

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC
DEPARTMENT FOR ECONOMIC AND SOCIAL AFFAIRS

Five-Year Review of the Mauritius Strategy for the Further Implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States: Pacific High-level Dialogue

8 - 9 February 2010
Port Vila, Vanuatu

PORT VILA OUTCOME STATEMENT

I. INTRODUCTION

1. The Mauritius Strategy for the Further Implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States (MSI) was approved in 2005 as the global strategy for addressing the vulnerabilities of small island developing states (SIDS). In 2009, the United Nations General Assembly (UNGA) decided through Resolution 62/191 to review the progress made in implementing the MSI at its sixty-fifth session, to be held in September 2010. Resolution 63/213 further stressed that the MSI review should provide the international community with an opportunity to: (a) conduct an assessment of the progress made, lessons learned and constraints encountered in the implementation of the MSI; and (b) agree on what needs to be done to further address the vulnerabilities of small islands developing states (SIDS).

2. In pursuance of the above resolutions, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) assisted the Pacific SIDS to prepare their national assessment reports (NARs) and drafted a Pacific Regional Report (the draft report). Furthermore, UNESCAP, with financial assistance of the Department of Economic and Social Affairs (UNDESA) and the collaboration of members of the Council of Regional Organizations of the Pacific (CROP), organized the Pacific High-level Dialogue (Meeting) on the MSI in Port Vila on 8 and 9 February 2010, hosted by the Government of Vanuatu. The Meeting provided Pacific SIDS with the opportunity to exchange views on national progress towards implementing the MSI and give feedback on the content of the draft report.

3. The meeting was attended by Ministers of Finance/National Planning and Senior Officials from the Pacific SIDS and representatives of international and regional organizations. The Prime Minister of Vanuatu and the Executive Secretary of UNESCAP opened the meeting and the President of Kiribati provided closing remarks. The meeting was divided into sessions during which UNESCAP presented a section of the draft report as the basis for discussion. Ministers provided formal responses on the content and then the floor was opened to other participants for comments and views. Sessions were moderated by the Chief Executive Officers and senior officials of regional organizations.

II CONSTRAINTS, PROGRESS AND OPPORTUNITIES IN THE PACIFIC

4. Participants discussed the challenges faced by Pacific SIDS, such as isolation, small area and population sizes, lack of resources, the high frequency of natural disasters and vulnerability to rising sea-levels. These challenges have been compounded by the recent fuel, food and financial crises, the effects of which are being transmitted to the Pacific through various channels. This has emphasized the vulnerabilities of Pacific SIDS, with the ultimate impact being lower economic growth, worsening economic outlook, falling government revenues and increasing poverty.

5. Participants concluded that the vulnerabilities of the Pacific SIDS continued to exist while the ability to cope with them has decreased. The area where international and regional cooperation has become most urgent is climate change. The adverse impact of climate change threatens to offset development gains for a number of SIDS and in several cases their actual physical existence and survival. SIDS are on the frontline of climate change and many have diverted scarce resources meant for socio-economic development to adaptation and mitigation programs.

6. Despite the challenges, much had been done in the Pacific to progress towards implementation of the MSI. The draft report identified over thirty regional initiatives implemented over the past five years and it noted successes in conservation (i.e. the Micronesian Challenge), energy (e.g. the bulk purchasing of fuel, production of renewable energy and setting of national targets to reduce reliance on fossil fuels), subregional shipping, aviation reforms, and tourism. The opening up of labor markets in neighboring areas, including on foreign ships, was also noted as a positive development, as were the achievements of some countries in maintaining political and macro-economic stability.

7. Participants also noted some progress in achieving the Millennium Development Goals (MDGs), although none of the Pacific SIDS are on track to meet all the goals by 2015. Some countries were able to maintain positive economic growth during the global economic crisis, even if it was lower than in previous years or in comparison with Asia and other regions.

8. Discussions highlighted that the Pacific Ocean, although often seen as an isolating factor and a barrier to development, is an “Ocean of Opportunity” that must be managed for the benefit the Pacific islands and the world. Pacific ecosystems are highly diverse and have sustained the lives of Pacific communities since first settlement. They comprise the most extensive coral reefs in the world, unique landforms, globally important fisheries, significant land and seabed mineral resources, and high numbers of endemic species. The Pacific is host to the only large-scale tuna stocks remaining in the world. The region may also contain resources of potential use to humankind that are yet to be discovered. To safeguard Pacific communities and maintain the health of their ecosystems in perpetuity, the meeting noted a precautionary or “low-regrets” approach must be applied to the development process, as outlined in Principle 15 of the Rio

Declaration. Strengthening the resilience of ecosystems will be integral to achieving development goals.

III. ADDRESSING THE VULNERABILITIES OF PACIFIC S.I.D.S: IMPLEMENTATION

10. In their discussions, the Ministers and officials highlighted a number of critical vulnerabilities in the Pacific which include:

- a) **Climate change** remains the greatest challenge as current and predicted impacts serve to undermine progress towards development and, for some of the Pacific SIDS, threaten their very existence. Recognizing that the United Nations Framework Convention on Climate Change (UNFCCC) remains the mechanism for negotiating action on this issue, the meeting noted the need for:
 - Urgently reaching agreement on and implementation of meaningful and legally binding commitments following the less than desirable outcomes of the UN Climate Change Conference in Copenhagen;
 - Supporting the provisions in the Alliance of Small Island States (AOSIS) Climate Change Declaration of September 2009, including immediate adoption of a package of mitigation activities up to and beyond 2012¹;
 - Providing SIDS with new, additional, predictable, transparent and adequate sources of grant-based financing to fully meet the adaptation needs of these particularly vulnerable countries, and ensure for SIDS that access is timely, direct, prioritized and simplified; and
 - Developing adaptation funding modalities, including cost-effective solutions to protect the natural environment, designed specifically for Pacific SIDS.

- b) **Energy** - fossil fuel dependency has a crippling effect on national budgets and revenues and impacts on key productive sectors in the region such as fisheries, agriculture and tourism. Support is needed from the international community for:
 - Immediate diversification in energy options, with a focus on renewable energy;
 - A move to appropriate technology in key productive sectors; and

¹ This provides for: i. long-term stabilization of atmospheric greenhouse gas concentrations at well below 350ppm CO₂-equivalent levels; ii. global average surface temperature increases to be limited to well below 1.5° C above pre-industrial levels; iii. global greenhouse gas emissions to peak by 2015 and decline thereafter; iv. reductions in global greenhouse gas emissions by more than 85% below 1990 levels by 2050 v. Annex I parties to the UNFCCC to reduce their collective GHG emissions by more than 45% below 1990 levels by 2020, and more than 95% below 1990 levels by 2050, given their historical responsibility; vi. a significant deviation from business as usual by developing countries through measurable, reportable and verifiable nationally appropriate mitigation actions in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner.

- Coordinated support from donors with respect to appropriate technology transfer.
- c) **Natural and environmental disasters** - the ‘knock out’ effect of natural disasters on economies and the limited ability to recover has been experienced by a number of Pacific SIDS over the last five years. Support from the international community is needed for:
- The establishment of vastly improved early warning systems at regional and national levels;
 - Improved affordable insurance mechanisms; and
 - Improved post disaster support with financing and reconstruction.
- d) **Development assistance** – Pacific SIDS remain subjected to fragmented, unpredictable and difficult-to-access development assistance. It is critical that Pacific SIDS, donor partners and regional and international organizations work together to enable:
- Better coordination and harmonization of resources from donors;
 - Improved coordination amongst regional and international organizations for effective delivery of services and support;
 - Pooling of resources where appropriate;
 - Improved capacity of Pacific SIDS to access and effectively utilize resources; and
 - Longer term commitment of Official Development Assistance (ODA) channeled through direct budgetary support, particularly at the national level.
- e) **National plans and budgets** – despite efforts towards development of effective national sustainable development strategies (NSDS), significant challenges remain in linking them to adequate budgets for effective implementation. This matter requires support from all stakeholders to:
- Improve processes related to the NSDS and link this to improved national fiscal management systems;
 - Mainstream Green Growth approaches into national plans, policies and budgets;
 - Channel ODA towards national frameworks and areas with a predictable, long-term focus;
 - Increase the allocation of domestic resources for environmental protection and adaptation activities and build capacity in sustainable financing by incorporating national sustainable finance plans in NSDS, for example.
- f) **Infrastructure, transport and ICT** – the isolation of Pacific SIDS remains a major impediment to the growth of Pacific economies. The latest World Economic Report noted that Pacific SIDS are twice as isolated as their Caribbean counterparts. Thus, there is a clear need to improve maritime and aviation infrastructure as well as transport facilities in the region. Furthermore, ICT provides a key to unlocking development potential and reducing the distance to

markets, education, health care, etc. Support is required from the international community to assist Pacific SIDS in their efforts to:

- Improve connectivity within and between countries of the Pacific and the rest of the world. This involves a combination of appropriate cables, satellite technology and national ICT infrastructure;
 - Develop shipping and aviation infrastructure and facilities that meet international standards and ensure the capacity to maintain this; and
 - Improve subregional transportation options in both aviation and maritime sectors.
- g) **Least Developed Countries (LDC) graduation** - LDC criteria does not give adequate emphasis to the vulnerabilities of SIDS and their effects on development. Support is needed from the international community to:
- Create more accurate measures of vulnerability; and
 - Include an environmental vulnerability indicator in the graduation criteria.
- h) **Fisheries** – whilst significant efforts have been made to increase the revenue from fishing resources in the region, there remains a need for support by the international community to:
- Improve regional capacity to monitor illegal, underreported and unregulated (IUU) fishing; and
 - Improve and strengthen nationally owned fishing industries.

Cross cutting issues

11. As identified in the MSI, a number of cross cutting issues underpinning any efforts to address the challenges would include:

- a) Strengthen enabling environments at the national, regional and international levels. This would include partnerships to support national planning and Green Growth;
- b) Simplify access to substantially increased resources;
- c) Transfer skills in science, development and technology including through South-South cooperation in the Asia-Pacific region;
- d) Develop capacity; and
- e) Improve trade, finance development and debt financing through regional cooperation in the Pacific and with Asia.

A. National, regional and international enabling environment

National enabling environment

12. The development and strengthening of NSDS or the like remain critical for integrating decision making systems and processes that foster sustainable development. The main features of an effective NSDS were acknowledged as including:

- Visible long term national strategic vision linked to medium term goals/targets and short term actions;

- Improved links with national budget and fiscal management systems;
- Visible and functional coordination both within and across sectors (i.e. horizontally and vertically);
- Visible and functional national and regional policies for science and technology, the protection of natural resources to support sustainable development and building resilience to the impacts of climate change;
- Streamlined, efficient and effective integration of MDGs and related regional and global commitments;
- Genuine partnerships operating between government, development partners, the private sector, NGOs, and the community at large;
- Recognition of tradition and culture as an asset; and
- Measurable targets and indicators where possible.

13. Linking national priorities with predictable resources remains a challenge for governments and donors at the national level. Pacific Leaders have committed to improve the impact of development assistance and resource use at the national level by seeking better planning, budgeting and donor coordination through the Cairns Compact. There is also a need to adhere national planning systems to the key principles of sustainable development, namely: (i) integration of economic, social and environmental priorities; (ii) wide participation of stakeholders in the development process; (iii) country ownership and commitment; (iv) comprehensive and coordinated policy processes; and (v) targeted resourcing and monitoring.

14. The Pacific SIDS reaffirmed the special role played by women, youth and people with disability in sustainable development. It is important to ensure, through targeted interventions, resources and monitoring and evaluation frameworks, that decision-making processes for sustainable development work towards gender equality and are inclusive of disadvantaged groups. There is a real need to build on Pacific traditions and to strengthen the use of culture and history in the development of strategic planning processes for sustainable development. For a region with diverse and rich cultures, the challenge is to demonstrate to policymakers in governments, regional institutions, donor agencies and partners that culture is an asset and an integral part of development.

15. Directing aid to those most in need is an important responsibility of governments, given that the vast majority of assistance flows through them. For instance, Samoa is providing free education to primary school children as a response to the economic crises with funding support from Australia and New Zealand.

16. Formal social protection that cushions the effects of crises on the poor is limited in the Pacific with such measures covering less than 20% of the population. Thus, there is a need to consider social protection measures in government planning and budgets along with efforts to strengthen traditional safety nets and social capital.

17. The meeting recognized the urgent need to implement key regional decisions of the Forum at the national level, namely to: (a) safeguard macroeconomic stability; (b) strengthen budgetary management, protecting core services, and assisting the vulnerable; (c) improve competitiveness and broad-based growth and resilience; and (d) strengthen

development coordination and effectiveness. However, it was also agreed that such reforms would need to be implemented in the context of inclusive and sustainable development in order to minimize the negative impact on the poor and the marginalized while ensuring the sustainability or growth.

18. It was agreed that implementing Green Growth strategies at the national level would not only attract both donors and private sector investors, it would also ensure sustainable growth. These strategies would include investing in sustainable infrastructure, shifting to renewable energies and investing in efficient technologies to reduce energy costs. Green taxes and budget reforms could promote the demand for eco-efficient products and services. Implementing such reforms not only promotes the creation of green jobs, but they would also help address the root causes of food, fuel and water insecurities as well as climate change.

Regional enabling environment:

19. Regional architecture in the Pacific has evolved as a direct result of capacity constraints in Pacific SIDS. The need to build economies of scale and work collectively to address common priorities and challenges has resulted in the establishment of 11 regional intergovernmental organizations under the Council of Regional Organizations in the Pacific (CROP), all with significant work programs supporting the development of Pacific SIDS in various sectors.

20. The Pacific Plan is now in place providing the overarching framework for achieving the Pacific Leaders Vision of a region of “peace, harmony, security and economic prosperity”. The Cairns Compact was adopted in 2009 to strengthen development outcomes in the region through closer donor coordination and improved national planning and policy environment. Regional partnerships are being developed and implemented in specific areas such as energy, water, agriculture, ICT, transport, human resource development and in policy and planning, including in the support of national sustainable development. These initiatives have been well documented, including in the Draft Pacific Regional Report.

21. The meeting agreed that the Pacific Plan has improved collaboration amongst regional intergovernmental organizations. However, challenges remain and further efforts are needed, not only by subregional organizations, but also by the United Nations regional agencies, NGOs and other regional stakeholders. The challenge at the regional level is to realize the full potential of development assistance through enhanced regional cooperation and integration and international cooperation. At the same time, the meeting highlighted the importance of the contribution of subregional activities, such as the Micronesian Challenge to conserve and preserve the environment and the culture of the people.

22. The meeting also called for improved quality of data in order to establish a basis for clear performance indicators for sustainable development progress in the region. The

international and regional organizations were called upon to support the efforts of the Pacific in the area of data collection and management.

23. The meeting agreed to promote regional and international partnerships that support the region's responses to the global economic crises and climate change and noted that some of these would be discussed in the Forum meetings and in the Pacific Conference on the Human Face of the Global Economic Crisis that is being convened on 10-13 February 2010.

24. Links between the Pacific and Asia should be strengthened through ESCAP membership in those areas that are identified here as priorities for the Pacific.

International enabling environment

25. Significant improvements are needed at the international level in order to overcome budgetary limitations in implementing the Barbados Platform for Action and the MSI. Tailored forms of assistance are needed for SIDS in accordance with their special case and limited capacity. Unfortunately, multilateral funding mechanisms have been slow to develop special windows of access for SIDS. The meeting considered this to be a central impediment to the effective implementation of the MSI.

26. Improved coordination and partnerships between international and regional organizations are also needed to avoid duplication and disjointed approaches to assisting SIDS.

B. Access to and the provision of financial resources

27. The meeting noted, with appreciation, the longstanding acknowledgement by the international community of the special case of SIDS and the need to make better use of opportunities offered through financing, trade, and technology transfer including through South-South Cooperation. It was agreed that ODA played an important role in helping Pacific SIDS towards recovery from the current crises and to progress the implementation of the MSI. As such, ODA needs to be made more predictable and better aligned with national priorities and MDGs. It was further noted that funding modalities need to accommodate the special constraints of SIDS and simplify their access and disbursement procedures.

28. The Monterrey Consensus's promise of providing financing for development remains largely unfulfilled. Financial resource flows to the Pacific were relatively high on a per capita basis, however, this is due in part to the high overhead costs in a region populated by small and widely dispersed islands. Financial resource flows to the Pacific are insufficient compared to their level of vulnerabilities and needs².

² When expressed as a per capita ratio, aid to the Pacific SIDS appears high by comparison. However, a per capita measure is misleading for a region with a small, widely dispersed population, high overheads, thin routes and small economies.

29. There is a need to explore new sources of development assistance. At its London Summit in 2009, the G20 endorsed a six-point plan and made significant financial pledges that target low income countries. Furthermore, the Copenhagen Accord included a pledge of US \$30 billion for addressing the impacts of climate change. The meeting therefore added its voice to that of the Asia-Pacific LDCs³ which have called on the international community to ensure that these pledges for addressing the effects of economic crisis and climate change were additional and above what had already been committed by the Monterrey Consensus.

30. The meeting participants also agreed there is a need to ensure that these new funds are quickly and fairly disbursed to countries with the greatest needs; that the voices of the SIDS are represented in the governance arrangements; that Pacific SIDS capacity is enhanced to utilize the additional resources; and that the focus on SIDS at the Copenhagen conference on climate change is enhanced as negotiations continue. At the regional level, there is a need to explore facilitation of access to financial resources in Asian countries and financial institutions.

31. The meeting agreed that these outcomes should inform preparations for the United Nations General Assembly (UNGA) high-level review of the Millennium Development Goals, the UNGA high-level session on biodiversity conservation and the Tenth Conference of the Parties to the Convention on Biological Diversity. Further recognizing that this MSI+5 review is taking place during the International Year of Biodiversity, the meeting noted the importance of biodiversity conservation as a cornerstone for further implementation of the Barbados Programme of Action.

C. Trade and finance

32. Trade plays a significant role in the development of Pacific SIDS. Unfortunately, the Pacific SIDS have remained amongst the most marginalized in international trade and the full use of benefits offered by the Doha Development Agenda has not been possible due to limited supply capabilities and poor infrastructure as well as the restrictive rules contained in existing trade arrangements. There is a need to ensure that much of funds allocated to aid for trade can be accessed by Pacific SIDS. While aid received is high and much appreciated, the meeting noted that the trade deficits of Pacific SIDS vis-à-vis some of the major partners were just as high if not higher. The benefits of foreign investment are also weak in the Pacific and lack sustainability.

D. Science and development and transfer of technology

33. In addition to ongoing efforts in the region to improve science and technology transfer, the meeting agreed to further explore the potential of South-South and triangular Cooperation with Asia on appropriate and affordable technologies and connectivity to

³ High-level Asia-Pacific Policy Dialogue on the Brussels Programme of Action for the Least Developed Countries held on 18-20 January 2010, Dhaka, Bangladesh.

facilitate the implementation of the priorities identified in this document. In line with this, the meeting called for the immediate revival and strengthening of SIDSNet to facilitate the transfer of information and knowledge between the Pacific SIDS and the rest of the world.

34. The meeting further emphasized the need for specialized vocational training and education to create knowledge and skills in environmentally sound technologies, to create opportunities for technology transfer and to support local ingenuity.

E. Capacity development

35. Capacity is a cross-cutting issue and continues to be a major challenge in the region, including in the implementation of the Mauritius Strategy. Capacity constraints impact the ability of some Pacific SIDS to successfully access multilateral funding and to implement projects on the ground. Hence, human resource development through capacity building and capacity supplementation is an area that can facilitate the further implementation of the MSI and other development priorities in the Pacific.

36. The meeting underlined the need for specific and targeted capacity development activities for decision and policymakers to understand existing donor programs and to be able to access available funding to support practical field projects as per the national development programs. The meeting also agreed it is necessary to continue the development of technical and vocational training for countries that are keen to access the New Zealand and Australia labour markets.

F. Monitoring and evaluation

37. The timely production and ongoing use of statistics is crucial in ensuring effective responses to the Pacific's vulnerabilities. The draft report makes reference to the importance of databases and other methods of data dissemination for sharing information and knowledge. While the SPC is seen as the main regional agency for statistics, UNESCAP and other international agencies also provide technical assistance to build statistical capacity by providing a forum for the development of statistical methods and standards.

G. Role for the United Nations in the further implementation of the Barbados Programme of Action

38. The meeting recognized the important role played the United Nations in facilitating the participation of Pacific SIDS in global reviews and dialogue and requested that links be strengthened for this purpose between the Pacific, Asia and the international community. The need for the United Nations system to function as a cohesive platform to advocate the needs of vulnerable members of the global community is greater now than ever before. United Nations agencies, funds and programmes need to converge at the intergovernmental level and be a vehicle to advocate, identify and attract resources to help implement the MSI goals and objectives. United Nations intergovernmental

processes could be better utilized by agencies and funds for this purpose. The meeting expressed concern that the United Nations was not reporting to members on what they were doing to implement the MSI and other internationally agreed goals.

H. Role of SIDS regional institutions in monitoring and implementation

39. Pacific Island Leaders agreed at their 2007 Forum to the following amendment to the Pacific Plan in the international context of the Plan: “The Pacific Plan reflects the region’s priorities which are in line with and support the implementation of international frameworks such as the *Barbados Programme of Action* and *The Mauritius Strategy of Implementation*. As such, the Pacific Plan provides a solid platform for regional cooperation guiding collective positions through the Commission on Sustainable Development and other international forums that advocate the ‘special case’ of Small Island Developing States (SIDS). The collective position of Pacific Islands Forum members in the international arena is a significant tool in garnering support for Pacific SIDS individually and as a group and is recognised and valued by other United Nations members.”

40. The report of the United Nations Secretary-General to the Commission on Sustainable Development at its 15th session in 2007, recognised that the reporting on the progress of the Pacific Plan sufficed as the region’s report on progressing the objectives of the MSI in the Pacific. This harmonized approach to reporting reduces the burden on Pacific SIDS and the region as a whole. To further improve this reporting, significant work is needed to develop appropriate indicators and gather data for their effective measurement.

I. Pacific SIDS Submission

41. The Meeting endorsed the draft Port Vila Outcomes Statement as the summary statement of the views and positions of the Pacific SIDS on the MSI+5 review. The Meeting also agreed to update the draft regional report and to include it as an attachment to the Port Vila Outcomes Statement. These two documents comprise the submission from the Pacific region to the MSI+5 High-level Review meeting to be convened in New York in September 2010. The documents will be submitted through UNESCAP to the Special Body on the Pacific to be convened in conjunction with the UNESCAP 66th Commission Session in the Republic of Korea in May 2010. They will also be submitted to the United Nations Commission on Sustainable Development meeting in New York in May 2010 for consideration at the SIDS Day, the Preparatory Committee meeting before the High-level Review. The meeting also requested the Secretary General of the Pacific Islands Forum and the Host Government submit the outcomes of the Pacific High-level Dialogue to the Pacific Islands Forum Leaders Meeting.

42. The Meeting agreed that their Chairman should play an important role in transmitting and presenting these outcomes to global and regional fora, including the

Pacific Conference on the Human Face of the Global Economic Crisis⁴. To assist the Chairman in his task, the meeting asked the key partners of the meeting, UNESCAP, UNDESA and the CROP agencies, to work with the Officials to develop and implement an action plan for moving things forward through Pacific regional partnerships including the Pacific Plan, Cairns Compact, and those being developed in support of the NSDS process and Green Growth strategies.

43. It was also noted that the national assessment reports were being finalized and submitted as further inputs to the review. In this regard, it is important to note that regional reporting does not preclude Pacific SIDS from submitting national reports where they so desire.

IV. APPRECIATION

44. The participants expressed appreciation to the Vanuatu Government for hosting and chairing the meeting and for the hospitality extended. The sponsorship by the UNESCAP and UNDESA and the organization and servicing of the meeting by UNESCAP and the CROP organizations was also noted with appreciation.

⁴ The Conference did endorse the draft of the Port Vila Outcomes Statement and the Conference outcomes document (Vanuatu Outcomes Statement) is to be regarded as part of the Pacific submission on MSI+5 review.