The Executive Secretary for ESCAP
Honourable Chair
Excellencies
Distinguished Delegates

On behalf of the Secretary General of the Pacific Islands Forum, Mr Henry Puna, we thank you for the invitation to this important Regional Economic Co-operation and Integration meeting as the world reels from Covid-19.

The context for regional and global economic integration

Covid-19 has clearly exacerbated the Pacific economies vulnerabilities, due to our narrow economic bases, sporadic geographical location, and our distance from markets.

Regional economic co-operation and integration, and collaboration with our development partners, was critical to keep our shipping lines open, and digital connectivity was just as critical to keep us connected, to keep economies afloat.

Pacific Governments have established a Regional Covid-19 Economic Recovery Taskforce which conducted a review of the impact of Covid-19 on the Pacific trade and supply chain, and with the support of New Zealand, facilitated freight assistance for Pacific businesses through the Pacific Trade and Investment network. To strengthen regional trade enablement, we are reviewing our Aid for Trade Strategy, have developed our Digital E-Commerce Strategy, strengthening regional private sector bodies, as well as addressing the gaps between policy design and industry need, but there is
much work to be done to invest into digital and connectivity to attract the FDI levels we need to get to sustainable levels of growth.

The reality is our skewed current accounts are structural in nature. Half of the Pacific region’s economies are dependent on tourism earnings which all but disappeared during Covid, wiping out up to half (or more) of the GDPs of tourism-dependent countries while commodity driven economies, fared just relatively better.

Sustaining aero planes even when the tourists were not coming has escalated contingent liabilities, and further exacerbated debt distress, over and above the debt creation impact of climate adaptation and disaster risk reduction.

As net importers, the recovery of the Pacific is being severely inhibited by the fuel and energy crisis, further exacerbating fiscal deficits, threatening an already slow economic recovery, in the midst of grappling with natural disasters, as demonstrated by the devastating Tonga volcanic eruption, which incidentally broke the underwater sea cable, and took less than a month to reconnect.

The Pacific’s response to regional integration for sustainable covid recovery

So, how do we sustain the investment needed to climate proof trade integration and connectivity, to make our small island economies more resilient?

Sustainable regional and global connectivity solutions need to be contextualised with the climate emergency we face, and the debt creation impact it has.

We acknowledge ESCAP’s support in co-convening the first Pacific Regional Debt Conference, that was co-hosted by the Governments of Fiji and Tuvalu, which was preceded by the first Pacific Public Financial Management Symposium, sponsored by the European Union.

Amongst other very important issues, this dialogue clearly highlighted the need to rethink the approach to more innovative regional development financing solutions, that need to actually be co-designed with small island developing states in mind.

Shifting the Blue Pacific Paradigm for more sustainable regional and global integration
Pacific Leaders have launched the **2050 Strategy for the Blue Pacific Continent**, a vision cast at a time when our planet is drowning in extreme challenges, all of which disproportionately affects the Pacific due to our smallness and vulnerability.

The **2050 Strategy frames our long-term vision and strategic approach to our global and regional cooperation** in 7 key thematic areas, Political Leadership and Regionalism; People-Centred Development; Peace and Security; Resource and Economic Development; Climate Change and Disasters; Ocean and Environment; and Technology and Connectivity.

Excellencies, **inspite of being custodians of one third of the Blue Planet surface, the fundamental economics** of connecting to and from, and operating in the Pacific will continue to be **fiscally challenging as we attempt to competitively compete for global FDI**, unless we shift the paradigm on how we leverage our Blue Pacific.

In this regard, the Pacific Forum Economic Ministers have endorsed the concept note for the **Blue Pacific Economic Strategy**, which UNDP and UNESCAP are assisting us with.

The Pacific 2050 Strategy aims to apply lateral thinking to the economics of our development trajectory post-Covid during these unprecedented times, including:

1. **Balancing conservation while optimizing the returns from our fisheries, and valuing our oceans resources.**

2. **Focusing investment into regional revenue-generating soft and hard infrastructure to protect and unlock our Blue Pacific resources**, and spawn creative futures-based industries, enabled by technology around our Blue Pacific, to create new employment, and move towards sustainably self-sufficiency.

3. **Sustainably leveraging Blue Pacific resources to strengthen our regional financial architecture** to monetise our Blue Resources using our Blue Pacific balance sheet.

4. **Drawing a straight line to link climate and disaster induced debt creation to loss and damage.**
5. With our Blue Planet being at risk, **reimagining resource rent concepts for the Blue Sky, directly above our Blue Pacific Oceans**, which is now hotly contested in our human species’ attempt at inter-planetary exploration, is critical, as the Pacific battles the existential threat from man-made negative externalities of the post-industrial and now digital revolution.

6. **Safeguarding our Blue Ocean** which provides food security to the world and is a critical source of revenue, from pilferage.

7. **Strengthening sovereign inter-generational funds for the Pacific**, in order to sustain our regional integration, from a place of dignity.

Only then can we sustainably finance our regional integration, without creating debt that cannot be economically sustained. By achieving the 2030 agenda and SDG’s, we will also be able to achieve the 2050 Strategy.

The Pacific acknowledges the vision of the United Nations Secretary General in the 77th General Assembly to have a **Summit of the Future** to produce a Global Leaders Pact for the Future. Excellencies, the most important aspect of the Common Agenda and Summit of the Future, **is to ensure that no one is left behind**.

I thank you.