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**SPECIAL BODY ON PACIFIC ISLAND DEVELOPING COUNTRIES:
MID-TERM REVIEW OF THE MAURITIUS STRATEGY FOR THE
FURTHER IMPLEMENTATION OF THE PROGRAMME OF
ACTION FOR THE SUSTAINABLE DEVELOPMENT OF
SMALL ISLAND DEVELOPING STATES**

(Item 2 (a) of the provisional agenda)

**OUTCOME OF THE PACIFIC CONFERENCE ON THE HUMAN FACE OF
THE GLOBAL ECONOMIC CRISIS***

SUMMARY

The Pacific Conference on the Human Face of the Global Economic Crisis, which was held in Port Vila from 10 to 12 February 2010, followed the endorsement by the Pacific Islands Forum at its fortieth meeting, held in Cairns, Australia, in August 2009, of a proposal by the Government of Vanuatu to hold a conference to develop effective policy responses to alleviate the adverse impacts of the global economic crisis on Pacific small island developing States. The Conference noted that countries were already facilitating measures against the global economic crisis, including fiscal stimulus packages, accelerated structural reforms, exchange rate management, realignment of budget expenditures, promotion of private investment and infrastructure development, social protection policies targeting health and education, and promotion of enterprise development, including through microfinance.

The Conference encouraged Pacific small island developing States to continue with ongoing policy responses and called for stronger leadership and concerted international partnership actions to address negative impacts of the global economic crisis, build long-term resilience and work towards achievement of the Millennium Development Goals. The Conference agreed that policy responses needed to advance gender equality and that the empowerment of women was crucial for sustainable development. Pacific small island developing States would be strengthened, the Conference concurred, through the improvement of efficiency and equity in public expenditure and management, and through social services, protection and infrastructure. The Conference also agreed that income creation, the promotion of the private sector and informal economy, and the improvement of data for evidence-based policymaking, planning and monitoring were critical areas for improvement. The global economic crisis was seen as an opportunity to reorient economies towards low-carbon or green growth development and the Conference agreed that strategic investments in information and communications technologies were also essential for development.

* The outcome document has been issued without formal editing.

PACIFIC CONFERENCE ON THE HUMAN FACE OF THE GLOBAL ECONOMIC CRISIS

VANUATU OUTCOME STATEMENT

1. A Pacific Conference on the Human Face of the Global Economic Crisis was held in Port Vila, Vanuatu from 10 to 12 February 2010. The Conference was an outcome of the 40th Pacific Islands Forum held in Cairns, Australia, 5-6 August 2009, where leaders endorsed a proposal by the Government of Vanuatu for a conference to develop effective policy measures and practical responses to support Pacific countries in alleviating the adverse effects of the global economic crisis, with the objective of reducing vulnerability and building sustained resilience.
2. Participants expressed their sincere gratitude to the Prime Minister, the Government and people of Vanuatu for the excellent arrangements, warm reception and hospitality as the host for the Conference.
3. The Conference was sponsored by the United Nations, Asian Development Bank, the Pacific Islands Forum Secretariat, the Secretariat of the Pacific Communities, and the University of the South Pacific. Leaders requested that the outcomes of the conference, and the finalized national action plans, be reported to the 41st Pacific Forum in Port Vila, Vanuatu, in 2010. The Conference participants encourage Pacific Forum Leaders to renew their commitments to the achievement of the Millennium Development Goals (MDGs), and to pay particular attention to the needs of poor and vulnerable communities throughout the region—through actions at both national and regional levels.
4. Participants expressed their deep personal sympathies to the Governments and people of Samoa and Tonga concerning the earthquake and tsunami in October 2009, to the Government and people of Fiji and Solomon Islands concerning the flash floods in January 2010, to the Government and people of Tokelau for the maritime tragedy of the MV Tokelau in February 2010, and to the Government and people of Cook Islands concerning Cyclone Pat in February 2010.

Vulnerabilities and impact assessment

5. The Conference was designed to assist Pacific countries to respond effectively to the combined impact of the global economic crisis; the rise and volatility of food and fuel prices; and the threats presented by climate change. It brought together national policy - makers, legislators, civil society, the private sector, youth representatives and development partners to identify short - and long - term responses to mitigate the impact of the global economic crisis on the Pacific, face future crises with greater resilience, and strengthen abilities of those most affected to formulate adequate coping strategies. The Conference recognized the importance of focusing on the vulnerable in Pacific communities, by strengthening the rights of children, youth, women, people with disabilities, people affected by HIV and AIDS, and the urban and rural poor in order to continue progress toward the achievement of the MDGs.
6. The diversity of the Pacific, in terms of land size, population, natural resources endowment, economic size and cultures, has resulted in a unique set of development and resiliency challenges in the face of the global economic crisis. The impact of the crisis has resulted in reduced and negative economic growth, lower government revenues,

increased debt service burdens, declines in value of offshore investments, decreased private sector activity, loss of jobs, and reduced remittances. The high reliance on imports—especially in food, fuel, and medicine and medical equipment—combined with global fluctuations in prices, are increasing vulnerability. At the same time, relatively weak institutions and capacity constraints hinder the implementation of necessary programmes to mitigate the effects of the crisis and to improve resiliency. Compounding this situation is the overarching impact of climate change and climate variability on living conditions, livelihoods, and infrastructure.

7. The impact of the global economic crisis on the Pacific is primarily about people. It is estimated that at least 6.44 million people in the Pacific are potentially vulnerable to the impacts of the global economic crisis—defined here as women, children under 15 years of age, and people over 60 years of age—or 67 per cent of the current total Pacific population of 9.68 million. These numbers could be higher if the jobless and those struggling under debt burdens are included.

8. Households have been directly impacted through increasing unemployment, rising underemployment, reduced income from livelihood activities, and falling remittances. Lower incomes may result in less money for food, withdrawing children from school, increased gender-based violence and less use of health services, with consequences for long - term development outcomes. Urban populations are especially at risk, as they are more reliant on cash and may have less recourse to traditional food sources and social support mechanisms. An increasing number of households have been unable to meet their basic needs, and family and community support has not been sufficient to mitigate the impact. Participants recognized that women carry a heavy burden during time of economic and other crises.

Ongoing country responses

9. A number of Pacific countries have developed policies and programmes to address the impact of the global economic crisis. In some cases, Governments have pursued a combination of measures covering: fiscal stimulus packages; accelerated structural reforms; exchange rate management; realignment of budget expenditure; promotion of private sector investment and infrastructure development; social protection policies targeting health and education; and promotion of enterprise development including through microfinance. For some countries, the responses to the global economic crisis have been possible because of earlier budget surpluses and reforms, but for most it has only been possible with the support of development partners. In some cases fiscal stimulus initiatives have increased public debt.

Forward-looking policy agenda

10. The Conference endorsed the call for strong leadership, vision, good policies and concerted action. There is a need for countries to develop or expand policy options for responding to the global economic crisis and generally to build long term resilience of Pacific economies and communities. Coordinated and sustained action by development partners will work best when it complements and builds on solutions owned by Pacific countries, and works toward the achievement of the MDGs.

11. Policy responses will need to advance gender equality, as the empowerment of women is vital for achieving development goals, and for boosting economic growth and sustainable development. There is also a need to take into account social structures, as

these can have a cross-cutting effect on vulnerability. Research has indicated that traditional welfare structures and formal social protection systems in most Pacific countries have not fully met the needs, especially as economies become more monetised. While economic data and methodologies are readily obtainable, indicators which measure the impacts of these social and cultural obligations are less available.

12. The Conference considered a wide range of options for strengthening the capacity of Pacific countries, recognized the need to promote Pacific ownership, highlighted the need for sustained capacity building, and encouraged greater intra - regional cooperation and collaboration within the Pacific. Strong leadership and good governance have been and will continue to be critical to the successful implementation of these options.

- **Improving efficiency and equity in public expenditure/management:** With limited countercyclical policy options available, there is a need for further improvements in the efficiency and effectiveness of public expenditure across the board, recognizing, in particular, the needs of the most vulnerable. There is a need to ensure that within the national budgeting, planning and revenue collection processes, resources for the social sector are protected and policies put in place to manage and monitor the effective use of resources. Governments should commit to improving efficiency in use of aid; development partners should respond to government priorities, planning and budget cycles. Parliamentary and civil society oversight of public expenditure management is important for accurately targeting policies, as is public consultation and dialogue. Debt relief will enable some Pacific countries to focus more resources on social vulnerabilities. At the regional level, options to help high - debt Pacific countries cope with and ultimately overcome structural weaknesses could be considered.
- **Social services, protection and infrastructure:** The global economic crisis presents an opportunity to re - evaluate existing social protection programmes or initiate new ones, better targeting the vulnerable. Measures which could be considered include fee - free primary education; school feeding programmes; conditional cash and in - kind transfers to the most vulnerable; greater inter - Pacific cooperation on health services and supplies; health promotion and prevention programmes, including primary health care; as well as cash - for - work programmes. Meeting the needs of the most vulnerable is especially important, including national implementation of international and regional undertakings.
- **Income creation and promotion of the private sector and informal economy:** Improvement of the legal and regulatory enabling environment for the private sector is an important measure when governments need to encourage increased investment and the development of the informal sector, as well as more micro - , small - and medium - sized businesses. Measures which enhance resilience—especially in areas such as food security, agricultural production and productivity, and management of coastal fisheries—should be encouraged, particularly legal empowerment of the poor and empowerment of women. There is need for strengthened collaboration among IFIs, local banks and governments, and the creation of specialist institutions to serve the poorest potential entrepreneurs and in particular to address the credit needs of relatively poor and

conventionally non - creditworthy entrepreneurs. An area requiring regional attention is improvement of general working conditions and the welfare of workers, including in the maritime and fishing industries.

- **Improving data for evidence-based policy, planning and monitoring:** It is essential to maintain and where possible increase the collection of data to closely monitor the effects of the crisis on the vulnerable in the Pacific and progress toward the MDGs. There is a need to invest in real - time community - based data collection, as it is evident that early warning analyses would provide critical information to policy makers. With improved early warning data and analyses, policy makers and academia could conduct rapid vulnerability impact assessments, which in turn would prompt policy and budget adjustment measures to protect vulnerable populations. The quality of monitoring and evaluation would also be enhanced.
- **Sustainable green growth:** The global economic crisis presents an opportunity to reorient economies to low - carbon development, building greater self - reliance and resilience for the future. Regional efforts to improve energy management and the conservation of natural resources (especially oceans) will be critical to supporting national actions. Short - term social protection policies such as labour - intensive employment schemes should be used to improve environmental conditions, to promote green jobs and to prepare for greater use of green technologies.
- **Strategic investments in information and communications technologies:** Bridging the communication, education and literacy divide in the Pacific, will reduce transaction costs across a wide range of sectors. At the national level, information and communications technologies can be used to transform social services such as education and health, improving accessibility and reducing long - term costs. Regional investments in submarine cables, bundled satellite access, and introduction of appropriate computing technologies can bring widespread benefits to government, private sector and communities.

National action agendas for 2010-11

13. Embracing a future vision of a dignified, confident, hopeful, happy, optimistic, prosperous and peaceful Pacific—and building upon the six key areas for action—participants worked on draft two - year national action agendas which will frame policy discussions in the Pacific countries in the coming months.

14. A consolidated summary of proposed national actions is attached as Annex A. Many proposed actions are cross - cutting, and also present opportunities for regional cooperation. Action plans would be finalized by participating countries, and presented at the 41st Forum Leaders meeting.

Other considerations

15. The participants recognized that Pacific communities will all be affected by climate change, whilst contributing very little to the causes of it. Global recognition of the unique situation of small island developing states, and commitment of adequate resources for the needs of the Pacific were highlighted as priorities. These needs may

include adaptation, mitigation, and improving social outcomes and education. In this regard, the Conference recognized the adoption on 3 June 2009 by the UN General Assembly of Resolution A/RES/63/281 on the possible security implications of climate change, and the progress toward a legally binding agreement on the reduction of emissions made at the UN Climate Change Conference in Copenhagen in December 2009. Participants looked forward to further progress on these issues at the next UN Climate Change Conference in Mexico City in 2010.

16. In recognition of their contributions toward improving aid effectiveness for development results, the Conference recognized the progress made by the High - Level Forum on Aid Effectiveness held in Paris (2005); the Pacific Island Countries/Development Partners Meeting held in Palau (2007); the Accra High Level Forum on Aid Effectiveness (2008); and the 40th Pacific Islands Forum's Cairns Compact on Strengthening Development Coordination in the Pacific (2009). The Conference also recognized the importance of the 2008 United Nations High Level Event on the MDGs in New York, and looked forward to the outcomes of the United Nations MDG Summit in New York in September 2010.

17. A high - level dialogue on five years of progress on the Mauritius Strategy of Implementation (MSI+5), sponsored by the Economic and Social Commission for Asia and the Pacific and the United Nations Department of Economic and Social Affairs, was held in Vanuatu on 8 - 9 February 2010. The recommendations, which were subsequently endorsed by the Conference, included how Pacific islands might address vulnerabilities as identified in the Mauritius Strategy. The reports and the outcomes of the Pacific review meeting will comprise the Pacific submission to the MSI+5 High Level Review Meeting to be convened in New York in September 2010.

18. A High - Level Tripartite International Labour Organization meeting was held on 8 - 9 February 2010 in Vanuatu. Ministers of Labour, and employers' and workers' organisation representatives endorsed the Port Vila Statement on Decent Work, and the Pacific Action Plan for Decent Work, which were subsequently endorsed by the Conference. Four priority areas for national Decent Work Country Programmes were reviewed, in light of global, regional and national commitments: improvement of labour market governance; employment and growth; expanded scope of social protection; and capacity building of tripartite partners. The meeting also recognized the need to focus on women, youth, the informal economy and the impact of climate change; and the need for a jobs - led response to the global economic crisis.

19. UNICEF sponsored a conference 8 - 9 February 2010 in Port Vila, comprising eight Pacific youth delegates, to discuss the impact of the global economic crisis. The delegates discussed the impact of the crisis on issues most relevant to young people. The youth delegates recommended potential solutions addressing the concerns of Pacific youth, and also specifically noted the impacts of urban drift and climate change on economic opportunities. They urged leaders to work in partnership with Pacific youth to make greater investments in children and young people.

Acknowledgements

20. The Conference was attended by the President of Kiribati; Prime Minister of Vanuatu; Vice Presidents of the Federated States of Micronesia and Palau; Ministers from Fiji, Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Timor Leste,

Tonga and Tuvalu; Parliamentary Secretary from Australia; and representatives from Cook Islands, European Union, New Zealand, Solomon Islands and Tokelau.

21. The participants noted with appreciation the wide range of participants at the Conference, whose breadth of experience and critical substantive inputs helped to foster rich and fruitful dialogue. Participants included representatives from Australia, Canada, China, Cook Islands, Federated States of Micronesia, Fiji, France, Japan, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Russia, Samoa, Solomon Islands, Timor Leste, Tokelau, Tonga, Tuvalu, United Kingdom, United States, and Vanuatu. International and regional organisations representatives included: Asian Development Bank, Commonwealth Secretariat, Economic and Social Commission for Asia and the Pacific, Food and Agriculture Organisation, Forum Fisheries Agency, International Labour Organization, International Monetary Fund/Pacific Financial Technical Assistance Centre, Melanesian Spearhead Group Secretariat, Oxfam, Pacific Aviation Safety Organisation, Pacific Islands Forum Secretariat, Save the Children, Secretariat of the Pacific Communities, South Pacific Regional Environment Programme, United Nations Department of Economic and Social Affairs, the Joint United Nations Programme on HIV/AIDS, United Nations Children's Fund, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organisation, United Nations Fund for Population, United Nations Fund for Women, University of the South Pacific, World Bank, World Health Organisation.

Annex A Consolidated summary of proposed national actions

ACTION	COUNTRIES
Improving efficiency and equity in public expenditure/management	
Control operating expenditure	Fiji
Macroeconomic and structural reform	Fiji, FSM, RMI, Samoa, Tokelau
Review of social welfare system	Cook Island, Tonga
Tax reform	FSM, Fiji, Cook Islands, Niue
Better coordination to access development assistance	Fiji, Cook Islands, Tonga, Palau, PNG, Solomon Island, Tokelau
Mainstream sectoral planning/budgetary processes gender, climate change, youth development, disaster risk management	Vanuatu, Tonga, Tokelau
Review of national development strategy	Tuvalu, Tokelau
Development national budget 2010-11, protecting allocations for social	Tuvalu, Solomon Islands,
Development forward-looking policy package for future crises for future crises	Tuvalu, Tokelau
Strengthen fiscal management tools, and analysis	Cook Islands
Improve public sector management	Cook Islands, Tokelau
Strengthen national planning	Cook Islands, Tokelau
Legislative reform and youth congress/parliaments	Palau, Tokelau
Regional sharing of experiences and lessons learnt	PNG, Tonga, Fiji, Solomon Islands
Renewed attention to fighting corruption	Solomon Islands
Social services, protection and infrastructure	
Improved health and safety standards and policies	Cook Islands, Vanuatu, Tonga, Tokelau
Access to education and assistance for education-related costs	Kiribati, Fiji, Vanuatu, Niue, Tonga, Tokelau
Improved health services to outer islands and rural areas	Kiribati, Solomon Islands
Improved health services for women	Kiribati
Programmes for gender-based and domestic violence	Kiribati, Nauru
Enhance primary and preventive health care	RMI, Nauru, Niue, Palau
School lunch programme	RMI
Increased welfare assistance	Fiji
Capacity building for teachers and health professionals	Vanuatu
Address special needs of people with disabilities	Vanuatu, Nauru

Strengthening partnership and dialogue with NGOs on service	Cook Island, Tokelau
Improved rehabilitation programmes for at risk youth	Cook Islands
Continue implementation of Education Master Plan	Cook Islands
Ratify the Convention on the Elimination of All Forms of	Nauru
Continue implementation of 2006 Health Review	Nauru
Adult education and life skills training	Nauru
Social support mechanisms for stay-at-home spouses, especially for	Kiribati
Short-term employment and cash-for-work schemes	Niue
Mechanism to reduce burden of traditional obligations	Samoa
Improve participation of women and youth in social policymaking	Samoa, Tokelau
Increasing the number of women in Parliament	Kiribati
Review of programmes targeting vulnerable groups	Samoa
Food voucher system	Fiji
Income creation and promotion of the private sector and informal economy	
Promote regional labour mobility	Fiji, FSM, Vanuatu, Niue
Increased focus on sustainable fisheries development	FSM, RMI, Cook Islands
Facilitate and attract foreign investment	Kiribati
Accessible finance for private sector	Kiribati, Vanuatu
Develop national sustainable agriculture policy, and promote local agriculture	Kiribati, Vanuatu, Cook Islands, Solomon Islands
Increased support for and focus on construction	FSM, Fiji
Increasing income opportunities for women	Kiribati, Tokelau
Labour market reform	Fiji
Develop new export strategies, and highlight specific sectors to	Fiji, Cook Islands, Solomon Islands
New financial and regulatory incentives to support public-private	Fiji
Access to income and credit	Vanuatu, Tonga
Support vocational training, apprenticeship and skilled labour	Vanuatu, PNG
Subsidise selected air routes	Cook Islands
Include enterprise education and financial literacy in primary	Cook Islands
Eliminate trade barriers	Nauru

Increase minimum wage and salaries	Samoa, Tokelau
Integrated rural development and land reform	Fiji
Draft and implement policy on informal sector	PNG
Improving data for evidence-based policy, planning and monitoring	
Strengthening monitoring and evaluation, and reporting processes	Fiji, Vanuatu, Cook Islands, Tonga, Palau, Tokelau
Strengthening data collection and analysis, including at local level	Fiji, Vanuatu, Cook Islands, Tonga, Palau
Improved early warning data and analyses	Tonga
Sustainable green growth	
Develop national energy policy and programme	RMI, Niue, Tokelau
Implementation of renewable energy strategy	Cook Islands, Tokelau
Transfer of green technologies	Tonga
Strategic investments in information and communication technologies	
Regional investment in and development of ICT	Fiji
Deregulation of telecommunications industry	Cook Islands
Regional approach to banking to better support business	Cook Islands
Use of ICT to improve social service delivery	Solomon Islands

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