

Submission on Australia's new development policy for the Pacific Region

1. As the Australian Government prepares to develop a new International Development Policy, that sets out the long-term direction for Australia's international development programme and their commitment to work in partnership with the Pacific. The Pacific Islands Forum Secretariat welcomes the development of Australia's new International Development Policy.
2. At the 51st Pacific Islands Forum Meeting in Fiji, Leaders **welcomed** and **endorsed** the 2050 Strategy for the Blue Pacific Continent, as the overarching blueprint to advance Pacific regionalism for the next three decades, articulating the region's long-term vision, values, and key thematic areas and strategic pathways. The 2050 Strategy sets out the region's approach to collectively work together to achieve the long-term vision and aspirations of the 2050 Strategy, through seven key thematic areas¹.
3. Our 2050 Pacific Leaders strategy includes Australia. Our strategy commits to securing our Blue Pacific continent by 2050 by building on existing priorities which include the following
 - i. To nurture collective political will and deepen regionalism and solidarity
 - ii. To collectively deliver for our people
 - iii. To embed our Blue Pacific identity
 - iv. To secure the well-being of our people
 - v. To protect our people and our place
 - vi. To accelerate our economic growth aspirations
 - vii. To guarantee the future of our children
 - viii. To secure a future for our people
 - ix. To protect our ocean and environment and
 - x. To ensure a well-connected region
4. Australia is encouraged to align its new development policies to the 2050 Strategy and to reflect our Pacific Leaders' vision for a Pacific Region of peace, harmony, security, social inclusion and prosperity, that ensures all Pacific peoples can lead-free, healthy and productive lives. In taking the 2050 Strategy forward, work is currently being progressed to develop an implementation plan for the strategy.
5. Australia's strengths in the region range from historical ties to shared experiences. Australia has a valuable relationship with nations in the Pacific region. Australia is a multicultural country that appreciates Pacific values, cultures and way of life. The Leaders Forum held in July 2022 reiterated the importance of dialogue and family "Vuvale". The Pacific diaspora in Australia is large, and they make significant contributions to Australia's workforce. Australia and the Pacific also share similar institutional frameworks based on/adopted from a shared history of British colonial systems. In addition, a majority of Pacific leaders and civil servants were either educated in Australia or have had exposure to Australian educational programs and capacity-building activities.

¹ Political Leadership and Regionalism, People Centered Development, Peace and Security, Resource and Economic Development, Climate Change and Disasters, Ocean and Natural Environment, and Technology and Connectivity

6. A whole of government approach that Australia is taking, is most welcomed and complements development's whole-of-society approach that requires engagement at all levels. Both approaches are needed in the Pacific to progress effective national actions on global challenges particularly climate change mitigation which requires a coordinated approach from Australia and the Pacific Island countries.

7. Australia is encouraged to align new development policies with the required investments of the 2030 Agenda for Sustainable Development Goals. At a minimum, Australia should meet SDG 17.2 by providing a global ODA equivalent to 0.7 % of GNI and Australia's new development policy should align with the Pacific way of consensus building, inclusivity, mutual respect, and dialogue/talanoa. These values are stated in the 2050 Pacific strategy as key foundations for strategic pathway investments in Governance, Inclusion & Equity, Education Research & Technology, Resilience & well-being, Partnership and Cooperation.

8. At the global level, the priority is to restore social, economic and environmental stability, by investing in clean equitable growth through political frameworks and settlements that foster peace and partnership. It is also noted that Australia is a global player with influence in many key platforms ranging from the United Nations to the Pacific Island Forum Secretariat and other regional organisations in the Pacific. In this regard, Australia is encouraged to contribute to, inform and support regional policy-making institutions such as the Pacific Island Forum Secretariat and CROP² agencies. Australia should provide regional development assistance through existing regional mechanisms to build the region's institutions and technical knowledge.

9. With this in mind, Australia responds to many persisting challenges that confront the Pacific region ranging from climate change, security, trade, gender, and the COVID-19 pandemic. Pacific challenges have led to financial, social, and economic hardships that are in addition to existing enduring multiple vulnerabilities. Some of these Pacific vulnerabilities materialise in the form of key economic trends and challenges where forecasts for the next five years suggest greater hardship attributed to rising costs of fuel, energy, food, overall inflation and higher costs of living. Limited fiscal space, tightening monetary policies, exchange rates and interest rate movements also play a part in global trade, and markets. Similarly, the climate crisis, geopolitics and the Russo-Ukraine conflict are additional global disruptions and risks to consider.

10. Based on these approaches, there are several opportunities for the new development policy to build stronger and more meaningful partnerships and relationships in the region, particularly through the development of pacific expertise that can support Australia on the following:

- continued support in the Economic Recovery from the COVID-19 pandemic
- working with communities as a first step towards investing in people-centred development;
- promoting digitalisation, and blue/green technology;
- budget support to enable Governments to focus on structural reform, macro stability, country systems and process strengthening improved institutional quality and governance;
- further investment in connectivity, trade and labour mobility schemes;

² Council of Regional Organisations of the Pacific

- provide increased financial support for resilience building at the community and country level, including the Pacific Resilience Facility;
- continued support to the *2021 landmark Declaration on Preserving Maritime Zones in the face of Climate Change-related Sea-level rise* and the ongoing work in the region on securing maritime zones against the threats of sea-level rise, which is the defining issue underpinning the full realisation of the Blue Pacific Continent;
- ongoing support for key regional strategies such as the Pacific Roadmap for Economic Development and Pacific Leaders Gender Equality declaration and actions.
- support for Human Rights, particularly marginalised and vulnerable groups in society such as women, children, people living with disabilities and the elderly; and
- supporting recurrent and capital commitments on health, education, roads, water and energy.

11. Australia should also consider how its new development policy can lift Pacific countries' trade capacity and infrastructure and economic integration via support for the Pacific Aid for Trade Strategy (PAfTS) 2020-2025, which is focused on four thematic areas:

- i) the services sector;
- ii) electronic commerce;
- iii) comprehensive connectivity; and
- iv) deepening Forum markets.

12. These guiding principles for the thematic areas include strategic regional impact, prioritization, leveraging existing policies and mechanisms, and ownership.

13. Specific areas of the PAfTS 2020-2025 where the funding or in-kind support would be welcomed, include – developing quality infrastructure in the areas of standard and quality culture under the Pacific Quality Infrastructure Initiative; addressing inefficient, excessive, and opaque border procedures and documentary requirements that add unnecessary time and cost to trade with the development of the Pacific Regional Trade Facilitation Strategy; and mitigating the tyranny of distance and propelling the Pacific's access to bigger and more affluent markets with the Pacific Regional E-commerce Strategy.

14. Australian labour mobility schemes provide an opportunity for economic empowerment of the Pacific Islands Countries, as well as an economic return into the Australian economy. Australia is also encouraged to work with Pacific Islands Countries to tackle the social aspects of Labour Mobility. On this note, we also welcome the merging of the two programmes (SWP and PLS) into a single Programme which is now known as the Pacific Australia Labour Mobility (PALM).

15. The announcement by the Australia Government to allow the commercialisation of Kava into the Australian market is most welcomed. Australia is also encouraged to provide adequate support (financial and technical) to the producers and exporters in complying with the marketing, labelling and packaging requirements to avoid any non-tariff measures and unnecessary obstacles facing the exporters.

16. Encouraging Australia to provide adequate financial and technical assistance to support Pacific Islands Countries to implement existing multilateral and regional trade agreements with a specific focus on the private sector development is a key step. While taking note of the

SPIRIT project, Australian support is sought for the next phase of SPIRIT through a Pacific Hubs and Spokes Programme for Trade and Labour mobility experts.

17. Australian financial support is also needed for the ratification and implementation process of the WTO Fisheries Subsidies Agreement.

18. Overall, Australia's development capabilities/assistance should respond to these challenges based on data. Australia will need to invest in and support regional databases to ensure that Australian development assistance is targeted and effective and that receiving countries have the appropriate systems and processes to provide sound financial accountability reports.

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