



PACIFIC ISLANDS FORUM SECRETARIAT

Validation Workshop for the Pacific Regional Private Sector Strategy

4 July 2025

Virtual

SUMMARY OF DISCUSSIONS

Introduction

The validation of the Pacific Regional Private Sector Strategy (PRPSS) was convened virtually on 4 July 2025. The workshop was attended by representatives from government, National Private Sector Organisations (NPSOs), business and industry associations, development partners, civil society organisations (CSOs), youth and women organisations, the Council of Regional Organisations in the Pacific (CROP), international organisations, and donor agencies. Forum Member government officials present were the Cook Islands, Kiribati, New Caledonia, New Zealand, Niue, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tuvalu, and Vanuatu. The List of Participants is as [Annex 1](#).

2. The mandate to develop the PRPSS stems from the 2021 Forum Trade Ministers Meeting (FTMM) decision, to establish clear priorities and strategies to accelerate the private sector's COVID-19 economic recovery efforts. Since then, progress was made towards determining priority areas for the Draft PRPSS 2025-2030, through high-level consultations with Forum Members, and through a survey distributed to National Private Sector Organisation's (NPSOs), advice provided by technical experts, and through the necessary Forum processes. The validation workshop was the final step of Strategy's validation process, ahead of the Forum Economic Ministers Meeting's (FEMM) consideration.

Welcome

2. The Secretariat welcomed the participants and outlined the objectives of the validation workshop, which are to: (i) Present the draft Strategy to gather feedback and comments from Members, CROP agencies, civil society organisations (CSOs), private sector representatives, international organisations, and development partners, ensuring the Strategy's pillars align with

national and regional priorities; (ii) Provide a forum for open discussion to critique the draft, suggest improvements, and identify any gaps or areas requiring further development, while ensuring buy-in from relevant stakeholders; and (iii) Offer a platform for international organisations to introduce and discuss potential regional collective actions with Members, with a view to aligning them as part of the Strategy’s implementation activities.

3. In her opening remarks, Pacific Islands Forum Secretariat (PIFS) Officer in Charge, Ms Virginia Dawson highlighted the importance of developing a dedicated and standalone private sector development strategy. She also re-emphasised the strategic focus of the Strategy, which is ensuring Micro, Small and Medium Enterprises (MSMEs) have the support and enabling environment necessary to thrive in the Pacific. In addition, she outlined the process undertaken to derive the strategic pillars, including outcome of consultations with Forum Members, particularly through high-level consultations with Members in 2023 as part of the one-PIFS approach and through the request for Member feedback on draft Strategy submitted through Forum formal processes, including the Pacific Economic Sub-Committee (PESC), the FTMM, and the FEMM. A survey was also conducted with NPSOs in 16 Forum Island Countries (FICs) to understand the challenges faced by the private sector. The welcome remarks are attached as **Annex 2**.

Presentation on the draft Strategy

4. The Secretariat presented on its mandate to develop the Strategy; a decision of the FTMM in 2021 to develop a PRPSS that establishes clear priorities and strategies to accelerate the private sector’s efforts in relation to post-COVID-19 economic recovery. The theme of the Strategy is “Strengthening Foundations for Resilient and Inclusive MSME Growth”, focused on six Strategy pillars: Business Enabling Environment, Business Growth and Innovation, Access to Finance, Building Future Resilience, and Regional Dialogue.

5. The Secretariat also emphasised on the value add the Strategy will bring to existing initiatives by focusing on MSMEs, particularly businesses operating in the informal sector and providing relevant support to help them formalise. There is potential in supporting this segment of the private sector to unlock further growth opportunities for their sustainability and expansion. Through this approach, we are supporting business growth and ensuring there are new entrants into the market. The Secretariat’s presentation is attached as **Annex 3**.

Intervention from Participants

6. Mr Sam Saili from the Samoa Chamber of Commerce stated that overreliance on Regional Collective Actions (RCAs) may not be practical, and greater consideration should be given to national-level actions. The limited capacity of implementing organisations to deliver

initiatives also needs to be addressed, potentially through a separate strategy under the PRPSS. The emphasis on business digitalisation was welcomed. However, it would be beneficial to ensure this pillar aligns with the PIFS E-Commerce Strategy. The current draft does not mention data sovereignty, which could be incorporated later under the Implementation Plan (IP) within the digitalisation focus area. Additionally, there is no reference to private sector leadership in regional policy-making processes, including the involvement of members from NPSO. Under the IP, identifying and securing adequate resourcing will be critical to ensure successful implementation of the Strategy. The discussion on supporting the informal sector to transition into the formal sector remains debatable. Many businesses choose to remain informal due to reduced bureaucracy and the absence of tax obligations. The rise in digital businesses and the lack of oversight on virtual operations have contributed to this trend. There are also concerns about how tax revenue is used, with some businesses feeling that taxes do not sufficiently support the private sector, prompting a shift to informal operations.

7. Mr Arno Percival from the Samoa Association of Manufacturers and Exporters delivered a presentation in response to the PRPSS. Furthermore, the Strategy's strategic pillars were welcomed, including the highlighted positive shift toward greater recognition of private sector development at the regional level. The aftermath of COVID-19, rising inflation and public debt accelerated digital transformation, and the devastating impacts of climate change was noted. Several tailored initiatives for Samoa, was proposed including financial inclusion strategies specifically designed for MSMEs, investment in rural digital infrastructure, business continuity toolkits for the tourism and agriculture sectors, support for agro-processing and niche product development, youth-focused entrepreneurship programmes and climate-smart business models, and streamlined business regulations to improve the operating environment. Cooperative development was also identified as a promising area, suggesting that strengthening cooperative legislation and supporting agricultural cooperatives could yield significant benefits. While microfinance solutions are valuable, the cost of accessing microfinance remains a key concern. The development of digital infrastructure through the Strategy was stressed as crucial to enabling the adoption of digital technologies. In concluding, a vision for Samoa's long-term goals, includes becoming a regional hub for agro-processed exports, achieving full digital inclusion across all islands, and establishing a green financing ecosystem to support sustainable private sector growth.

8. The Secretariat stated that in practice, achieving RCA across all five strategic pillars may not be feasible due to the diverse private sector landscapes across the 16 FICs. Therefore, national-level actions may need to be considered. It was also noted that the PRPSS, through its digitalisation priority area, will support the objectives of the regional E-Commerce initiative by promoting access to affordable digital infrastructure and internet services. The IP will be developed through stakeholder consultations to ensure the initiatives are practical and well-resourced.

9. Mr Ayrton Niue from the Government of Niue acknowledged the Secretariat in developing the Strategy, and the reach out to Member countries to seek feedback on the PRPSS. Niue expressed their **endorsement** and support for the draft Strategy and welcomed its collective focus and the efforts to reflect the diverse national context. Emphasis was made in the unique structural and resource challenges of the Small Island States (SIS), prompting the consideration towards tailored and scalable approaches, particularly on access to finance and digitalisation leading to the strengthening of national infrastructure, establishing public-private partnership frameworks, building climate resilience and increasing the productivity of the private sector. Niue remains committed to working with the Secretariat, its private sector, PIPSO and other developing partners to ensure the Strategy delivers practical and equitable outcomes for Niue and other FICs.

10. Mr Edward Bernard, CEO for the Fiji Commerce and Employers Federation (FCEF) acknowledged the inclusion of youth and women entrepreneurship in the Strategy. The FCEF has two additional councils, the Women Entrepreneurs and Business Council, and the MSME Council (formerly the Youth Entrepreneurs Council) to ensure the voices of women and youth entrepreneurs are reflected in policy dialogues. Emphasis was made on the importance of formally including women and youth voices within national private sector organisations. Furthermore, Business Development Services was highlighted as a key area with potential for collaboration with the public sector. Reference was made to the Fiji Enterprise Engine, an incubator and accelerator programme delivered in partnership with the Fiji Ministry of Trade and MSME for business acceleration, and with the Ministry of Education to support incubation for university graduates with promising business ideas. Further reiteration was made on MSME formalisation, noting that many MSMEs choose to remain informal. The need to determine the economic value of formalising MSMEs for governments was stressed. During the COVID-19 pandemic in Fiji, many MSMEs formalised to access concessional loans. However, five years later, the Fiji Revenue and Customs Service (FRCS) reports that while many MSMEs remain on record, they do not pay taxes as they fall below the threshold indicating limited growth. Three key proposals were put forward for considerations for the Strategy (i) Avoid separating MSMEs from the broader private sector and instead recognise them as an integral part of it; (ii) acknowledge the contribution of large enterprises to economic development, particularly through their inclusion of MSMEs in value chains; and (iii) explore ways to incorporate entrepreneurship education into the Strategy.

11. Irene Olkeriil, from the Palau Entrepreneurs for Growth, an NGO established in the Republic of Palau to advocate for and promote local entrepreneurs, startups and 2,000+ MSMEs locally owned by citizens or Palau's indigenous people expressed that the PRPSS is a strong starting point for fostering regional dialogue among FICs. The Strategy is highly relevant to the current economic landscape, noting that during the COVID-19 pandemic, it became clear that more attention was needed to support MSMEs and local entrepreneurs in

Palau, particularly due to the severe impact on the country's primary industry tourism. Palau has been actively engaged in initiatives aligned with the strategic pillars of the PRPSS. For example, a business incubator was established to support young people and women who lost their jobs, and a grant programme was launched in rural communities to deliver entrepreneurial skills and training. Additional support focused on helping businesses adopt digitalisation through training in digital skills, the use of digital tools, and financial literacy. Furthermore, recommendation was made to revitalise the Pacific Islands Private Sector Organisation (PIPSO), emphasising its importance as a regional platform for peer-to-peer learning and for informing policymakers on the value of private sector support and economic diversification. Referenced was made to the 2019 review of PIPSO, suggesting it needs to be revisited and updated. The reiteration on the importance of education and capacity building to foster entrepreneurship was further expressed.

12. Catherine Papani, CEO for the Niue Chamber of Commerce that the six strategic pillars outlined in the Strategy reflected Niue's private sector development priorities. Access to finance remains a challenging area; however, Niue is encouraged that the Strategy will explore alternative credit mechanisms, such as psychometric testing. Achieving economies of scale is difficult for Niue, given its small population of approximately 1,700 people. Furthermore, Palau called to revitalise the PIPSO, emphasising the need for confirmed, multi-year funding to sustain the organisation. A strong regional private sector body has been critical for Niue in voicing its concerns at the regional level. Recognition of MSMEs in effectively representing Niue's entire private sector and further, called for greater protection of local indigenous businesses. The importance of entrepreneurship education was highlighted, and that Niue had made progress in this area by integrating entrepreneurship education into the primary school curriculum. Niue is seeking support and collaboration to help establish a framework for delivering this education programme. The inclusion of microinsurance in the Strategy was acknowledged, highlighting its importance as Niue currently lacks such a service.

13. Eve Hayden from the Cook Islands Chamber of Commerce agreed with Fiji and Samoa on supporting the informal enterprises to migrate to the formal economy and for that to be sustained. Furthermore, acknowledgment was made for formal businesses who pay taxes, employ people (more likely to be providing decent work), and contribute to social protection via superannuation.

14. Francis Dominic CEO for the Marshall Islands Office of Commerce, Investment and Tourism requested template of agreements with educational institutions to be shared so such business incubation and accelerator could be mimicked.

15. Tristan Metcalfe from the Cook Islands Ministry of Finance and Economic Management enquired that while regulations and policies for the private sector remain very much at the national level - consideration to adjusting the document to be "living document"

and a repository of best practices across the region, where that Peer-to-Peer learning can be achieved, and guidance provided to relevant national bodies which are better placed to enact regulatory improvements. The Secretariat stated that a mid-term review of the Strategy will be conducted to assess whether the identified priorities remain relevant and whether they should be continued or revised. Additionally, a final review will take place at the end of the Strategy's term to evaluate implementation effectiveness, determine the strategic pillars and theme for the next five years, and assess overall impact. The Secretariat also noted that the inclusion of a best practices repository could be explored, like the existing repository under the Regional E-Commerce Programme.

Presentation by the Organisation of Economic Cooperation and Development (OECD)

16. OECD presented on its ongoing work in private sector development, including initiatives such as the development of MSME definition guidelines, the SME Policy index, and potential areas for the OECD collaboration in implementing the PRPSS. The OECD stated that in their experience, they have noted regional strategies create convergence of policies at the regional level. There are varying definitions of MSMEs across countries, and it is acknowledged that in many FICs, no formal definition currently exists. Where definitions do exist, they are typically based on thresholds such as the number of employees or annual turnover, which may vary by sector. In developing MSME definitions for FICs, a tailored approach would be required beginning with an analysis of the current landscape to identify the specific needs of each economy. This process could start with the distribution of a questionnaire to gather baseline information on existing practices, followed by a regional workshop or policy dialogue to examine and compare various definitional approaches. The OECD also presented its SME Policy Index and related benchmarking tools, which provide policymakers with a structured, evidence-based framework to assess and strengthen the effectiveness of SME-related policies. The OECD's presentation is attached as **Annex 4**.

Intervention from Participants

17. Catherine Papani, CEO for the Niue Chamber of Commerce enquired on the approach for defining MSMEs, whether looking at first the number of employees and second the sales turnover, is the approach to look at the number of sales turnovers over several years to get an average to which the OECD stated that the best approach is to look at sales turnover for individual year.

18. Irene Olkeriil, from the Palau Entrepreneurs for Growth enquired on the composition of the 38 countries that are Members of OECD and particularly those with small populations wherein the OECD stated that the 38 Member countries are inclusive of both big and small economies across 120 countries.

Presentation by the Pacific Islands Private Sector Organisation (PIPSO)

19. Howard Politini, Chairperson for PIPSO presented on PIPSO's on-going revitalisation efforts. PIPSO applauded the recognition and focus of the Strategy as one that will help achieve the aspirations of the 2050 Strategy for the Blue Pacific Economy. PIPSO welcomed the recognition and focus of the Strategy, viewing it as a key step toward achieving the aspirations of the 2050 Strategy for the Blue Pacific Economy. A copy of Mr Politini's presentation is attached as **Annex 5**.

20. Established by the FEMM in 2005, PIPSO has faced significant challenges in recent years. Its decline was primarily due to the cessation of funding for its Secretariat in 2019, followed by disruptions caused by the COVID-19 pandemic. Despite the closure of the Secretariat, the PIPSO Board continued to carry out its functions. Support from the PIFS, particularly through funding provided by the Government of Korea, has been instrumental in sustaining PIPSO's operations. Additional support has come from the Centre for Private Sector Enterprise. The International Labour Organisation (ILO) is currently assisting PIPSO in reviewing its governance structure, which has further accelerated revitalisation efforts. These efforts are progressing well, with a renewed vision for a revitalised and effective PIPSO. The recent PIFS–ILO Memorandum of Understanding (MoU) has added a new dimension to private sector development by strengthening the role of employers in ensuring the protection of workers' rights. PIPSO's renewed outreach across the region has garnered support for re-establishing it as the collective voice and advocate for the region's private sector. As part of the governance review, a consortium representing Chambers of Commerce across the region has identified over 100 proposed reforms. These are currently under review by the Board and will be presented at the upcoming general membership meeting.

21. PIPSO emphasised the importance of inclusivity in all areas, education, opportunity, enterprise, and capacity building. It also highlighted that digitalisation and technology are now essential, not optional. The high cost of doing business remains a real concern. Work is underway in countries like the Republic of the Marshall Islands and the Federated States of Micronesia to develop cost-efficient marine transport to support inter-island trade and commerce.

22. PIPSO endorsed the Strategy and commended the leadership of PIFS in advancing regional private sector development.

Intervention from Participants

23. Irene Olkeriil, from the Palau Entrepreneurs for Growth thanked Mr. Politini for his continued leadership for PIPSO and supported the revitalisation of PIPSO.

Presentation by the Asian Development Bank (ADB)

24. Mr Saud Minam, presented an overview of the Asian Development Bank's (ADB) work in the Pacific region, including the ongoing Private Sector Assessment and how its findings could support the implementation of the PRPSS. ADB highlighted ongoing discussions between ADB and the PIFS to collaborate on a common agenda for driving private sector development. ADB approaches private sector development through three streams: upstream, midstream, and downstream. The upstream stream involves working with governments and agencies on policy and regulatory frameworks. The midstream focuses on market development and promoting public-private partnerships (PPPs). The downstream, known as the Private Sector Operations Department (PSOD), provides direct support to businesses. ADB acknowledged the significant presence of MSMEs in the Pacific and reaffirmed their commitment to supporting this segment. The ADB initiatives, including a USD 4 million programme supporting women entrepreneurs in Fiji through Merchant Finance Limited, and a USD 40 million loan for the Air Niugini Aircraft Fleet Renewal and Safety Project in Papua New Guinea. The Frontier Programme provides seed funding of up to USD 200,000 for high-potential MSMEs. The next phase of the programme will be launched in Samoa, with plans to expand to other countries based on its success. The upcoming Wayfinder Programme will support small local banks to better meet the financing needs of MSMEs.

25. ADB's Private Sector Development Initiative (PSDI), has been running for 15 years and is about to enter its fifth phase. ADB shared that the Private Sector Assessment has commenced in 14 ADB member countries in the region. The assessment for Papua New Guinea has already been completed, and assessments for the remaining 13 countries will be initiated soon.

Intervention from Participants

26. Irene Olkeriil, from the Palau Entrepreneurs for Growth enquired whether the Asian Development Bank (ADB) would consider providing loans directly to MSMEs, rather than channelling them through government-owned banks. ADB explained that this would be challenging, as ADB would need to obtain a full commercial banking license in every ADB member country, a model that ADB does not operate under. Instead, ADB works through local financial institutions across the Forum Island Countries (FICs). ADB cited an example involving the Fiji Development Bank (FDB), which partnered with a development bank in France to secure a credit guarantee facility worth approximately 3 million euros. This facility covered about 70% of the credit exposure for specific borrowers, enabling the bank to serve previously underrepresented customer segments. ADB's Wayfinder Programme could be a game changer for the Pacific in this area and the announcement regarding the project specifics should become available soon.

27. The Samoa Business Hub inquired about potential opportunities for collaboration between ADB and local partners in Samoa to strengthen the MSME sector, particularly in areas

such as clean energy and climate-resilient practices within agriculture and tourism. ADB responded that a mission to Samoa had been planned to explore how it could provide support. However, due to the upcoming national election, the mission has been postponed. ADB also noted that Samoa is the second country selected to benefit from the Frontier Programme, which provides support to high-potential MSMEs. In addition, ADB highlighted that it offers financing, grants, and technical assistance in the climate sector. These resources can be delivered through intermediary organisations, rather than being directed straight to MSMEs, to ensure more effective implementation and outreach.

28. FCEF stated that the PRPSS focuses on creating an enabling environment for MSMEs through initiatives such as Business Development Services and improved access to finance. However, it was noted that other critical factors, such as infrastructure development must also be considered. In the case of Fiji, inefficiencies in export logistics, particularly through marine channels, pose significant challenges. A request was made for ADB to share information on any infrastructure projects to support the broader entrepreneurship ecosystem. ADB stated that over the past 20 years three major studies have been conducted to support the development of a comprehensive port strategy for Fiji, with a focus on the Suva Port. ADB noted that large-scale infrastructure projects of this nature require not only ADB involvement but also strong leadership, guidance, and approval from the Government. ADB added that while port development is complex, ADB has actively supported infrastructure projects in Fiji, particularly in the areas of road and bridge construction, through financing assistance.

29. Kiribati Trade representative inquired about the possibility of ADB supporting MSMEs in small island countries like Kiribati, in alignment with the priorities of the PRPSS. In response, ADB shared that, in collaboration with the Government of Kiribati, it has recently completed the construction of a health facility, which will be inaugurated soon. Additionally, ADB is planning a mission to Kiribati to assess the country's needs and explore potential areas of support, including those related to MSME development.

Private Sector Perspective on the Strategy

30. Mr Edward Bernard, Chief Executive Officer, FCEF shared the private sector's perspective on the Draft Strategy, highlighting its relevance and potential to support national private sector development priorities. FCEF underscored the importance of Business Continuity Planning, noting that it should not be limited to climate-related disruptions but also cover general business risks and crises. FCEF identified three key challenges currently facing the private sector in Fiji: (i) high cost of doing business, driven by rising inflation, an increase in Value Added Tax (VAT), and an 85% increase in the minimum wage over the past five years; (ii) labour and skills shortages, caused by the migration of skilled workers to overseas markets and the inability of educational institutions to supply a sufficient number of qualified workers. FCEF noted that approximately 720 businesses in Fiji are currently recruiting foreign workers, with some employers incurring additional costs to source, hire, and retain talent; and

(iii) low productivity levels, which continue to hinder business performance and competitiveness. FCEF concluded by stating that FCEF endorses the PRPSS.

Intervention from Participants

31. Sam Sails from Samoa added by stating that scaling businesses is an issue that is faced by the private sector in Polynesia and Micronesia and enquired whether there is an opportunity to include in the Strategy. The Secretariat welcomed the feedback and stated that it would explore ways to further strengthen this area, if required, which is also linked with enhancing productivity could be further enhanced.

32. The Kiribati Chamber of Commerce fully endorsed the Strategy, noting that it aligns strongly with Kiribati's national priorities. The private sector in Kiribati continues to face several challenges, including high transportation costs, limited market access, weak digital infrastructure, and a large informal MSME sector. While the enabling environment has improved, particularly through legislative reviews, ongoing support is needed to further formalise and grow small businesses. Access to finance remains a major barrier. In response, the Kiribati Chamber of Commerce and Industry (KCCI), in partnership with UNCDF, is developing the Kiribati Chamber Credit Union to help address this gap. The Chamber also expressed appreciation to PIPSO for its support in strengthening KCCI's institutional capacity. The Strategy was described as a critical step toward building a more connected and climate-smart private sector in Kiribati.

33. Palau Entrepreneurs for Growth endorsed the Strategy on behalf of its Members.

34. The Tuvalu Department of Trade inquired about how businesses in Fiji are managing skilled labour shortages, particularly considering outmigration and participation in labour mobility schemes. They asked whether seasonal labour programmes are affecting the availability of local workers for small businesses, and if so, how businesses are adapting. In response, FCEF acknowledged that while there are multiple pathways through which Fijians have migrated, seasonal labour programmes have exacerbated existing labour and skills shortages. To address this, the FCEF is working closely with the Ministry of Employment to ensure that while workers are being sent abroad, local labour shortages are also being managed. FCEF is also collaborating with training institutions to improve both the curriculum and teaching methods, ensuring students are better prepared for the workforce upon graduation. Additionally, discussions are underway regarding potential changes to visa requirements that would allow the spouses of expatriates to work in Fiji, helping to ease some workforce gaps. FCEF is also exploring partnerships with private sector counterparts in Australia and New Zealand, the main beneficiaries of Pacific labour mobility, to identify areas for collaboration. Furthermore, conversations with both governments are being considered to explore how they can help replenish and support training institutions across the Pacific.

Any Other Business

35. The Secretariat acknowledged the contributions of the consultant, Mr Henry Sanday towards the development of the Strategy.

Next Steps

36. The Secretariat informed Members that the interventions from participants demonstrated broad support and endorsement for the strategic pillars and priority areas outlined in the Strategy. The Secretariat will proceed with updating the FTMM on the outcomes of the validation workshop and subsequently seek endorsement of the Strategy at the FEMM.

37. As next steps, the Secretariat will circulate the Meeting Outcomes to all participants, along with the updated draft Strategy, which reflects feedback received from Members both prior to and during the validation workshop. The Secretariat acknowledged that while every effort has been made to consider the inputs provided, it may not be possible to incorporate all suggestions. The integration of feedback has been guided by the need to maintain strategic coherence, alignment with the overall objectives of the Strategy, and consensus among Members.

Closing

38. Mr. Zarak Khan, Director of Programmes and Initiatives, expressed on behalf of the Secretariat its appreciation to participants for their insights and valuable contributions throughout the workshop. The Secretariat reiterated that the Strategy is unique in being the first of its kind to focus specifically on private sector development in the region. Furthermore, emphasis was made on the Strategy serving as a strong political signal to the private sector, affirming their importance and role as a key stakeholder in the regional policy discourse. The proposed policy solutions aim to create a more enabling environment for business, both at the national and regional levels.

Annex 1 List of Participants

First Name	Last Name	Country/Region	Organization	Job Title
Manisha	Mudliar	FJ	Pacific Islands Forum Secretariat	Private Sector Development
Henry	Sanday	FJ		PSD Specialist
Fiona	Hukula	FJ	Pacific Islands Forum Secretariat	Policy Adviser-Gender Equality
Moana	Matariki	FJ	PIFS	TPO
ulai	taoi	FJ	Fiji Indigenous Business Council	Chairman
Catherine	Papani	NU	Niue Chamber of Commerce	CEO
Sam	Saili	WS	Samoa Chamber of Commerce and Industry	President
Joanna	Bourke	NZ	Pacific Cooperation Foundation	CEO
Eve	Hayden	CK	Cook Islands Chamber of Commerce	Vice-Chair
Jonathan	Kidu	PG	International Economic Affairs Branch within Multilateral Division of the Department of Foreign Affairs	Director
Irene	Olkeriil	PW	Palau Entrepreneurs for Growth, Inc.	Founder & Secretary/Treasurer
Joanna	Spencer	VU	Vanuatu Chamber of Commerce and Industry	General Manager
Charlotte	Magatogia		Niue Chamber of Commerce	Finance, Marketing & Membership Coordinator
sandrine	Bellier	NC	government	economic cooperation and trade advisor
Julien	Anatole	NC	Gouvernement NC	N/A
Luka	Licul	NZ	New Zealand Ministry of Foreign Affairs and Trade	Policy Officer
Toaiga	Semisi	TV	Department of Trade	Director
Alisi	Tuqa		The Pacific Community (SPC)	Food Systems Programme Lead
Afaaso	Aperaamo	TV	Ministry of Foreign Affairs Labour and Trade/Business&Investment Department/Business	director
Caleb	Jarvis		PTI	GM
Atuaisaute	Misipati	WS	Samoa Business Hub	CEO
Kayleen	Fanega	SB	Ministry of Finance and Treasury	Principal Climate Finance Resilience Officer
Arno	Percival	WS	Natural foods.com.ws	Director
bertrand	schmitt	NC	PSC CONSULTING	MANAGER

Janice	Ashwin	SB	Ministry of Foreign Affairs and External Trade	Chief Trade Officer
Charity	Malaga		Business Trade and Investment Board	Trade Policy Advisor
Maselino	Enoka	WS	MFAT Samoa	Principal Foreign Service Officer
Tinei	Tuia	WS	MFAT Samoa	FSO
Tristan	Metcalf	CK	Ministry of Finance and Economic Management	Director, Economic Planning Division
Sally	Waswo	NZ	MFAT	Unit Manager Industry and Innovation
Francis	Domnick	MH	Office of Commerce, Investment & Tourism	Chief Executive Officer
Hans	Koger	FR	OECD	Policy Analyst
Aytron	Tatui	NU	Economic Planning, Development & Trade	Trade & Investment Officer
Angoango	Fakaua	KI	Ministry of Tourism, Commerce, Industry and Cooperatives	Senior Trade Officer
Veronika	Manoa	FJ	PIFS	M&E & Comms - SPIRIT
Baneawa Margret	Moantau	KI	Ministry of Tourism, Commerce, Industry and Cooperative	E-Trade Promotion Officer
Tim	Martin		Pacific Trade Invest	Trade Commissioner
Andrea	Ibba	VU	Pacific Islands Forum Secretariat	Pacific E-commerce Coordinator
Kemson	Tavdey	VU	Ministry of Foreign Affairs of Vanuatu	RCC
Viliame	Cativakalakeba	FJ	PIFS	Engagement officer
Talei	Tuinamuana	FJ	Pacific Islands Forum Secretariat	Social Policy Officer
Natalia	Patternot		PIFS	Programme Adviser Trade
Arobati Teewe	Brechtelfeld	KI	Kiribati Chamber of Commerce and Industry	CEO
Tanguy	Pomarède			Office of Regional Cooperation
Eritita	Betero	PK	Kiribati Chamber of Commerce & Industry	Liaison Officer
Howard	Politini		Pacific Islands Private Sector Organisation	
Max	Bulakovskiy		OECD	Senior Policy Office
Saud	Minam		ADB	Senior Private Sector Specialist
Zarak	Khan	FJ	PIFS	Director-Programmes and Initiatives
Donna	Reiher	FJ	PIFS	Monitoring and Evaluation and Communications Officer
Sereima	Rokoqiqi	FJ	PIFS	Research officer

Annex 2 Welcome Remarks by Ms Virginia Dawson, Officer in Charge Pacific Islands Forum Secretariat

Senior Officials,
Representatives of CROP,
Representatives of the private sector,
Development partners,
Ladies and Gentlemen.

A very warm welcome and thank you for joining us today for this important Validation Workshop for the Pacific Regional Private Sector Strategy 2025–2030. It is a pleasure and an honour to address you all this morning.

2. Today marks a pivotal step forward in our shared regional commitment to ensure that the private sector, notably our Micro, Small and Medium Enterprises, or MSMEs have the support and enabling environment necessary to thrive in the Pacific.
3. The 2050 Strategy for the Blue Pacific Continent recognises the growing importance of the private sector in advancing key development outcomes, particularly through the creation of employment and entrepreneurial opportunities in micro, small, and medium-sized enterprises.
4. This Strategy forms part of the Regional Collective Actions under the Pacific Roadmap for Economic Development aimed at advancing a dynamic Pacific private sector that is resilient, inclusive, and transformative. It also reaffirms the recognition of the private sector as a central driver of economic growth, a shared priority across the PRED framework.
5. Across our Blue Pacific Continent, the private sector is widely acknowledged as the engine of economic growth and development. It is the principal source of employment, a driver of innovation, a contributor to economic resilience, and a critical partner in achieving inclusive and sustainable development. MSMEs, in particular, are at the very heart of this engine. They make up over 80 to 90 percent of businesses in many Forum Island Countries, contribute to job creation, stimulate local economies, and are essential for the livelihoods of our people.
6. Yet, while we acknowledge this, we also understand that the business environment across the Pacific remains uniquely challenging. High costs of doing business, limited access to finance, fragmented markets, informality, and the impacts of climate change and global economic disruptions are just some of the critical barriers MSMEs face. The COVID-19 pandemic further exposed the vulnerabilities of our small and informal businesses, pushing many into survival mode.

7. It is against this backdrop that the Forum Trade Ministers in 2021 mandated the development of a regional private sector strategy.
8. The theme of this first Strategy, “*Strengthening Foundations for Resilient and Inclusive MSME Growth*”, is a deliberate and thoughtful one. It recognises that while our MSMEs are the backbone of our economies, they continue to struggle with deeply entrenched systemic challenges. It also reflects our collective intent to move from rhetoric to action, to put in place the right policies, partnerships, and support systems so that MSMEs not only survive but truly thrive.
9. The Strategy is structured around six strategic pillars that collectively aim to create an enabling ecosystem for MSME development in the Pacific. The first pillar, **Business Enabling Environment**, focuses on removing regulatory hurdles and establishing a streamlined business climate that encourages formalisation and ease of doing business.
10. The second, **Business Growth and Innovation**, seeks to boost productivity, foster digital transformation, and promote value addition across key sectors. **Access to Finance**, the third pillar, aims to unlock much-needed capital for MSMEs through inclusive financial instruments, alternative lending models, and targeted support.
11. The fourth pillar, **Building Future Resilience**, emphasises the need for MSMEs to withstand and recover from crises. **Inclusive Entrepreneurship**, the fifth pillar, addresses systemic barriers to participation by empowering women, youth, persons with disabilities, and other underrepresented groups.
12. Finally, **Regional Dialogue** promotes deeper cross-border collaboration, knowledge-sharing, and structured policy engagement to ensure MSME voices are integrated into decision-making at both national and regional levels.
13. These pillars were not developed in isolation. They are the outcome of consultations with Forum Members, particularly through high-level consultations with Members in 2023 as part of the one-PIFS approach and through the request for Member feedback on draft Strategy submitted through Forum formal processes, including the Pacific Economic Sub-Committee, the Forum Trade Ministers Meeting, and the Forum Economic Ministers Meeting. A survey was also conducted with National Private Sector Organisations in 16 Forum Island Countries to understand the challenges faced by the private sector. Your voices and your insights have shaped this into a truly Pacific-owned and Pacific-led Strategy.
14. I would also like to take this opportunity to acknowledge the valuable contributions of our international agencies and development partners, whose technical expertise and support have been instrumental in shaping this Strategy. We remain deeply appreciative of your ongoing

commitment to advancing private sector development across the Pacific. It is our hope that this Strategy will serve as a guiding framework to better align and coordinate regional private sector development initiatives, ensuring synergies with the ongoing and future efforts of our development partners.

15. Participants will have the opportunity to hear insights from the Organisation for Economic Co-operation and Development (OECD) and the Asian Development Bank (ADB) on potential areas of collaboration to support the implementation of the Strategy. These discussions are expected to highlight practical partnerships, technical assistance, and funding opportunities that could strengthen regional private sector development efforts

Colleagues,

16. This Validation Workshop provides an opportunity to critic, to refine, and to affirm the Strategy before it is presented to the Forum Economic Ministers for endorsement. We count on constructive inputs to ensure that what we present is practical, achievable, and impactful.
17. As we validate this Strategy, let us also look ahead. Its implementation will rely on genuine partnerships between governments, private sector actors, development agencies, and regional institutions. It will require robust monitoring and evaluation and adaptive learning to keep pace with our changing economic landscape.
18. The Secretariat stands ready to support Members in implementing this Strategy, including through coordination, technical assistance, and the mobilisation of resources. We will work with partners to ensure that the Implementation Plan is well-sequenced, costed, and built around collective regional actions that complement national efforts.
19. In closing, I want to return to what this Strategy represents: an opportunity for MSMEs, and those operating in the informal sector.
20. We hope this Strategy will be the beginning of a renewed journey for private sector development in our region. Thank you all once again for your time and for your continued support and partnership.



Pacific Regional Private Sector Strategy

Validation Workshop, 4 July 2025



PACIFIC ISLANDS FORUM



Outline of Presentation

- Background
- Value-Add of the Strategy
- Alignment with Regional Frameworks
- Strategic Pillars and Priority Areas for validation
- Discussion with International Agencies on Implementation
- Next Steps



Background

1. The development of the Strategy was mandated by FTMM in 2021. In 2023, FTMM requested FEMM to take the lead on Strategy formulation and endorsement.
2. At the regional level, the Strategy is the first of its kind – a standalone and dedicated Strategy towards private sector development.
3. Private Sector development is cross-cutting across several sectors. Therefore, strategic focus is key. Theme: “Strengthening Foundations for Resilient and Inclusive MSME Growth”



Strategy Linkage with Regional Framework

1. The 2050 Strategy for the Blue Pacific continent recognises the critical role played by MSME towards creating employment and entrepreneurial activity. It also recognizes MSMEs as vital for improving and expanding the wellbeing of Pacific people.
2. The Strategy has also been endorsed as one of the Regional Collective Actions under the Pacific Roadmap for Economic Development. The PRED is a framework to advance the thematic area “Resource and Economic Development” of the 2050 Strategy.
3. Other Strategies that it will align with are: the Pacific Aid for Trade Strategy (2020-2025), Pacific Trade Invest Strategic Plan (2023-2026), the OACPS Private Sector Strategy, and the MSG Private Sector Strategy.



Value-Addition of the New Strategy

1. Strategic Focus – Micro, Small and Medium Enterprises, particularly those operating in the informal economy and are not privy to existing initiatives.
2. The Strategy is empowering MSMEs to overcome growth challenges and unlock their potential. It addresses the root causes that hinder MSME's ability to grow and thrive through the following:
 - i. helping businesses to formalise and get access to the benefits of formalisation;
 - ii. promoting diversification and value addition to break the dependency of Pacific economies on a narrow range of exports;
 - iii. By promoting inclusive entrepreneurship, the Strategy champions the active participation of youth, women, and other marginalised groups. It places special emphasis on nurturing social enterprises and Pacific cooperatives by supporting their establishment, growth, and sustainability; and
 - iv. Spurring innovation through potential business accelerators and incubators programmes.
 - v. Building resilience of MSMEs by ensuring access to Business Continuity Planning and microinsurance.



Value-Addition of the New Strategy (Cont..)

3. The Strategy serves as a regional advocacy instrument to guide and align the priorities of international agencies and development partners with the region's agreed objectives for private sector development. Its use in this capacity will promote policy coherence, strengthen coordination, and help prevent the duplication of efforts across the region.
4. **Regional integration** through:
 - i. the establishment of a regional dialogue mechanism that promotes an effective public-private dialogue. This mechanism will ensure that MSME needs and private sector priorities are regularly considered in regional policy processes and reducing fragmentation.; and
 - ii. Ensure peer to peer learning and sharing of best practices across Forum Island Countries. This would be possible through ensuring there is a robust regional private sector advocacy body such as PIPSO. The Strategy advocates for a revitalised regional advocacy body and strengthened National Private Sector Organisations. Also ensuring access to information for MSMEs.



Objective of the Strategy

The objective is to develop a dedicated and distinct regional private sector strategy premised on:

- The need to articulate and capture in one document the priorities and strategies to foster a business environment that enables MSMEs to flourish through increased ability to trade and invest;
- A reference document or regional framework to facilitate relationships and collaboration with partners on MSME and broader private sector development;
- The core regional private sector advocacy instrument, in coherence with the vision of the 2050 Strategy for the Blue Pacific Continent, the Pacific Roadmap for Economic Development and existing regional frameworks and mechanisms; and
- Improving research and knowledge management on MSME issues to promote inclusive private sector and market development in the Pacific.



Consultation Process

The strategic pillars and priority areas have been identified through the following process:

1. High-level consultation with Members;
2. Survey with National Private Sector Organisations;
3. Private Sector Dialogue at FEMM and PIFLM;
4. Technical advice from international agencies; and
5. Forum formal processes, including PESC, FTMM and FEMM.

Strategic Pillars and Priority Areas

Strategic Pillars	Desired Outcome	Priority Focus Area
Business Enabling Environment	A conducive and efficient business environment that enables MSMEs to thrive, with streamlined regulatory frameworks, clear MSME definitions and databases, and robust institutional support.	<ul style="list-style-type: none"> a. Simplifying business registration b. Developing and standardising MSME definitions and databases. c. Exploring activities addressing informality
Business Growth and Innovation	Strengthening the growth and competitiveness of MSMEs through innovation, helping alleviate key needs and allowing them to easily expand, reaching new clients/markets and develop new products.	<ul style="list-style-type: none"> a. Expanded access to business development services. b. Increased innovation and productivity c. Promotion of digitalisation d. Strengthening Small Business Development Agencies (SBDAs)
Access to Finance	To enhance financial inclusion for underserved groups, including women, youth, and persons with disabilities, by developing alternative business financing models that are inclusive, accessible, and effective.	Develop and implement alternative credit assessment models that utilise innovative methods to assess creditworthiness for underserved groups.

Strategic Pillars and Priority Areas (Cont.)

Strategic Pillars	Desired Outcome	Priority Focus Area
Building Future Resilience	Strengthen the disaster resilience of MSMEs across the Pacific region by ensuring the widespread adoption of Business Continuity Plans (BCPs) and resilience instruments, including microinsurance.	<ul style="list-style-type: none"> a. Promote the widespread adoption of Business Continuity Plans (BCPs) b. Establish partnerships with insurance providers to develop affordable and tailored microinsurance products that better meet the specific needs of MSMEs, enhancing their financial resilience against disasters.
Inclusive Entrepreneurship	Create a skilled, employable, and resilient workforce and entrepreneurs in the Forum Island Countries, with a particular focus on empowering youth, women and disadvantaged communities.	<ul style="list-style-type: none"> a. Enhancing Technical and Vocational Education and Training (TVET) through strengthening education and skills development programmes b. Support for Sustainable Reintegration by creating pathways for returning workers to apply their skills locally c. Explore addressing specific barriers faced by women and youth entrepreneurs d. Expand awareness and support for social entrepreneurs
Regional Dialogue	Enhance regional integration by ensuring a revitalised and fit-for-purpose regional private sector organisation and strengthening National Private Sector Organisations, thereby enabling the exchange of good practices and data among the relevant authorities.	<ul style="list-style-type: none"> a. Strengthen the effectiveness of the dialogue mechanisms within the Forum process and at the regional level. b. Conduct public-private policy dialogues. c. Explore creation of mechanisms for exchange of regional data and conducting regional analysis to support policy-making decisions. d. Facilitate improvements to the governance of PIPSO following the key recommendations of the 2019 PIPSO review report.



Next Steps for Strategy Endorsement

An outcome document, summarising the key discussion points from the validation workshop will be circulated to the participants and annexed to the FEMM Discussion paper for consideration by Forum Trade and Forum Economic Ministers when endorsing the Strategy

Submission of the draft Strategy to Forum Trade Ministers Meeting, scheduled on 18 July for their information.

Submission of the draft Strategy to the Forum Economic Ministers Meeting, scheduled from 21-23 July for endorsement.



Next Steps for Implementation

- The development of the IP will require consultation and collaboration with development partners, international agencies and donors.
- The Secretariat in its coordination capacity will ensure the implementation of the Strategy is well resourced through resource mobilisation efforts.
- The Secretariat is in liaison with OECD, ILO, ADB and the World Bank to discuss implementation.
- Current Discussions with international agencies:
 - ❖ OECD - development of MSME definition guidelines and SME Policy Index
 - ❖ ADB PSDI - Pacific Islands Private Sector Assessment
- Monitoring and Evaluation Plan to accompany the Implementation



OECD – MEASURING AND SUPPORTING SMALL AND MEDIUM ENTERPRISES

Max Bulakovskiy / Hans Koger
OECD - Global Relations and Cooperation Directorate (GRC)

Pacific Islands Forum: Private Sector
Strategy Validation Workshop
04 July 2025



Agenda

1. What is the OECD?
2. Defining MSMEs and their importance to the region
3. SME Policy Index as a benchmarking tool for policy monitoring
4. How can the SME Policy Index be used to help monitor the Pacific Islands Forum's Private Sector Development Strategy

The OECD: Better policies for better lives

Who we are

The OECD delivers greater well-being worldwide by advising governments on policies that support resilient, inclusive and sustainable growth. Through evidence-based policy analysis and recommendations, standards and global policy networks.

What we provide

- **Data and analytical work** on key policy issues
- A forum for **dialogue and knowledge sharing**
- **A network** of ecosystem actors

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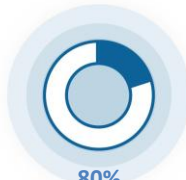


OECD – a Global Forum and Knowledge Hub



38

MEMBER COUNTRIES
& WORK WITH 100+ ECONOMIES



80%

OF WORLD TRADE
AND INVESTMENT (MEMBERS & PARTNERS)



4,000

CONFERENCES PER YEAR



5 BILLION

DATA POINTS



500

MAJOR REPORTS PER YEAR



450+

INTERNATIONAL STANDARDS DEVELOPED

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The case for better data

The need:

A lack of reliable, timely and standardised data hinders policymaker's ability to design policies and programme support.

Reliable, timely and standardised data enables policy makers to do policy analyses and comparative research.

OECD Recommendation on Good Statistical Practices:

- Ensure data is relevant, accurate, reliable, timely, coherent, comparable, presented clearly, and easily accessible
- Ensure data is formatted to align with other databases and linked to relevant meta-data
- Data should be routinely published in products that with explanatory text, tables, charts, etc.
- Dissemination of data should consider potential users and utilise tools such as websites, wikis, blogs, to communicate info

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MSME definitions

How MSMEs are measured:

Most MSME definitions are built on thresholds of employment and turnover, with thresholds sometimes changing depending on the sector.

Example: EU MSME recommended definitions

Must not exceed either threshold

	By number of employees	By turnover/total assets
Micro	< 10	≤ €2 million
Small	10 – 49	≤ €10 million
Medium	50 – 249	≤ €50 million

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The benefits of clear and well-defined MSME definitions:

- Enable analysis and benchmarking of MSMEs contributions to employment, innovation and inclusive growth
- Help governments allocate resources effectively
- Support efforts to curb business informality
- Allow the tailoring and refinement of capacity building programmes, financial incentives and regulatory regimes.



Defining what is an “SME” : Finding an approach that works for the region

Phase 1 – Questionnaire

- Questionnaires are distributed across countries to relevant policy makers, industry experts, and stakeholders.
- The questionnaire should cover:
 - The population of active enterprises
 - The regulatory frameworks (business registers) in place for monitoring enterprises demography statistics
 - Additional considerations for SMEs concerning their legal forms and economic activities

Phase 2 – Establish suitable approach

- Findings from the questionnaire should inform policy dialogues that bring together policy makers from relevant ministries.
- These dialogues would agree upon an MSME definition.

Phase 3 – Develop regional guidelines

- Regional guidelines should be developed and disseminated across governments to guide policy makers on implementing definitions and establishing monitoring mechanisms to track MSMEs.

Case studies

1. For an in-depth guide on compiling enterprise indicators:



Source: <https://www.ec.europa.eu/eurostat/indicators/>

The manual offers a detailed description of the methods and sources used by OECD countries to compile the business demography indicators, providing recommendations for developing an internationally comparable framework.

2. How the OECD can support countries/regions to develop business statistics:



Source: <https://www.oecd.org/insights/evidence-based-msme-policymaking-in-asean/>

In 2019, the OECD hosted a series of workshops on strengthening business statistic collection and utilization.

A report followed these workshops that detailed:

- The **current state of play** of enterprise statistics across each ASEAN country
- **Region wide challenges** on establishing timely, accurate, and comparable statistics
- **Recommendations** on improving the development of business statistics, and how business statistics can be incorporated into policy decision making to improve effectiveness

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How can policy maker improve policy making ?

Benchmarking tools offer policymakers a structured and evidence-based framework to assess the effectiveness of their small and medium-sized enterprise (SME) policies.

OECD experience shows that:

- By **consolidating data across a comprehensive set of policy dimensions**, these tools help governments identify areas of progress, pinpoint gaps, and prioritise reforms more effectively.
- **Peer comparisons** play a critical role in driving accountability by making policy performance transparent and measurable across comparable countries or regions.
- Benchmarking informs **evidence-based reforms** by providing policymakers with concrete data and structured analysis of what works, what doesn't, and where gaps exist.

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What the SME Policy Index provides:

- An overview of the current **SME Policy landscape**
- **Quantitative assessments** of the intensity and sophistication of SME policies across key policy dimensions
- A way to **benchmark and assess progress**, tracking reforms across assessments
- **Tailored recommendations** to enhance policy reforms and bridge existing gaps
- Examples of **best practices** from OECD members and other economies
- **Score per country** per per policy area

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How the Policy Index is organised:

The SME Policy Index is split between thematic chapters and country chapters

Part 1: Thematic Chapters

- Each chapter focusing on a key policy area
- Regional trends and comparative analyses

Part 2: Country Chapters

- Each chapter focusing on a specific country
- Country-specific trends with tailored solutions

Common key policy areas:

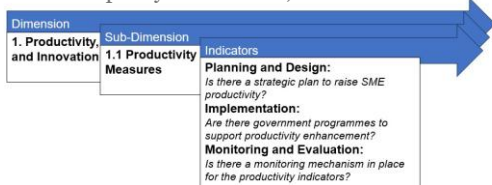
- Productivity and Innovation
- Access to Finance
- Access to Markets
- Environmental Policies and SMEs



SME Policy Index Methodology

How does it work?

- Strategic documents are translated into a set of policy dimensions, sub-dimensions.



- **Indicators are then scored** and compiled into final scores for dimensions/sub-dimension, ranging from 1 to 6

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How are scores developed?

- Based on assessment grid with questions (qualitative and quantitative data)
- Questions are presented in three groups in line with the policy cycle:
 - Planning and design
 - Implementation
 - Monitoring and evaluation
- Each question is linked to a score given by group of experts

Advantages of the current policy index approach

- It better captures the quality of **planning, implementation and monitoring** of MSME policies, going beyond the pure existence of strategies and programmes.
- It incorporates qualitative and quantitative questions to provide a more **precise assessment** for each indicator.
- It removes the need for arbitrary thresholds by breaking down each indicator into **several parallel components**.
- It integrates national statistics, company-level and independent company-surveys to measure the **performance of policies** on the ground.
- It supports governments in assessing themselves whether they have reached their targets on SME policies and puts an increased focus on **monitoring and evaluation**.
- **The policy index approach is flexible and easily adapted** to fit into a variety of policy instruments and regional strategies.

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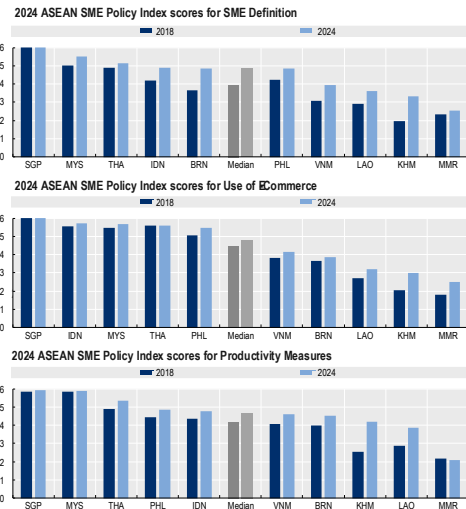
The Policy Index across the OECD

The SME Policy Index spans across the globe



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Evidence of Progress and Policy Convergence (Based on example from ASEAN)



Scores from the 2024 ASEAN SME Policy Index provide evidence that the SME Policy Index leads to both **policy enhancement** and **policy convergence**.

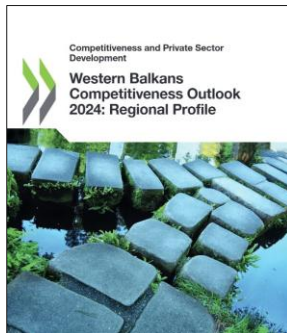
Standards and best practices laid out by the SME Policy Index have:

- helped operationalise MSMEs definitions
- increased SME support for e-commerce
- and enhanced efforts to improve productivity

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Case study : Incorporating the Policy Index Approach to a more general case of competitiveness....

The Policy Index methodology can be applied and used in different ways across the variety of regions. Case of Western Balkans.



Western Balkans Competitiveness Outlook

Adapted the policy index methodology to assess competitiveness across 5 key policy clusters

1. Infrastructure and connectivity	2. Skills	3. Business Environment	4. Digital Transformation	5. Greening
How economies establish R&D infrastructure to boost regional collaboration, manage of transport, energy and digital infrastructure networks, and position infrastructure reforms to drive regional integration.	How the economies seek to build strong foundational skills, develop skills for the green and digital transitions and attract and utilize migrant and diaspora talent.	How economies develop domestic enterprises, create a level playing field, attract investment and promote regional integration through trade	How economies establish a trustworthy digital environment, foster technological innovations, and design inclusive and sustainable digital policies	How effective are policies aimed at adaptation and safeguarding fragile ecosystems; and how economies are addressing the economic and environmental hurdles.

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Possible Areas of Collaboration with the Pacific Islands Forum

Potential integration into the Pacific Regional Private Sector Development Strategy (2025-2030)

The SME Policy Index can be integrated into development strategies, such as PIF's Private Sector Development Strategy, with scores serving as benchmarks to encourage and promote incentivize policy reform.



An exercise that enhances internal coordination and builds institutional capacity

While SME Policy Indexes serve as a useful reference point for analysing policies, finding best practices, and gaining policy recommendations, one of its greatest strength lies in the activities surrounding its development.

Through development of the Policy Index and the OECD's active collaboration with development partners, peer learning takes place and policy networks are created.

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PIF Case: Integration of Policy Index as a tool to measure the implementation of the PIF PSD Strategy

Potential Approach

- A policy index with 5-6 policy dimensions that correspond to the Strategy's pillars.
- Evaluations occurring every 3-5 years to track progress and record advancements.
- Tailored recommendations and capacity building efforts following each policy index.

Regional PSD Strategy Pillars

1. Business Enabling Environment
2. Business Growth and Innovation
3. Access to Finance
4. Building Future Resilience
5. Inclusive Entrepreneurship
6. Regional Dialogue

Potential Policy Index Dimensions

1. Regulatory Framework
2. Productivity, Technology and Innovation
3. Access to Finance
4. Resilient Institutions and Infrastructure
5. Inclusive SMEs and Entrepreneurs
6. Regional Participation and Integration

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Thank you for your time.

To contact us,

Max Bulakovskiy
Head of the Project Implementation Unit
✉ Max.BULAKOVSKIY@oecd.org
☎ +(33-1) 85 55 64 54

Hans Koger
Policy Analyst – GRC Southeast Asia
✉ Hans.KOGER@oecd.org
☎ +(33-1) 45 24 18 43

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Annex 5 Presentation by PIPSO

Very warm Pacific Regional Greetings at this highly anticipated event to validate our regional government's Private Sector Strategy which I know that PIPSO has eagerly looked forward to as we stride together to stay on course in our 2050 Blue Pacific Strategy. Congratulations and thank you for the focus and will to produce this course for the private sector stakeholders in our regional countries and with our global development partners, some who are with us today. PIPSO was established by the PIFS Finance and Economics Ministers Meeting (FEMM) in 2005 making us 20 years old. Two significant events challenged our continuing existence the cessation of the financing support for our secretariat functions in 2019 and the COVID Pandemic which threatened our existence. However, following the closure of the secretariat the board continued to assume its functions as best it could.

PIFS lent a helping hand and for the past year we have had AGMs and secured some funding to assist from the Government of South Korea via PIFS, the Centre for Private Sector Enterprise CIPE with our communications and the ILO ACTEMP with our Governance Review in progress. This has increased the momentum in the revitalization of our regional private sector organization and has not distracted our ambitions and endeavors to review our whole entity as a regional organization driving and advocating for our private sector members in strengthening our respective economies. The process is proving to be monumental with the volunteer resources we are restricted to but we have our milestones and are focused on doing the hard but necessary yards to achieve our goals for the integrity of a better revitalized PIPSO. The great wise King Solomon declared that "where there is no Vision people perish". Our region has a proven leadership role incorporating our 26 small island developing states through PIFS.

We are what we are MSMEs...and applaud the recognition and focus of this private sector Strategy to ensure we strengthen and optimize our potential for growth domestically, regionally and globally. The ILO PIFS MOU we participated in also has added another role dynamic as it is difficult to separate private sector and the employment role with its conventions and respect for worker rights etc.

The initial reach out to the region has attracted much interest and many ideas for processing as a collective to enlarge membership and ensure we retain our identity to be the voice and driver for the needs and aspirations of the region's private sector. The scope of the exercise is to ensure inclusivity in every aspect to ensure that our Blue Pacific potential is governed and utilized cognizant of our natural resources management, environmental risks and climate change impacts and of course with our people at the center. *With the latter Governance Review, a set of over 100 reforms to PIPSO have been identified by a consortium of representatives across Chambers of Commerce throughout the region and are now being reviewed by our Board to present at upcoming General Membership meetings in coming months. This has increased the momentum in the revitalization of our regional private sector organization. While the process is proving to be*

monumental with the volunteer resources we are restricted to, we are meeting our revitalization milestones and remain focused on doing the hard but necessary yards to achieve our goals for the integrity of a better revitalized PIPSO.

Education and opportunity, enterprise and capacity building must be inclusive for our people recognizing our student potential, youth and women as critical factors. Our diaspora and remittances are in the frame we advocate for investment mindsets to grow the value of our blood sweat and tears especially with the surge in labor mobility we are witnessing and have forced to respond to.

Technology and digitalization are no longer a luxury but a necessity that is not beyond our capacities but perhaps more a logistical challenge where we know we have our global partners to partner with us. We applaud and recognize the respective governments in the region with their own initiatives in progressing these capital investments with the reality being to drive down the cost of doing business while escalating our products and services to the world. *PIPSO is particularly encouraged by investment into more renewable and thereby cost-efficient marine transport for inter-island trade and commerce that is underway in the RMI, FSM and elsewhere.*

Recent and upcoming events have recognized the need for businesses to be heard in the framework of governments, and I refer to the recent Commonwealth Heads of Governments/CHOGM meeting in Apia recently. The Business Forums were well attended and were very much appreciated and PIPSO were appreciative of the support from ILO to participate in different roles. The recent PIFS organized event in Nadi with the EU, ITC and ISO presence has led to organizing of the Pacific Business Forum in September in Nadi as well. We appreciate the opportunity to assist with the event in partnership.

We also recognize the leadership of the Fiji Commerce and Employers Federation FCEF as a National private sector organization or NPSO and the leadership it can provide to its colleagues in the region as a public private partnership space which has been recognized as an initiative globally for Small Island Developing States especially. Growth and strengthening of our respective members in their own home economies is appreciated and points to the significant value add this is to all our Blue Pacific economies.

I thus conclude with endorsing the Private Sector Strategy with much appreciation for the leadership by PIFS and continue to look to you for our partnership in achieving the goals strategized in the timelines for the 2050 Blue Pacific Strategy.

Thank you for your attention.

Vinaka.



Power
of the
Pacific

Private Sector Challenges

ADB

The private sector market faces several significant challenges, which often create a complex environment for operating businesses.



Limited Market Size

Small population sizes in the Pacific Islands nations means limited domestic markets and struggles to achieve economies of scale.



Access to Finance

Capital and financial services can be limited due to perceived higher risks, limited collateral, or lack of credit history.



Natural Disasters & Climate Change

Highly susceptible to natural disasters & climate change, which can disrupt business activities and increase operational costs.



Supply Chain Vulnerabilities

Reliance on imported goods means that any disruptions in global supply chain can have a significant impact.



Technological Adoption

Slow adoption and limited access to new technologies can hinder competitiveness, affect productivity, and stunt innovation.



Environmental & Regulatory Hurdles

Navigating complex and sometimes opaque regulatory environment can stagnate operations and increase compliance costs.

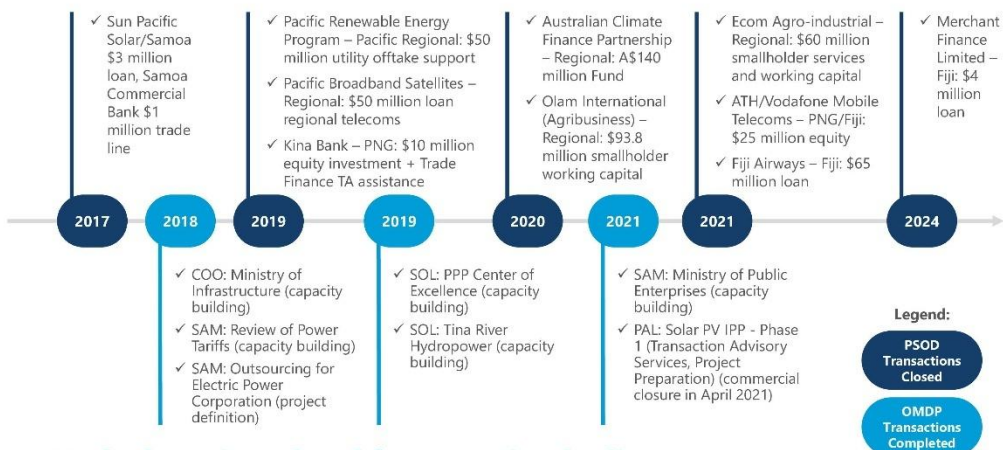
Addressing these challenges requires coordinated efforts from government, private sector stakeholders, and international development partners to create a more conducive environment for business growth and sustainability in the Pacific region.

Pipeline Deals in Various Sectors

<p>Healthcare</p> <ul style="list-style-type: none"> ○ Improve health systems via digitization of healthcare services & data ○ Support for healthcare sector public-private partnership (PPP) opportunities 	<p>Energy</p> <ul style="list-style-type: none"> ○ Explore PPP opportunities for infrastructure transformation ○ Undertake market surveys and project preparation activities to support regional power projects/initiatives 	<p>Education</p> <ul style="list-style-type: none"> ○ Enhance Developing Member Country (DMC) education systems
<p>Public Financial Mngt.</p> <ul style="list-style-type: none"> ○ Enhance public investment management and PPPs in DMCs 	<p>Core Infrastructure</p> <ul style="list-style-type: none"> ○ Improve ports sector via market surveys and pipeline identification for green opportunities ○ Exploring private sector opportunities with regional power grids <ul style="list-style-type: none"> ○ Implementation of SOURCE for PPP preparation in eligible DMC countries ○ Sustainable commodity initiative ○ Address ESG bottlenecks by working closely with real sector clients (including State-Owned Enterprises) to enable high-impact investments 	<p>Waste Management</p> <ul style="list-style-type: none"> ○ Enhance DMC waste management systems and processes
<p>Cross-Cutting Areas</p> <ul style="list-style-type: none"> ○ Enhance digital access to finance for SMEs and micro-SMEs ○ Improve local banks' financial infrastructure by developing new and green loan products <ul style="list-style-type: none"> ○ Capacity building to support lending to women-owned SMEs ○ Improve back-end banking infrastructure via digital ID cards, digital Know-Your-Customer 		<p>Financial Infrastructure</p> <ul style="list-style-type: none"> ○ Strengthen Business Environment through digital technology ○ Support for eligible venture capital activities ○ Expand Frontier Seed program into Fragile and Conflict-Affected Situations (FCAS) countries to support domestic private sector ○ Provide support to low-capacity clients to build their capability across multiple priorities including climate, gender, digital, etc. ○ SOURCE is a global information technology platform

Approximately \$150 million

Downstream (PSOD) & Midstream (OMDP)



Worked continued and few more in pipeline



Transform

Pacific PSD: Charting the Path Forward



Initial Understanding

- Half of GDP from PS & almost all MSMEs
- Financial intermediation vital
- Process and blended finance reform
- Generalist Pacific based PSD bankers
- Generalist Pacific based PSDOD bankers
- Generalist Pacific based OMDP bankers
- Spread investment/advice across sectors
- PSDI agile & responsive to govt requests
- Sovereign Projects potential for PSD

Early successes from several deals in Fiji will be adapted and implemented in other parts of the Pacific.

Way Forward

- Pacific PSA in progress to guide origination
- Exploring potential partners & structures
- Roll out ADB Frontier in more countries
- Wayfinder a differentiated approach to address Pacific Private Sector
- Focus on creating sector links/alignment
- Implementing a comprehensive and integrated approach across up, mid, and downstream activities ensures the private sector's needs are met at every stage, fostering business growth and sustainable economic development through policy formulation, advisory services, and financial support.

Scaling the Success of the Trade & Supply Chain Financing Program in Samoa to other Mission Countries in the Pacific.

Your Voice, Our Priority

- Sharper** focus to the **Private Sector Pacific** region through a dedicated team to drive impact
- Developed** **strong, forward-looking pipeline** across the Pacific to sustain growth
- Committed** **\$4M loan** to support women-owned MSMEs, via Merchant Finance Limited
- Approved** **\$40M loan** for PNG Air Niugini Aircraft Fleet Renewal and Safety Project
- ADB Frontier** **supported two investments in 2024:** saltwater prawn farms and ariel mapping services, each with US\$200k in cost recovery TA.



Pacific Private Sector Development – 2025

Private Sector Strategy Validation Workshop (PIF)
 04 July 2025
 Suva, Fiji

