



FORUM ECONOMIC MINISTERS MEETING

21 - 23 July 2025
Suva, Fiji

INFORMATION PAPER 1 : 2024 FEMM DECISION PROGRESSIVE UPDATES

Purpose and Summary

Purpose

This paper provides a progressive update on the implementation of the 2024 Forum Economic Ministers Meeting (FEMM) decisions.

Summary

The 2024 FEMM discussed and considered 10 substantive agenda items including the Regional Economic Outlook; the 2050 Strategy for the Blue Pacific Continent (2050 Strategy) Baseline Report; the Peer to Peer Cooperation to Support the Implementation of the 2050 Strategy; the Pacific Roadmap for Economic Development (PRED); Correspondent Banking Relationship (CBR) Roadmap and Implementation; the Pacific Strengthening CBR Project; the socioeconomic impact assessment on human mobility; Pacific Resilience Facility; Climate and Disaster Risk Finance Opportunities; and the Public Finance Mechanism coordination.

Progressive updates on these issues are provided at **Annex 1**. It is important to note that several of these taskings are recurrent activities that the Secretariat will continue to provide annual updates on.

A. Overview

The following summary highlights the ten substantive agenda items presented to the 2024 FEMM.

Regional Economic Outlook

1. The Outlook updates the FEMM on the economic state of play and the outlook for the region, based on the following key economic indicators: (i) real Gross Domestic Product (GDP) growth rate, (ii) rates of consumer price inflation, (iii) debt to GDP ratios, and (iv) external debt service to export revenues.

2. More recently, it has also considered the economic impacts of the war in Ukraine, the risks associated with the ongoing conflict between Israel and Hamas, and risks associated with climate change induced shocks.

2050 Strategy Baseline Report

3. The FEMM was updated on the work undertaken by Multi-Stakeholder Expert Groups (MSEGs) to develop the 2050 Strategy Implementation and Monitoring Plan (2050 IP). This presentation provided an important opportunity to seek feedback from the FEMM and underscored the link between achieving economic development and realising the ambitions of the 2050 Strategy.

Peer to peer Cooperation to support the 2050 Strategy Implementation

4. This initiative seeks to support the implementation of the 2050 Strategy and national development priorities. The initiative emerged from the regional consultation process which was conducted by the Secretariat in the first quarter of 2024 and through which several Members expressed interest in deepening peer-to-peer cooperation, including south-south cooperation.

Pacific Roadmap for Economic Development

5. The final Draft PRED was presented for Members' consideration.

6. In considering the final Draft PRED, Ministers supported the rationalisation and phasing of regional priority actions (RPAs) outlined in the PRED and acknowledged that this would form the basis of communication and advocacy materials to guide Members in their engagement with development partners.

7. Minister further directed the Secretariat to use the informal working group under the PESC, to review the RPAs and to create opportunities for enhanced regional economic integration ***CBR Roadmap*** A progressive update on the development and implementation of the CBR Roadmap (Roadmap) was provided to the FEMM

Pacific Strengthening CBR Project

8. An update on the CBR Project work undertaken by the Secretariat in collaboration with the World Bank, was provided to the FEMM. In particular this focused on the Pacific Finance for Growth Project¹ (the Project) which was led by the World Bank in close collaboration with the Secretariat.

Assessments of Socio-economic Impacts of Human Migration in the region

9. At the 2023 FEMM, Members, emphasised the need for a mutually beneficial arrangement regarding labour mobility, given its broader implications including growth and development aspirations, workers welfare, loss of skilled workers, and other socio-economic impacts. The FEMM welcomed the inclusion of labour mobility as a regular update.

10. Noting the above, Ministers tasked the Secretariat to consult with the FTMM, Members, and relevant stakeholders, on a Terms of Reference for the assessment of socio-economic impacts

¹¹ The project's official name is the Pacific Strengthening Correspondent Banking Relationship Project

of human mobility in the Pacific, including labour mobility and outward migration on Pacific economics.

Pacific Resilience Facility

11. An update on the reframed and re-designed PRF was presented to the FEMM, noting that it had expanded to a strategic two-pillar integrated resilience ecosystem, using a modular design approach. The re-designed PRF consists of a climate and disaster resilience pillar, and a social and community resilience pillar.

12. The FEMM was asked to provide recommendations to Leaders on the domiciling of the PRF. Further, the convening of a Special FEMM was approved to complete the PRF legal establishment agreement.

Climate and Disaster Risk Finance

13. The FEMM received an update on the various streams of work that seek to address the issue of Climate Finance access, and efforts to strengthen Member Countries' fiscal resilience through the development of Disaster Risk Financing Strategies. More specifically, the Project will focus on improving the enabling environment for Climate Finance access, and the development of a Regional Climate Finance Access and Mobilisation Strategy (CFAMS) that includes a Regional programmatic approach for scaled up access. It will also seek to support the work of Development Partners engaged in Climate Finance, and the Public Financial Management (PFM) Technical Working Group, and the Technical Working Group on Disaster Risk Finance, both of which are coordinated by the Secretariat.

Public Finance Management Coordination Mechanism

14. The Public Financial Management (PFM) Regional Coordination Mechanism (RCM) was proposed by Tonga as a means of enhancing the coordination of PFM work in the region, and to update the FEMM on resource mobilisation efforts.

15. **Ministers discussed to endorse the PFM RCM** in principle and tasked the Pacific Economic Sub-Committee (PESC) with providing oversight of its development.

B. Next Steps

16. The Secretariat will continue to provide progressive updates to the FEMM on an annual basis.

Pacific Islands Forum Secretariat

Suva, Fiji

16 July 2025

Annex 1: Progressive Updates on actionable decisions by 2024 FEMM

2024 FORUM ECONOMIC MINISTERS MEETING DECISIONS Progressive Update

Subject Matter	Decisions	Key Progressive Updates
Economic Outlook	<p>Forum Economic Ministers:</p> <p>(i) noted the economic updates measured through key indicators of real GDP growth rates, inflation and the risks of debt distress levels;</p> <p>(ii) considered the economic updates and outlook to inform discussions on Pacific challenges and opportunities; and</p> <p>(iii) urged the Secretariat to recognise that regional policy recommendations should complement national efforts through initiatives such as the PRED concept and other key regional initiatives aimed at achieving the economic aspirations of Member states.</p>	<ul style="list-style-type: none"> • The economic outlook is now standing agenda item for FEMM. • The economic outlook sets the scene by providing key macroeconomic indicators for the region. • The PIFS(25)FEMM.3 contains the Economic Outlook to be presented to FEMM in 2025.
Pacific Peer to Peer Cooperation to Support the 2050 Strategy Implementation	<p>Forum Economic Ministers:</p> <p>(i) supported the proposed regional peer-to-peer cooperation program in the concept note at Annex E while ensuring that the proposed regional peer-to-peer cooperation programme is driven by the needs of Members; and</p> <p>(ii) tasked the Secretariat to consult with Members on their specific needs, including technical capacity building, peer-to-peer learning and other relevant initiatives using an inclusive and complementary approach, involving CROP agencies and other stakeholders.</p>	<ul style="list-style-type: none"> • A discussion paper was circulated to all members and initial discussions were held with some members for their input on how to design the program in accordance with their needs towards the end of 2024. • The Secretariat presented the concept and discussion paper to CROP agencies through the CROP deputies meeting in December 2024. This received overall support. • Ongoing discussions with members in providing clear indications of specific sectors or issues where members are

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		<p>seeking(or offering) support through Pacific Peer to Peer Cooperation.</p> <ul style="list-style-type: none"> • Ongoing updates from this initiative have been provided and presented through the 2050 Sub Committee and FOC Sub Committee for Prioritisation and Resources (FSPR) in finalising programme design and the suggested phasing approach.
<p>Pacific Roadmap for Economic Development</p>	<p>Forum Economic Ministers:</p> <ul style="list-style-type: none"> (i) noted and welcomed the progressive update provided by the Secretariat; (ii) supported the rationalisation and phasing of regional priority actions (RPAs) outlined in the PRED and with the support of the Secretariat, as a basis to develop communication and advocacy materials on the PRED priorities to guide Members in their engagement with development partners; (iii) recognised in principle the draft PRED as the action plan for the Resource and Economic Development thematic area of the 2050 IP, with further work to be undertaken by Pacific Economic Sub-Committee (PESC) in addressing any remaining issues as part of the PRED action plan; and agreed to present the PRED update to Forum Leaders to note their commitment to support the implementation of the 2050 IP, with the PRED action plan to be further refined for consideration by FEMM at the next Special FEMM; (iv) recognised the importance of strong development partner support in implementing the PRED, and leveraging capacity of development 	<ul style="list-style-type: none"> • The PRED was endorsed for implementation at the Special FEMM held in Tonga in March 2025. • The PRED has now entered the implementation phase. • A PRED Validation Workshop was held from 1 – 3 July 2025 and was attended by officials from Ministry of Finance and Ministry of Planning. • The Structure of the 2025 FEMM Agenda has been designed to reflect initiatives that operationalise the Strategic Focus Areas of the PRED. • In addition, the Secretariat has advanced work on exploring the convening of a joint Economic and Fisheries Ministers Working Group to champion regional initiatives such as the East New Britain Initiative.

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	<p>partners to support Members’ priorities and reaffirmed the importance of streamlining engagement through the PRED to foster greater economic policy coherence;</p> <p>(v) agreed for the PESC to provide oversight in the implementation of the PRED, supported by the Secretariat and CROP agencies, and agreed for reporting on progress of the implementation of the PRED to be streamlined within the reporting on the implementation of the 2050 IP;</p> <p>(vi) directed the Secretariat to use the informal working group under the PESC, to review the regional priority actions and create opportunities for greater regional economic integration that are practical, realistic and achievable;</p> <p>(vii) directed the Secretariat to consult with Members to explore establishing a Special Ministerial Taskforce to further accelerate elements of regional economic integration to be supported by the PESC, to be considered at the Special FEMM; and</p> <p>(viii) urged the Secretariat to consult with the FFA to explore the convening of a Working Group on Fisheries Development involving Forum Economic Ministers and Forum Fisheries Committee Ministers to explore innovative ways to increase economic benefits from fisheries revenues, in particular through greater participation in the global fisheries value chain and diversification of revenues in collaboration with the East New Britain Initiative work underway.</p>	<ul style="list-style-type: none"> • An update paper (PIFS(25) FEMM.5) will be presented to the 2025 FEMM for consideration
<p>Correspondent Banking Relationship Roadmap (CBR) and Implementation</p>	<p>Forum Economic Ministers noted the progressive update on the implementation of CBR Roadmap, including the Pacific Banking Forum outcomes.</p>	<ul style="list-style-type: none"> • The actions items of the CBR Roadmap have been progressed accordingly. These includes the work on the CBR Resilience Index; the establishment of the data working Group; and the convening of the Pacific Derisking Group Meetings.

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<p>Pacific Strengthening CBR Project</p>	<p>Forum Economic Ministers:</p> <p>(i) noted the progress to date on the project to address the decline of CBR in FICs; and</p> <p>(ii) noted the Project implementation arrangements and governance structures to be established within the Secretariat.</p>	<ul style="list-style-type: none"> • CBR Project endorsed by World Bank and is effective as at 18 April 2025 • The Project Management Unit has been established • Solomon Islands will join the Project as the 8th Member • Progressive Updates are contained in Paper refences number PIFS(25) FEMM.9a

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<p>Assessments of Socio-economic Impacts of Human Migration in the region</p>	<p>Forum Economic Ministers:</p> <ul style="list-style-type: none"> (i) noted the work undertaken to date by the Secretariat and partners to support labour mobility work in the region and recognised the role of the Forum Trade Ministers Meeting (FTMM), as the principal Ministerial meeting with oversight on labour mobility issues, including addressing the welfare of workers participating in labour mobility schemes and costs of remittances; (ii) reaffirmed the complementary role of FEMM in addressing related economic issues in domestic economies; (iii) welcomed the proposal for an assessment of socio-economic and cultural impacts of human mobility in the Pacific that builds on existing work and supports countries to minimise risks and maximise benefits; and (iv) tasked the Secretariat, in consultation with FTMM, to develop a Terms of Reference, in further consultation with Member and relevant CROP Partners and other stakeholders, to refine the scope with a clear methodology of the impact assessment of socio-economic of human mobility in the Pacific, including labour mobility and outward migration on Pacific economics, taking into account a balance approach for consideration through FEMM and FTMM. 	<ul style="list-style-type: none"> • The TOR was presented to the 7th Meeting of the Pacific Economic Sub-Committee (PESC). The scope of work will occur in two (2) phases – phase one (1) is a desktop review while detailed assessment will be undertaken in phase two (2) • The Secretariat has undertaken phase one (1). The draft preliminary findings have been presented to the 8th Meeting of the PESC. • Meeting paper PIFS(25) FEMM.6 contains the preliminary findings of phase one and the next steps.

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<p>Pacific Resilience Facility</p>	<p>Forum Economic Ministers:</p> <ul style="list-style-type: none"> (i) acknowledged the progress made on the PRF set-up and establishment; (ii) considered the PRF domicile evaluation recommendations conveyed by the Secretary General and agreed to endorse the recommendation of the technical evaluation panel, to recommend Tonga as the country of domicile for the PRF to be considered by Pacific Islands Forum Leaders; (iii) endorsed the recommendation that Forum Officials Committee (FOC) and Forum Foreign Affairs Ministers (FFMM) be consulted on the PRF legal structure prior to submission to Leaders; (iv) endorsed the recommendation for a virtual Special FEMM to be tasked by Leaders to finalise the legal establishment, including finalising the PRF Constitution, operationalise the domicile and activate the transitional arrangements; (v) encouraged Members to join the PRF as founding Members and to support the PRF as the historic first Pacific-owned and led regional financial institution for the Pacific; (vi) agreed on the importance of ensuring the PRF delivers maximum benefit for Pacific communities by adopting a simple and cost-effective operating model. This will ensure efficient access to approvals and disbursement of funds; (vii) emphasized that the rate of return on the initial capital size of USD\$500 million, was not to be over-consumed with operationally running the PRF and to be vigilant on costs and delivering to communities. On this the Ministers underlined the need to pay 	<ul style="list-style-type: none"> • The PRF Update was presented to the Special FEMM Ministers considered the update on the status of the PRF Establishment Agreement (Treaty), the rules of procedures, transitional arrangements, and core operational policies, as directed by the FEMM in 2024; • Ministers also noted the updates on the PRF capitalisation and fundraising advocacy plan for 2025, the PRF budget and work plan for 2025-2026, and the treatment of PRF Members. Ministers strongly urged development partners to invest into the PRF, in order to meet the capitalisation target of US\$500m by the end of 2026; • A majority of the Members expressed their readiness to sign the PRF Treaty at the 54th Pacific Islands Forum Leaders Meeting (PIFLM54) in Honiara, Solomon Islands, and to deposit instruments of ratification thereafter. Ministers agreed that for the Treaty to come into effect by the end of 2025, Members would need to expedite national processes for ratification; • Noting the above, Ministers endorsed the PRF Establishment Agreement

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	<p>stronger attention to the returns withdrawal rules which will be co-designed with Members to ensure the long-term sustainability of the PRF;</p> <p>viii) expressed faith and full confidence in the evaluation process and endorsed the recommendations of the Panel and tasked the Secretariat to share a summary of the Evaluation Report to the bidding countries;</p> <p>(ix) expressed their appreciation to the panel and commended the Secretariat’s approach to managing the evaluation process and reiterated their full confidence in the probity and quality level of the process, as well as the depth of experience, skills and expertise of the evaluation panel;</p> <p>(x) reiterated the mandate of the PRF was not to be like other existing global funds that are too slow and too complicated, and emphasized that the PRF must focus on expedient and efficient delivery as key to the PRF’s success.</p> <p>(xi) committed to efforts to strengthen regionalism and economic co-operation, and reiterated their commitment to fostering greater unity as a Pacific family and highlighted the need for a more equitable distribution of development benefits that regional organizations bring to a country;</p> <p>(xii) emphasized that all Forum Island countries need to have easy access to the PRF; and</p> <p>(xiii) directed the Secretariat to ensure the final legal form confers appropriate legal personality to the PRF and is implemented quickly</p>	

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Climate and Disaster Risk Finance	<p>Forum Economic Ministers:</p> <ul style="list-style-type: none"> (i) noted the formulation of the Pacific Climate Finance Access and Mobilisation Strategy (CFAMS) as part of the implementation priority of PRED; (ii) noted the importance of proper sequencing of the regional economic priorities and agreed the CFAMS will be considered by FEMM at its next meeting; (iii) recognised the parallel efforts of the Regional Programmatic Approach for Climate Action (RPACA), and the need to have it integrated with the CFAMS work; (iv) encouraged Members and Development Partners to engage with the development of a regional climate change taxonomy to support improving the public climate investment decision making and reporting through climate budget tagging, with the work to be coordinated by the Secretariat through Climate Finance-PFM Technical Working Group (TWG) with support from partners; and (v) provided further feedback on how the regional disaster and climate risk finance efforts could be better coordinated and strengthened. 	<p>The CFAMS was endorsed for implementation during the Special FEMM. The Secretariat will present next steps including preparations for the Investment Forum. Meeting paper PIFS(25)FEMM.6 presents an update on the preparations for the Investment Forum.</p>
Public Financial Management Regional Coordination Mechanism	<p>Forum Economic Ministers:</p> <ul style="list-style-type: none"> (i) endorsed the next steps to progress the development of the Regional Coordination Mechanism at PIFS and for the PESC to provide oversight on this development whilst ensuring complementarity with the work being undertaken under Peer-to-Peer Cooperation as well as other regional work streams to ensure coherence and to avoid duplication; 	<p>The TOR for the PFM RCM has been developed and will be presented to FEMM for consideration, via meeting paper PIFS(25)FEMM.9c</p>

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	<p>(ii) noted the proposed establishment of an enhanced regional Coordination Mechanism and to further develop a Terms of Reference to clarify the role of the mechanism which will be consulted with Members and for the Secretariat to work closely with PFTAC and other development partners, to be agreed by PESC;</p> <p>(iii) discussed and endorsed in principle the steps to progress the development of the regional Coordination Mechanism at PIFS and for the Pacific Economic Sub-Committee (PESC) to provide oversight on this development;</p> <p>(iv) reaffirmed the importance of better alignment of existing and proposed mechanisms to the PRED to avoid duplication of efforts and reiterated the important role of the PESC as its primary technical advisory body whereby all existing and proposed mechanisms, including the Technical Working Group on PFM and Climate Change Finance, will report to for policy coherence; and</p> <p>(v) endorsed PFM to be a standing agenda item of Forum Economic Ministers Meeting.</p>	