



PACIFIC ISLANDS FORUM SECRETARIAT

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FORUM ECONOMIC OFFICIALS MEETING

8 August 2023

FORUM ECONOMIC MINISTERS MEETING

9-10 August 2023

AGENDA ITEM 5b: UPDATE ON THE PACIFIC ROADMAP FOR ECONOMIC DEVELOPMENT

Purpose

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This paper provides an update on the development of the Pacific Roadmap for Economic Development (PRED), formerly known as Blue Pacific Economic Strategy (BPES) as mandated by 2022 Forum Economics Ministers Meeting (FEMM).

Summary

At the 2022 FEMM, Ministers tasked the Secretariat to develop the PRED, aligned to the implementation plan of the *2050 Strategy for the Blue Pacific Continent* (2050 Strategy). In response, the development of the PRED was aligned to and reflected as a regional collective action to support the implementation of the Thematic Area on Resource and Economic Development (RED) in the 2050 Strategy.

PRED utilised a parallel process to ensure Economic Officials, through the Pacific Economic Sub-Committee (PESC), provided the necessary oversight and advice to the 2050 Strategy Implementation and Monitoring Plan (2050 IP) process. These concurrent and parallel processes have reached a point of convergence at the prioritisation stage towards the finalisation of the two documents.

PRED is a regional policy instrument that will support the achievement of the vision of the 2050 Strategy, through the RED thematic area. Consistent with this, its finalisation will be sequenced with the finalisation of the 2050 IP.

A. Problem/Opportunity Identification

2. The three-pronged crisis of the COVID-19 pandemic, economic downturn and climate change that hit the region identified a key vulnerability in the region's ability to cope, and the need to explore regional initiatives that could support Members during the onslaught of such shocks and crisis, whether at the global or regional level. It further highlighted the need for innovative economic policy

instruments that would not only mitigate the impact of the crisis but also set enabling platforms for cleaner and inclusive economic growth trajectories.

3. These experiences underpinned the rationale for a regional economic policy instrument to support and guide the implementation of the economic development aspirations and priorities that emanate from the annual meetings of the FEMM.

B. Background

4. In 2021, Economic Ministers discussed a concept note for a proposed Blue Pacific Economic Strategy (now known as the PRED) which represented a medium-term strategic policy framework to support regional economic development in the Pacific. The same was considered at the 2021 Joint Trade and Economic Ministers Meeting.

5. Ministers noted unprecedented economic scarring from the COVID-19 pandemic and reaffirmed the urgent need to explore innovative and collective approaches to address the economic impacts of the pandemic and position the region to enhance future regional responses to such events. Ministers further agreed to sequence this work with the 2050 Strategy and recognise the importance of ensuring coherence and complementarity with current and future related initiatives.

6. In July 2022, Forum Leaders welcomed and endorsed the 2050 Strategy as the overarching blueprint to advance Pacific regionalism for the next three decades, articulating the long-term vision, values and key thematic areas and strategic pathways. Leaders emphasised that an implementation plan be developed articulating the key priorities and actions, delivery arrangements and resourcing requirements.

7. At that same meeting, Leaders emphasised the importance of economic prosperity and wellbeing to the security of Pacific countries and the need to maximise business engagements to realise the potential of Pacific people and their resources. Leaders discussed the need for urgent and immediate assistance with vulnerability to debt; and the need to address the supply chain issues and rising cost of food. Leaders also considered the value of strengthening public-private partnerships to leverage greater opportunities – most notably in connectivity, high value agriculture and fisheries, and energy security. Leaders reaffirmed the importance of utilising existing regional mechanisms, including the PIF, for engagement with partners.

8. In August 2022, Forum Economic Ministers welcomed the 2050 Strategy and emphasised the importance of clear linkages between the 2050 Strategy and the PRED. Ministers considered an update on the PRED and commended its alignment to the 2050 Strategy, whilst emphasised the urgency to strengthen strategic coordination of all regional economic collective engagement to avoid duplication and accordingly, endorse the PRED Concept Note.

9. At the 2022 FEMM, Ministers also reaffirmed the importance of capturing the centrality of the ocean in harnessing and maximising sustainable returns from the blue economy while ensuring the health and integrity of the ocean and its marine resources. Ministers tasked the Secretariat to ensure that PRED is developed and aligned to the 2050 IP and take into account the forthcoming Review of the Regional Architecture, in close consultations with all relevant stakeholders.

10. At the same meeting, Ministers saw value in the continuation of the COVID-19 Economic Recovery Taskforce (CERT) and recognised the value of institutionalising a single, central platform to drive regional economic strategy formulation, coordination and implementation of the FEMM decisions. Consequently, the CERT transitioned to the Pacific Economic Sub-Committee (PESC) and Ministers tasked the Secretariat to develop, in consultation with Members and development partners, a term of reference (ToR), including an appropriate resourcing plan for PESC for inter-sessional consideration and endorsement by FEMM.

11. As per the decision of the 2022 FEMM, the Secretariat developed a ToR with resourcing considerations and undertook consultations with Members, following which, the FEMM Chair together with fellow Economic Ministers endorsed the ToR out of session, in February 2023.

C. Linkages and Alignment

12. The PRED is a regional policy instrument that will support the achievement of vision of the 2050 Strategy, through the RED thematic area. The development of the PRED has been informed by the 2050 IP development process and the FOC Sub-Committee for the 2050 Strategy. Consistent with the tasking of FEMM, Economic Senior officials were closely engaged in the development of the PRED through the PESC.

D. Analysis of Policy Options

Development Process for the PRED

13. The development of the PRED began through parallel processes where the PESC provided guidance on the development of the goals and outcomes for the RED thematic area of the 2050 IP. Following this, the 2050 IP process directed the establishment of 4 multi-stakeholder expert groups (MSEGs) comprising Forum members, CROP agencies and representatives from the civil society organisations, the private sector and the development partners. MSEG 4 was responsible for two thematic areas: RED and Technology and Connectivity.

14. Advice from the Economic Officials was provided to MSEG 4 for the development of high-level goals and outcomes for the RED thematic area. The PESC has convened 3 times and MSEG 4 has met 5 times.

15. With the two mandates, (i) FEMM mandate to develop the PRED; and (ii) Leaders mandate to develop the 2050 Strategy IP (RED included), there is a need to establish a point of convergence of the parallel processes between the Economic Officials and Foreign Affairs Officials with a view to prioritise the high level regional collective actions for RED, noting that the detailed activities will be contained in the PRED, whilst ensuring its alignment with the 2050 IP process.

Drafting PRED

16. With financial support from the United Nations Development Programme, a consultant was engaged to support the development of PRED. The first draft of PRED was received on 30 May 2023 and was circulated to PESC members on 8 June 2023. The draft was also circulated to MSEG members between 7 to 15 June. The first draft of PRED included the potential collective actions

identified in the 2050 IP process as well as various consultations conducted early in the year. The next step will be the prioritisation of those potential collective actions.

17. To ensure better alignment with the 2050 IP, the development of the PRED will await the endorsement of the 2050 IP.

E. Consultation

18. The first draft of PRED utilised the two parallel processes for consultation where the Economic Officials were consulted via PESC, and FOC Officials, civil society organisations, private sector and development partners were consulted through the 2050 IP process via the MSEG 4.

19. Comments received will inform the prioritisation exercise to finalise the outcomes and regional collective actions.

F. Next Steps

20. The timeline for the finalisation of the PRED will be sequenced with the 2050 IP development process. Economic Officials will work together with the FOC Officials to finalise the 2050 IP in 2023 and subsequently PRED in 2024. Proposed meetings of the Sub-Committees and Senior Officials will be scheduled to ensure high-quality products are developed for the consideration of Members.

Pacific Islands Forum Secretariat
30 July 2023