

**Talking Points: MSI+5 HIGH LEVEL REVIEW - MULTISTAKEHOLDER
ROUNDTABLE I: Reducing Vulnerabilities and Strengthening Resilience of
SIDS 24 September 2010**

Thank you co-Chairs for giving me the opportunity to speak in this important round of discussions as Chair of the Pacific Islands Forum

The impacts of the recent global crises

Financial

The impact of the global economic crisis on the Pacific is about people. It is estimated that an average of an additional 5 per cent of Pacific islanders have fallen into poverty from 2008-2009 and at least 6.44 million people in the Pacific are potentially vulnerable to the impacts of the crisis. With the inclusion of the jobless and those facing debt burdens, the numbers are likely to escalate.

Lower and negative economic growth, reducing government revenues, increasing debt burdens, declines in the value of offshore investments, subdued private sector activity, job losses, reduced aid inflows, and reduced remittances combined with the rise and volatility of food and fuel prices have translated into difficulties faced by Pacific households in meeting basic needs, some more than others.

The fuel crisis combined with our unique circumstances, such as isolation and limited access to appropriate technology has compounding impacts on our key development areas including tourism, trade, fisheries and agriculture.

Climate Change

Pacific leaders have acknowledged that climate change is the great challenge of our time. Climate change and its impacts will add to the vulnerabilities of the Pacific. It threatens not only our livelihoods and living standards, but the very viability of some of our communities. For some countries and many communities it is a question of survival.

The current and potential impacts of climate change and environmental change cannot be underestimated. For some low lying states the risks from sea level rise threaten their very physical existence. For other Pacific Island Countries it will damage coastal zones, where the majority of their socio-economic infrastructure is located and where the sheer costs of relocation would be highly prohibitive.

The impact of stronger tropical cyclones that can destroy years of positive development in a matter of hours, as has been demonstrated time and time again, including by the recent experiences of Cook Islands (2005); Fiji (2008); Niue (2004); Samoa (1990, 1991) and others.

There will be an increased risk of outbreak of climate-sensitive diseases, including malaria and dengue fever and expansion of diarrhea and other infectious diseases. As local food sources become scarce, dependency on imported refined foods will support an ever increasing problem of NCD's such as diabetes, and further strain the economies of these countries through increased import bills and medical treatment costs.

What can be done?

Policy Reforms

Pacific Island Countries in responding to the crisis have adopted a suite of policies and programs: fiscal stimulus packages; accelerated structural reforms; exchange rate management; prioritization of expenditure; private sector development; infrastructure development; social protection policies targeting education and health; and promotion of enterprise development through microfinance.

In some countries responsiveness to the crisis has been driven by national budget resources, others have only managed to respond with the help of development partners. Joint development partner efforts to monitor the impact of the crisis in its early stages have helped the Pacific in better responding.

Successful policy implementation and effective impact on the lives of Pacific communities are largely dependent on strong leadership, concerted efforts in the region, and strong partnerships with development partners, especially in countries where responding to the crisis and future crises is only possible with their support.

Effective national development planning processes

Strong national development processes, strategies and institutions, especially pursued in an integrated manner, can help to focus efforts on building resilience to economic, environmental and social shocks. The livelihoods of communities in SIDS are closely linked to natural resource endowments and ecosystem services, however SIDS are on the front line of climate change impacts. MSI+5 review confirmed that national sustainable development strategies (NSDS), their equivalents as well as integrated planning in key sectors to SIDS provide an important framework for integrated and participatory planning processes.

Fostering integrated planning to building resilience at the national level should run parallel with similar capacity building efforts at the regional level to foster appropriate levels of regional technical and advisory support to national governments on their national and sectoral planning systems.

At the Country Level

To end my brief intervention I thought I'd share with you a number of initiatives that our government has put in place to help foster integrated planning to help build resilience in Vanuatu and these include:

- Setting in place clear government priorities under the Vanuatu Priorities Action Agenda (PAA) spanning 2006-2015 and the Planning Long: Acting Short (PLAS) policy directive which provides a guide on what is expected to be implemented from 2009 to 2012.

The PAA and PLAS have key elements of sustainable development imbedded in them. Some aspects of regional and international commitments are also reflected in the documents. Both the PAA and the PLAS are up for review in the last quarter of this year. It is anticipated that new policy initiatives proposed under these two policy documents will provide a guide on how Vanuatu should address gaps in achieving its regional and international commitments in particular the MDGs in the next five years before 2015.

- As part of the Pacific SIDS commitment to improving development outcomes through improved development effectiveness, Vanuatu participated in the Cairns Compact NSDP reporting processes by undertaking a self assessment on our NSDP processes in 2009.
- Vanuatu has introduced a Sector Wide Approach Program in our Education Sector as a mechanism to better coordinate national and development partner response to education issues. We are now moving to developing one for our health sector.
- Donors are being encouraged to provide Direct Budget Support. The EU has been the first to respond. There are indications that others will follow suite.
- We have put in place an Integrated Development Budget system to ensure that development funds are integrated with line agency bids and subjected to Parliamentary scrutiny.
- We have recently established a Monitoring and Evaluation Unit in the Office of the Prime Minister. The newly established unit will aim to provide reports on how well the government through its institutions is implementing set policy priorities. An annual development report covering the whole of government including its development partners is also being published.
- The government has also established a National Advisory Committee on Climate Change (NACCC) which comprises all key government agencies and stakeholders in an effort to ensure that climate change mitigation activities are reflected in their annual programs and activities.

With the help and advise of the NACCC the government of Vanuatu has produced a National Adaptation Program of Action and a National Action Plan (NAP) for Disaster Risk Reduction.

I Thank you