Addressing the impacts of COVID-19 on Pacific Island Countries

Rapid Policy Appraisal

UNESCAP Pacific Forum for Sustainable Development (PFSD) 2020
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Objectives

To inform the UN’s ongoing socio-economic response to the impacts of the COVID-19 pandemic across the 10 countries:

- To develop a clearer understanding of the nature and extent of (current and future) socio-economic impacts of COVID

- To provide policy direction on where (short, medium and long-term) effort should best be allocated

- To determine programming entry points for UN and partners to support countries with ongoing recovery efforts
Impact of Covid-19 on the SDGs

Under a ‘COVID Baseline’ scenario, the pandemic could raise the number of people living in extreme poverty by 44 million in 2030. Uncertainties are manifold and under a ‘High Damage’ scenario, the world could see a staggering 251 million people driven into extreme poverty by the pandemic, bringing the total number to 1 billion by 2030. Our research also shows that an ambitious but feasible set of integrated SDG investments has the potential to exceed the development trajectory the world was on before the pandemic, even when taking COVID-19 impacts into account.

Assessing the impacts: lessons learned

1. **Ongoing** nature of the crisis
2. **Uncertainty** globally and across the region
3. Impacts across sectors is **dynamic**
4. **Quantifying the future impacts** may not be possible
5. **Unprecedented possibilities**

The RPA offers the basis for **policy levers**:

• Current impacts and learning from the past
• Forward looking and probable scenarios
• Integrated across sectors and disciplines
• Disruptive
Method

Learning from the past
- Other ongoing assessments
- Econometric data
- Socio-economic reports
- Empirical data

Understanding the true nature of the crisis
- Econometric data
- Socio-economic reports
- Ethnographic data
- Expert opinion

Determining future likely consequences
- Scenario analysis
- Trends analysis
- Expert opinion

Navigating the evolving future
- Systems analysis

Sensemaking

Policy advisory

Hindsight

Insight

Foresight

Policy levers
Epidemics shaping Pacific communities

Development progress and performance

Governance and social development

Climate and disaster risk
Insight: country clusters

Group 1: Disruption and Uncertainty
- The high dependency of Fiji and Vanuatu on tourism and the Solomon Islands on timber exports now equates to greater exposure to global market dynamics and the impacts of COVID-19 lockdowns for these countries. Fiji, Vanuatu and Solomon Islands are the least aid dependent of the group of 10 but also have larger populations that are highly vulnerable to increasingly intensified hydrometeorological events. COVID-19 cases have been recorded in both Fiji and Solomon Islands and two people have died of COVID-19 in Fiji (at time of writing). To date, these countries have been at the highest risk of COVID-19 infection due to population size, constrained health care capacity, Fiji’s role as a regional travel hub, and Solomon islands proximity to Papua New Guinea.

Group 2: Deepened Dependencies
- Tonga’s high indebtedness and dependency on aid and remittances for over 60% of its GDP mean that the loss of national tourism revenue (which usually contributes to around 11% of national GDP) is likely to be translated into further debt causing debt distress or further dependency on external aid. Similarly, in Palau the loss of revenue from the tourism sector which accounts for as much as 43% of GDP will create deepened dependency on an expiring US Compact agreement.

Group 3: Dependency on the Deep
- Kiribati, the Marshall Islands, FSM, Nauru, and Tuvalu are all highly dependent on tuna and fishing license revenue. Aid constitutes a similar percentage of GDP across these countries. While COVID-19 has potential to continue to alter revenue from fisheries the dynamics, challenges, and risks involved with this industry are not far different from the pre-COVID19 situation.
Insight

- Children
- Women
- Informal workers and those employed in MSMEs
- Subsistence fishers and farmers
- Young people
- People with disabilities
- Single and women headed households
- The ‘new’ poor
- LGBTQI+
- Older people
Taabeta works as a seafarer on a German-owned purse-seine fishing ship and is usually out at sea for long periods of time – around three to six months. Kiribati is surrounded by a 200 nautical-mile Exclusive Economic Zone, and Kiribati’s economy depends heavily on fishing and fishing licensing revenues. Taabeta trained at the Marine Training Centre in Tarawa and has been working as a seafarer for around eight years. His job is to catch and haul in the skipjack tuna, which is then transported to other countries such as Fiji for onshore processing. Seafaring is considered a lucrative and prestigious job in Kiribati, compared to that of many of his friends and family members. Taabeta normally sends home around half of his salary to support his wife and three children, as well as his siblings and his parents.

Taabeta was out at sea on a contract when the Kiribati government first introduced international travel restrictions and border closures. For the first few weeks of the pandemic, Taabeta and his crew were stranded at sea after the end of his contract and he was unable to reunite with his family. However, after a few weeks Taabeta was able to be repatriated home to Kiribati. Not able to find other work, Taabeta was able to access the Kiribati government’s three-month unemployment package. Taabeta and his family are worried about the COVID-19 pandemic and there have been a lot of rumours circulating in the community and social media. Earlier in the year, communities in Tarawa after a Russian fisherman became ill and it was incorrectly assumed that he had the virus. There have also been false articles shared on social media about how coconut (known as moimoko) and noni, an indigenous fruit, can be used as a cure for the virus.

Taabeta – Kiribati
Emerging innovations

Strong community mobilization
- Emergency food packs in Vanuatu
- Home and communal gardening in Fiji
- Villages creating their own blockades during lockdown in Solomon Islands

Accelerated digitalization
- Barter for Better Fiji
- Remittances through Vodafone and M-paisa
- E-learning

Agile responses by government and social institutions
- Price gauging app in Fiji
- Sending learning material to off island communities in Tuvalu
- Helplines for gender violence, mental health, food etc.
Foresight: building likely scenarios

Future settings
- **Border Policy**
- Lockdown
- Outbreak
- Climate change, disasters

Shift principles
- Reactive to proactive
- Short-to-longer term horizon
- Dependency to self-sufficiency
- Vulnerability to resilience
- Remote to connected
- Incremental to transformative

2-speed development
- Balancing
- Short/medium-long term objectives
Foresight: short-term scenarios

1. Wait and see
   - Leaving current border policy unchanged
   - Recession and social unrest

2. Pacific refuge
   - Social protection and economic trade-offs
   - Recession
   - Social wellbeing

3. Burst bubbles
   - Open travel to COVID contained and controlled countries
   - Modest increase in tourism revenue
   - Recession

4. From haven to front line
   - COVID-19 infection and transmission starts
   - Recession, lockdown, COVID-19 transmission

5. Global threat meets local emergency
   - Cyclone makes landfall, widespread destruction leading to economic crisis and social unrest
   - Economic crisis, Protracted cyclone recovery, social unrest
Foresight: longer-term scenarios

Policy Considerations
- 2030 Agenda
- 2050 Blue Pacific Strategy

Think from future back

Make it happen – new forward

Scenario Compass

Effectiveness of Governance and Scale of Social Protection

Degree of Negative Economic Impact

- The Refuge
- Nature-Positive Transition Islands
- The Ocean Giant Rises
- The Phoenix Effect
- Pacific Ghost Towns
- Disruption from Within
- The Pacific Debt Crisis
- A Humanitarian Crisis
- COVID Positive Islands
- The Failed State
Policy Levers

1. SOCIAL: putting human security and wellbeing at the center
2. ECONOMIC: from resets to transformations
3. GOVERNANCE: anticipatory, agile and inclusive
Solomon Islands

**Disruptors and Impact Pathways**

1. Budget prioritization
2. Mid-Term Development Plan
3. National Financing Framework

**Next Steps**
- Sols Policy appraisal
- Country specific UN programming
THANK YOU

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