



Pacific 2020

▶ CHALLENGES AND OPPORTUNITIES FOR GROWTH

Pacific 2020: the process

- Guided by a regional steering group with representation from regional governments, organizations (Forum and SPC), and experts
- Nine “growth topics” selected.
- These were explored through regional roundtables (with 130 regional representatives and experts) and background papers.
- All background papers and the main report peer reviewed.

Pacific 2020: the logic

- What does the future hold for the Pacific?
- Why is growth so important?
- Is growth possible?
- How to realize a growth scenario for the Pacific?

- Pacific 2020 is a regional resource, not a policy document (cf 2006 White Paper for Australian Aid)

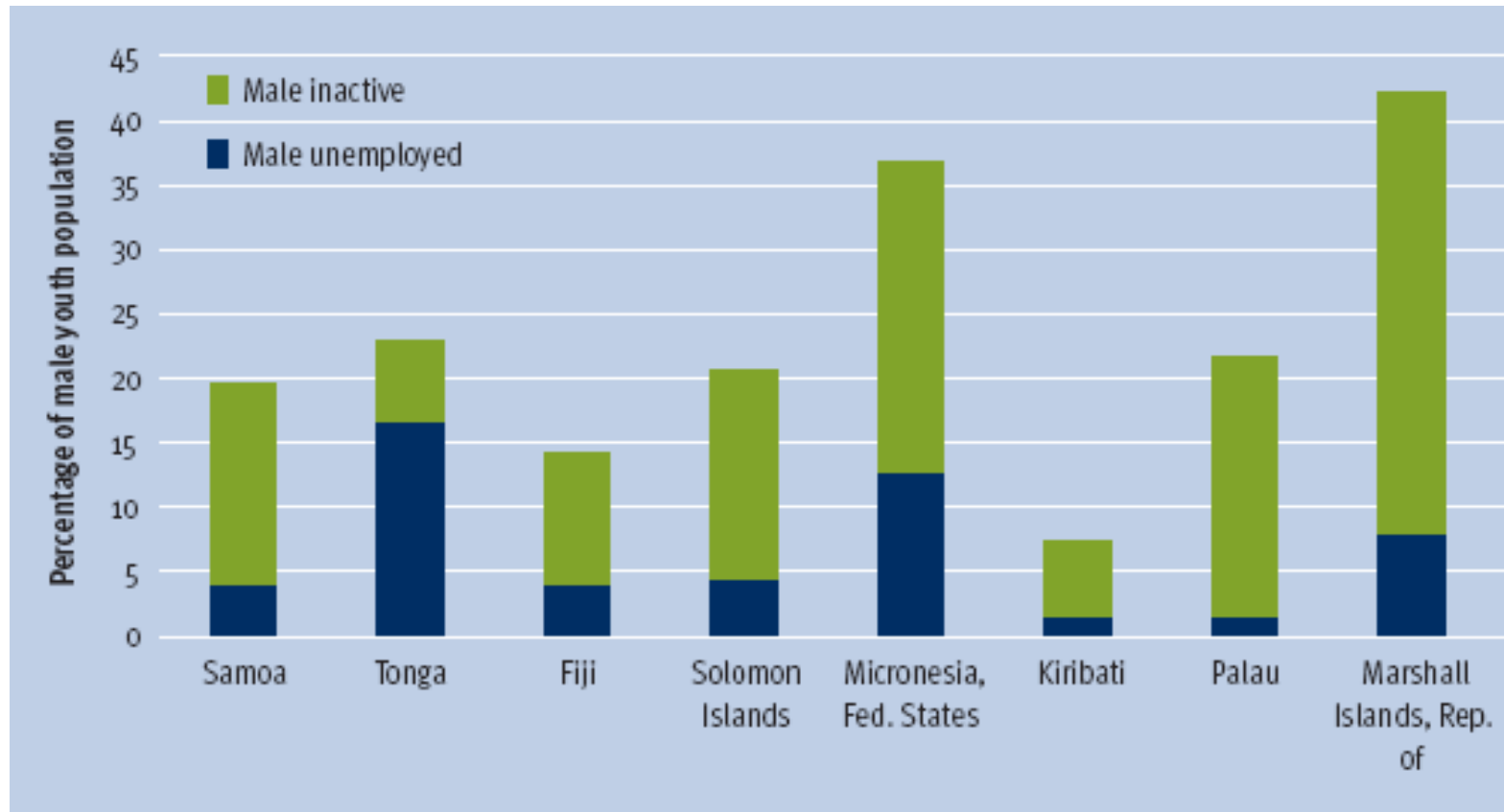
The centrality of growth

- What will the Pacific look like in 2020? Three scenarios.
 - Doomsday
 - Muddling on
 - Growth
- Why is growth so important?
 - Employment & livelihoods
 - Poverty reduction
 - Resources to tackle a range of other problems (health, education and environmental challenges) & to achieve the MDGs

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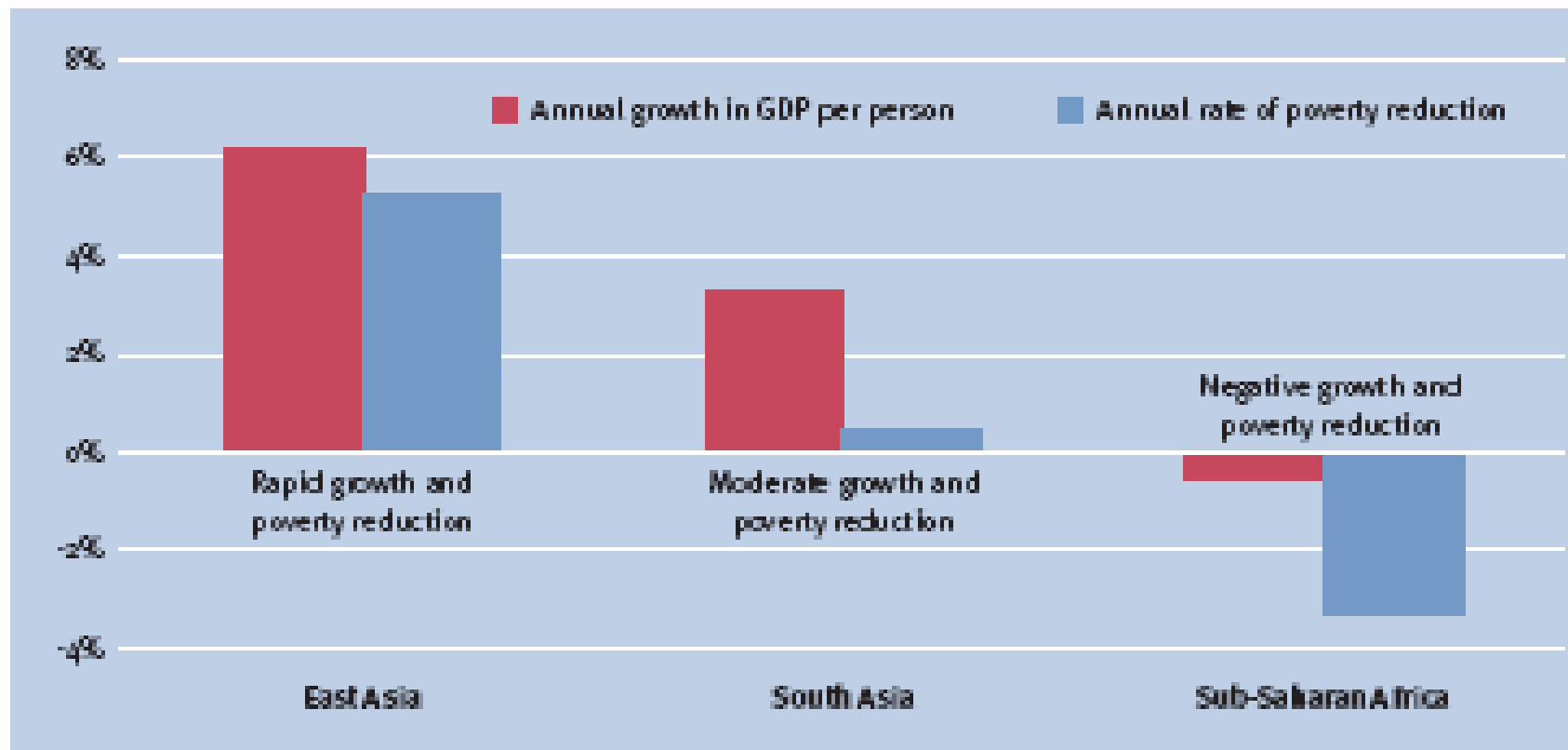
Joblessness in the Pacific



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Global experience shows that growth and poverty reduction go together



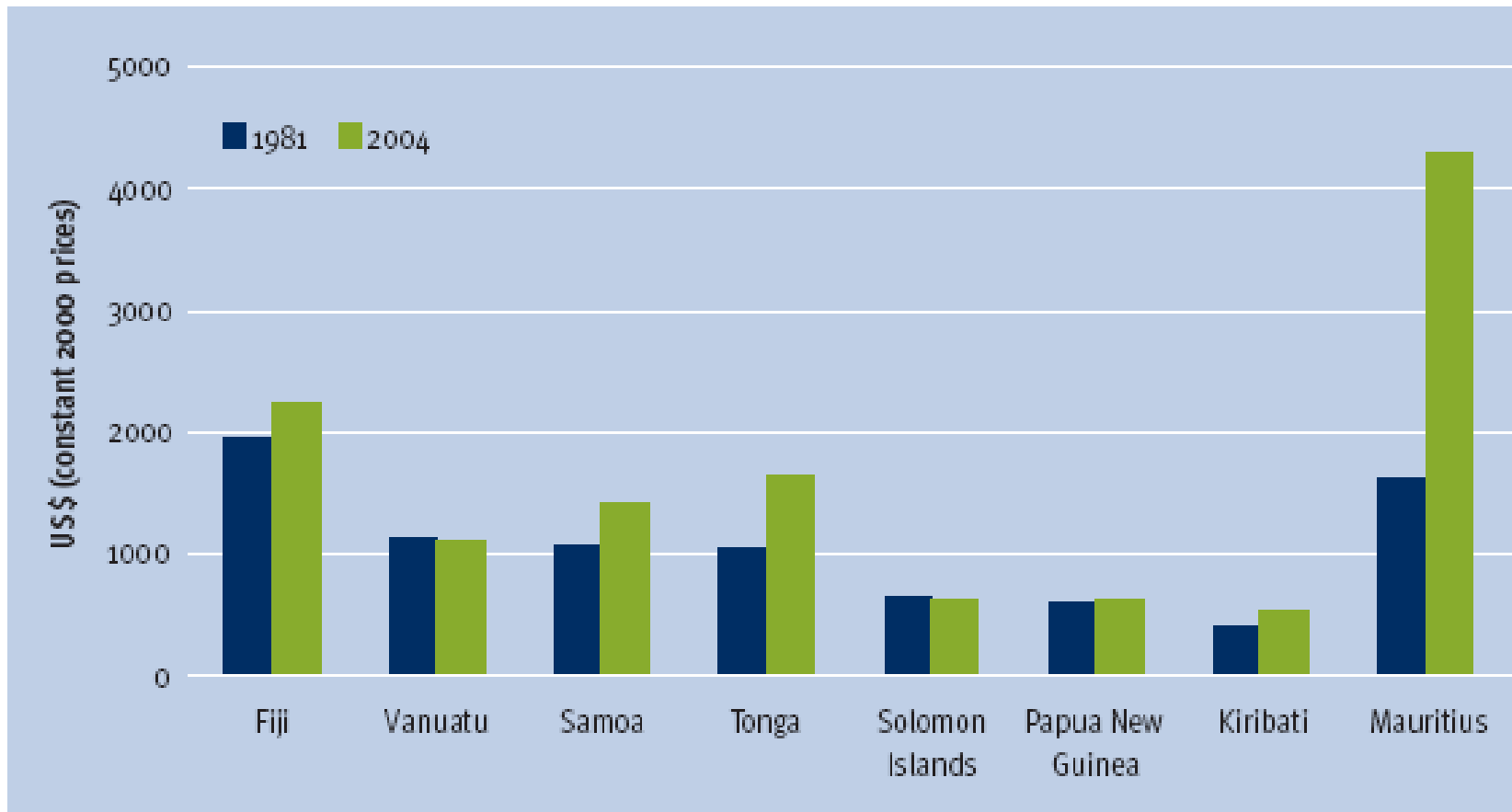
Is growth possible in the Pacific? Yes

- International experience
- Country experience
- Sectoral experience

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Growth among the Pacific island countries, and Mauritius



Growth topics

- Growth factors
 - Private-sector investment
 - Labour
 - Land
 - Political governance
- Productive sectors
 - Agriculture
 - Fisheries
 - Forestry
 - Mining & petroleum
 - Tourism

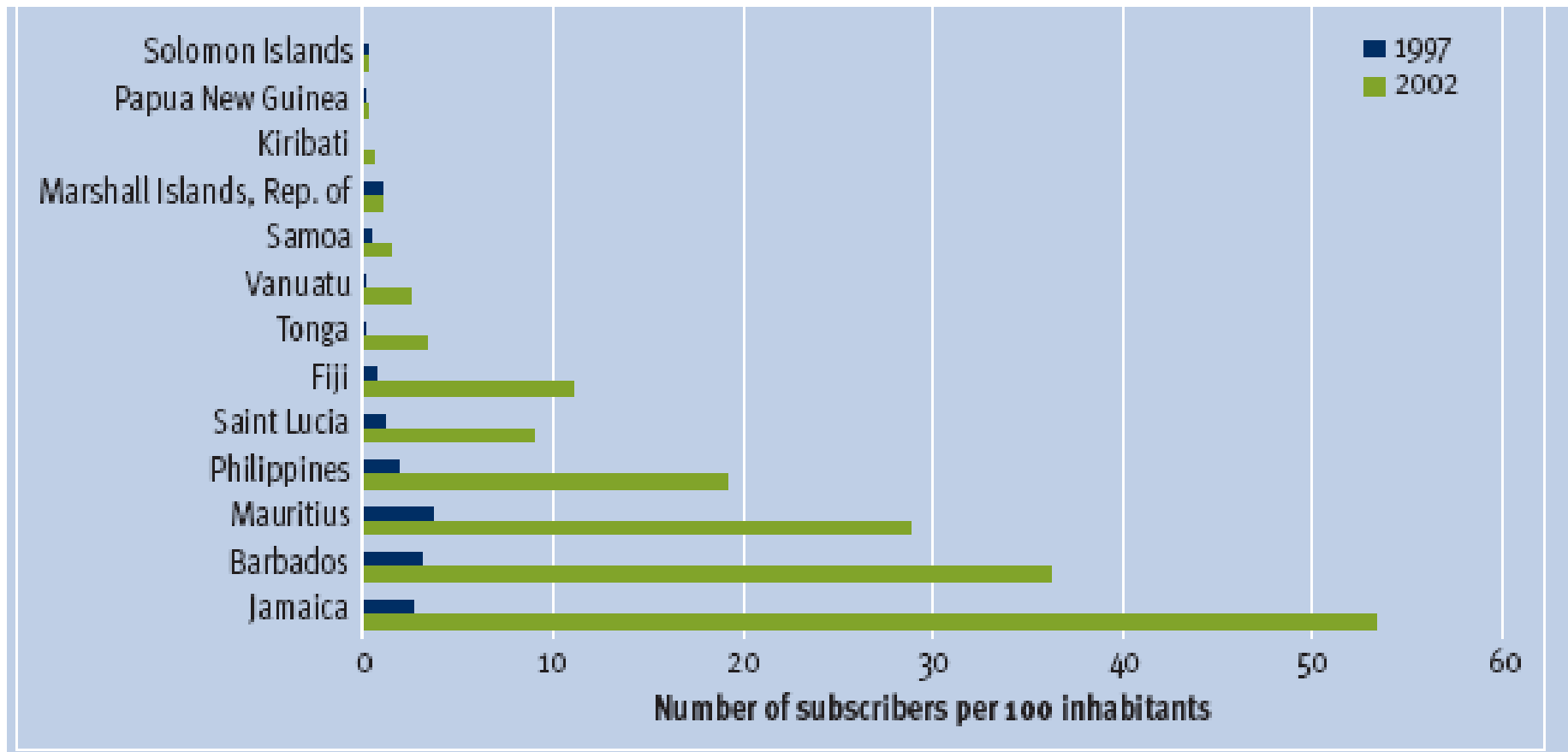
Key constraints

- Growth factors
 - Private-sector investment: *INFRASTRUCTURE*
 - Labour:
 - Land:
 - Political Governance:
- Productive sectors
 - Agriculture: *INFRASTRUCTURE*
 - Fisheries:
 - Forestry:
 - Mining & petroleum:
 - Tourism: *INFRASTRUCTURE*

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The Pacific islands: missing out on the telecom revolution



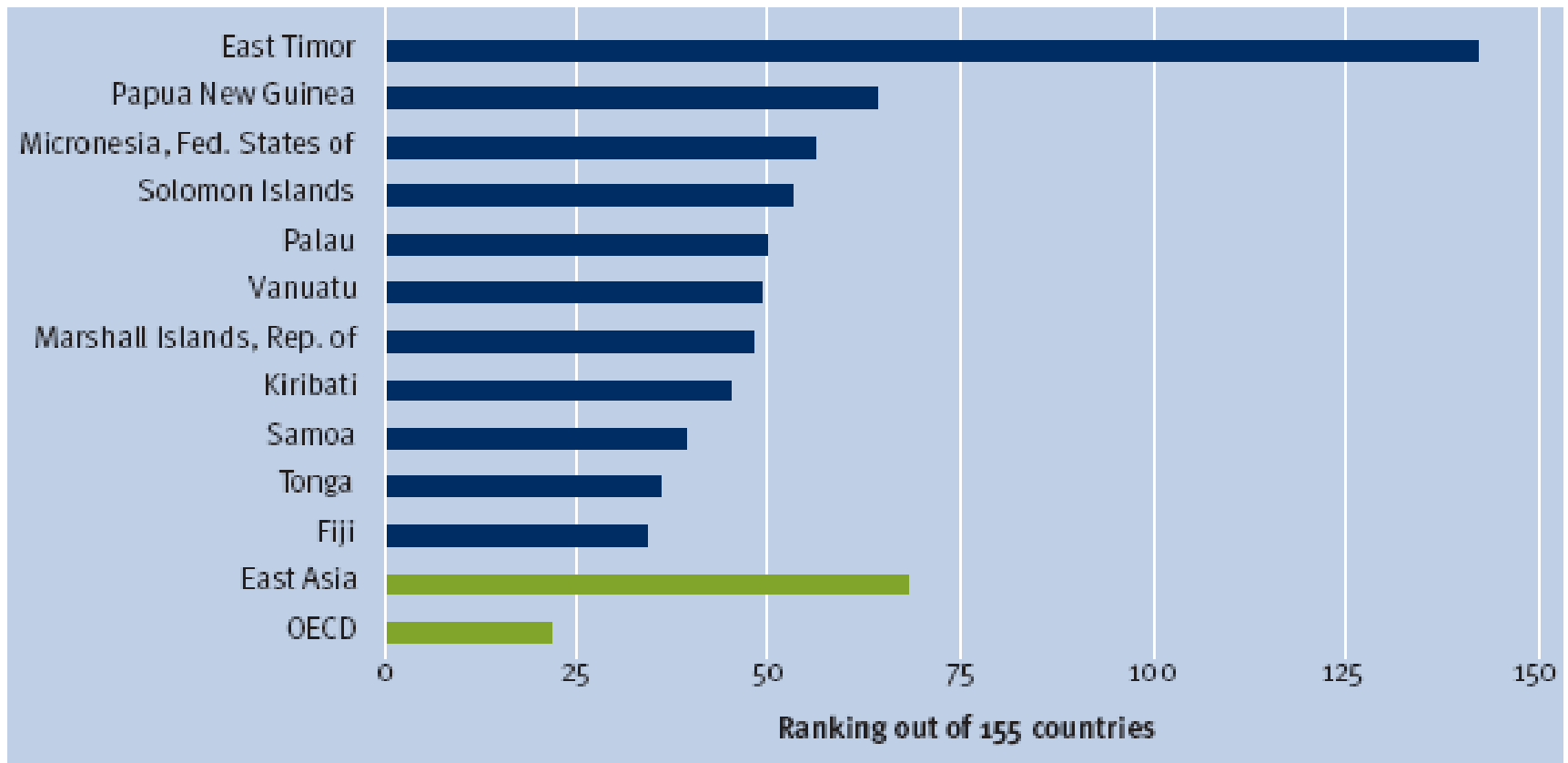
Key constraints

- Growth factors
 - Private-sector investment: *INFRASTRUCTURE/INSTITUTIONS*
 - Labour: *INSTITUTIONS*
 - Land: *INSTITUTIONS*
 - Political Governance: *INSTITUTIONS*
- Productive sectors
 - Agriculture: *INFRASTRUCTURE*
 - Fisheries: *INSTITUTIONS*
 - Forestry: *INSTITUTIONS*
 - Mining & petroleum: *INSTITUTIONS*
 - Tourism: *INFRASTRUCTURE/INSTITUTIONS*

What sort of institutions?

- Basic government-provided public goods: macro stability, law and order.
- Market-friendly institutions: land reform, regulatory reform
- Educational institutions
- Environmental management institutions
- Political institutions: last but not least.

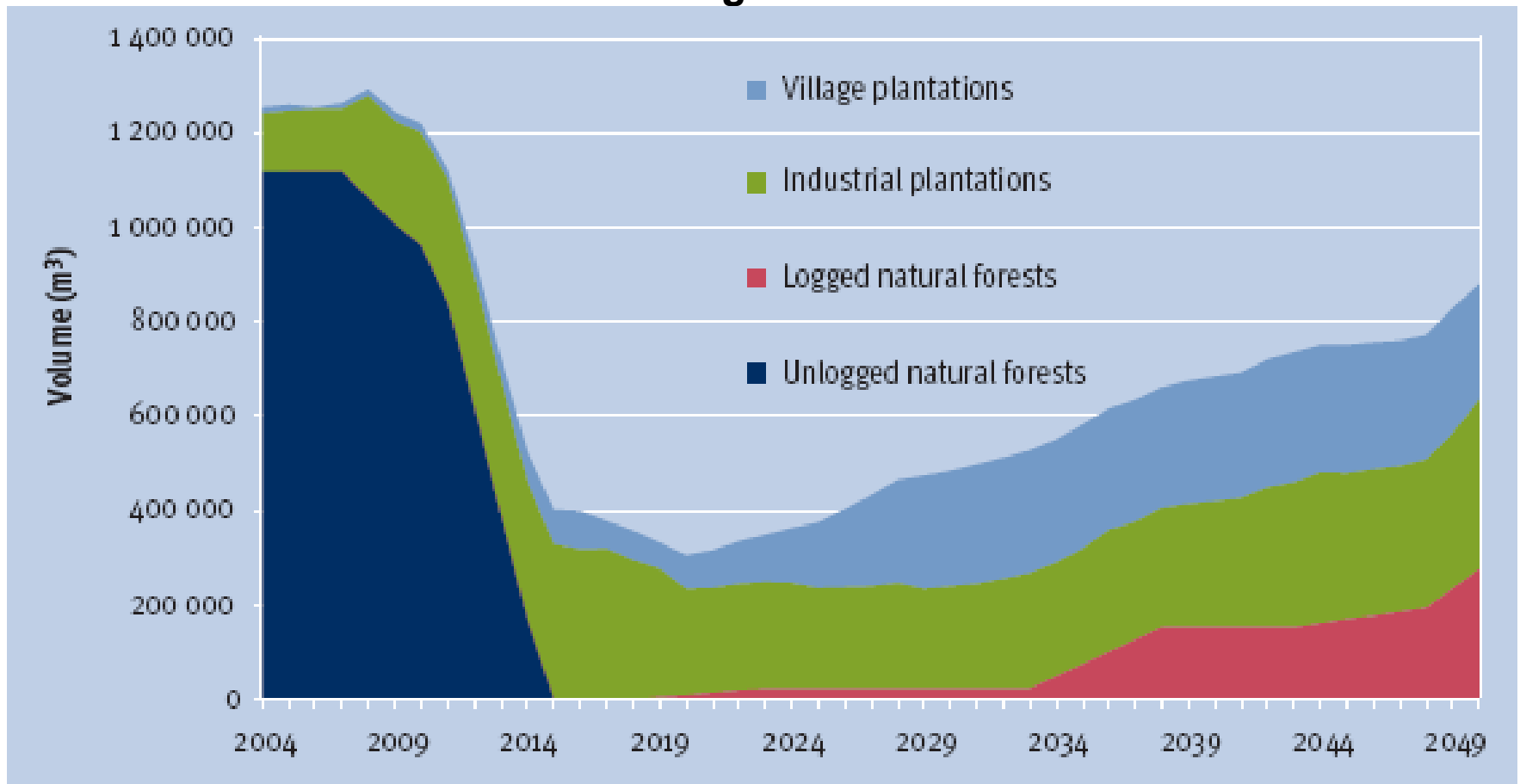
The costs of doing business in the Pacific are too high



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Weak environmental management can result in short-term growth, but with long-run costs



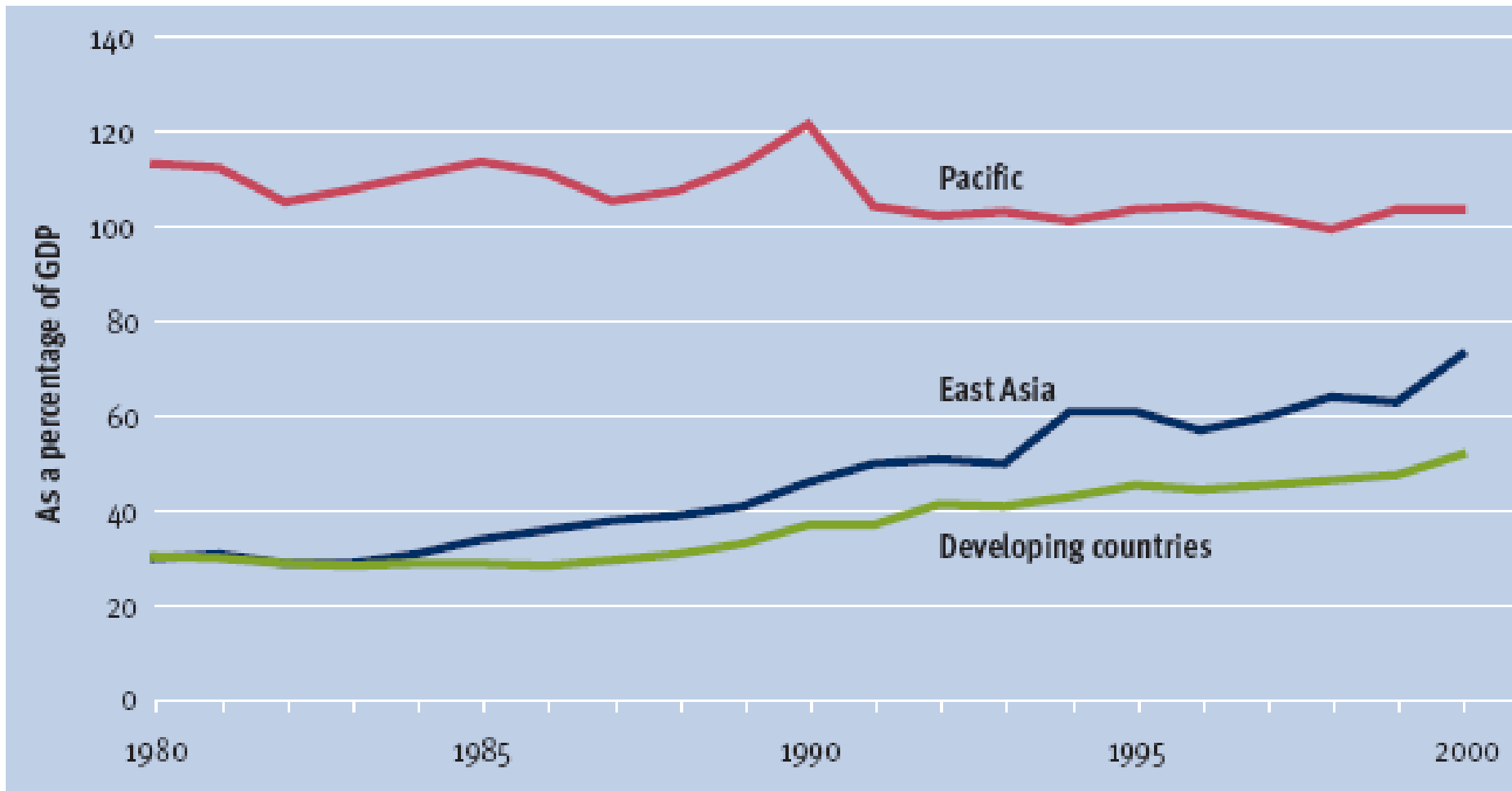
Common themes

- Governance and institutions
- Infrastructure
- Regional cooperation and integration

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The Pacific islands: an unintegrating region of the world



Common themes

- Governance and institutions
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IMPLEMENTATION

How to strengthen implementation

- Reforms need to be prioritized: we can't do everything at once.
- Reforms need to be based on consultation and publicly monitored.
- Implementation ultimately depends on political ownership. Donors can't drive reform, but civil society has a critical role in holding government to account.

2020 “take aways”

- Pacific 2020 is a resource for the region.
- Sustained, employment-creating growth is critical for the future of the region.
- Growth will not solve all the problems of the Pacific, but nor will any of its problems be solved without growth.
- Growth needs to be better managed than it currently is and more opportunities created for all to participate.
- To get better growth outcomes, there needs to be more consensus around its importance.

2020 “take aways”

- There are many sectoral challenges and opportunities to accelerate growth, but underlying them are four themes which are critical for growth in the Pacific:
 - Institutions and governance
 - Infrastructure,
 - Integration and regional cooperation
 - Implementation



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