



PACIFIC ISLANDS FORUM SECRETARIAT

2025 FORUM ECONOMIC MINISTERS MEETING

22- 23 July 2025

Suva, FIJI

FINAL OUTCOMES DOCUMENT

The 2025 Forum Economic Ministers Meeting (FEMM) was convened on 22 – 23 July at the Pacific Islands Forum Secretariat, Suva, Fiji. The meeting was chaired by the Honourable Dr. 'Aisake Valu Eke, Prime Minister and Minister for Finance of the Kingdom of Tonga, and supported by Mr Baron Waqa, Secretary General of the Pacific Islands Forum.

2. The following Forum Member Countries were represented: Australia, Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

3. FEMM Technical Observers and other representatives included: Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), International Monetary Fund (IMF), Pacific Catastrophe Risk Insurance Company (PCRIC), UN Residence Coordinators Office, UNESCAP and World Bank Group.

4. Representatives of the following Council of Regional Organisations in the Pacific (CROP) agencies attended the 2025 FEMM: Pacific Aviation Safety Office (PASO), Pacific Islands Development Program (PIDP), Pacific Islands Forum Fisheries Agency (FFA), Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP), Pacific Tourism Organisation (SPTO) and University of the South Pacific (USP). The Full List of Participants is presented at [Annex A](#).

5. In opening the meeting, the Chair of the Meeting, Dr. 'Aisake Valu Eke reflected on this year's theme, "*Stronger Together: Advancing Economic Resilience and a Sustainable Future in the Pacific*", was not only timely - but it was also essential to stand unified in the face of global uncertainties, sluggish growth, trade tensions, geopolitical shifts, and mounting climate threats. The Chair highlighted the importance of discussions around the regional economic outlook and Talanoa sessions bringing Ministers and private sector participants together to chart collective solutions also welcoming regional initiatives like the Pacific Correspondent Banking Relationship Project, the Pacific Regional Private Sector Strategy, and the Fisheries Development Fund under ENBi. The Chair urged translating remittances into productive investments, maintaining debt sustainability through fiscal discipline, and leveraging outcomes from the Seville Financing for Development Conference, including debt-swap schemes and payment pauses during crisis. Emphasising regional solidarity, strengthened public-private partnerships, and resilience in safeguarding both people and the Blue Pacific, he affirmed that Pasifika wisdom and determination will guide the region through the challenges we faced today. The Chair's Opening remarks is attached at [Annex B](#).

6. In welcoming the Forum Economic Ministers (Economic Ministers), Secretary-General Baron Waqa stated that the FEMM has been deliberating on regional economic cooperation and integration for more than twenty years, and there have been many successes in working together

across a wide range of sectors, including aviation safety, security, audit and trade, to name but a few. But we need to go further if we are to deliver on our Leaders' vision as set out in the 2050 Strategy for the Blue Pacific Continent, and I quote - "As Pacific Leaders, our vision is for a resilient Pacific Region of peace, harmony, security, social inclusion and prosperity, that ensures all Pacific Peoples can lead free, healthy and productive lives". The Secretary General's remarks are attached at [Annex C](#).

7. In his keynote address, the Vice President of the Asian Investment Infrastructure Bank, Mr Ajay Pandey reflected on the 2025 FEMM emphasising shared global challenges such as climate change, economic instability, and inequities, while acknowledging the Pacific's unique vulnerabilities despite its natural wealth and resilience. The Vice-President stressed the disproportionate climate impacts faced by Pacific nations managing 20% of the world's EEZs, alongside economic fragilities including uneven post-COVID recovery and reduced financial access for SMEs. He further proposed solutions centred on climate-resilient infrastructure aligned with the Paris Agreement, digital financial inclusion initiatives, and innovative financing mechanisms like ocean bonds and debt-for-climate swaps. Addressing macroeconomic risks, the Vice President called for coordinated blended finance approaches, embedding traditional knowledge, fostering local ownership, and enhancing multilateral collaboration to support the 2050 Strategy and build a resilient, sustainable future for the region.

8. The 2025 Forum Economic Ministers Meeting also featured three critical stakeholder dialogues: (i) Development Partners; (ii) Civil Society Organisations (CSOs); and (iii) the Private Sector. These provided valuable perspectives that enriched the policy discussions and reinforced the importance of inclusive regional engagement, with a summary of key interventions from Development Partners provided at [Annex D](#), the formal submission from CSOs at [Annex E](#), and a summary of Private Sector contributions presented at [Annex F](#).

ADOPTION OF AGENDA

9. Economic Ministers adopted the Revised Annotated Agenda, attached at [Annex G](#) reflecting the inclusion of the Green Climate Fund (GCF) Regional Presence and Multi/country platform paper to be presented by Kiribati, an update from Australia on its COP31 bid, and a country paper from the Cook Islands on Pacific Superannuation Cooperation, to be presented under Any Other Business. Economic Ministers endorsed the 2025 FEMM Drafting Committee.

SCENE SETTING

REGIONAL UPDATE ON ECONOMIC STATE OF PLAY AND OUTLOOK

10. Economic Ministers considered the global and regional economic state of play and outlook for Forum Island Countries (FICs). The presentation highlighted the global economic situation, its cascading impact on key macroeconomic indicators and implications for FICs.

11. Economic Ministers noted with concern the global uncertainties and the revised global growth outlook, expected to decline from 2.7 per cent to 2.3 per cent, with major implications for our already vulnerable economies. This is further exacerbated by the persistent structural challenges faced by Forum Members - narrow economic bases, limited value-addition, and high exposure to external shocks.

12. Economic Ministers emphasised the importance of data and knowledge sharing solutions through peer-to-peer learning that could effectively support FICs in navigating the shared challenges. They highlighted shared economic challenges, including high levels of inflation, disrupted supply chains, climate-induced migration, and environmental threats are impacting the daily lives of Pacific Islanders across the region with food and fuel prices pushing families toward hardship. They also discussed the important role that the Multidimensional Vulnerability Index (MVI) can play in ensuring FICs are not graduated ahead of time without reaching the appropriate levels of development.

13. Economic Ministers noted that medication is becoming less affordable putting strains on public health. Ministers stressed the need for urgent action ensuring affordability of essential goods and services, strengthening intra-Pacific trade, investing in local agriculture and supporting private sector development. Ministers also highlighted that the 1.5 °C target in the Paris Agreement to reduce global warming is not merely a goal but a choice between survival and destruction for Pacific nations and called for greater action by the largest emitting countries including mobilisation of climate finance through regional mechanisms like the Pacific Resilience Facility (PRF). Ministers also highlighted the need for future iterations of the Outlook to not only present risks but also to identify practical regional solutions to build the resilience of Pacific economies from external shocks. These could include developing regional financial safety nets, investing in regional early warning systems and supporting the growth of Pacific-led industries in enhancing intra-Pacific trade to reduce dependencies on distant markets.

14. Economic Ministers reiterated that business as usual was no longer an option and emphasised the need to strengthen and deepen economic integration and cooperation, including harmonising legislation and policies, advancing regional public goods, medical services, and facilitating a balanced approach to labour mobility both internationally and within the region in recognition of its economic benefits for the Pacific. Economic Ministers noted the global uncertainties impacting development assistance and stressed that building resilience was essential, through which the Pacific region can strengthen its economic foundations, support critical public goods like health and education, and secure a sustainable and unified future. Economic Ministers acknowledged that macroeconomic stability through sound fiscal management frameworks and robust Public Financial Management (PFM) systems are essential to building resilience and contingencies against future shocks. These efforts should not just be focused on Gross Domestic Product (GDP) but should also consider the welfare issues of livelihoods and be inclusive.

15. The Forum Economic Ministers:

- i) **noted** the update on the economic state of play and outlook for the region; and
- ii) **invited** regional organisations including Council of Regional Organisations of the Pacific (CROP) Agencies, multilateral institutions, multilateral development banks and OECD to favourably consider using the MVI that has been adopted at the United Nations (UN) to complement the income-based criteria for determining access to development and concessional financing.

MINISTERIAL TALANOA – FUTURE PROOFING PACIFIC ECONOMIES

16. Economic Ministers participated in a joint Ministerial Talanoa with the Pacific Islands Forum Women Leaders Ministers with the theme ‘Future Proofing Pacific Economies’ and the session was moderated by Ms. Merewalesi Nailatikau. The session included an opening address by the Managing Director Operations, World Bank, Ms Anna Bjerde and included participation of two (2) key regional private sector representatives, Mr Pradeep Lal, CEO Vodafone Pacific and Mr Alex Pattison, Regional Director Pacific, Swire Shipping.

17. Economic Ministers welcomed the World Bank’s continued partnership with the Pacific, noting its commitment to supporting economic resilience, job creation, and sustainable development in the region and acknowledged the World Bank’s focus on strengthening intra-regional trade, enhancing resilience to climate and economic shocks, and advancing a differentiated approach tailored to the needs of all FICs. The Ministers also noted initiatives to improve trade facilitation, build resilient infrastructure, expand local employment opportunities, and strengthen health and institutional capacities, as well as efforts to integrate the private sector into regional development initiatives.

18. Economic Ministers underscored the critical role of connectivity and digital transformation in driving inclusive and sustainable development in the Pacific, especially for empowering women to play a greater role in economic activities. They welcomed progress in expanding affordable and accessible broadband and mobile banking services to connect people and enable platforms for innovation, noting Fiji’s global leadership in affordable mobile data costs. The Ministers acknowledged ongoing efforts in the region to advance government e-services, foster private sector investment, including major technology investments and strengthen the regulatory and enabling environment. They noted the importance of enabling greater legislative harmonisation through measures such as double taxation agreements and infrastructure investments to support digital growth. The Ministers also welcomed investments in maritime connectivity and skills development, noting the deployment of larger shipping vessels in the region and initiatives to train and employ more Pacific seafarers through partnerships with regional institutions.

19. Economic Ministers noted the comments from Cook Islands regarding the growing regional security narrative concerning dual-use strategic infrastructure, research, technical assistance, and ICT, which can at times take on an exclusionary character. The importance of collective regional action was noted supporting greater alignment of this issue, consistent with national and regional development priorities of Forum Member countries.

20. Economic Ministers also noted the potential proposal from the Cook Islands to develop standardised principles relating to dual-use frameworks, consistent with the Pacific Quality Infrastructure Principles. The objective is to build regional consensus on a policy framework that enables identification and management of dual-use risks, while continuing to support the important benefits such assistance can provide. Such a framework should avoid undermining relationships with development partners or contributing to the targeting of host countries in any conflict scenario. This approach aligns with the vision of the proposed ‘Blue Pacific Ocean of Peace’ Declaration under consideration by Forum Leaders.

21. Economic Ministers reaffirmed the importance of addressing the unique vulnerabilities of FICs, welcoming the UN’s endorsement of the MVI as a more appropriate tool to measure these vulnerabilities and guide graduation processes. They noted calls by Nauru and the Cook Islands for further dialogue with development partners, including Organisation for Economic

Cooperation and Development (OECD), to ensure that the graduation criteria reflect Pacific realities and allow for deferred graduation where necessary. Economic Ministers also underscored the need for agile and enabling government policies to foster private sector growth, recognising that infrastructure alone was insufficient to generate employment and emphasised the importance of establishing sound fiscal frameworks and prioritisation through fiscal consolidation to build resilience and reduce reliance on foreign income sources.

22. Economic Ministers welcomed investments in regional connectivity, including transshipment hubs, and efforts to strengthen PFM systems and build fiscal resilience. They further noted the growing role of emerging technologies, urging regional collaboration to ensure artificial intelligence (AI) aligns with Pacific priorities. Economic Ministers reiterated their commitment to deeper and more meaningful regional integration in addressing inflationary pressures and building effective resilience, which continue to compound existing economic challenges.

2050 STRATEGY AND THE REVIEW OF THE REGIONAL ARCHITECTURE (RRA)

23. Forum Economic Ministers reaffirmed the 2050 Strategy for the Blue Pacific Continent (2050 Strategy) as the long-term collective vision for the region and recognised the 2050 Strategy Implementation Plan as the decadal plan towards that vision. They also emphasised the Pacific Roadmap for Economic Development (PRED) as the over-arching sectoral framework to guide a synergised and cross-sectoral approach to economic development under the leadership of Economic Ministers and stressed the importance of deepening and strengthening cross-sectoral linkages across key development sectors including fisheries, aviation, tourism, trade and economic areas to drive transformative development outcomes for Members through the PRED.

24. Economic Ministers recognised that in order for the RRA to succeed it would require effective and efficient support of the regional system. They highlighted the need for a fit-for-purpose regional architecture, with clear institutional roles, stronger transparency and a Member-driven approach that mobilises collective resources and delivers on the 2050 Strategy. They called for enhanced accountability and transparency in the work of regional agencies, improved pooling of expertise, and better alignment of regional initiatives with Member priorities.

25. Economic Ministers highlighted the need for a pragmatic and well-sequenced implementation of the RRA recommendations through to 2030, prioritising initiatives that advance regional public goods and ensuring equality and inclusivity across all Members, regardless of size or development status. They stressed that the regional system must remain responsive, inclusive, and focused on serving the development needs of all Members. They underscored the importance of stronger collaboration between CROP agencies and other regional partners in leveraging technical capacities and taking into account the eventual outcomes of the RRA.

26. The Forum Economic Ministers:

- i) **noted** the discussions on **the** 2050 Strategy and RRA process on strengthening cross-sectoral synergies and regional economic integration to support economic development;

- ii) **emphasised** the importance of collective action in delivering the 2050 Strategy, and reaffirmed the role of the Secretariat as the region’s policy-making body, noting the significance of deepening cross-sectoral linkages to support a more integrated and transformative region; and
- iii) **stressed** that the regional system must remain responsive, inclusive, and focused on serving the development needs of all members and further emphasised the need for effective policy coordination and implementation.

A. PRED STRATEGIC FOCUS AREA 1 – ECONOMIC INTEGRATION FOR RESILIENCE, STABILITY AND GROWTH

MINISTERIAL WORKING GROUP OF FISHERIES AND ECONOMIC MINISTERS

27. Forum Economic Ministers received an update on their 2024 decision, tasking the Secretariat to assess the feasibility of establishing a joint Economic and Fisheries Ministers Working Group.

28. Economic Ministers reaffirmed the importance of strengthened collaboration between Economic and Fisheries Ministers to unlock greater economic benefits from the region’s fisheries resources. They acknowledged the significant global value of Pacific fisheries, estimated at approximately USD 6 billion annually, and expressed concern that resource owners capture only a fraction of this value. The Ministers reiterated their support for the East New Britain Initiative (ENBi) and called for a transformative, innovative approach to fisheries management that increases regional ownership and participation across the entire value chain, diversifies revenue streams, and enhances the Pacific’s position in global markets.

29. Economic Ministers expressed strong support for the Joint Working Group as an integrated platform to advance these objectives, ensuring alignment with the 2050 Strategy Implementation Plan and the PRED, existing regional fisheries mandates, and the outcomes of the RRA. They tasked the Secretariat, in close coordination with the Forum Fisheries Agency, to finalise the draft the Terms of Reference for the initiative, with a view to establishing a robust coordination mechanism to strengthen regional stewardship and deliver tangible economic returns from Pacific fisheries.

30. The Forum Economic Ministers:

- i) **noted** the update provided by the Secretariat; and
- ii) **directed** the Secretariat to work collaboratively with the FFA to further develop the Draft TOR of the joint Working Group for re-submission to the FEMM for its consideration out of session.

SOCIO-ECONOMIC IMPACT ASSESSMENT OF HUMAN MOBILITY

31. Forum Economic Ministers received a progress update on Phase 1 of the Socio-economic Impact Assessment of Human Mobility (SEIAHM) and the proposed approach for completing this assessment. The assessment includes analysis of both short/long-term labour mobility and permanent migration and the consequent skills gaps created and their implications on economic growth, demographics, and socio-economic development.

32. Economic Ministers acknowledged the work progressed under Phase 1 including on remittances, demographics and economic growth. For Phase 2, they noted that attention should be given to skills transfer as well as emphasising the need to broaden the scope of the Assessment to capture the diverse socio-economic impacts of human mobility beyond remittances. They also underscored that human mobility, in all its forms, should deliver balanced and practical benefits for all Members, and encouraged close alignment with the Pacific Regional Labour Mobility Principles and outcomes from the 2025 Forum Trade Ministers Meeting (FTMM) to strengthen Phase 2 of the assessment.

33. Economic Ministers also recognised the significant contributions of labour mobility to household incomes, employment, and regional integration. They welcomed national efforts to develop labour mobility policies, enhance participation in schemes such as Australia's Pacific Labour Mobility program, and pilot intra-Pacific initiatives such as the Niue–Solomon Islands skilled worker exchange launched in 2024. Economic Ministers further highlighted the need to support freer labour movement within the Pacific while safeguarding the welfare of Pacific workers and developing effective reintegration processes for returning workers.

34. Economic Ministers emphasised the need for a more balanced approach in terms of assessing the costs and benefits of human mobility, impacts on upskilling and expansion of the impacts of labour mobility not only on GDP but to the broader welfare benefits accrued to grassroots communities and further noted that labour mobility supports regional integration.

35. Economic Ministers also raised the importance of alignment of scope between FTMM and FEMM and factored into the review of the TOR to be endorsed. The meeting emphasised the need for the work on labour mobility and migration to deliver balanced, practical benefits for all Members and assuring further clarity in pursuing Phase 2 of the Assessment.

36. The Forum Economic Ministers:

- i) **welcomed** the current draft TOR and **endorsed** it in principle, noting that further comments can be provided to the Secretariat by 31 August 2025. If no objections are received from Members by this date, the TOR will be taken as endorsed upon which resourcing for the conduct of Phase 2 of the SEIAHM will be sought from interested partners;
- ii) **noted** progress undertaken to date and initial findings on Phase 1 of the SEIAHM;
- iii) **agreed** that data on labour mobility should be provided to the Secretariat to enable skill gains, losses and skill gaps to be analysed; and
- iv) **provided** guidance with respect to the conduct of Phase 2 of the SEIAHM as necessary.

PACIFIC REGIONAL PRIVATE SECTOR STRATEGY

37. Forum Economic Ministers considered the draft Pacific Regional Private Sector Strategy (PRPSS), focusing on its strategic pillars and priority areas for the 2025 - 2030 period.

38. Economic Ministers also considered and reviewed the next steps for implementation, including ongoing collaboration with international partners like the Organisation for Economic

Cooperation and Development (OECD) and the Asian Development Bank (ADB) on potential regional collective actions and stressed the importance of the Strategy in channelling direct assistance and support to private sector entities, especially Micro, Small and Medium Enterprises (MSMEs) that constitute the vast majority of businesses in the region.

39. Economic Ministers reaffirmed the critical role of the private sector as an engine of economic growth and welcomed the development of the PRPSS. They expressed broad support for the Strategy, noting its potential to strengthen collaboration between governments and the private sector, align regional and national priorities, and foster inclusive, pragmatic, and impactful private sector development. They underscored the importance of identifying clear, implementable priorities and actions in the PRPSS Implementation Plan that reflect the diverse needs and comparative advantages of all Members, including smaller economies, and emphasised the need to avoid administrative burdens while ensuring equality in regional approaches.

40. Economic Ministers acknowledged the value of regional cooperation and partnerships including South-South initiatives and public-private partnerships in addressing challenges such as connectivity, access to finance, and MSME development. They encouraged the Secretariat, in consultation with Members and stakeholders, to develop a targeted and prioritised Implementation Plan for the Strategy, with clear resource requirements and alignment with trade-related and economic initiatives. They welcomed the PRPSS in creating an important platform for engagement and directed the Secretariat to engage closely with the region's private sector in continuing to facilitate efforts that deliver tangible benefits, strengthen national capacities, and support sustainable, inclusive economic growth across the region.

41. The Forum Economic Ministers:

- i) **noted** the outcomes of the Validation Workshop of the PRPSS;
- ii) **endorsed** the PRPSS 2025 - 2030;
- iii) **directed** the Secretariat, in collaboration with Members, stakeholders and relevant partners, to proceed with preparing a comprehensive and practical Implementation Plan with clear resource requirements and alignment with trade-related and economic initiatives to be tabled at FEMM 2026;
- iv) **emphasised** the importance of undertaking a prioritisation exercise that proposes tangible solutions to regional private sector issues in the context of developing the Implementation Plan; and
- v) **urged** development partners to provide technical, funding and other support towards the implementation phase of the Strategy.

PRED STRATEGIC FOCUS AREA 2 – FINANCIAL INTEGRATION FOR RESILIENCE AND ACCESS

INVESTMENT FORUM (ACCESS TO FINANCE)

42. Forum Economic Ministers received an update on the implementation of the Climate Finance Access and Mobilisation Strategy (CFAMS), particularly regarding the convening of a Climate Finance Investment Forum (CFIF). Ministers encouraged the Secretariat to work in close consultation with Members and partners, in mobilising new and diverse sources of climate finance, particularly from non-traditional donors and the private sector, to advance regional climate action priorities.

43. Economic Ministers underscored the urgency of improving access to and mobilisation of climate and development finance to advance the region's priorities under the 2050 Strategy as well as the CFAMS and expressed concern over persistent barriers in accessing global climate funds and the current global challenges faced in the development cooperation area.

44. Economic Ministers welcomed the proposed Climate Finance Investment Forum (CFIF) as a key coordination platform to align regional efforts, foster partnerships, and attract diverse sources of financing, including philanthropic and domestic resources. Ministers emphasised the importance of understanding the aid and investment landscape, strengthening evidence-based investment cases, and ensuring that regional initiatives, including the CFIF and the Pacific Resilience Facility (PRF), complement rather than compete for funding. Economic Ministers also tasked the Secretariat to secure resources to convene the CFIF and to work with Members and stakeholders to operationalise a coherent, pragmatic, well-coordinated and inclusive climate finance framework in alignment with the CFAMS.

45. The Forum Economic Ministers:

- (i) **supported** the convening of a Climate Finance Investment Forum in 2026 contingent on ensuring complementarity and proper coordination with existing regional funding mechanisms, particularly the PRF and other agreed regional funding mechanisms and modalities; and
- (ii) **directed** the Secretariat to work with Members and partners to secure funding and technical support for the convening of the Climate Finance Investment Forum.

CORRESPONDENT BANKING RELATIONSHIP PROJECT

46. Forum Economic Ministers received an update on the Correspondent Banking Relationship (CBR) Roadmap and the Pacific Strengthening CBR Project being implemented by the Pacific Islands Forum Secretariat (Secretariat), in close collaboration with the World Bank, other partners and the seven (7) participating Members of the Project.

47. Economic Ministers acknowledged the significant progress achieved by the Secretariat to date including the establishment of the Project Management Unit (PMU) and the recruitment of its core staff, the convening of the inaugural Project Steering Committee Meeting, the progress on the recruitment of the CBR Service Provider and the feasibility study on the proposed Pacific Payments Mechanism (PPM).

48. Economic Ministers welcomed Solomon Islands as the eighth (8th) Member of the CBR Project and encouraged other Members to consider joining this regional initiative. They also thanked the Australian Government, the World Bank and other partners for their continued support towards de-risking in the region. Economic Ministers emphasised the importance of continuing engagement with the United States (US) regulators and financial institutions on issues related to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and other issues that impact on CBRs in the Pacific.

49. Economic Ministers noted the update on the multi donor trust fund support and urged the Secretariat to identify additional resources to support non- International Development Association (IDA) member countries who also face the challenges of derisking. Ministers emphasised the importance of regional projects being inclusive to strengthen and deepen regional economic integration. Economic Ministers further acknowledged the need to also consider including emerging financial institutions. The loss of access to the international payment system will be detrimental and affect the flow of international development assistance, trade settlement and the flow of remittances to FICs. In that light, Economic Ministers further emphasised that CBR was not only a banking and finance issue but a matter of national and regional security. These issues will be considered in the TOR for the feasibility study on the PPM.

50. The Forum Economic Ministers:

- i) **noted** the update on the CBR Roadmap and the Pacific Strengthening CBR Project;
- ii) **commended** the work undertaken by the Secretariat in progressing the CBR related work agenda and progress made to date;
- iii) **reaffirmed** the importance of taking an inclusive approach in the implementation of the CBR Roadmap and Pacific Strengthening CBR Project and further committed to supporting the future participation of non-IDA members through the identification of additional resourcing from development partners; and
- iv) **urged** the Secretariat and the Project Management Unit (PMU) to expedite the implementation of the PPM feasibility study and procurement of the CBR service provider.

PACIFIC RESILIENCE FACILITY UPDATE

51. Forum Economic Ministers received a progressive update on the Pacific Resilience Facility (PRF), particularly regarding Members readiness to sign and ratify the PRF Treaty at the 54th Pacific Islands Forum Leaders Meeting (PIFLM54) in Honiara, Solomon Islands as well as the status of key PRF workstreams.

52. Economic Ministers noted that the PRF Treaty was endorsed at the Special Forum Economic Ministers Meeting (Special FEMM) earlier this year. Since then, Members' engagement has remained consistent throughout the bilateral consultations that have been held between the Secretariat and 13 Forum Members, all of whom are at different stages of advancing the PRF Treaty. Some Ministers reaffirmed their commitment to signing the PRF Treaty at PIFLM54 in Honiara, Solomon Islands whilst others are awaiting internal national processes to be finalised.

53. Economic Ministers expressed their strong support on the progress of the PRF, acknowledging the updates from the Secretariat. They also welcomed the development of key workstreams, including the Rules of Procedure, transitional arrangements, and the Draft Capitalisation Memorandum.

54. Economic Ministers also emphasised the need to ensure proper due diligence in engagement with the World Bank RAMP services and for an inclusive approach to ensure all Members are consulted as appropriate. They highlighted the need for appropriate safeguards in the PRF governance, allocation and access processes to avoid any prohibitive provisions that may inhibit Members' access to finance in the PRF.

55. Economic Ministers recognised the importance of broader consultations on allocation rules and alignment of investment forums with national and regional priorities. They also highlighted the need to raise further awareness of the PRF among their donor partners and national stakeholders to mobilise support and contributions. Economic Ministers also noted the significant benefits that a Pacific COP 31 would have in terms of visibility and advocacy for the PRF.

56. The Forum Economic Ministers:

- i) **noted** the update on Members' readiness to sign the PRF Treaty at the 54th Pacific Islands Forum Leaders Meeting, and to deposit instruments of ratification by the end of 2025; and **strongly urged** a whole-of-Government co-ordination with all Member States to ensure inclusive engagement of all relevant stakeholders to complete workstreams in a timely manner;
- ii) **acknowledged** the status of PRF capitalisation pledges and provide feedback on the proposed launch of the PRF Capitalisation Memorandum alongside the PRF Treaty signing at the PIFLM54;
- iii) **encouraged** development partners and other potential investors including philanthropies to support ongoing efforts to realise the full capitalisation of the PRF;
- iv) **strongly urged** the World Bank to formalise investment governance arrangements with the PRF to assure capital confidence;
- v) **supported** the commencement of the programming co-design preparatory consultations; and **noted** the resumption of the Rules of Procedure and legal establishment documentation co-drafting and financial rules co-design; and
- vi) **directed** the Secretariat to support Forum Members with domestic processes regarding the PRF Treaty, to assure readiness for signing of the PRF Treaty at the 54th Pacific Islands Forum Leaders Meeting in Honiara, Solomon Islands.

PUBLIC FINANCIAL MANAGEMENT (PFM) – REGIONAL COORDINATION MECHANISM

57. Forum Economic Ministers considered an update on the work undertaken by the Secretariat to progress the 2024 FEMM decision on establishing a Public Financial Management

(PFM) regional coordination mechanism at the Secretariat, to effectively coordinate PFM work in the region and to inform the FEMM on resource mobilisation efforts.

58. Economic Ministers reiterated their concerns regarding the persistent challenges within the PFM landscape across FICs, particularly fragmented efforts and coordination gaps that strain the absorptive capacities of Members. Ministers highlighted the importance of a well-coordinated approach led by the Secretariat in addressing these challenges.

59. The Forum Economic Ministers:

- i) **noted** the update on the establishment of a PFM Regional Coordination Mechanism;
- ii) **endorsed** the Terms of Reference for the PFM Regional Coordination Mechanism; and
- iii) **endorsed** the proposed approach for the finalisation of the PFM Regional Coordination Mechanism.

ANY OTHER BUSINESS

(i) Pacific Superannuation Cooperation – Cook Islands Country Paper

60. Forum Economic Ministers considered an initiative from the Cook Islands to address cross-border tax and other barriers for legitimate regional institutional investors to encourage the flow of Pacific capital into cross-border investment between Forum Islands Countries (FIC) through regional capital mobilisation of superannuation and provident funds resources.

61. Economic Ministers noted there is a large and growing pool of regional capital located in individual FICs' State-sector (profit-to-Member) Superannuation, Provident, Sovereign Wealth, Trust and Unit Trust Funds (PIIF Member qualifying Funds), which are often invested primarily in offshore investments while contributing minimally to regional economic growth and stability. Whilst these funds are motivated towards quality outcomes for their Members, they remain largely untapped for the benefit of the region due to cross-border barriers such as lack of harmonisation of regulations and taxation.

62. Economic Ministers welcomed the cross-border investments initiative and the involvement of the Pacific Islands Investment Forum (PIIF) to undertake the initiative and noted that PIIF lies outside of PIFS governance structures. They further acknowledged that cross-border investments are practiced in the region.

63. The Forum Economic Ministers:

- (i) **supported** the initiative to strengthen cross-border investments in the Pacific as a means of strengthening and deepening regional economic integration and cooperation, subject to further clarification on issues around taxation and other related matters; and
- (ii) **encouraged** the Secretariat, to partner with the PIIF to identify appropriate extra budgetary resourcing, to undertake further consultations with individual Members

to discuss the legal, regulatory and policy alignment opportunities to enable deeper cross-border investment, and to report progress to the PESC in December 2025.

(ii) Update on Australia's COP31 Bid

64. Forum Economic Ministers reaffirmed the Forum Leaders' endorsement at the 2024 Forum Leaders Meeting in Nuku'alofa, Tonga and strongly supported Australia's bid for a Pacific COP urging the need for a strong statement from the FEMM on the issue. They noted the importance of Pacific priorities being strongly represented at COP including strong commitments on adaptation and mitigation to return to 1.5-degree pathway, increased finance to the region through multilateral funding mechanisms, the PRF and bilateral cooperation.

65. Australia outlined continued planning is underway as agreed at the Australia Pacific Climate Change Dialogue with Pacific Ministers responsible for climate change including the formation of a COP31 Senior Officials Taskforce. In addition, the Economic Ministers noted that there will be an upcoming virtual meeting with Australia's Climate and Energy Minister, the Hon. Chris Bowen to further refine partnership arrangements and brief Forum Foreign Ministers.

66. Economic Ministers noted the update on the COP31 bid. Australia stated it remains firmly committed to hosting COP31 in partnership with the Pacific and deeply values the support from the region to date, including efforts of the PIF TROIKA. Despite sustained diplomatic efforts at senior levels, competition on the bid remains.

67. Economic Ministers reaffirmed that climate change remains an existential crisis for the Pacific region and demands urgent advocacy to ensure COP comes to the Pacific to provide a platform and demonstrate the urgency of this crisis to the world.

68. The Forum Economic Ministers:

- i) **welcomed** the update from Australia on the bid to host COP31 in partnership with the Pacific;
- ii) **reiterated** how climate change and disasters continue to pose an existential threat to Pacific economies and communities;
- iii) **underscored** the unique opportunity of a Pacific COP in 2026 to reflect the perspectives of the Pacific which is at the frontline of the global climate emergency; and
- iv) **emphasised** the urgency of making a decision on hosting arrangements for COP31 and **urged** all countries to join Pacific Leaders in their support for what will be a landmark COP Presidency, bringing together developed and developing countries to drive progress through UNFCCC processes.

(iii) Green Climate Fund (GCF) Regional Presence and Multi/country platform – Kiribati

69. Kiribati Minister for Finance, as the Small Islands Developing States (SIDS) representative on the GCF Board, provided an update on the call for proposals to establish regional offices and an outpost as part of the Fund's efforts to strengthen accessibility, responsiveness and country ownership through regional presence.

70. Economic Ministers acknowledged the challenges regarding accessing GCF assistance and emphasised the value in operationalising regional presence of the GCF in the Pacific.

71. Economic Ministers emphasised the need to urgently finalise the regional position of the Pacific acknowledging that the process would be competitive and an opportunity not to be missed. They emphasised that Eligible Members would need to (a) **indicate their interest to the GCF by 15 August 2025; and (b) submit a final proposal to the GCF by 19 September 2025.** Economic Ministers noted that Fiji was presently undertaking preparatory work to put in its final proposal to host the GCF Regional office and requested support from the Members.

72. The Forum Economic Ministers:

- i) **reaffirmed** the importance of GCF's regional presence in the Pacific; and **supported** Fiji's proposal to bid on behalf of the Pacific to host the GCF regional office in Suva, Fiji; and
- ii) **tasked** the Secretariat to support Fiji in preparing and finalising a regional proposal for submission to the GCF before the deadline that ensures regional processes and mechanisms are incorporated as appropriate.

NEXT FEMM AND RELEASE OF 2025 FEMM PAPERS

73. Forum Economic Ministers considered the hosting arrangements for the 2026 FEMM, including the release of the 2025 FEMM papers.

74. The Forum Economic Ministers:

- i) **welcomed** and **supported** the proposal from the Republic of Marshall Islands to host the 2026 Forum Economic Ministers Meeting in Majuro; and
- ii) **considered** and **supported** the recommended document release classifications contained in **Annex H.**

Pacific Islands Forum Secretariat
23 July 2025

Suva, Fiji