags and CNMI introducing fines for shops that offer single use bags; and Fiji now has user fees to discourage the use of plastics. However, there is limited national capacity and absence of appropriate technologies to support ratification. And despite the existence of frameworks and legislation, enforcement and prosecution remain a challenge. Ultimately, it is only when prosecution of environmental offences in the public offices and national court of law is enforced in each country that legislation will be effective.

78. Despite these initiatives, the challenge of managing waste remains and will become further complicated by climate change, through increased disaster waste and in many landfill sites becoming inoperable through flooding and sea level rise. The Pacific Regional Waste and Pollution Management Strategy (2016–2025) is designed to help improve the management of waste and pollution over the next ten years. The Cleaner Pacific 2025 strategy, made possible with partnership with the Japan International Cooperation Agency (JICA) and the European Union; focuses on strengthening institutional and human capacity, promotion of public-private partnerships, implementation of sustainable best practices, and promotion of regional and national cooperation.

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<sup>17</sup> SPREP Pacific Regional Waste Management Strategy 2016-2025

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## II.C. Economic Development

79. The SAMOA Pathway recognizes “that the ability SIDS to sustain high levels of economic growth and job creation have been adversely affected by the ongoing impact of the global economic crisis, declining foreign direct investment, trade imbalances, increased indebtedness, inadequate transportation, energy, and ICT infrastructure networks, limited human and institutional capacity, and inability to integrate effectively into the global economy” (para 23). Sustainable tourism is a key strategy for sustainable oceans development (para 53), and sustainable production and consumption (para 69) and culture and sports (para 81) are also recognized as key areas for economic development. The ‘importance of remittances for SIDS economic growth is also highlighted with a specific call to reduce transfer costs (para 106, d). Under ‘Technology’ as a means of implementation, access is prioritized to appropriate reliable, affordable, modern and environmentally sound technologies; and Science, technology and innovation are essential enablers and drivers for sustainable development (para 110). Know-how and increase connectivity and use of information and communication technologies (ICTs) is to be promoted through improving ICT infrastructure, training, national legislation as well as public and private sector involvement.

80. Pacific SIDS face a complex set of challenges which result in higher levels of overall economic vulnerability than for larger countries with comparable income levels. Although three-fifths of SIDS are upper middle-income countries, they are among the most vulnerable developing countries. While growing, they continue to display acute vulnerability to global economic shocks and the impacts of climate change and natural disasters, high sensitivity to external economic shocks, catastrophic events, high costs of adaptation to climate change (OECD, 2018). Overall, economic growth in the Pacific has been generally positive, albeit volatile and uneven across the region. Economic expansion has not also been inclusive as reflected in development outcomes discussed in sections IIA and IIB. The regional average GDP growth decelerated to 3.1 percent over the period that followed the adoption of the SAMOA Pathway, 2014-2017. This was lower than what was recorded during the decade of implementation of the Mauritius Strategy—2004-2014—during which time the average GDP growth stood at 4.7 per cent.<sup>18</sup> The decelerated average GDP growth, mirrored to a large extent the performance of Papua New Guinea—the largest economy in the region—where economic expansion slowed down as the result of declining commodity prices, acute drought, and the completion of a major investment project. In the majority of SIDS in the Pacific, however, economic activity rebounded on account of reconstruction activities, a vibrant tourism sector, and the recovery of agriculture production. Looking forward, the challenge in these countries and other Pacific SIDS continues to be one of securing higher, inclusive and resilient economic growth.

### *Sustainable Transport*

81. The UN Liner Shipping Connectivity Index<sup>19</sup>, which measures connectedness to global shipping networks, shows that SIDS are less than one third as well-connected as other developing countries. Among SIDS, Fiji and Papua New Guinea, the most well-connected of SIDS in the Pacific, at 8.9 and 11.9 respectively out of a possible 100, are about a third of Mauritius (32) Dominican Republic (33) and Jamaica (23). The Federated States of Micronesia (1.9) Palau (3.3) Kiribati (4.4) and Marshall Islands (4.4) remain the least connected by shipping of any group of countries. The SIDS in the Pacific are also the most distant from each other. Fiji is closer to Australia than to Papua New Guinea, and Palau is closer to Asia than to most other Pacific islands. While for the average country the cost of international transport is approximately 9 per cent of the value of imports, it is about 10 per cent for the Pacific islands, which in 2017 amounted to \$3bn (UNCTAD and ESCAP).

82. Maritime transport is responsible for about 2.5% of global greenhouse gas emissions. Given the predicted increase of between 50% and 250% by 2050 depending on future economic and energy developments, current trends are incompatible with the internationally agreed goal of keeping global temperature increase to below 2°C compared to pre-industrial levels. For the Paris Agreement to succeed,

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<sup>18</sup> GDP (constant US\$), World Bank.

<sup>19</sup> <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=92>



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worldwide emissions need to be at least halved from 1990 levels by 2050. Pacific efforts have been made under the leadership of Marshall Islands to reduce maritime shipping emissions through IMO, in line with the Paris Agreement; and to establish a Micronesia Centre for Sustainable Transport to promote low carbon shipping in the Pacific. Pacific efforts contributed to the recent IMO agreement to cut the shipping sector's overall CO<sub>2</sub> output by 50 per cent by 2050, which, while a welcomed step forward, should be seen as grossly inadequate for the ambition of the SIDS regarding emission targets. For many SIDS in the Pacific, existing maritime transport services are increasingly unaffordable and unsustainable with fossil fuel as the largest single operating cost for shipping operators.

83. Regional frameworks for policy and actions on transport include the *Framework for Action for Transport Services 2011-2020*, which identifies national and regional priorities under 7 themes of: (i) nation-led solutions supported by regional initiatives compliant with international obligations; (ii) coordinated whole of sector approach; (iii) the need for sustainable livelihoods, and recognition of climate change, culture, equity and gender issues; (iv) the importance of treating transport as an integrated sector; (v) evidence-based planning – the importance of transport sector statistics; (vi) appropriate investment in human capital; and (vi) many partners, one team. *The Forum Communique 2013* reaffirmed the importance of infrastructure to the sustainable development of the Pacific and the need for this to be recognized in the shaping of the post-2015 development agenda/SDGs. The Forum Communique 2012 had encouraged CROP agencies and development partners to resource and address key gaps in regional infrastructure. Low carbon commitments are noted under the Environmental Integrity section and it is worth noting that the Smaller Island States' Port Moresby Declaration on Climate Change in 2015 and the PIDF Suva Declaration on Climate Change in 2015 also championed the cause of low-carbon shipping in the Pacific.

#### *ICT Connectivity*

84. The importance of information and communications technology (ICT) development for Pacific small island developing States lies in its capacity to overcome the tyranny of distance and isolation. In the early 2000s, several Pacific island governments<sup>20</sup> opened-up their telecommunications markets, resulting in a major expansion in ICT connectivity.<sup>21</sup> By 2015, 10 Pacific island countries had access to high-speed and high-bandwidth capacity submarine cables, which replaced or complemented satellite access. However, the broadband divide<sup>22</sup> continues to widen within the Pacific and between the Pacific and other parts of Asia-Pacific and of the world, in both fixed- and mobile-broadband with the most recent information on market shares (i.e., subscription per 100) showing differences within the region and between fixed and mobile broadbands. Figures 1 and 2 below shows the trends in the Pacific viz the Asia Pacific region noting progress in mobile broadband.

85. Affordability of internet, measured as a percentage of gross national income (GNI) spent on broadband services (i.e., less than 5% indicates affordability), is a challenge for the SIDS in the Pacific. Most recent figures show Tonga (2%) and Fiji (4%) as the most affordable of the SIDS in the Pacific, which reflects the high mobile-broadband penetration (56 and 54.3 respectively per 100) they have. PNG (9%), FSM (9%), Solomon Islands (9%) and Vanuatu (10%) are the least affordable of those countries with the data. A recent World Bank<sup>23</sup> projected that ICT-enabled opportunities have the potential of increasing growth rates depending on levels on investment.

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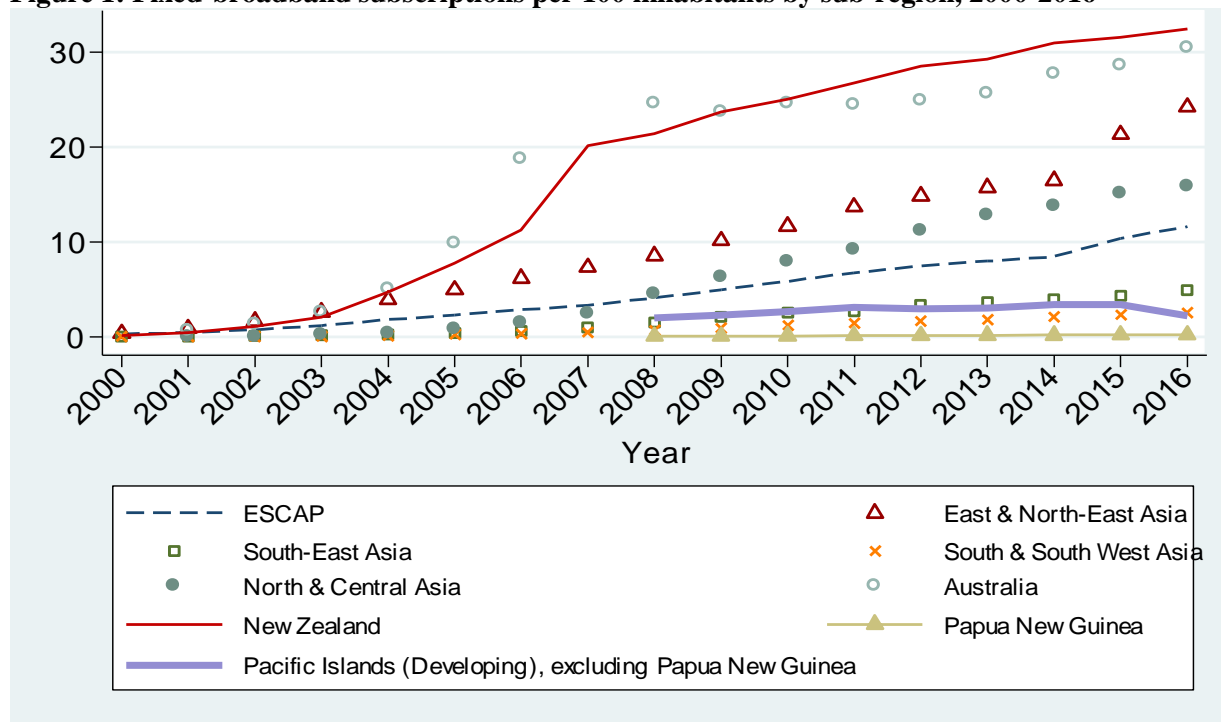
<sup>20</sup> Fiji, Papua New Guinea, Samoa, Tonga and Vanuatu, followed later by other Pacific island countries.

<sup>21</sup> Increase in teledensity (fixed line/mobile) and Internet subscriptions per 100 people.

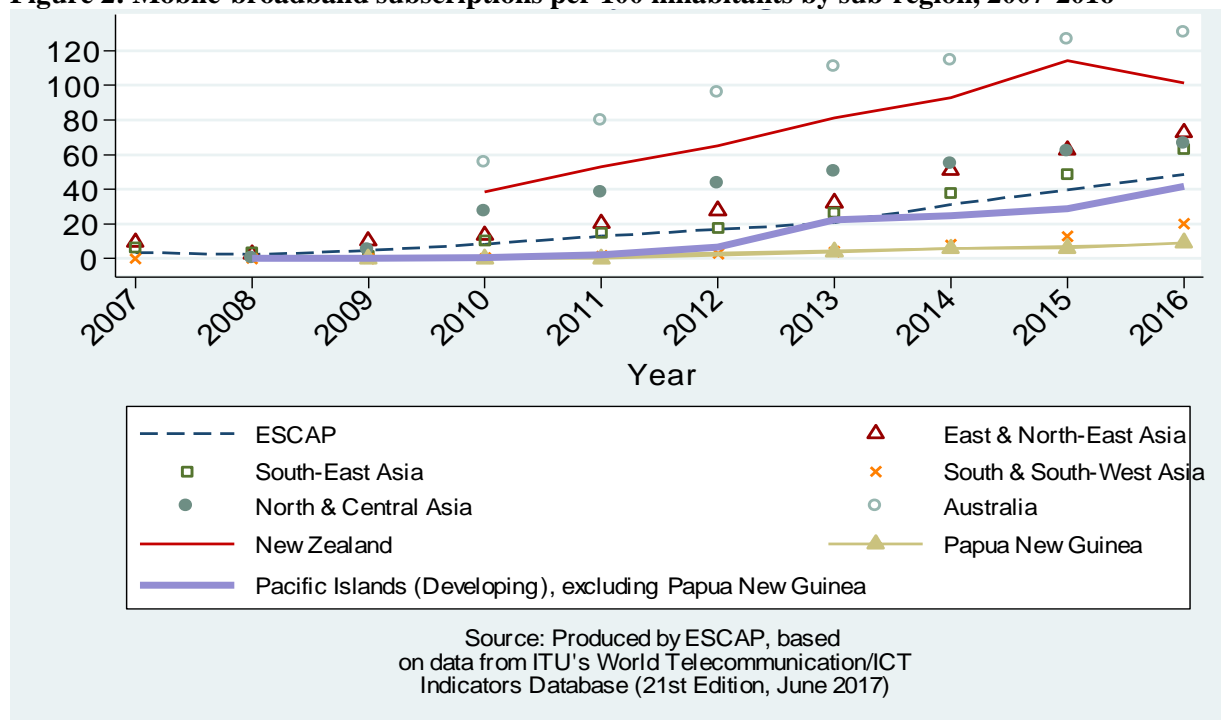
<sup>22</sup> Broadband divide is the difference in the ratio in penetration rates (or fixed broadband or mobile) between the different groups of economies, between women and men, young and elderly, and different regions (ITU, 2007)

<sup>23</sup> See ESCAP 'Broadband Connectivity in Pacific Island Countries' 2017

**Figure 1: Fixed-broadband subscriptions per 100 inhabitants by sub-region, 2000-2016**



**Figure 2: Mobile-broadband subscriptions per 100 inhabitants by sub-region, 2007-2016**



86. Key partners in the Pacific include ITU, World Bank, private sector operators including Digicel and the Asia-Pacific Tele-community. Other partners include Pacific Islands Telecommunications Association (PITA) and Pacific ICT Regulatory Resource Center. CROP has a sectoral group on ICT, chaired by USP, with the objective to enhance coordination and strengthen ICT integration and collaboration for sustainable development. The working group provides a common platform for CROP and stakeholders to address priority issues in the ICT sector. ICT Ministerial Meetings have been held in the past by the PIF and SPC and as of 2018, following up on the Digital Pacific Conference organized by the Government of Samoa in Apia in June 2018, a regular intergovernmental dialogue mechanism was established to meet annually and set the regional agenda for digital transformation including broader connectivity, single digital identity and e-governance.

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### *Sustainable energy*

87. Despite the central importance of energy security, it is estimated that 70 per cent of Pacific island households are without modern electricity services, mostly in Melanesian countries where approximately seven million people remain without access. Reliance on firewood for energy needs (e.g. 90% of Timor-Leste's population) is one of the primary reasons behind deforestation. The region's heavy dependence on imported fuel is another constraint, particularly since the transport sector is a substantial energy user. The SIDS in the Pacific belong to the region most dependent on imported petroleum fuels for energy in the world (95 per cent are imported, compared to the global average of 34 per cent), especially for their transport sectors but also to meet household and commercial electricity needs. For most, petroleum represents the largest single import expenditure and, when oil prices are high, it exceeds or approximates the total value of exports. In order to improve access and affordability, as well as to reduce the heavy carbon footprint, there is an urgent need to improve energy efficiency and to promote the use of renewable energy.

88. While most countries have established policy targets (particularly for renewable energy based electricity generation) that are increasingly backed by supportive policy instruments, Pacific energy systems are still largely driven by carbon intensive sources of energy. Securing reliable and sustainable energy sources will be essential for economic growth and connectivity prospects. Average household energy expenditure is about 20% of total average household income for SIDS in the Pacific, and slightly higher at 22% for the small island States. The costs of electricity and petroleum products in the Pacific are among the highest in the world, with considerable variance in the price of fuel between SIDS in the Pacific (some of which can be explained by market size, remoteness and differing government taxes). Leaders in the Pacific have prioritized affordable and clean energy to meet the needs of national populations and the global responsibility to act in response to climate change. The Framework for Action on Energy Security in the Pacific (FAESP) for the period 2010-20 was agreed by Leaders in 2010 in support of greater energy security. It presents a political commitment and vision for an 'energy secure Pacific where all people at all times have access to sufficient sustainable sources of clean and affordable energy and services to enhance their social and economic well-being'. Goal 2 of the Framework for Resilient Development in the Pacific aims to reduce carbon intensity of development processes, increasing the efficiency of end-use energy consumption, and enhancing the resilience of energy infrastructure, thereby increasing energy security while decreasing net greenhouse gas emissions. Key regional actions in sustainable energy noted at the MTR Meeting in Tonga include the new Pacific Centre for Renewable Energy and Energy Efficiency established in 2017 in Tonga and the SPC regional energy data repository in support of the Sustainable Energy for All (SE4ALL) initiative.

### *Sustainable Tourism*

89. Within the SAMOA Pathway (paragraph 30 (a) to (g)), sustainable tourism has been recognized as an important driver of sustainable economic growth and decent job creation. Actions addressing resilient, sustainable, environmentally-sensitive tourism that is inclusive of all peoples and communities and that conserves natural, built and cultural heritage were identified as key areas for support.

90. The tourism sector accounts for less than 5% of GDP in other developing countries, but represents over 20% of GDP for almost two thirds of SIDS, and between 58% and 65% for Palau and the Maldives (IMF, 2016). Cook Islands, Fiji, Samoa and Vanuatu also rely on tourism for a large share of GDP. As noted by the World Bank's Pacific Possible 2017 report, tourism already plays an important role in Pacific Island economies and is one of the region's few economically viable sectors. Total tourism spending in Pacific Island countries for 2013 amounted to US\$1.4 billion, averaging out at just over US\$1,000 per visitor. In 2014, there were a record 1.37 million overnight visitor arrival across the eleven countries, with Fiji, Papua New Guinea (PNG), Palau, Samoa and Vanuatu making up the top five destinations. Large financial "leakages" from the tourism sector often diminish the positive impact on the domestic economies and livelihoods of SIDS. More arrivals do not necessarily mean more spending, and due to the ecological sensitivity of Pacific Island countries, attracting low-volume, high-yielding tourists is crucial. Thus, it is important that SIDS in the Pacific develop national sustainable tourism strategies and policies as agreed under SDG 12.b.1. In this regard, the progress in the region, thus far, is shown below.

**Table 2: National Sustainable Tourism Strategies for SIDS in the Pacific**

<b>Sustainable Tourism Strategies</b>	Cook Islands, Fiji, FSM, Kiribati, RMI, Nauru, PNG, Samoa, Solomon Islands, French Polynesia, Timor-Leste, Tonga, Tuvalu, Vanuatu
<b>In Progress</b>	New Caledonia
<b>Sustainable Tourism Policies</b>	Cook Islands, Niue

### **III. Means of Implementation – Development Effectiveness and Partnerships**

91. As noted previously, the SAMOA Pathway recognizes “that the ability of SIDS to sustain high levels of economic growth and job creation have been adversely affected by the ongoing impact of the global economic crisis, declining foreign direct investment, trade imbalances, increased indebtedness, inadequate transportation, energy, and ICT infrastructure networks, limited human and institutional capacity, and inability to integrate effectively into the global economy” (para 23). Sustainable tourism is a key strategy for sustainable oceans development (para 53), sustainable production and consumption (para 69) and culture and sports (para 81). The ‘importance of remittances for SIDS economic growth is also highlighted with specific call to reduce transfer costs (para 106, d). Under ‘Technology’ as a means of implementation, access is prioritized to appropriate reliable, affordable, modern and environmentally sound technologies; and Science, technology and innovation are essential enablers and drivers for sustainable development (para 110). Know-how and increase connectivity and use of information and communication technologies (ICTs) is to be promoted through improving ICT infrastructure, training, national legislation as well as public and private sector involvement. And while acknowledging the primary responsibility of SIDS for their own sustainable development, the SAMOA Pathway recognizes that the persistent development challenges of the SIDS require enhanced global partnership for development, adequate provision and mobilization of all means of implementation and continued international support to achieve internationally agreed goals (para 96). Financing, trade, capacity building, technology, data and statistics and institutional support to SIDS are highlighted in this context.

92. The 2030 Agenda has provided the impetus for the Pacific region to place an increased focus on the means of implementation for sustainable development. Pacific Islands Forum Leaders endorsed the Pacific Roadmap for Sustainable Development as a guide for regional responses for the achievement of the 2030 Agenda and the SDGs within the context of national plans and priorities, the SAMOA Pathway and the Framework for Pacific Regionalism. It builds on the strong leadership demonstrated by the Pacific in shaping the global agenda and reaffirms the need for national ownership backed by regional and international cooperation. To date, efforts under the Roadmap have included steps to: (a) strengthen coordination, nationally through the formation of National Sustainable Development Coordination Committees/SDG Taskforces and regionally through the Pacific SDG Taskforce; (b) support localization at national level of the 2030 Agenda and SDGs in planning, budgets and reporting processes; (c) contextualize global indicators to ensure they can be collected to monitor progress of regional and national priorities; (d) support countries to prepare 2030 Agenda Voluntary National Reviews to the UN High Level Political Forum with Samoa reporting in 2016 and Kiribati to report in 2018; and (e) undertake regional monitoring and reporting to track progress and support knowledge sharing, primarily through this Pacific Sustainable Development Report.

93. In section IIC, the vulnerability of the Pacific island economies to external economic shocks was discussed in relation to the main connectivity channels in the region. Addressing the development challenges of the Pacific is challenged as well by the limited financing options, negative terms of trade and limited human and institutional capacities. The importance of the development effectiveness agenda and partnerships becomes particularly important, if the Pacific economies are to progress further on the implementation of the SAMOA Pathway and the 2030 Agenda.

94. Development effectiveness is also key to progressing national development priorities and must be underpinned by predictable financing. Weak coordination of multiple donors and partners can overstretch scarce administrative resources and deepen fragmentation of effort. Improved predictability of UN multi-year programmatic funding for SIDS was a key recommendation of the 2016 Joint Inspection Unit review of UN system-wide support for SIDS. In response, the UN Pacific Strategy 2018-2022

provides a 5-year programme of support to SIDS in the Pacific. However, it is presently operating with a 50% funding shortfall. The top five development partners to SIDS in the Pacific, in terms of financing, typically offer 1-5 year ODA cycles (see Table 3), with continued effort needed to improve coherence between development assistance and national development priorities. The climate financing opportunities for SIDS that are in addition to traditional ODA must, in addition to facilitating better access for SIDS, address the need for predictability over multiple years.

**Table 3. Pacific Spending by Partner (2015-18)**

<i>Rank</i>	<i>Pacific Partner</i>	<i>Value (millions USD) from 2015-2018</i>
1	<i>Australia</i>	<i>\$2,702</i>
2	<i>Asian Development Bank</i>	<i>\$622</i>
3	<i>United States</i>	<i>\$404</i>
4	<i>World Bank Group</i>	<i>\$387</i>
5	<i>EU Institutions</i>	<i>\$330</i>
6	<i>New Zealand</i>	<i>\$309</i>
7	<i>UNDP</i>	<i>\$142</i>

*Source: IATI (accessed April 2018)*

*Note: Data includes all Pacific island countries and Timor-Leste.*

95. The Pacific region also believes that development effectiveness is determined by the ability of the Pacific region and PICTs to exert leadership, demonstrate ownership and effectively guide national development, resource allocation and accountability systems including those of external partners to deliver on clear national priorities. This leadership cannot be exerted without strong, effective, credible transparent and accountable institutions, systems, capacities and policies.

96. In 2009, the Forum Compact expressed the determination of Pacific Islands Forum Leaders to better use the totality of domestic and external financing flows in the region to improve the lives of people in the Pacific and accelerate the region's progress in achieving the MDGs. There was a specific focus on addressing ways to increase the effectiveness of the key institutions, including through capacity building and south-south cooperation for more effective development cooperation. The Forum Compact also included an annual reporting process for development partners on their efforts to reduce aid fragmentation, ease the burden of aid administration and improve aid effectiveness, through measures such as increased use of country partner systems, multi-year funding commitments, pooled funding, the delegation of aid delivery to lead donors and collaborative analytical work.

97. Under the Forum Compact, peer review process, which covers national systems and processes of planning, budgeting, public financial management and aid management in regard to development coordination, thirteen PICTs were peer reviewed by teams that included island country colleagues and a development partner representative (for some reviews there was also representation from civil society). In addition, both New Zealand and Australia opened their systems and processes for peer review by island country and other development partner representatives. A key focus of the development partner peer review process was to allow partner countries to better understand how the policies, procedures and actions of the development partner are formulated and implemented, and to provide space for feedback on how they might be adjusted to more effectively support partner country development efforts.

98. Through the implementation of the Forum Compact, partners in the region have a better idea what is important and what can be done to improve the region's development performance:

- A simple national plan with a limited number of measurable targets that is consistent with likely national resources; that genuinely reflects political priorities and is owned and regularly reviewed by a high-level cross-government body or central agency and reported to Cabinet, Parliament and the public.
- Effective and mutually accountable partnerships with the private sector and civil society over the setting of and accounting for national priorities/plans and the means of implementation.

- Budget processes that ask public servants to specify what they will achieve with the domestic and external funds allocated to them, including a regular account of results.
- Attention to the public financial management systems that convert budgets into actions in the most efficient, accountable and transparent way.
- Well informed Parliamentary oversight.
- A strong central management point for all aid, preferably with close links to central budget managers, with a mandate from the country's leadership to shape development assistance in accordance with the country's needs and integrate it into the national budget.
- Responsiveness by development partners to provide aid in ways that enhances national leadership, strengthens national systems and minimizes the management burden, particularly on smaller administrations.

99. These points are frequently described as technical or administrative in nature. However, in all cases, it is important to understand the power relationships within countries; the broader issues of governance as well as how decisions are made to allocate resources, as these all impact on the relationships that are formed and maintained with development assistance partners.

100. Partly in direct response to the outcome of the Forum Compact peer review process, development partners have worked with countries, both individually and at the regional level to address a number of the points highlighted above. As a consequence, over the last few years, there have been a range of initiatives to improve the quality of national and sector policy development, planning, statistical collection and analysis. There has also been support for a broad range of governance programmes, including national and regional interventions, designed to improve the function of parliaments, addressing key aspects of gender inequality in leadership roles, anti-corruption efforts and a wide range of other activities. Most significantly, there have been efforts by the IMF through the Pacific Financial Technical Assistance Centre (PFTAC), and other partners, including the UN, to work with Governments to bring improvements to overall public sector financial management. This is seen as critical to encouraging development partners to use national systems and address one of the key principles of development effectiveness.

101. The 2010 meeting of Forum Economic Ministers endorsed the Pacific Public Financial Management Reform Roadmap, and since then, with the active support of a number of development partners, six of the Commonwealth small island states (PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) have been subject to repeat Public Expenditure and Financial Accountability (PEFA) assessments of their experiences in implementing public financial management reform. In analysing these assessments, PFTAC has noted that progress in implementing reform can be hampered where there is not: (i) a critical mass of specific skills (accounting and audit) available; (ii) wide buy-in across government to assure fiscal discipline; (iii) strong links between policy and multi-year frameworks; (iv) adequate attention given to some issues (i.e. fiscal risk of off-budget expenditures and state owned enterprise operations) because of political sensitivities; and (v) easily identifiable solutions to complex and entrenched practice as is often the case in the area of procurement.

102. To complement budget and public finance reforms, stronger links to national and sector plans, and global development goals is needed. For example, introducing a strategic phase and a medium-term perspective into the budget process can build stronger links between planning and budgeting, through review of national and sectoral priorities and new policy initiatives, and framing them within the overall budget context. It would facilitate the prioritization of competing policy initiatives, and help to reconcile the costs of proposed development projects with available resources. Several benefits that would emerge if planning and budget systems were well linked, include:

- a more effective approach to the implementation of government priorities that helps achieve better development outcomes, including achievement of the Sustainable Development Goals;
- improved accountability for performance by implementing departments and ministries; and
- a better use of performance information to align resource allocations with policy priorities.

103. The Forum Compact and peer review process complemented efforts at the global level, in that it adapts the principles of the GPEDC to the country context. The level of Pacific country engagement and

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participation in development effectiveness monitoring at regional and global levels has increased significantly, with ten countries participating in this second GPEDC monitoring round. Difficulties remain for a number of the smaller island countries to successfully monitor the effectiveness of development cooperation using the GPEDC indicators, an issue of data collection deficiencies and limited capacity as seen in the MDG reporting, and already anticipated in the implementation the SDGs.

104. The implementation of the Forum Compact has made a very positive contribution to improving development effectiveness in the region. It has focused attention at country and regional levels on both the political dimensions and technical aspects of development effectiveness. The peer reviews provided space for countries to consider with their peers how to more effectively negotiate with development partners. The Compact encouraged governments to recognize the importance of them being more inclusive and transparent in their decision-making processes around development priorities and budget allocations, as well as the effectiveness of their own systems in delivering better public services for all in the community.

105. Despite this success, there is still some way to go before the four principles of development effectiveness are firmly grounded in the processes of the countries, and are genuinely supported by all development partners in the region. In many cases, the relevant policy documents are in place and the ownership, results based systems and inclusive approaches are understood. However, in deeper analysis, much of what is reported is a ‘thin veil of truth’ with much more to be done to make sure what is planned is funded, and when funds are allocated, programmes are actually delivered. It is also apparent that while most development partner policies and processes are considered to be in line with the GPEDC Framework and the Forum Compact itself, the reality is often less encouraging. Some development partners still prefer to operate quite independently of the national planning and budget processes, or continue to not respect attempts by countries to define more clearly an engagement or reporting process for partners.

#### *Financing for Development*

106. The SAMOA Pathway recognises that finance from all sources, reliable affordable and modern technology, capacity building, and enabling institutional and policy environments at all levels are important means of advancing sustainable development (para 102), and therefore reaffirm commitment to: a) use of domestic policies and financing with due consideration to national levels of indebtedness and national capacities; b) accessing international arrangements and modalities for financing of development including through capacity building and review of application procedures; c) climate change adaptation and mitigation projects; and d) reduce transfer costs of remittances (para 106).

107. For SIDS in the Pacific, an expanded understanding of key aspects of financing for development is needed, including such as issues of declining foreign direct investment (FDI), increased indebtedness and capacity constraints, as well as innovative current initiatives relating to super-funds risk insurance and the role of fiscal policy in growth of small island economies. Also, the enabling environment for economic strategies, particularly as it relates to institutional effectiveness and gaps in implementation, remains a key area of attention under the SAMOA Pathway and related international sustainable development frameworks. Among the Pacific LDCs, Vanuatu is due to graduate in 2020, the Solomon Islands in 2021, while consideration of graduation of Timor-Leste will take place in 2021, and consideration of graduation of Kiribati and Tuvalu is deferred to no later than 2021.

108. To undertake investments for the achievement development priorities over a long-term horizon, Pacific island countries need not only to have sufficient fiscal resources but also to ensure that such resources are stable and predictable. As Pacific island economies are mostly open and highly dependent on the global economy, it makes fiscal management particularly challenging, as national budgets are subject to several sources of volatility due to large fluctuations in GDP, terms of trade, tax and non-tax revenues, procyclical remittances or the negative impact of disasters<sup>24</sup>. For example, it has been estimated that damage and losses due to natural disasters reduced the average GDP growth rate in Pacific island countries by 0.7 percentage points per year during the period 1980-2014, and for damage and losses

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<sup>24</sup> ESCAP 2018, MPFD Policy Brief No. 75, Managing Fiscal Volatility in the Pacific.

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equivalent to 1 per cent of GDP, the fiscal balance would deteriorate by 0.5 per cent of GDP in the year after a disaster.<sup>25</sup>

109. The inherent ‘special case’ characteristics of Pacific island countries, including smallness and remoteness highlighted in section IIC, compound the structural gaps between domestic revenues and public expenditure. On the expenditure side, this means that government expenditure per capita, especially recurrent costs and spending to supply essential services, is quite high relative to GDP. For example, in Kiribati and Tuvalu the level of government expenditure averaged about 100 per cent of total GDP between 2007 and 2016.<sup>26</sup> Such high current spending levels occur because the public sector is typically the main employer and the main provider of goods and services. This implies very limited budget allocations for public investments, which are often pursued through foreign aid and loans. However, high dependence on foreign aid is also a source of fiscal vulnerability, given the unpredictability of flows and direction of spending. Over the ten years from 2007 through 2016, aid accounted for an average 29.4 per cent of total revenues (including grants).<sup>27</sup>

110. On the government revenue side, due to narrower economic base and vulnerability to exogenous shocks (including natural disasters and terms of trade<sup>28</sup>), revenue volatility in small states is larger than developing non-small states.<sup>29</sup> While tax revenues as a percentage of GDP (excluding grants) for all Pacific island economies are well below the benchmark of 20% of tax to GDP ratio, there are serious constraints particularly for the smaller economies with narrow taxable economic bases and small private sector. Domestic revenues can be volatile in SIDS given the relatively narrow productive bases concentrated in sectors that are exposed to external fluctuations. SIDS that rely on natural resource rents or tourism as their primary export sectors are especially prone to fluctuating domestic and tax revenues. In Timor-Leste, for example, tax revenues accounted for 103% of gross domestic product (GDP) in 2010, rising to 133% in 2012 before falling to 40% in 2015.

111. To elaborate a point made already, besides limited domestic revenue generation, the high unit costs of services have a significant effect on public finances, leading to larger public-sector expenditures than in other developing countries. This is especially true in SIDS in the Pacific, where small populations are often scattered across a multitude of islands, compared to developing countries of a similar income level. Government expenses accounted for 29% of GDP in SIDS, compared to 22% in other developing countries in 2014. Compared to other countries, a larger share of public expenditure is also current expenditure and not capital investment.

112. Also, high levels of public debts, while not as much a concern as in the Caribbean, is a concern to the SIDS in the Pacific in as far as they reduce the fiscal space for governments to make critical investments, for example, in renewable energy technologies. The IMF (2017) categorizes PNG at “low” risk of debt distress; Timor Leste, Tonga and Vanuatu at “moderate” risk; and Kiribati, Marshall Islands, FSM, Samoa and Tuvalu at “high” risk. Between 2014 and 2018, Tuvalu increased its external debt from 24% to 43.2% of GDP, whereas Samoa, whilst reducing its debt levels from 54.4% of GDP in 2014 remained at 45.8% in 2018.

113. Foreign direct investments and other private finance flows are highly volatile and on average contribute little to SIDS’ external financing: only 12% in 2012-15 (OECD, 2018). This reflects the lack of creditworthiness to raise funds in capital markets for many SIDS especially in the Pacific. Direct Investment (FDI), sporadic and concentrated in specific sectors, is generally volatile and pro-cyclical in nature and tends to lead to profit repatriation. Additionally, it is noted that in most cases FDI is not directed towards sectors or industries crucial for sustainable development (Pacific Sustainable Development Report 2018).

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<sup>25</sup> IMF (2015), “Enhancing macroeconomic resilience to natural disasters and climate change in the Small States of the Pacific”, Working Paper 15/125, International Monetary Fund.

<sup>26</sup> ESCAP 2018, MPPFD Policy Brief No. 75, Managing Fiscal Volatility in the Pacific.

<sup>27</sup> Calculated using Asian Development Bank’s key indicators database, accessed on 20 March, 2018.

<sup>28</sup> Stem from narrow production bases in Pacific island countries, underscored by structural challenges, costs of doing business and connectivity constraints.

<sup>29</sup> IMF (2015), “Strengthening Fiscal Frameworks and Improving the Spending Mix in Small States”, Working Paper 15/124, International Monetary Fund.



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114. For some of the SIDS, building up domestic sources of finance through Sovereign Wealth Funds (PNG and Timor Leste) or Trust Fund earnings (Kiribati and Tuvalu) has been significant. Regional approaches can help, as in the case of the Parties to the Nauru Agreement<sup>30</sup> (PNA), which provides nontax revenues of around 38 per cent of current government revenues on average. The Pacific Catastrophe Risk Insurance Company, which provides an immediate pay-out on the occurrence of an insured disaster event that meets specified parametric triggers for participating<sup>31</sup> Pacific island countries, is another example. The Pacific Region Infrastructure Facility, which is a partnership between key development partners and multilateral banks, is another example of regional cooperation to pool donor assistance for infrastructure development in Pacific island countries.

### *Remittances*

115. In the 2012-2015 period, remittances represented over 50% of total external financial flows for Fiji (56%) and Tonga (60%). It also made for a large share of GDP in Samoa (18%), Republic of Marshall Islands (14%) and Tuvalu (11%), although significant data gaps could mean that the real figures of some of these and others could be higher (OECD, 2018). Table 3 below using World Bank data<sup>32</sup> shows some the trends in remittance receipts among the SIDS in the Pacific, including Timor-Leste. The cost of transferring remittances to the Pacific has traditionally been higher than the global average with the Australia-Vanuatu registering the highest in the world at 20.7% of \$200 in 2015, according to a World Bank factbook<sup>33</sup>. The target under the SDGs is for the cost to be lower than 3% of the remitted amount, and while there have been improvements, the average cost of remittance transfer remains high, with the latest figures showing cost of 11.64% (NZ-Vanuatu), 9.97% (NZ-Samoa), 9.51% (NZ-Fiji), 8.47% (NZ-Tonga) and 8.35% (Aust-Fiji).<sup>34</sup>

116. PICTs have various preferential labour mobility arrangements with Australia and New Zealand and, in 2018, it is estimated that more than 15,000 Pacific Islanders were engaged in the seasonal worker programmes of Australia and New Zealand. Steps taken to increase the impact of remittances include the integration of labour migration policies with development plans, and engaging individuals and families in the implementation of such policies; improving transparency, access to pre-departure training and to financial knowledge and training; and improving work conditions.

117. Remittances inflows are also sensitive to labour market conditions in the remitting economies.<sup>35</sup> And recent change in the Anti- Money Laundering (AML) and Counter-Terrorism Financing (CTF) Laws leading to the closure of Money Transfer Operators (MTOs) have also had a negative effect on low-cost and ease of transmission of remittances. This poses significant challenges as remittance costs through the commercial banks is relatively higher than MTOs. A cost-effective, fast and reliable mechanism for transferring funds is required.

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<sup>30</sup> The Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest, or The Nauru Agreement is a subregional agreement between the Federated States of Micronesia, Kiribati, the Republic of the Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu. The Parties to the Agreement collectively control 25–30 per cent of the world's tuna supply.

<sup>31</sup> Vanuatu, Samoa, Tonga, Marshall Islands, and Cook Islands

<sup>32</sup> <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

<sup>33</sup> <https://openknowledge.worldbank.org/bitstream/handle/10986/23743/9781464803192.pdf>

<sup>34</sup> <https://remittanceprices.worldbank.org/en/corridor/Australia/Fiji>

<sup>35</sup> Forms a large portion of Samoa's and Tonga's GDP, contributing 20 and 23 per cent of GDP

Table 4: Migration and Remittances Data (World Bank)

Migrant remittance inflows (US\$ million)	2013	2014	2015	2016	2017
Fiji	204	221	251	80	86
French Polynesia	672	660	564	564	589
Kiribati	17	17	16	17	18
Marshall Islands	25	26	27	28	29
Micronesia, Federated States	22	23	23	23	24
New Caledonia	724	721	613	613	642
Palau	2	2	2	2	2
Papua New Guinea	14	10	10	3	3
Samoa	165	158	144	136	143
Solomon Islands	21	16	19	20	20
Timor-Leste	34	44	62	80	85
Tonga	121	129	138	138	146
Tuvalu	4	4	4	4	4
Vanuatu	24	28	24	19	19

118. One of the innovations across the region in the area of migration and remittances is the labour-mobility programme that New Zealand helped put in place. The scheme contributed to increasing remittance flows, developing new skills and meeting the capacity gap of companies in the receiving country (OECD, 2018). The programme delivered tangible contribution to receiving countries, but its continued success depends upon adequate facilitation by the source country, and its efficacy decreases with distance from New Zealand. A recent analysis (Berkelmans and Pryke, 2016) concluded that expanding access to Australia’s labour market could deliver significant development gains for SIDS. More specifically, allowing 1 per cent of the Pacific region’s population – an average intake of fewer than 3 000 people – to work permanently in Australia would result in greater benefit to the Pacific peoples by 2040 than Australia’s current aid programme.

### Trade

119. In the Pacific, trade has been a source of development and a driving force for economic growth, and in turn, poverty reduction. In its simplest and most direct form, trade can lead to an increase in a country’s gross domestic product (GDP), a measure most used to compare differences in living standards between countries and regions. If Pacific island countries raised their current share of world trade from 0.05 to 0.5 per cent, it could bring in up to an additional \$50 billion to the region.<sup>36</sup> In 2017, the Pacific island countries were responsible for just 1.6% and 1.7% of global exports and imports, respectively. Within the sub-region, Australia and New Zealand accounted for the largest portion of trade, contributing to 95.9% and 89.5% of region’s total exports and imports, respectively (Figures 3 and 4). While potential to improve trade flows exists, binding constraints (such as narrow production base, small scale, remoteness from major markets), combined with lower cost competitiveness and high costs of transport connectivity pose challenges. Reducing trade costs, particularly supply-side and non-tariff sources, such as inefficient transport and logistics infrastructure and services, cumbersome regulatory procedures, and documentation requirements, is a critical element to increasing trade between Pacific island countries and the rest of the world. In ‘Doing Business Performance’ rankings<sup>37</sup> the Pacific developing countries are ranked below all the other Asia-Pacific groups except for South and South West Asia.

120. The Pacific Island Countries Trade Agreement (PICTA), agreed to in 2001, aimed at promoting integration amongst the PICs and provided a ‘stepping stone’ for wider trade negotiations with bigger trading partners, particularly Australia and New Zealand. A PICTA Trade in Services Protocol includes tourism, transportation and business services as a starting point for service sector liberalisation in the

<sup>36</sup> Business Advantage PNG, “PACER-Plus could boost Pacific nations’ income by more than US\$50 billion a year, says trade adviser”, 17 June 2015. Available from [www.businessadvantagepng.com/pacer-plus-could-boost-pacific-nations-incomes-by-more-than-us50-billion-a-year-says-trade-adviser/](http://www.businessadvantagepng.com/pacer-plus-could-boost-pacific-nations-incomes-by-more-than-us50-billion-a-year-says-trade-adviser/).

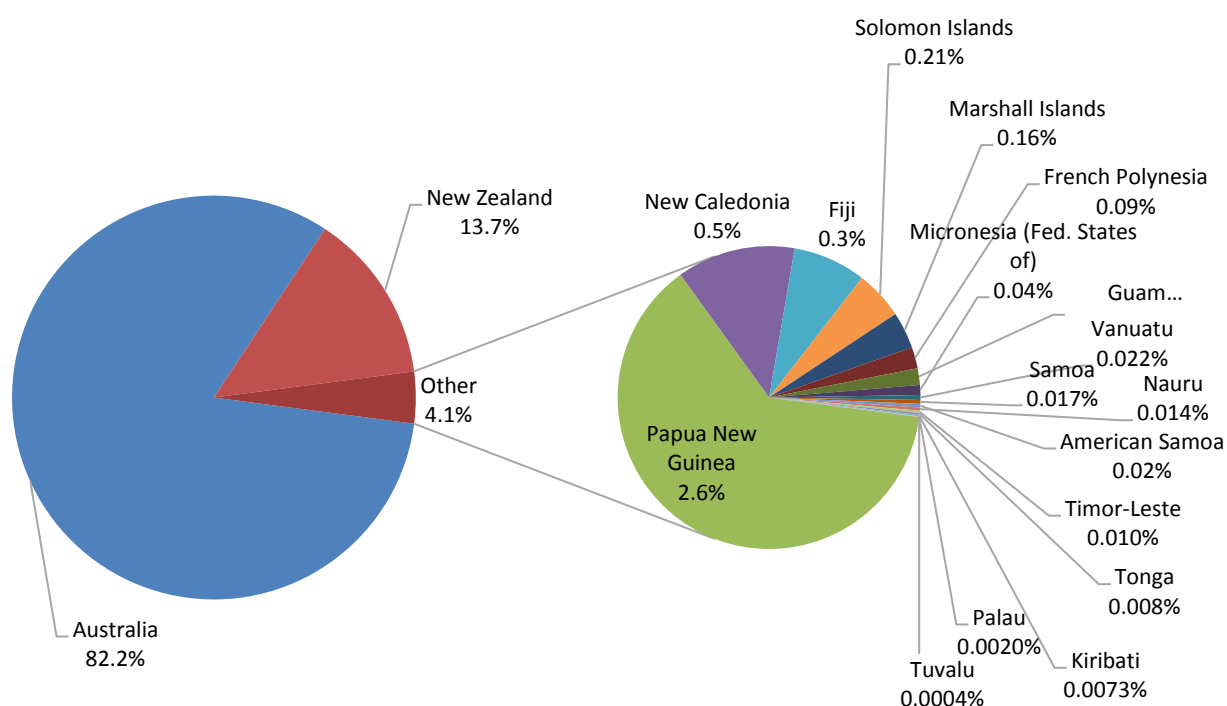
<sup>37</sup> Doing Business 2017 report – accessed via <http://www.doingbusiness.org/reports/global-reports/doing-business-2017>

Pacific. Labour mobility through the PICTA Protocol on Temporary Movement of Natural Persons represents a significant development in South-South mobility and could address regional labour market shortages, facilitate skills transfer, and raise remittance. A recent agreement between Australia and New Zealand and twelve Pacific Island countries<sup>38</sup> known as Pacific Agreement on Closer Economic Relations (PACER) Plus, also aims to improve trade flows in goods and services. In the 2015, Hiri Declaration on Strengthening Connections to Enhance Pacific Regionalism, the importance of people-to-people relations, improved institutional governance and enhanced physical connectivity among SIDS in the Pacific was underscored. A key component of better connectivity will be improved shipping, which remains the most important mode of transport and trade.

121. Despite these agreements, the desired level of regional integration has not been reached. PICTs have an average level of intra-regional trade of 15 per cent. Intra-regional trade mainly occurs between three main countries: Australia, New Zealand, and Fiji, and the rest of the countries. For example, at the regional level, Marshall Islands only imports goods from Fiji and Australia. A similar situation happens with Nauru, Papua New Guinea, Niue, etc.

122. Although trade and regional integration have not been directly targeted by the SDGs, there are, however, many trade-related indicators in SDG 17 and trade-related targets. Apart from these targets, there are also many SDGs that can be impacted by the outcome of trade policies, showcasing how regional trade integration can be a major means of achieving the global goals, and the SAMOA Pathway, if it is inclusive and sustainable.

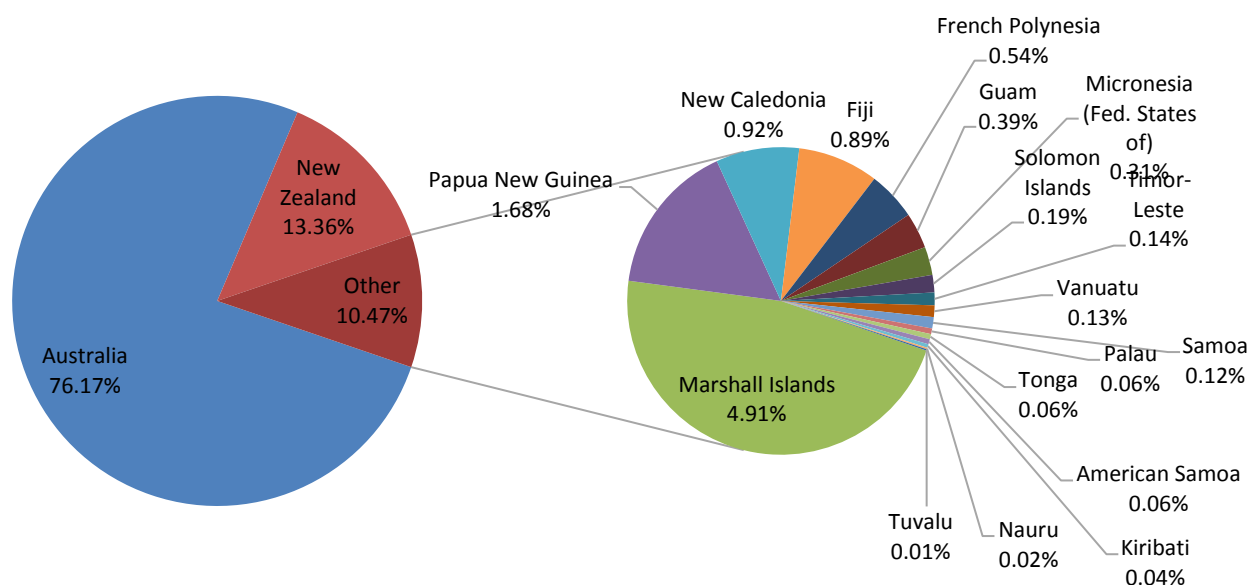
**Figure 3: Breakdown of Pacific Island Countries' Esport Shares, 2017**



Source: ESCAP TIID based on IMF Direction of Trade Statistics (DOTS), 2017.

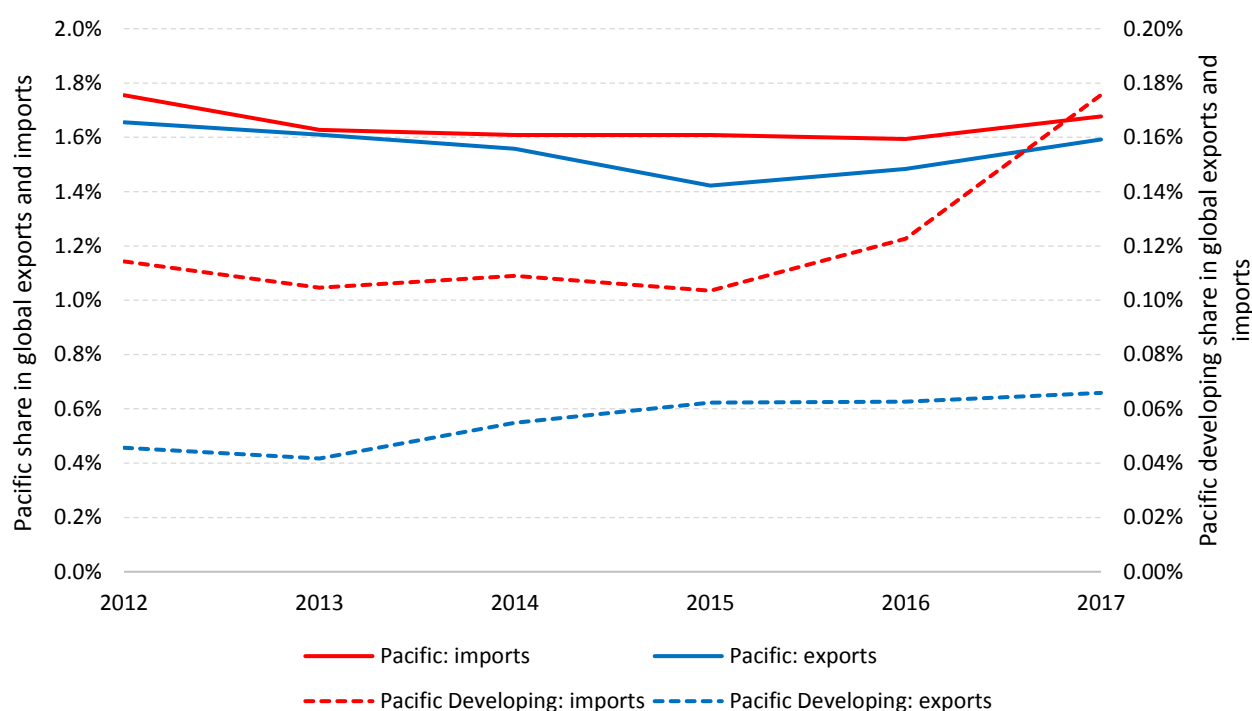
<sup>38</sup> Two of the region's major players Fiji and Papua New Guinea have opted out for now.

**Figure 4: Breakdown of Pacific Island Countries Import Shares, 2017**



Source: ESCAP TIID based on IMF Direction of Trade Statistics (DOTS), 2017.

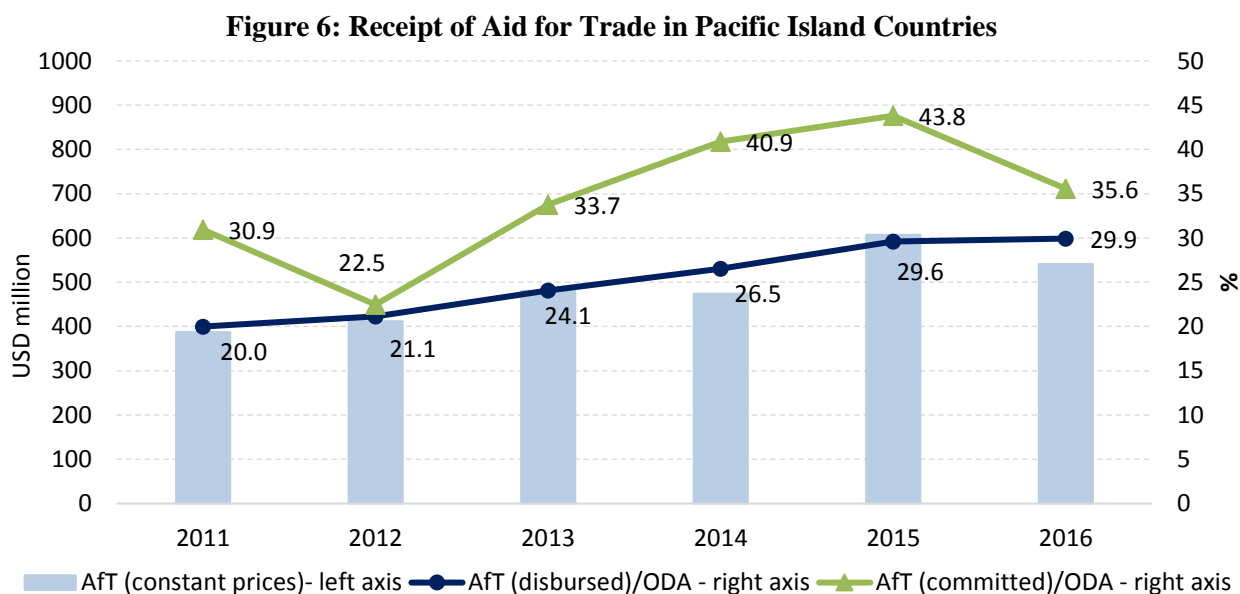
**Figure 5: Pacific Island Countries' Share in Global Exports and Imports, 2012-2017**



Source: ESCAP TIID based on IMF Direction of Trade Statistics (DOTS), 2017

123. To enhance the share of developing countries in global trade, especially the least developed countries, and to build their trade capacity and infrastructure, the WTO launched its Aid for Trade (AFT) initiative in 2005. Measured in constant prices, through years, the AFT disbursed to developing countries has been increasing from USD 32.6 billion in 2011 to USD 38.8 billion in 2016, and the Pacific island countries received around USD 540 million in 2016. Major donors for the region in 2016 were Australia (USD 130 million), Japan (USD 95 million), and New Zealand (USD 79 million).

124. In recent years, the total amount of Aid for Trade disbursed to the Pacific region ranged from slightly below USD 400 million in 2011 to around USD 600 million in 2015. Correspondingly, the share of disbursed AfT in total Official Development Assistance (ODA) fluctuated, from 20.0% in 2011 to 29.9% in 2016. The fluctuation of committed AfT in total ODA was even more pronounced, recording a trough of 22.5% in 2012 and a peak of 43.8% in 2015. As commitment is made at one point of time and disbursement occurs in subsequent years, disbursement generally lags behind commitment.



Source: ESCAP TIID based on OECD Aid for Trade Database and Aid Disbursements Database, 2017.

125. Within the region, Papua New Guinea and Timor-Leste received the largest amount of the AfT. Papua New Guinea's share in regional AfT remained the same at 31% during 2011-2016, though it increased to 36% in 2013. The share of Timor-Leste in the AfT received by Pacific island countries rose steadily, from 11% in 2011 to 14% in 2016 (from USD 41 million in 2011 to USD 74 million in 2016, constant prices). Besides these two countries, Kiribati, Samoa, Solomon Islands, Tonga, and Vanuatu also received substantial amount of AfT. In terms of sectors, over half of AfT was disbursed on Transport and Storage, followed by Energy sector, which registered 10% of AfT in the region in 2016. The sectors that received the least AfT were Mineral Resources and Mining, Forestry, Trade Policies and Regulations, Tourism, and Industry, where the share in total AfT were less than 2%.

#### Capacity Building and Technology

126. The SAMOA Pathway prioritizes 'investments in education and other training programmes to 'build the resilience', while encouraging the use and retention of knowledge in all its forms, including traditional knowledge' (para 108). It also prioritizes 'coordinated and coherent UN' programmes through 'UN Country Teams in collaboration with national agencies, regional commissions and intergovernmental organizations' (para 109 a); the establishment of a dedicated SIDS Intensive Training for SD in UCSIS; strengthened SIDS technical assistance programmes in partnership with the UN Office for South-South Cooperation, UNDP and regional institutions in SIDS; and the establishment of national and regional ICT platforms and information dissemination hubs. Moreover, it focuses on the identification and application of SIDS-appropriate and good practice; and ensuring full participation of and benefits to women. It also calls on the UN system, international and regional financial institutions and other multilateral development partners to continue to support SIDS in their efforts to implement national sustainable development strategies and programmes, by incorporating SIDS priorities and activities into their relevant strategic and programmatic frameworks, including through UNDAF, at both national and regional levels in line with their mandates and overall priorities (para 116).

127. Building institutional capacities requires sustained, long-term approaches and investment. The long-standing fly-in-fly-out technical assistance approach to capacity-building merely offers short-term

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alleviation of what is a longer-term issue. There needs to be a balance between immediate pressures to *get the job done* and ensuring that ongoing institutional systems and human resources are in place to deliver national plans and meet regional and global commitments. Pacific leaders have recognized the need for international and regional collaboration to deliver national aspirations, and have called for this support to be consistent with the commitments made under the SAMOA Pathway and Addis Ababa Action Agenda, particularly in the areas of financing, statistics, partnerships, SDGs integration, and follow up and review. While advances have been made in some of these areas, many partners still provide substantial assistance off-budget, compounding fragmentation and limiting oversight by central agencies of how partners and regional organisations are engaging at the sectoral level. Increasing use of national systems will be largely dependent on increasing confidence in these systems. Building institutional capacities requires sustained, long-term approaches and investment, and there is a long-standing concern about the tendency towards ‘fly-in-fly-out technical assistance’.

128. The inclusion of Sustainable Development Goals 16 and 17, together with the support mechanisms articulated in the SAMOA Pathway, has highlighted the need to assess the underlying causes of capacity constraints and to devise appropriate strategies to strengthen national and regional institutions. Priority areas for consideration include the following:

- (a) North-South, South-South and triangular cooperation and peer-to-peer learning (including from other Pacific and small island developing States and through regional platforms such as the Asia Pacific Forum on Sustainable Development) as a key modality for capacity-building;
- (b) Strengthening the use of country systems by all development partners;
- (c) Training programmes and courses, including in regional universities, on sustainable development, statistics, ICT, trade, financing, database development and the use of open source software;
- (d) Reviewing international, regional and national development partnerships and supporting partners to align activities and reporting requirements with the regional priorities under the 2030 Agenda, the SAMOA Pathway and the Framework for Pacific Regionalism;
- (e) Harnessing existing global and regional initiatives and recognizing the need to review, harmonize and strengthen mechanisms where necessary. Examples of such initiatives, some of which are outlined above and below, include the Global Partnership for Effective Development Cooperation, the monitoring and evaluation plans of the Asia-Pacific region, Public Expenditure and Financial Accountability assessments, the Forum Compact on Strengthening Development Coordination in the Pacific, the Pacific Island Countries Trade Agreement, the Pacific Agreement on Closer Economic Relations Plus and the Ten-Year Pacific Statistics Strategy.

129. Science, technology and innovation (ST&I) is of increasing importance in the Pacific as social and environmental pressures impact on the region’s people and key economic sectors (tourism, forestry, fisheries and agriculture). The application of ST&I across the Pacific would greatly benefit from a strategic regional approach or framework that aligns and builds on development outcomes. Such a framework requires a thorough understanding of the Pacific context, and therefore a sensible first step towards a regional framework would be a stock take assessment of existing science capacity (including institutional capacity) and activities in the Pacific.

130. The importance of science and technology has long been recognized by PICTs through the establishment of a regional scientific and technical organization, the Pacific Community (SPC) in 1947, followed by a regional institute for higher learning and research (The University of the South Pacific) in 1968. In recent years, ST&I have been more widely implemented by local actors but without the benefit of a strategic regional approach that aligns and builds on development outcomes.

131. The development of ST&I in the region will only be successful if it recognizes where Pacific institutions add significant value for Pacific people in terms of science education and infrastructure, and where partnerships with international institutions will need to be leveraged. The Pacific as a region stands to gain the most benefit from targeting scientific capacity building and education in areas of relevance including climate change, resilience, sustainability, food security, energy, and transportation. This will require an emphasis on developing scientific capacity for providing evidence-based solutions. It is

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recommended to work within existing institutional arrangements to support the implementation of regional ST&I priorities, and an existing regional organization could coordinate and participate in national, regional and global ST&I initiatives. It would also ensure Pacific principles and values were at the core of all ST&I activities, through leveraging world's best scientific practice through a Pacific-centric approach to developing the ST&I sector. It is important however to recall, and this pertains to the ICT discussion as well in Section IIC, that the focus of the SAMOA Pathway, regarding ST&I and national and regional ICT platforms and information dissemination hubs, is to “identify and apply SIDS-appropriate and good practice; and ensure full participation of and benefits to women” (para 109).

### *Data and statistics*

132. The rollout of the MDGs and now the SDGs across the region has brought an unprecedented demand for data and statistical information; and while national statistical systems were able to increase resources ‘on the back’ of the MDGs, challenges remain to meet the demands of the much larger number of SDG indicators. In PICTs, evidence-based performance budgeting also created additional demand for statistics, as have national development strategy monitoring and evaluation frameworks.

133. The lack of reliable and up-to-date data in and about the Pacific has long compromised planning and delivery, not to mention monitoring and evaluation, of development programmes. Given the capacity constraints, and the breadth and complexity of implementing the 17 SDGs and their 169 targets and 235 indicators, the challenge is to identify priority indicators that will ensure that the 2030 Agenda is both relevant and achievable in the Pacific context. Nevertheless, while it is important to recognize inherent statistical capacity constraints, these should not curb the level of ambition to fully contextualize and implement the 2030 Agenda and the Goals. Rather, it will be essential for the region to harness the momentum behind the global call for a data revolution to identify what they want to measure (and not just what they can measure) to track priority national and regional indicators. The Pacific is in many ways ahead of the other sub-regions and regions, in that it has developed a Pacific Roadmap for Sustainable Development with priority regional indicators and the means of implementation to achieve them, which was agreed upon by the Pacific Islands Forum Leaders in September 2017. The Pacific Roadmap for Sustainable Development taskforce has identified a total of 132 indicators consisting largely of those indicators from the SDG framework (5 proxy indicators have been included), with efforts in recent months to populate this data across the PICs as best possible. At the country level, data availability of the 132 indicators varies from 70 in Tonga to 52 in Niue, noting that an indicator was viewed as available regardless of whether disaggregation requirements were met. Applying disaggregation would see these figures drop by a noticeable margin.

134. An area of focus of the Ten-Year Pacific Statistics Strategy (TYPSS) 2010-2020, a framework to drive improvement in the production and quality of statistics in the region, is the need to assist Pacific island countries develop national statistical plans, a strategy for developing statistical capacity across the entire national statistical system (NSS), which only six SIDS in the Pacific have at the moment including Timor-Leste. Such plans can bring clarity to identifying a national core set of statistics required to monitor progress of national plans/policies, and meet agreed upon regional and international reporting frameworks, something all PICs need to develop better. The design and adoption of tailored approaches to statistical capacity development also need to be incorporated in such plans so small Pacific island countries have technical capacity (either in-house or through TA) to manage and implement all core statistical collections, including key administrative databases.

135. Despite significant progress during the first two phases of TYPSS across a wide range of statistical issues, notably relating to national statistical collections, many PICs still struggle to mobilise the resources needed to run their next rounds of data collection in accordance with their national schedules. Whilst most countries have been able to maintain their core statistical collection schedules, a few PICs have not been able to complete some of their core national statistics collections since 2005. This means that national policymakers and development partners are working from long out-of-date statistics adversely affecting policy and decision-making. Over the next five years, countries in the region are scheduled to run approximately 35 core surveys and censuses to meet national schedules. These

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census and surveys are essential to enable PICs to produce up-to-date core national statistics to meet both national and international reporting commitments including for the SDGs.

136. Successful transformation is linked to the effective monitoring and reporting of the SAMOA Pathway and the Sustainable Development Goals, with ‘SIDS-relevant targets and indicators’ to ensure accountability (paras 122-124). Progress on implementing the SDG indicator framework has been continuing in most PICs, with a range of activities taking place at the country level. Such activities include; Data availability assessments of SDGs, Development of new M&E frameworks incorporating SDGs, Mainstreaming of SDG indicators in to National Plans and Voluntary National Review (VNR) reporting on implementation of SDGs. Whilst progress has been steady, a lot more work still needs to be undertaken for most PICs to finalize the relevant components of the SDG indicator framework and fully merge this work in to existing national development plan indicator frameworks.

#### *Institutional Support to SIDS*

137. The SAMOA Pathway calls on the UN system, international and regional financial institutions and other multilateral development partners to continue to support SIDS in their efforts to implement national sustainable development strategies and programmes by incorporating SIDS priorities and activities into their relevant strategic and programmatic frameworks, including through UNDAF, at both national and regional levels in line with their mandates and overall priorities (para 116).

138. In 2016, a comprehensive review of United Nations system-wide support for small island developing states (SIDS) through implementation of the SAMOA Pathway was undertaken. Recognising that access to financing and capacity-building are critical means of implementation for SIDS’ achievement of sustainable development, it concluded that eligibility criteria for financing for development were often not suitable to the needs of SIDS due to a range of reasons, including minimum financing thresholds. The review called “for a revision of the eligibility criteria to soften the conditions for these States to receive concessional funding through fast-track procedures” (piv). The review highlighted the role of organisations in supporting capacity-building at the national level. For SIDS in the Pacific, this has been facilitated through the UN system in the Pacific, alongside the wide network of Pacific regional organisations; traverses several sectors; and, has been delivered through many modalities including south-south cooperation. For the remainder of the SAMOA Pathway, it is clear that not only must more attention be paid to the means of implementation, the emphasis must also be on context-specific, game-changing initiatives.

139. In 2017, the Forum Economic Ministers Meeting “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 state” (para. 10(d)). Support to SIDS through the Inter-Agency Taskforce on Financing for Development as per UNGA resolution 69/313 has also advanced efforts to progress access to finance for SIDS.

#### *Partnerships*

140. Partnerships have been the defining characteristic of the SAMOA Pathway, recognizing in part the limited resources at the country level, and in part that the achievement of sustainable development must engage multiple stakeholders and not governments alone. In this regard, the SIDS Partnership Framework has served two purposes: to ensure that SIDS development work remains at the forefront of the international agenda; to monitor progress of existing partnerships, and stimulate the launch of new, genuine and durable partnerships for the sustainable development of SIDS.

141. In 2014, 134 SAMOA Pathway partnerships involving SIDS in the Pacific were pledged, with a present-day total of 223 Pacific partnerships. At an aggregate level, it is difficult to profile the financing of Pacific-related partnerships. Overall, the reported Pacific partnerships have primarily focused on knowledge transfer, disaster resilience, energy and coastal and marine matters (see Table 5). On ocean-



related partnerships, the emphasis in the Pacific has tended toward environmental protection and ocean governance, while food security in relation to fisheries has not featured significantly. The Pacific is also unique amongst SIDS with significant attention to community and youth empowerment initiatives, from which other SIDS' regions can emulate, particularly in relation to traditional knowledge. Within the SIDS in the Pacific partnerships, UN agencies lead on 33 partnerships; CROP agencies lead on over 80 partnerships; and the remaining partnerships are implemented through a range of mechanisms including professional networks.

**Table 5. SIDS Partnership Indicators per region with percentage**

INDICATORS	AIMS	Pacific	Caribbean	Global	Other	Total	%
<b>Environmental protection</b>							
Water quality and quantity improvements	3	7	1	1	0	12	3.8%
Land management	1	2	1	1	0	5	1.6%
Forest	2	7	0	0	2	11	3.5%
Fisheries	0	2	0	1	0	3	1.0%
Coastal and marine	1	13	3	10	0	27	8.6%
<b>Self-Reliance</b>							
Disaster resilience	2	21	5	12	2	42	13.3%
National Development	2	9	0	5	0	16	5.1%
Energy	2	14	11	15	1	43	13.7%
<b>Social Equity</b>							
Health	0	7	1	9	1	18	5.7%
Community Empowerment	0	8	2	2	0	12	3.8%
Youth Empowerment	2	9	2	2	0	15	4.8%
<b>Economic Development</b>							
Economic gain	0	6	1	6	0	13	4.1%
Finance	0	2	1	4	0	7	2.2%
Poverty	1	2	2	1	0	6	1.9%
Sustainable Tourism	0	3	0	1	0	4	1.3%
Knowledge transfer	4	22	12	43	0	81	25.7%
<b>TOTALS</b>	<b>20</b>	<b>134</b>	<b>42</b>	<b>113</b>	<b>6</b>	<b>315*</b>	<b>100%</b>

*\*Note: Based on partnerships announced in 2014. As of May 2018, this has grown to 525.*

*Source: Adapted from UNDESA May 2018.*

142. Annual global partnerships assessments conducted by UN-DESA, as well as regional partnerships assessments conducted by PIFS provide comprehensive analysis of progress, challenges in implementation and gaps. Based on the partnerships reviews, a number of themes emerge which are pertinent to a SAMOA Pathway mid-term review discussion, as follows:

**(1) Accountability via the SIDS Partnership Framework**

a. The Pacific's partnerships account for over a third of all SIDS partnerships, and are primarily institution-driven. Given the mixed progress reporting, it is not certain whether reporting has been limited by financing of implementation, declining attention to the SIDS partnership reporting or other factors.

b. Meaningful private sector engagement is largely absent from many partnerships, with the need for further investigation into understanding the challenges and opportunities for public-private partnerships within the SAMOA Pathway context.

c. Additional SIDS-relevant initiatives taking place within and across Pacific island countries that may not be captured by the SIDS Partnership Framework (SPF) include bilateral development partner projects. While information may be triangulated via other global reporting mechanisms such as the OECD-DAC and IATI platforms, the question remains as to the role the SPF will need to play going forward in terms of facilitating comprehensive accountability to SIDS priorities.

**(2) Further partnership opportunities**

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- a. Oceans-related partnerships have primarily focused on coastal protection and marine governance, and may benefit from further attention to food security in the context of fisheries.
  - b. Sustainable energy partnerships have to date focused on the climate change mitigation aspects, such as low-carbon prioritisation, whilst the energy efficiency and security aspects highlighted in the SAMOA Pathway have received only limited attention.
  - c. Greater attention to sustainable tourism management is encouraged by the partnerships assessments, in particular due to its potential impact on sustainable economic development and environmental costs.

**(3) Data needs**

- a. Knowledge transfer initiatives comprised a quarter of all SIDS partnerships and entailed a range of training, capacity development and peer-learning approaches across a range of sectors. Impact on beneficiaries, however, is unclear.
- b. The partnership assessments report the absence of baselines to measure changes and impacts, which negate the ability to truly measure the actual impact of the SIDS partnerships on the ambition and objectives of the SAMOA Pathway. Greater attention to documenting strategies and lessons learned will not only assist with evidence building for decision making, but will also enhance knowledge transfer projects.

#### **IV. Priorities of the Region for the Mid Term Review of the SAMOA Pathway and Proposals for practical and pragmatic action-oriented strategies for the further implementation**

143. The SAMOA Pathway presents the sustainable development priorities for small island developing States, which are aligned with the SDGs under the 2030 agenda (see [Annex 1](#)). Additionally, as a number of SIDS in the Pacific are also Least Developing Countries (LDCs) that have either recently graduated (Samoa) or are preparing for graduation (Kiribati, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu), the need for dedicated attention to ensuring a smooth transition for SIDS in the Pacific-LDCs, supported by the various global frameworks, remains a key priority.

144. In considering the priorities of the region for the MTR, the Pacific has placed emphasis on ensuring coherence and linkages in the implementation of the SAMOA Pathway and the SDGs, and other global and regional frameworks, and thus, the PSDR and the UNDAF 2015-2019 for Timor-Leste were taken into account.

145. In 2014, the SAMOA Pathway played a key role in influencing global negotiations for the post-2015 development agenda, and advocated SIDS' priorities, many of which are reflected in the stand-alone goals on Climate Change (SDG 13), Oceans (SDG 14), Peace, Justice and Effective Institutions (SDG 16) and Means of Implementation (SDG 17). In the Agenda 2030 era, it is essential to maintain sight of core SIDS priorities across the many global frameworks. There is a risk that the creeping 'crowding out' of the SAMOA Pathway by the plethora of global mandates under Agenda 2030 will render it a footnote to the sustainable development efforts. Emphasis must be placed on ensuring that there is clarity in the role of the SAMOA Pathway in meeting the needs of SIDS in the Pacific, and arguably most importantly how it is embedded in national planning, budgetary and reporting processes as a benchmark to measure value and progress.

146. The MTR process therefore presents the opportunity for SIDS in the Pacific to identify what the purpose of the SAMOA Pathway needs to be going forward and how explicit it needs to be within the 2030 Agenda, if it is to remain a powerful global accountability mechanism for the special needs of SIDS. In particular, the potential for the SAMOA Pathway to actively pursue game-changing initiatives in the areas of Means of Implementation have yet to be fully realized. For the next five years, the SAMOA Pathway must better influence the global governance arrangements and partnerships to advance SIDS development interests and priorities. At this critical juncture for the SAMOA Pathway, through the MTR process, SIDS in the Pacific and from other regions must therefore address:

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- a. **Clarity of purpose** - In the lead up to the SDGs, the SAMOA Pathway successfully facilitated the special case of SIDS, but now in the SDGs era, the critical role of the SAMOA Pathway in mobilizing efforts toward the implementation of SDGs in SIDS must be emphasized.
  - b. **Data constraints and lack of a monitoring framework** - Is an SDG-based monitoring framework for the SAMOA Pathway needed to enhance accountability and manage the many global and regional development frameworks involving SIDS? The UN Pacific Strategy and the Pacific Roadmap for Sustainable Development with their SDGs indicators frameworks provides a good practice example of how the Pacific region has tackled this.
  - c. **Limited accountability** - The lack of commitment to partnerships by development partners and the lack of accountability and monitoring framework constrain full implementation of the SAMOA Pathway. Further commitment to development effectiveness is needed through demonstrated accountability to the SAMOA Pathway including through a common monitoring framework, promoting predictable financing and alignment with the ‘special case’ for SIDS.

147. The SAMOA Pathway MTR is timely for the region as SIDS in the Pacific pursue an integrated sustainable development agenda that addresses their national priorities. This pursuit of an integrated, coherent approach that traverses global, regional and national commitments is not without its challenges, and the synthesised MTR report that will be developed for the High-Level Review meeting in September 2019 needs to consider how the issues of purpose, monitoring/data, and accountability highlighted above can be addressed to ensure:

- (1) Continued **relevance** of the SAMOA Pathway priority actions to the 2030 Agenda;
- (2) **Effectiveness** of existing regional and national enabling mechanisms in facilitating policy coherence and consolidated resource mobilisation (including effective development cooperation);
- (3) **Mutual accountability** via a SIDS Partnership Framework; and,
- (4) Ongoing data challenges are addressed, particularly under Agenda 2030 through which the ambition to ‘leave no-one behind’ requires enhanced **data and statistical capacity**.

148. The Pacific’s overarching priorities for the remaining life of the SAMOA Pathway are categorized as follows:

- **Global** - Strengthened UN system coherence in support of SIDS with strong accountability, that could include the following actions:
  - UN system organizations to fully comply with the JIU 2016 recommendation and the 2017 QCPR recommendation (para.11) that they should mainstream and include a strategic goal to support the implementation of the SAMOA Pathway.
  - The development of a global SAMOA Pathway monitoring framework aligned to the SDGs be prioritized, which ensures visibility of, and accountability to, SIDS priorities across all global mandates. (*SIDS mainstreaming*)
  - A strengthened SIDS Partnership Framework aligned with the global monitoring framework.
- **Regional:** Strengthened UN system coherence in support of SIDS with strong accountability, that could include the following actions:
  - Pacific multi-country and national UNDAFs to fully comply with the JIU 2016 recommendation that they should include a strategic goal to support the implementation of the SAMOA Pathway.
  - Strengthening national and regional enabling mechanisms for SIDS sustainable development including aligning planning and budget systems and an effective monitoring and accountability framework for the SAMOA Pathway.
  - Collaboration with regional and sub-regional organizations and partners is pursued in line with the mandates in the SAMOA Pathway and the 2030 Agenda.
- **National:** Further refine how the SAMOA Pathway should influence national planning processes, given the current priority accorded to the SDGs:
  - SDGs localization efforts to be taken in unison with SAMOA Pathway implementation to nuance this for SIDS.

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- Strengthen capacity for data collection and statistical analysis, the production of quality data and statistics including for research and development and policy use.

149. The following thematic areas remain priorities for SIDS in the Pacific, for the SAMOA Pathway MTR process to factor into recommended actions for the next 5 years of implementation:

- Climate Change, Disaster Risk Reduction and Resilience Building;
- Conservation, protection, management and sustainable use of oceans, seas and their resources;
- Promote Sustainable transport and improve connectivity;
- Renewable energy and access to affordable energy;
- Water and Sanitation, and sustainable management of waste including chemical and hazardous waste;
- Strengthen capacity for data collection and statistical analysis, the production of quality data and statistics including for research and development;
- Improved access to financing for development;
- Poverty eradication, equality and social inclusion, gender and disability;
- Non-communicable diseases and, reproductive adolescence and maternal health, food security and nutrition, sustainable consumption and production;
- Sustainable tourism;
- An enhanced SIDS Partnership Framework;
- Strengthen national and regional enabling mechanisms for SIDS sustainable development including an effective monitoring and accountability framework for the SAMOA Pathway.

## V. Conclusions

150. Regarding the implementation of the SAMOA Pathway, the Report concludes that there is:

- (a) The need to further strengthen the monitoring and accountability of the SAMOA Pathway.
  - This is essential for all stakeholders, whether through an enhanced SIDS Partnership Framework, strengthened SIDS mainstreaming across the UN system, the development of a global SAMOA Pathway monitoring framework or through integrated reporting at national and regional levels.
  - To sharpen the focus and relevance of the SAMOA Pathway, strengthen accountability to the special case of SIDS and equitable access to opportunities and services by SIDS.
- (b) The need for improved policy coherence and coordination via national, regional and global mechanisms, and further opportunities to strengthen knowledge exchange and peer-to-peer learning.
  - This is particularly important in light of the relationships and multiple mandates between the SAMOA Pathway, the SDGs and the range of global and regional sustainable development agendas that SIDS in the Pacific have committed to.
- (c) The need to step up efforts to support Means of Implementation in SIDS in the Pacific, which to date remain a significant constraint to progress in implementation.
  - *Access to financing*: Issues of declining foreign direct investment (FDI) and ODA, increased indebtedness and capacity constraints underscore the importance of facilitating further progress to implement the 2016 JIU recommendation regarding the SIDS eligibility criteria to access financing
    - LDC graduation in the Pacific is an important area to focus on given that there will be no more LDCs in the Pacific in the next few years.
    - Gaining traction on innovative current initiatives relating to super-funds, risk-insurance and the role of fiscal policy in the growth of small island economies is also key.

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- *Data and Statistics:* Continued support for strengthening the national capacity for data collection and statistical analysis is needed particularly for SAMOA Pathway relevant targets and indicators. Similarly, investment in targeted research is needed for priority sectors.

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**Annex 1      Alignment of SAMOA Pathway priorities with the SDGs**

<b>SDGs</b>	<b>SAMOA Pathway</b>
1. No Poverty	Sustainable and inclusive economic growth Disaster Risk Reduction
2. Zero hunger	Food security and nutrition
3. Good health and well being	Health and NCDs
4. Quality Education	Education Culture and sport
5. Gender equality	Gender equality and women's empowerment
6. Clean water and sanitation	Water and Sanitation
7. Affordable and Clean Energy	Sustainable Energy
8. Decent work and economic growth	Sustainable and inclusive Economic Growth with decent work for all Sustainable tourism
9. Industry, innovation and infrastructure	Sustainable Transportation
10. Reduced Inequalities	Social Development Education
11. Sustainable Cities and Communities	Disaster Risk Reduction Management of Chemicals & Waste Culture and sport
12. Responsible Consumption and Production	Sustainable Consumption and Production Management of Chemicals and Waste Sustainable tourism
13. Climate Action	Climate Change Disaster Risk Reduction
14. Life below water	Oceans and Seas Invasive alien species
15. Life on land	Biodiversity Desertification, land Degradation and drought Forests Invasive alien species
16. Peace, justice and strong institutions	Peaceful societies and safe communities
17. Partnerships for sustainable development	Partnerships Financing Trade Technology Capacity building Data and statistics

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