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IFAD

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PACIFIC ISLANDS COUNTRIES

SUBREGIONAL STRATEGIC OPPORTUNITIES PAPER

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CURRENCY EQUIVALENTS

Cook Islands	USD 1.00	=	1.45 New Zealand dollars(NZD)
Micronesia	United States Dollar (USD)		
Fiji	USD 1.00	=	1.6 Fijian dollar (FJD)
Kiribati	USD 1.00	=	1.4 Australian dollar (AUD)
Marshall Islands	United States Dollar (USD)		
Papua New Guinea	USD 1.00	=	3 kina (PGK)
Samoa	USD 1.00	=	3 tala (WST)
Solomon Islands	USD 1.00	=	6.97 Solomon Islands dollar (SBD)
Tonga	USD 1.00	=	1.9 pa' anga (TOP)
Vanuatu	USD 1.00	=	115.04 vatu (VUV)

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 hectares (ha)
1 ha	=	2.47 acres

ABBREVIATIONS AND ACRONYMS

AsDB	Asian Development Bank
AusAID	Australian Agency for International Development
CBO	Community-Based Organization
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
MORDI	Mainstreaming of Rural Development Initiatives
NGO	Non-Governmental Organization
NZAID	New Zealand Agency for International Development
ODA	Official Development Assistance
PIANGO	Pacific Islands Association of NGOs
PIC	Pacific Islands Country
SME	Small and Medium-Size Enterprise
SPC	Secretariat of the Pacific Community
SRESOP	Subregional Strategic Opportunities Paper

PORTFOLIO OVERVIEW

Country: Papua New Guinea

<i>Project Id</i>	<i>Project Name</i>	<i>Initiating Institution</i>	<i>Cooperating Institution</i>	<i>Lending Terms</i>	<i>Board Approval</i>	<i>Loan Effectiveness</i>	<i>Current Closing Date</i>	<i>Loan/Grant Acronym</i>	<i>Denominated Currency</i>	<i>Approved Loan/Grant Amount</i>	<i>Disbursement (as % of approved amount)</i>
113	Artisanal Fisheries Project	IFAD	UNOPS	I	09 Dec 82	14 Aug 84	31 Dec 91	L - I - 113 - PN	SDR	9050000	33%
192	South Simbu Rural Development Project	IFAD	World Bank: IBRD	I	18 Sep 86	20 Aug 87	31 Dec 95	L - I - 192 - PN	SDR	3000000	60%
326	North Simbu Rural Development Project	IFAD	UNOPS	I	06 Apr 93	27 Sep 94	30 Jun 02	L - I - 326 - PN	SDR	4350000	88%

Country: Samoa

<i>Project Id</i>	<i>Project Name</i>	<i>Initiating Institution</i>	<i>Cooperating Institution</i>	<i>Lending Terms</i>	<i>Board Approval</i>	<i>Loan Effectiveness</i>	<i>Current Closing Date</i>	<i>Loan/Grant Acronym</i>	<i>Denominated Currency</i>	<i>Approved Loan/Grant Amount</i>	<i>Disbursement (as % of approved amount)</i>
75	Livestock Development Project	IFAD	AsDB	HC	09 Sep 81	04 Jun 82	30 Jun 91	L - I - 75 - WS	SDR	1400000	63%
320	Rural Activation Project	IFAD	UNOPS	HC	03 Dec 92	02 Apr 93	31 Dec 96	L - I - 320 - WS	SDR	1300000	79%

Country: Solomon Islands

<i>Project Id</i>	<i>Project Name</i>	<i>Initiating Institution</i>	<i>Cooperating Institution</i>	<i>Lending Terms</i>	<i>Board Approval</i>	<i>Loan Effectiveness</i>	<i>Current Closing Date</i>	<i>Loan/Grant Acronym</i>	<i>Denominated Currency</i>	<i>Approved Loan/Grant Amount</i>	<i>Disbursement (as % of approved amount)</i>
147	Rural Services Project	AsDB	AsDB	HC	04 Apr 84	16 Apr 85	31 Dec 91	L - I - 147 - SM	SDR	1450000	100%
224	Rural Financial Services Project	IFAD	UNOPS	HC	15 Sep 88	04 Sep 91	31 Dec 99	L - I - 224 - SM	SDR	1150000	93%

Country: Tonga

<i>Project Id</i>	<i>Project Name</i>	<i>Initiating Institution</i>	<i>Cooperating Institution</i>	<i>Lending Terms</i>	<i>Board Approval</i>	<i>Loan Effectiveness</i>	<i>Current Closing Date</i>	<i>Loan/Grant Acronym</i>	<i>Denominated Currency</i>	<i>Approved Loan/Grant Amount</i>	<i>Disbursement (as % of approved amount)</i>
129	Agricultural Credit Project	AsDB	AsDB	HC	12 Sep 83	17 Jan 84	31 Mar 88	L - I - 129 - TA	SDR	950000	100%
220	Rural Credit Project	IFAD	UNOPS	HC	26 Apr 88	11 Oct 88	30 Jun 93	L - I - 220 - TA	SDR	1700000	99%
327	Outer Islands Credit Project	IFAD	UNOPS	HC	06 Apr 93	12 Nov 93	30 Jun 99	L - I - 327 - TA	SDR	2200000	100%

AsDB=Asian Development Bank; IBRD=International Bank for Reconstruction and Development (World Bank Group); UNOPS=United Nations Office for Project Services; HC=Highly concessional; I=Intermediate

EXECUTIVE SUMMARY

Introduction. With the introduction of the performance-based allocation system, among other reasons, the new resource allocation framework has prompted IFAD to redefine its strategy for the Pacific subregion. Following a fact-finding mission in 2003, IFAD organized a consultative workshop on “IFAD’s Re-Engagement in the Pacific”, attended by several ministers and representatives of nine Pacific Islands countries (PICs). Based on workshop findings, in June 2004 IFAD fielded the subregional strategic opportunities paper (SRESOP) mission. The mission visited ten PICs and held more than 120 meetings with national governments, multilateral and bilateral overseas development agencies, regional organizations, non-governmental organizations (NGOs) and representatives of grass-roots organizations. The findings of the SRESOP were presented in Wellington, New Zealand, at a roundtable meeting attended by all 14 PICs, organized by the Food and Agriculture Organization of the United Nations (FAO) and the Government of New Zealand, and co-sponsored by IFAD, the Secretariat of the Pacific Community and the Commonwealth Secretariat.

Diversity of the subregion. The Pacific displays an amazing combination of geographical, ecological, sociological and economic characteristics. The region is home to diverse groups of indigenous peoples and cultures, with more than 2 000 languages spoken across the region and three commonly recognized subregions – Melanesia, Micronesia and Polynesia. Notwithstanding this diversity, PICs experience a number of common development challenges due to their geographical dispersion, limited size, ecosystem fragility, isolation from external markets and related high transaction costs, dependence on international assistance, political instability and governance issues. The consequences of natural disasters, global climate change and sea-level rise will seriously impact the medium-to-long term economic perspectives of PICs.

Rural poverty. The image of the Pacific to the outside world is not generally associated with poverty. Pacific Islanders themselves are often reluctant to refer to poverty. Severe hunger and starvation are generally absent in most of the Pacific as a wide variety of subsistence food crops are grown. Nevertheless, traditional measures of poverty are not the most appropriate in the Pacific, and significant hardship and declining levels of human development do occur in many parts of the region. Poverty indicators reveal wide differences among PICs. Tonga, Samoa and Fiji are in the top quintile of global rankings, while Papua New Guinea, the Solomon Islands and Vanuatu are in the bottom quintile, comparable with the poorest countries of Africa and Asia. Indicators for child and maternal mortality and adult literacy are particularly poor in Papua New Guinea, the Solomon Islands and Vanuatu. Characteristics found across the region are widespread unemployment; lack of access to markets, information and basic social services; inequalities across gender and age groups; governance issues; increasing crime; and civil unrest. The status of women, as reflected in both the Human Development and the Human Poverty Indexes, remains a concern over much of the region. Youth suicide rates in some countries are among the highest in the world. Suicide rates among Micronesian men, Samoan women and Fijian Indians are double the highest found elsewhere in the world.

Lessons learned. The Pacific has been one of the largest recipient of official development assistance (ODA) in the world. The large majority of this financing has been in the form of grants. Almost 85% of per capita ODA is bilateral, with Japan, the United States, Australia and New Zealand as leading donors. It is widely recognized that the effectiveness and poverty outcomes of the majority of past ODA-funded activities in the region have been very limited. Major lessons have been drawn from IFAD’s and other donors’ reviews. Among these are the need to: strengthen existing institutions; increase community and government ownership; enhance NGO and private-sector partnerships; keep operations at a small-scale level; make simple and flexible implementation arrangements; secure market links; maintain cost-effective supervision; and adopt sustainable rural finance mechanisms.

IFAD's specific role in the Pacific. Because of the inheritance of a number of past ODA-funded development operations with limited impact and even less sustainability, IFAD should promote targeted development initiatives based on the principles of community ownership, self-reliance and sustainability. Its small-scale operations, commitment to targeting, capacity to assess poverty in its multiple dimensions, ability to engage in working collaborations (based on partnerships with local communities, governments and civil society organizations), attitude to test development options at the grass-roots level and experience with innovative community development approaches give IFAD an opportunity to tailor interventions to specific subregional needs. It is essential, however, that the Fund's work receive maximum visibility so as to enhance its impact, both in terms of mobilizing additional resources and, above all, in terms of influencing development strategies and policies of PICs, regional organizations and ODA agencies.

IFAD's strategy and logical framework. IFAD's goal as identified by the SRESOP will be to enable the rural poor in the PICs to overcome poverty and hardship in line with the Millennium Development Goals. Specific development outcomes have been identified under the three objectives of IFAD's corporate strategic framework: (i) strengthening the capacity of the rural poor and their organizations; (ii) improving equitable access to productive natural resources and technology; and (iii) increasing access to financial services and markets.

IFAD's targeting and niches. IFAD's future interventions in the subregion will be anchored to a number of geographical areas, target groups, strategic niches and cross-cutting themes. These will include: atolls, outer islands and remote upland communities; vulnerable groups, rural youth and women; local food security and import substitution; market opportunities; income-generation; multi-stakeholder partnership; and local governance.

Integrated programme approach. IFAD's strategy to achieve SRESOP goals will be implemented through an integrated programme approach whose key elements are identified as: (i) piloting innovations and policy initiatives; (ii) institutional development and capacity-building of local organizations; (iii) action research and knowledge management; and (iv) policy dialogue and advocacy.

Opportunities for project interventions. The SRESOP identified a number investment opportunities to be considered for future IFAD-funding. The first relates to the proposal to establish a Mainstreaming of Rural Development Initiatives Programme to support micro-level operations in partnership with local NGOs. The second option would complement ongoing European Union and/or FAO-funded regional agricultural development projects. The third opportunity would focus on testing new development opportunities with the private sector. The fourth option is in line with past operations focused on project lending at the country level. Another more specific proposal is focused on the issue of local food security in Micronesian PICs. Finally, it is proposed that IFAD extend to the subregion a number of ongoing activities relevant to the needs of the Pacific.

Areas for policy dialogue. Based on successful interventions, IFAD will engage relevant regional organizations, national governments, multilateral and bilateral development agencies, and local and regional NGOs in a dialogue aimed at institutionalizing the achievements made. The Fund will facilitate a process where the views of local communities will be made known at national level. There is above all a need to advocate for more attention and more physical and financial resources to be allocated to agricultural and rural development. Additional areas of dialogue include: focus on neglected and marginal lands; trade issues; and greater involvement of civil society.

Portfolio management. IFAD will engage in partnership arrangements to compensate its lack of field presence and to ensure cost-effective supervision and implementation support. Several development agencies that currently work in the Pacific region could offer technical and management support. The Secretariat of the Pacific Community and FAO, currently responsible for implementing the two most relevant regional programmes in rural development, have already expressed their interest in a working collaboration with IFAD.

PACIFIC ISLANDS COUNTRIES

SUBREGIONAL STRATEGIC OPPORTUNITIES PAPER

I. INTRODUCTION

1. From 1981 to 1993, IFAD ran a very active programme in the Pacific subregion, financing a total of ten loans to Papua New Guinea, Samoa, the Solomon Islands and Tonga. However, from 1993 onwards no new commitments were approved for the Pacific subregion. This was due both to the limitation on the yearly number of approved projects, which negatively affected IFAD's operations in the Asia and the Pacific region, and to the conclusions of the Fund's 1998 evaluation of its activities in Small Island Developing States (SIDS), which highlighted the difficulties in providing cost-effective financial assistance to those countries. Today, with the introduction of the performance-based allocation system, among other reasons, the new resource allocation framework has prompted IFAD to redefine its strategy for the Pacific subregion. At the same time, the availability of additional instruments foreseen by the new IFAD grant policy provides an opportunity for IFAD to diversify its operational modalities, adding the possibility of financing regional programmes. In this regard, it should be noted that this subregional strategic opportunities paper (SRESOP) should be reviewed in connection with the proposed regional programme for Mainstreaming of Rural Development Initiatives (MORDI), which is separately submitted to this Session of the IFAD Executive Board.

2. Following a fact-finding mission in July 2003, on 4 December 2003 IFAD organized a consultative workshop on "IFAD's Re-Engagement in the Pacific", attended by representatives of nine Pacific Island countries (PICs), including some countries not members of IFAD. Based on workshop findings, the Fund then fielded the SRESOP mission from 6 June to 7 July 2004. The mission visited ten PICs and held more than 120 meetings with national governments, multilateral and bilateral official development assistance (ODA) agencies, regional organizations, non-governmental organizations (NGOs) and representatives of grass-roots organizations. In collaboration with the NGO Counterpart International and the Foundation of the Peoples of the South Pacific International, a network of NGOs, a workshop entitled "A Dialogue with Oceania: From Policy to Action and Action to Policy" was organized in Samoa on 24 and 25 June 2004 and attended by 30 representatives from NGOs and the private sector. The preliminary findings of the SRESOP were presented on 2 July 2004 in Wellington, New Zealand, at the roundtable meeting organized by the Food and Agriculture Organization of the United Nations (FAO) and the Government of New Zealand and co-sponsored by IFAD, the Secretariat of the Pacific Community (SPC) and the Commonwealth Secretariat. Finally, the draft report was sent to PICs and regional and international organizations for comments before its finalization.

II. ECONOMIC, SECTORAL AND RURAL POVERTY CONTEXT

A. Subregional Economic Background

3. **Diversity of the subregion.** The Pacific subregion, which extends for over 19 million square kilometres (km²), is unique because of its combination of geographical, ecological, sociological and economic characteristics. It is home to diverse groups of indigenous peoples and cultures living in 14 PICs with three commonly recognized subregional constituents – Melanesia, Micronesia and Polynesia. As an example of its diversity, more than 2 000 languages are spoken across the region. Diversity is further reflected in terms of natural resource bases and population figures. The total population of the 14 PICs is about 7.8 million, with Papua New Guinea accounting for 73% and the five smallest PICs – Cook Islands, Nauru, Niue, Palau and Tuvalu – accounting together for less than 1%. Notwithstanding this diversity, PICs experience a number of common development challenges due to their geographical dispersion, limited size, ecosystem fragility, isolation from external markets with related high transaction costs, and dependence on international assistance. The consequences of

natural disasters, global climate change and sea level rise will seriously impact the economic perspectives of PICs in the medium-to-long term. PICs in this region classified as least developing countries are Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu. At present six PICs (namely Cook Islands, Fiji, Papua New Guinea, Samoa, Solomon Islands and Tonga) are Member States of IFAD. Kiribati has applied for membership.

4. **Melanesia:** (Fiji, Papua New Guinea, Solomon Islands and Vanuatu). The four Melanesian countries comprise over 98% of the land area and 92% of the population of all PICs. The three western Melanesian countries – Papua New Guinea, the Solomon Islands and Vanuatu – share characteristics of low per capita incomes, high population growth rates and declining social indicators – which place them at the bottom of the ranking of PICs on composite measures such as the Human Development Index and the Human Poverty Index. They have also suffered strong contraction in their economies in recent years, as well as varying degrees of political and social instability, which has had particularly serious consequences in the Solomon Islands. While urban poverty is becoming increasingly visible, poverty in these countries remains overwhelmingly rural. Over 90% of the poor live in rural areas and there are large discrepancies in most social indicators between urban and rural areas. Nevertheless, these countries – and particularly Papua New Guinea – have comparatively large and diverse land resources, which might suggest future potential.

5. Conditions in Fiji are different. It is the region's most diversified country in terms of its economy. It is also one of the wealthiest and most urbanized PICs, although it is also affected by political instability, inequality is high, and there are significant pockets of hardship in both rural and urban areas. Issues relating to land ownership are particularly significant, and Fiji is also facing a difficult transition away from dependence on the sugar industry.

6. **Micronesia:** (Federated States of Micronesia, Kiribati, Marshall Islands, Nauru and Palau). Micronesian countries contain a large number of small atolls and islands spread over a wide area of ocean, with limited land resources but abundant marine resources. Population densities are high – putting pressure on resources – urbanization has been rapid, and remoteness from domestic and international markets affects much of the population. These countries rank at moderate level on the composite indicators of poverty, but are highly vulnerable to economic shocks or climatic events. There are large discrepancies between conditions on the main (urbanized) islands and those in the outer islands.

7. **Polynesia:** (Cook Islands, Niue, Samoa, Tonga and Tuvalu). This subregion shares some of the characteristics of Micronesia, with mostly small populations and fairly high population densities. Like Micronesia, it also has issues relating to service provision in the remote outer islands. Migration – particularly to New Zealand and Australia – and remittances have been important in most of these countries. On the whole, they have cohesive cultures and social indicators that are better than most in the Pacific. Poverty in these countries is generally characterized as “poverty of opportunity”.

8. **Economic performance.** There was a declining trend in the economic growth rate of the Pacific over the 1990s, partly caused by the low productivity of investments and the declining stock of natural resources. In 2002, the region benefited from the strengthening of international prices for minerals and cash crops, a rise in tourism and generally expansionary fiscal policies. However, internal political and stability problems accompanied by weak macroeconomic management continued in Fiji, Nauru, Papua New Guinea and the Solomon Islands. This affected economic performance and, together with the high crude oil prices, raised production and transport costs, eroding competitiveness. Poor governance is widely seen as a major reason for the poor economic development of PICs, as manifested in inadequate macroeconomic management and administration of public services, poor policies and limited accountability. In general, the service sector (including public services) dominates the economy, followed by the primary sector, while manufacturing is small. Agriculture, fisheries and tourism are the three main sources of economic value in the Pacific.

9. One of the characteristics of PICs is their openness to external economies, which exposes them to external economic shocks and changes in global markets. In most countries, agriculture accounts for over 50% of exports, and with the exception of Papua New Guinea, trade balances are highly negative. Still, most of the produce (fruit, vegetables, meat, dairy products) for local supermarkets and for the provisioning of the tourism industry is imported from Australia and New Zealand. PICs are in an extremely limited position to influence international price or trade regimes. Their access to markets has also been constrained by the increasing importance of quarantine regulations. PICs are almost entirely dependent on imported fossil fuel imports for power generation and transportation. Intra-PIC trade is very low (less than 5% of total trade) as a result of trade barriers, limited complementarity in traded goods and also inadequate intraregional transport services. To promote regional integration, in 2003 the Pacific Island Countries Trade Agreement (PICTA) was established. Fiji, Papua New Guinea and the Solomon Islands are members of the World Trade Organization, and Samoa, Tonga and Vanuatu have applied for accession.

10. **Tourism.** Tourism is the leading sector for bringing in foreign exchange for some PICs. It is a major source of employment and income-generation, providing an estimated 15-20% of formal employment in several PICs. The majority of tourism-related businesses in the region are small and medium-size enterprises (SMEs). Ecotourism, one of the fastest-growing global market tourism segments, is a development opportunity for most PICs. Ecotourism and community-based tourism projects in the Pacific region are mostly located in areas of high conservation value, and the land is often under traditional ownership.

11. **Financial inflows.** Remittances from populations working abroad are a major contribution to the percentage of some PIC economies. This is particularly relevant in Micronesian and Polynesian countries, where the percentage of international migrants to the resident population can reach 100%. For instance, the World Bank estimates cash remittances from overseas residents to be about 20% of the gross domestic product (GDP) in Tonga. The PICs have had limited success in attracting foreign direct investment, which varies from 6.4% (Vanuatu) to 0.5% (Samoa) of GDP. The World Bank estimates that during 1992-2002 a total of USD 4.86 billion in ODA was provided by multilateral and bilateral agencies to finance development activities in the Pacific, excluding Papua New Guinea. This results in an average annual allocation of about USD 200 per capita. Hence the Pacific subregion is recognized as one of the largest recipient of ODA per capita in the world. The large majority of this financing has been in the form of grants. Almost 85% of total ODA is bilateral, with Japan, Australia, New Zealand and the United States as main donors.

12. **Private sector and NGOs.** In the past, PIC economies have been dominated by the public sector. Recently, however, as a result of fiscal pressures and capacity constraints on governments, civil society organizations and private agencies have provided an increasingly large proportion of services to rural areas, including in agricultural extension, health, water supply and education. Private-sector constraints include weak legal and regulatory frameworks, in addition to the natural constraints mentioned above such as remoteness and internal geographical dispersion, and small domestic markets, which add to the cost of doing business. The private sector has led tourism and agriculture exports, but its value as a development partner has been frequently overlooked.

13. The NGO sector has grown rapidly in recent decades, diversifying from a base of church-affiliated service organizations. Nevertheless, most NGOs in the region are struggling to expand organizational capacity to respond to increasing expectations placed on them by donors, governments and communities, while still retaining their strategic advantage of grass-roots delivery. Their external funding is almost exclusively on a project basis and oriented towards implementation and service delivery, but bypasses critical needs for organizational development and institutional strengthening, networking and information exchange.

Country Profile and Summary of Agricultural Production^a

Country	Land Area (km ²)	Sea Area ('000 km ²)	Population '000	Land Form	Agricultural Exports as a percentage of Total Exports (%)	Agricultural Contribution to GDP (%)
Cook Islands	180	1 830	19.0	Volcanic islands and atolls	15	12
Fiji	18 376	1 290	779.2	Volcanic islands – few minor atolls	43	16
Federated States of Micronesia	701	2 780	118.8	Volcanic islands and atolls		3
Kiribati	726	3 550	83.4	Predominately atolls	40	17
Marshall Islands	720	2 131	60.0	Atolls	27	14
Papua New Guinea	461 690	3 120	4 311.5	Volcanic islands – few small atolls	17	26
Samoa	2 934	120	176.8	Volcanic islands	16	14
Solomon Islands	29 785	1 340	432.2	Volcanic islands – few atolls	8	40
Tonga	696	700	100.2	Volcanic islands – few small atolls	75	28
Vanuatu	12 189	680	177.2	Volcanic islands – few small atolls	70	20
Total	527 444	19 780	6 905.9			

^a Relevant to the ten countries visited by the SRESOP mission.

Source: FAO, Support to the Regional Programme for Food Security in the Pacific, 2003.

B. Agricultural Sector

14. Up to 90% of the population of PICs live in rural areas. The agriculture sector is the largest employer, although its contribution to GDP ranges from 3% in the Federated States of Micronesia to 40% in the Solomon Islands. The land area of 527 000 km² – 88% of which in Papua New Guinea – is in stark contrast to the 19 million km² economic exclusive zone maritime area. There are also major differences in landform and resources among the three subregions. Melanesia is characterized by rich volcanic soils and physical resources including minerals. Polynesia has a similar geological origin but lacks minerals. The atoll nations of Micronesia are characterized by minute land areas unsuitable for agriculture and subject to wind and salt erosion and moisture stress. Typical of tropical environments, the ecosystems – marine and land – are fragile, and poor resource management and urbanization in recent times have ushered in upper watershed land degradation, destruction of forests and pollution of marine habitats.

15. **Agricultural production.** Small-scale subsistence is the prevailing production system throughout the PICs, with the exception of Fiji. The family holding is small and, depending on the country and culture, may comprise a combination of: (i) backyard garden; (ii) communal garden; and (iii) area of cash crops. Livestock – especially pigs and poultry – play a minor role, although they do have important ceremonial significance. They are rarely husbanded and generally are free-range and scavenge for food. The *backyard garden* is mostly planted to tropical fruits and vegetables. The *communal garden* is a shifting agricultural system, which is communally cleared and serves the purpose of household subsistence. This is generally dominated by root and tuber crops – sweet potatoes, taros and yams – but also include a wide variety of vegetables, spices and medicinal plants. Intensity of rotation varies according to population pressure. The area under *cash crops* – cocoa, rubber and coffee – is husbanded individually by families and is generally part of a contiguous block. Production and productivity from the traditional cash crop sector is closely related to world prices and therefore subject to major fluctuations. All three systems are worked under family labour. While women are mostly responsible for food production, livestock rearing and gardening, men take care of

land clearing, cash crop production, fishing and hunting. In Polynesia, men play a larger role in traditional farming. Most food production is consumed fresh by the family, although yams and cassava can be stored and occasionally marketed.

16. **Fisheries.** The contribution of fisheries to GDP ranges from 1.4% (Papua New Guinea) to 21.5% (Kiribati). Tuna is by far the most valuable marine resource. The total catch of tuna in the Pacific is estimated at over 2 million tonnes per year, worth up to USD 2 billion, of which very little is retained by PICs through fishing licence fees. PICs are cooperating in an attempt to manage marine resources sustainably. Throughout the islands, coastal artisanal fishing makes an important contribution to household nutrition in the supply of protein. Few communities have graduated to commercial operations. In Fiji in particular, erosion and siltation from the wide-scale clearing of forests in the upper catchments, together with pollution from agrochemical run-off from intensive farming in the lower catchments, have had a deleterious impact on marine resources, namely coral reefs and seagrass, and associated ecosystems. Coastal communities have not shared in the benefits arising from commercial fishing in terms of community development or employment. Modern commercial fishing boats with catch volume licences track schools of tuna, process the catch at sea and export without being landed. Atoll communities, which constitute the bulk of the population throughout Micronesia, and populations on smaller islands of Melanesia and Polynesia are totally dependent on marine resources for survival.

17. **Forestry.** A similar situation exists with the exploitation of forest resources in terms of few benefits flowing to local communities from logging operations. An insignificant percentage of trees felled are processed in local sawmills. The overexploitation by clear felling of upper catchments, coupled with the failure to reforest, has resulted in land degradation, erosion and damage to marine resources. Export licences in Melanesia make a major contribution to the national budget and are the source of most corruption allegations. Indigenous communities rely on local forests to access non-timber forest products for the supply of building material, crafts, medicinal products, etc., but clearing by international logging companies remains largely unregulated and environmentally unsustainable. There is major scope to promote sustainable forest management through community-based management systems in large parts of Melanesia.

18. **Land tenure.** Given that over 80% of land is held under customary rights, and agriculture provides up to 90% of formal and informal employment, security of land tenure is the major development constraint throughout the PICs. Customary arrangements differ from one clan to another, frequently over short distances (especially in Melanesia), and drafting national legislation that would help resolve the often conflictual land tenure issues remains beyond the reach of governments. Conflicting land claims within clans and among tribes, squatter encroachments, and access arrangements to resources are individually the direct cause of disputes leading to: tribal fighting, civil unrest and anarchy (Papua New Guinea and the Solomon Islands); major disputes with mining and logging companies (Papua New Guinea and Vanuatu); vacating of plantation and arable agriculture developments (Fiji, Papua New Guinea, and the Solomon Islands); corruption and cronyism (Fiji, Papua New Guinea, the Solomon Islands and Vanuatu); and access to tourism infrastructure (Fiji). In Fiji, the non-renewal of expired leases of arable land, mainly for sugar cane production, has disenfranchised a major section of the farming community without a safety net in place. Although local village involvement is considered fundamental for resource development at community level, no clear path exists to solving land tenure issues. The real challenge is to develop new modalities for land use agreements consistent with traditional/customary arrangements.

19. **Support services.** Government support services are particularly weak: they lack a development strategy and have limited staff and few coherent programmes for technology development or dissemination. A number of donors recognize their own shortcomings in this area and are now making capacity-building a strategic priority. Despite the presence of a number of regional institutions, intraregional collaboration is limited. Cropping systems that were prevailing prior to independence remain the mainstay of agriculture because of the lack of investigations into alternative crops and the

neglect of agricultural research. The challenges facing the marketing of production in the PICs have many similarities. The larger islands have poor road networks due to the rugged terrain. The establishment of post-harvest facilities has not kept pace with the needs of producers and consumers. Quality and phyto-sanitary control (quarantine) for fresh and perishable products is generally below the standards demanded by importing countries, and techniques and infrastructure for cleaning, grading, packaging and presentation need strengthening.

20. **ODA-funded programmes.** The most important regional agricultural programmes include: the Regional Food Security Programme (RFSP) (USD 5.7 million over 4-5 years), funded by Italy and implemented by FAO; and the Development of Sustainable Agriculture in the Pacific (DSAP) Project (EUR 6.2 million for a four-year period), funded by the European Union and implemented by the SPC. The RFSP supports pilot community-based activities to enhance subsistence food production and security (promoting improved farming practices, mechanization and efficient water management), and to realize the potential from the forestry and fisheries sectors. In the policy and trade sectors, the programme will address gaps in agricultural policy formulation to ensure optimal deployment of resources and elaborate issues related to bio-safety and phyto-sanitary protocols to facilitate exports. The DSAP Project provides regional and in-country technical assistance support targeting poverty reduction through various country-identified priority programmes, ranging from programmes strengthening extension, improving productivity or establishing linkages between service providers and farmers, to those targeting women and youth.

C. Rural Poverty

21. The image of the Pacific to the outside world is not generally associated with poverty. Pacific Islanders themselves are often reluctant to refer to poverty. Severe hunger and starvation are generally absent in most of the Pacific as a wide variety of subsistence food crops are grown. A strong ethic of social reciprocity in food also exists, which works as a safety net. Nevertheless, child malnutrition remains an issue in some Melanesian countries. More generally, some recent reports and studies have shown that traditional measures of poverty are not the most appropriate in the Pacific and that significant hardship and declining levels of human development do occur in many parts of the region.

22. **Hardship.** The Asian Development Bank (AsDB) has recently carried out participatory poverty studies in several countries of the region, which have revealed sharp differentials in wealth and well-being even after traditional forms of distribution have been accounted for. In these studies, the word hardship was the most suitable translation of how people described poverty or inequality. Typical factors seen by Pacific Islanders as defining and contributing to hardship include: (i) lack of income and income-earning opportunities – either employment or market-based. Related to this was the lack of cash to meet basic household needs and customary obligations to the extended family, village community and the church; (ii) lack of access to, and poor quality of, basic services (education, health, water supply, transport and communications, electricity); (iii) breakdown of traditional family or community support systems, and increased social pressures such as divorce, crime and community disputes; and (iv) emerging constraints in access to land for food production, particularly in more densely populated islands and for families with numerous dependants.

23. **Poverty of opportunity.** Lack of access to employment opportunities, markets, information and basic social services, together with inequalities in opportunities across gender and age groups, may be as important in defining the extent of hardship in Pacific societies as lack of income. Limited opportunities to participate in governance decisions – and, in some places, crime and civil unrest – are also significant contributors. Within most countries in the region, both poverty of opportunity and income poverty are closely correlated with inaccessibility and remoteness – with highest levels in outer islands of all countries and in remote interior valleys in Fiji and Papua New Guinea. Related to this, rural areas are often substantially worse-off than urban areas.

24. **Vulnerability.** High levels of risk and vulnerability are a feature of people's lives in most small island states. Contributing factors include narrow economic bases that are vulnerable to external economic shocks, lack of economic resilience, and exposure to natural disasters and climate change. Traditional attitudes, production and social systems have consequently evolved with a high premium on risk mitigation. Work by the Commonwealth Consultative Group on Small Island States has attempted to measure the vulnerability of countries. All PICs, except Papua New Guinea, are classified in the highest quintile of vulnerability. Kiribati, Samoa, the Solomon Islands, Tonga and Vanuatu rate among the most vulnerable countries in the world. Only Papua New Guinea, with its larger resources and more diversified economy, ranks in the middle quintile of these rankings – although it too has endured a number of serious and costly natural disasters in the last ten years.

25. **Local food insecurity and nutritional issues.** While vulnerability to natural disasters can affect short-term availability of staples, a more significant dimension of food security is considered to be the insecurity of local or traditional foods. The fast replacement of traditional foods by imported processed foods is indeed associated with negative consequences for: (i) public health and nutrition (increasing micronutrient deficiency, diabetes and hypertension); (ii) agricultural development and the environment (loss of plant genetic resources); and (iii) the national economy (trade imbalance).

26. **Gender.** The status of women, as reflected in the Human Development Index (HDI) and the Human Poverty Index (HPI), remains a concern over much of the region, although variations across countries are considerable. In Papua New Guinea and the Solomon Islands – and, to a lesser extent, in the Federated States of Micronesia, Marshall Islands and Vanuatu – indicators related to health, education, functional literacy, nutritional status and income-earning opportunities are significantly lower for women than for men. On the contrary, in the Polynesian countries, where these indicators are more balanced, lower female mortality gives women higher HDI and HPI scores than men. In the AsDB's hardship assessments, the priority issues identified by women were: (i) limited education and low skills levels, with consequent constraints on income-earning opportunities; (ii) relationship inequalities, single parenthood and domestic violence; (iii) demands of large and extended families, including childcare duties; and (iv) demands arising from their role as economic providers, particularly in cases of male unemployment.

27. **Youth.** High birth rates in the past have resulted in a demographic bulge in the numbers of people classified as youth (i.e. 15-24 years old), which is still growing in several countries. The number of people seeking to enter the labour force has substantially outstripped opportunities to do so, and youth unemployment and underemployment is high across the region. Together with a weakening of traditional support systems and values, this is resulting in symptoms of distress in many parts of the region: these include urban drift and rising crime rates, alcohol and drug problems, prostitution and sexually transmitted diseases. Youth suicide rates in some countries are among the highest in the world: in fact, rates for Micronesian men, and for women in Samoa and among Fijian Indians are double the highest found elsewhere in the world.

D. Constraints on and Opportunities for Rural Poverty Reduction

28. The main constraints, grouped around the three categories of assets referred to in IFAD's strategic framework, can be summarized as: (i) **human and social assets:** socio-political instability with increasing tensions in selected countries; erosion of traditional social-cultural systems; emergence of crime rates and alarming suicide rates among unemployed youth, especially young men; limited qualified human resources; health and nutritional issues; limited institutional capacity and weak governance; (ii) **productive assets and technology:** narrow resource base, under pressure by an increasing population; land tenure issues; poor management of marine and forest resources; land degradation; fragile environment; poor soils on atolls; high vulnerability to natural calamities, such as cyclones, earthquakes, river and coastal flooding, droughts, volcanic eruptions and tsunamis; inadequate infrastructure; and poor communications; and (iii) **financial assets and markets:** weak and vulnerable economies that mainly rely on exports of agricultural primary commodities and

tourism; limited crop diversification; limited access in rural areas to financial services; small domestic markets; restricted intraregional trade; large distances from international markets; trade barriers; weak private sector; negligible inflows of foreign direct investment; minor ODA allocations to agriculture and rural development; and aid dependence.

29. Similarly, perceived development opportunities can be grouped as follows: (i) **human and social assets**: strong cultural identity; strong family ties and communal safety nets (although under pressure); indigenous knowledge and labour force; emerging NGOs, community-based organizations (CBOs) and civil society organizations; (ii) **productive assets and technology**: availability of diverse and rich natural resources, land and marine resources in particular; regional integration of services and development activities (e.g. agricultural research); potential to identify and develop niche markets for high-value agricultural products (macadamias, cashews, lychees, vanilla, black pepper, kava, pandanus, medicinal plants); import substitution in food products, cereal, edible oil and meat in particular; small-scale agro-processing; promotion of organic farming; ecotourism and linkages with tourist resorts, cruise ships and hotels; and (iii) **financial assets and markets**: expansion of intraregional trade; potential for microenterprise development; significant financial and technical resources available from remittances and ODA.

E. National Strategy for Rural Poverty Reduction

30. **Strategies.** National strategies, policies and programmes remain as anchor points for the definition of IFAD's strategy. In general, PIC governments present strategies to eradicate rural poverty in their multi-year national development plans. Strategies combine the goals of sustained economic growth and poverty reduction, and focus on: enhancing food security; increasing productivity of land, labour and capital; diversifying agriculture and rural economic activity; and providing social services. To those ends, most governmental efforts focus on fostering on- and off- farm earning opportunities. However, during policy formulation, some governments and regional intergovernmental organizations have often failed to consult civil society groups, including rural communities. Another reservation is that most PICs allocate negligible budgetary resources to agricultural development, and ministries of agriculture are often understaffed.

31. **Policies.** Policy development in PICs has generally focused on developing commercial agriculture, with particular emphasis on production and market diversification. But reforms necessary to address existing macroeconomic limitations have not been effectively planned, and the pace of policy implementation is slow. Agricultural development thus continues to be undermined by distorting taxes, policies and regulations; lack of competition in markets for credit, shipping, utilities and other agricultural inputs; and inefficient and loss-making state-owned farming and marketing bodies. Recent government reforms involve the establishment of separate ministries or organizations such as the Ministry of Regional Development in Fiji, the Office of Outer Island Development in the Cook Islands and the Regional Development Committees in Tonga. These institutions play a leading role in developing and facilitating rural development programmes, and work with other government agencies, NGOs and the private sector to develop and enhance the sustainable livelihoods of rural populations.

32. **Programmes.** Programmes focus on increasing employment opportunities, expanding the provision of strategic infrastructure and other utilities, and reviewing administrative, fiscal and management systems to ensure that they are efficient, decentralized and participatory. This will effectively link people to markets for products, inputs and finance; and ensure that rural communities have sufficient nutritious food. PIC governments also provide targeted programmes, especially for small semi-subsistence farmers. These programmes assist such farmers in diversifying their production, strengthen their capacities to produce cash crops, and provide them with nutrition education. Specific rural development programmes are implemented on the smaller, more remote islands to ensure that all the population reap the benefits of national economic development, and not only those people located on the main islands.

III. LESSONS FROM IFAD'S EXPERIENCE IN THE SUBREGION

33. It is widely recognized that the effectiveness and poverty outcomes of the majority of past ODA-funded activities in the region have been very limited. Eight main lessons have been selected on the basis of the review of IFAD's experience (in particular, the 2002 IFAD Country Programme Evaluation of Papua New Guinea and the 1998 *Thematic Study on Small Island Developing States*) and that of other donors (AsDB, the Australian Agency for International Development (AusAID) and the New Zealand Agency for International Development (NZAID)): (i) **strengthen existing institutions**: too many ODA-funded activities have tried to create new institutions, overstretching the very limited availability of human resources. Even today, a number of ODA-funded initiatives are financing not only capacity-building but also 'capacity supplementing' activities, based on the understanding that local capacities will never be sufficient; (ii) **ensure community and government ownership**: very often, project/programme designs have not involved local stakeholders, leading to incorrect assumptions and overambitious targets. Excessive reliance on technical advisers has limited government ownership of the formulation and management of their own development policies and strategies; (iii) **forge partnerships with NGOs and CBOs**: in the last decade, the capacities of NGOs and CBOs has greatly increased. In addition, most PIC governments now recognize their role and capabilities in project delivery at the grass-roots level; (iv) **operate at small or even micro level**: ODA agencies often cannot adjust the scale of their operations to the limited absorptive capacities. Throughout the Pacific, the most successful interventions run at a very micro level; (v) **simplify implementation arrangements and ensure flexibility**: project/programme designs have been overambitious and prescriptive, with insufficient time allocated to capacity-building, especially among grass-roots community groups. Designs must be flexible, allowing adjustments to changing conditions. This is a standard lesson from best practices, but it is particularly relevant in the Pacific given its vulnerability to internal and external shocks. One response could be to include specific funds for adequately addressing the impact of natural disasters; (vi) **ensure market linkages**: many past projects have faced difficulties realizing benefits due to a lack of marketing arrangements. There is a need to identify niche markets and ensure linkages with producers. The history of mistrust between governments and the private sector has led to fragmented approaches in many countries. All too often, resources are concentrated with government trade agencies, when the real need is for support to private traders. In fact, the most successful exports crops from the Pacific have been scouted, promoted and developed by the private sector; and (vii) **make supervision and implementation support cost-effective**: close supervision and technical backstopping are crucial in the Pacific. Past IFAD-funded projects in the Pacific, in particular in Papua New Guinea and the Solomon Islands, would have achieved better results with more regular implementation support. The real challenge is how to do this efficiently and effectively; and (viii) **adopt sustainable rural finance mechanisms**: provision of affordable and accessible rural financial services has proved a problem for most IFAD projects in the region. The main constraint is the accessibility of credit for IFAD's target group, rather than its availability per se. IFAD has gained experience in the Solomon Islands and Tonga supporting the establishment of credit unions and the strengthening of the Tonga Development Bank. There remains a need for innovative rural finance delivery mechanisms to promote income-generating activities in rural poor communities.

IV. STRATEGIC FRAMEWORK FOR IFAD

A. IFAD's Strategic Niche and Proposed Thrusts

34. As mentioned in paragraph 11, the Pacific subregion avails itself of large amounts of ODA resources. However, despite the wealth of aid-supported initiatives, unfulfilled needs still remain, for which PICs request support from the international community. These requests will be formally presented in the Barbados Plan of Action. A draft of the Pacific Position identifies the following areas as priorities: governance and security; national-level enabling environment; capacity-building "that lasts"; financial resources in line with country-driven donor harmonization processes; trade; and health and education. Several executives from ministries of agriculture and regional organizations

have suggested that IFAD can make an extremely important contribution, given that agricultural and rural sectors have been largely neglected, sometimes by PIC governments themselves, and require public and private investments.

35. **Geographic focus.** In line with its current regional strategy, IFAD will focus on areas that, through their isolation, face particular hardship, such as atolls, outer islands and upland and marginal areas. IFAD's will retain its commitment to support local community organizations in addressing the challenging issues they face, even when they are located in remote areas with difficult conditions where private investors and even ODA agencies are often reluctant to operate. As elaborated elsewhere in this report, these issues include: (i) the reality that basic needs cannot be met through subsistence agriculture and fishing, and alternative employment opportunities are limited; (ii) the weakness of primary social services (education and health); (iii) the limited decentralization of support services, with governance delivered from the centre, often in ignorance of local priorities.

36. **Targeting.** The rural poor are IFAD's primary target group. Within this group, the Fund will target rural youth because youth unemployment and social tensions are now priority challenges in many PICs. While current interventions are based on the identification of activities 'for' youth, IFAD should scout and promote development modalities where rural youth retain the driving seat. Women are also identified as a more general target group because of their disadvantaged socio-economic position in relation to power within households and communities, related to issues of workload, participation in decision-making structures, and access to and control over resources.

37. **Logical framework and strategic objectives** (Appendix II). The goal of IFAD's subregional strategy will be to enable the rural poor to overcome poverty and/hardship in line with the Millennium Development Goals. The goal reflects both IFAD's mandate and the reality in the Pacific, where lack of livelihood opportunities and vulnerability to external shocks increase rural poverty. IFAD alone cannot achieve this goal, which is why strong partnerships with governments, other donors, civil society, and the private sector are necessary. To work towards the goal, IFAD will support initiatives aimed at achieving a series of objectives that are presented in the logical framework under the heading of the three IFAD corporate strategic framework objectives:

- (i) **strengthening the capacity of the rural poor and their organizations:** The two objectives will be: (a) strengthened local governance systems in order to encourage more responsiveness from local authorities, which can then effectively provide technical and financial support to local rural communities; and (b) increased capacity of rural communities to address development challenges. Poor governance has been the major reason for poor financial and economic management at the macro level, and also has been a cause of poor coverage of basic services especially in remote and isolated areas. It is therefore important to improve governance at local levels, and then scale up this experience.
- (ii) **improving equitable access to productive natural resources and technology:** There is a need to create more livelihood opportunities and security for rural communities. Under this heading, three objectives are identified: (a) increased local food security of the poorest communities, particularly those living in outer islands. This objective is combined with the need to conserve and sustainably use native plant genetic resources; (b) increased employment and income-generating opportunities, with a special focus on rural youth. Ecotourism, agro-processing and organic farming are among the activities that can be supported; and (c) improved resilience of the target group to natural disasters, and environmental variability, and to a certain extent, better adaptation to climate change and sea-level rise; and
- (iii) **increasing access to financial services and markets:** Two objectives are spelled out: (a) reduced economic and commercial vulnerability through improved marketing. For example, a ready market for local agricultural production that could be tapped into is the tourism sector, which now relies mainly on imports of food items. PICs have requested

support to increase their negotiating strength in bilateral and international trade negotiations on the agricultural sector; and (b) improved enabling environment for microfinance and SME/microenterprise development. The number of microenterprises can be increased through private-sector partnerships and initiatives such as the investment equity scheme.

38. **Cross-cutting themes.** Throughout the formulation and implementation of future activities in the region, two themes will be given due consideration: (i) **multi-stakeholder partnership:** innovative strategies to link the needs and strengths of rural communities to private enterprise through partnerships between the private sector, NGOs and governments are central to the proposed strategic thrusts. Two characteristics of the Pacific support this approach: (a) the limited capacity of governments to provide economic and social services over such wide areas suggests the need to mobilize other sectors of society; and (b) the existence of community land ownership could enable the local communities, with the support of local NGOs, to engage in partnerships with the private sector. Innovative ways of doing this to the advantage of the rural poor are required and would provide significant benefits. There may be options to forge partnerships with the private sector in agriculture, tourism, finance and other sectors throughout the Pacific. Private-sector companies already provide development assistance as small one-off grants, but little progress has been made in involving them as partners in businesses with small-scale farmers. Because the private sector is viewed with some mistrust in many PICs, IFAD can take the lead in developing and supporting effective partnerships between rural producers and the private sector; and (ii) **local governance:** the benefits of local administrations and local institutions with capacity to administer small-scale development initiatives are well documented, and include greater ownership, enhanced impact, reduced bureaucracy and elimination of bottlenecks. Institutional strengthening of local institutions in remote communities is a slow process, but consistent with IFAD's strategic approach to build governance from the bottom, the SRESOP recommends focusing capacity-building and institutional strengthening at this level.

39. **Integrated programme approach.** IFAD's strategy to achieve the SRESOP goal will be implemented through an integrated programme approach whose key elements are identified as: (i) piloting innovations and policy initiatives; (ii) institutional development and capacity-building of local organizations; (iii) action research and knowledge management; and (iv) policy dialogue and advocacy. There is first an important need for catalytic piloting of effective development innovations and concrete initiatives, and identification of best practices. The results of these initiatives, together with the results of the proposed participatory action research, while responding to specific needs on the ground, will be documented and shared so that they do not remain at a stand alone, fragmented project level. A conscious effort must therefore be made to promote, and allocate adequate financial resources to, knowledge management. Throughout its subregional programme and the various interventions and investments that it will support over the years, IFAD will prioritize investments in capacity-building and institutional strengthening of local organizations, both governmental and non-governmental. Based on documented experience, and with the support of like-minded strategic partners, IFAD will then be in a good position to engage proactively in scaling up innovations and policy dialogue, which are essential for maximizing the impact of IFAD assistance. While further sections of this report outline potential areas for partnership and policy dialogue, the following matrix suggest some possible entry points/opportunities for IFAD in the Pacific region, given IFAD's strategic framework objectives and the proposed subregional programme approach.

IFAD Strategic Framework Objectives	SRESOP Programme Approach			
	Piloting of innovations and policy initiatives	Institutional development of local organizations	Action research and knowledge management	Areas for policy dialogue
<p>Strengthening the capacity of the rural poor and their organizations</p> <ul style="list-style-type: none"> Strengthening local governance and advocating for higher priority to be given to agricultural and rural development Increasing the capacity of rural communities to address development challenges linked to their remoteness and isolation 	Multi-stakeholder partnership	<p>Building capacity for improved local governance through MORDI initiatives</p> <p>Complementing FAO and European Union programmes</p>	Documentation and analysis of field-level innovations	<p>Land tenure issues</p> <p>Advocating for higher budget allocations, private investments and ODA in agriculture development</p> <p>Civil society participation</p>
<p>Improving equitable access to productive natural resources and technology</p> <ul style="list-style-type: none"> Increasing local/traditional food security for the outer islands Increasing employment or income-generating opportunities in rural areas, especially for rural youth Improving resilience of the rural poor to natural and environmental variability 	<p>Complementing FAO and European Union programmes</p> <p>Supporting initiatives through MORDI</p> <p>Supporting climate change adaptation initiatives through MORDI or Global Environment Facility (GEF)/Global Mechanism-funded activities</p>	<p>Building capacity of grass-roots associations</p> <p>Country-level rural development project</p>	<p>Participatory research in agriculture/ aquaculture and nutritional aspects</p> <p>Research on plant genetic resources and neglected and underutilized crop species</p> <p>Scaling up and sharing knowledge from MORDI initiatives</p> <p>Research on ecotourism</p>	Promoting a sharper focus on remote and marginal lands
<p>Increasing access to financial services and markets</p> <ul style="list-style-type: none"> Reducing economic and commercial vulnerability through improved marketing and trade advocacy Improving policy environment and instruments for microfinance and SME development benefiting the rural poor 	<p>Partnership with private sector</p> <p>Investment equity scheme</p>	<p>Country-level rural development project</p> <p>Building capacity of grass-roots associations</p>	Documentation and analysis of field-level innovations	<p>Addressing trade issues</p> <p>Promoting partnerships with private sector</p>

B. Main Opportunities for Innovations and Project Interventions

40. **Strengthening the capacity of the rural poor and their organizations.** As emerged at the workshop with civil society, a growing number of grass-roots institutions, local and international NGOs, CBOs and ecumenical groups are currently engaged in some interesting and highly innovative activities. Due to their deep commitment, effective targeting and close interaction and relationship of trust with local communities, these civil society actors are successfully implementing activities that have a tangible impact on local communities. Initiatives cover a broad spectrum of areas, including access to social services, maternal health and childcare, basic education, income-generating activities, ecotourism, agro-processing and microfinance. A number of these activities are targeted to rural youth and women. Unfortunately, most activities remain at a micro level because of lack of institutional support and financial assistance. IFAD will consider supporting these initiatives through a MORDI programme, using its own regional-level grant resources and looking for matching contributions from other sources. The main strengths of this approach are that it would: (i) cover a strategic niche currently ignored by other international financial institutions; (ii) be able to support multiple livelihood development initiatives; (iii) foster a more strategic partnership with civil society, enabling IFAD to be effectively engaged in bottom-up policy dialogue initiatives; (iv) enhance recognition and visibility throughout the subregion; (v) cover all countries, including the atolls; and last, but not least, (vi) accurately target vulnerable sectors of rural society, women and rural youth.

41. **Improving access to productive natural resources and technology.** There is the opportunity to complement the ongoing regional projects described in paragraph 20. The European Union, FAO and the SPC have invited IFAD to consider using this opportunity to increase currently limited country-level budgetary allocations. The Fund's support would have the following advantages: (i) reliance on existing programmes, without the need of additional human resources; (ii) leveraging of resources, leading to a win-win situation for governments and donors; (iii) relevance to the purposes of food security and increased agricultural production; (iv) supplementation of resources at country level, although within a regional programme; and (v) opportunity to adjust existing design issues (e.g. the lack of a marketing component). This proposal would be suitable for a large regional grant.

42. **Increasing access to financial services and markets.** The need to identify appropriate markets, both domestic and international, requires private-sector involvement. Many options are available for linking the private sector to development processes. One option, for example, would be to finance an investment equity scheme that would allow each rural investor to receive matching funds of up to 50% of the proposed investment from the IFAD grant for the establishment of a joint venture. IFAD's funding would cover the shares of smallholder producers who would become, at the same time, shareholders and suppliers/employees of the proposed venture. Advantages would be to: (i) promote rural employment opportunities targeted at rural youths; (ii) foster an innovative partnership with the private sector, which is necessary to address the issue of marketing; (iii) reduce imports and/or increase exports. The appropriate financing instrument would be a small-scale country grant.

43. **Integrated rural development approach.** In Papua New Guinea, IFAD will build on the long experience accumulated from the two area-based rural development projects it funded in the remote highlands of Simbu province. IFAD's country programme evaluation already recommended in 2002 the continuation of IFAD's support on the basis of a four-pronged approach that would: (i) improve the capabilities of women's organizations; (ii) raise awareness of the causes of malnutrition; (iii) provide small equity funds for community revolving funds; and (iv) support infrastructure through community development funds. This would allow IFAD to continue its focus on strengthening grass-roots institutions and to address policy issues such as land tenure. This proposal would be suitable for financing under IFAD's regular lending programme.

44. Participatory research and demonstration projects on atoll agriculture and aquaculture.

An overarching concern in the Micronesian context (and elsewhere) is the insecurity of local/traditional foods, which have been displaced by imported substitutes (rice, flour, tinned meats). Great interest has been shown in reviving local/traditional food production on atolls. Examples of ideas for participatory research and development projects include: (i) testing and preserving genetic varieties of traditional food crop species; (ii) processing and marketing traditional foods, and (iii) promoting the consumption of traditional foods. Examples of priority crops included pandanus, breadfruit, coconuts, citrus and drought-resistant species; among topic areas were salt water intrusion and small livestock. Opportunities exist for multi-country collaboration, such as a three-country grant focused on the atolls of the Federated States of Micronesia, Kiribati and the Marshall Islands. There are also solid prospects for co-funding from the College of Micronesia (through the United States land grant programme).

45. IFAD should also extend its ongoing institutional activities to the Pacific subregion, whenever relevant. The Fund is currently financing a small grant to explore income-generating opportunities of ecotourism. At present, this project does not cover any Pacific country. Similarly, IFAD has funded an International Plant Genetic Resources Institute project aimed at improving genetic varieties of coconut and developing by-products that could be used for income-generating activities. The dissemination of the results of this investment could prove a cost-effective investment. Expanding networking activities and existing programmes of the International Land Coalition to the Pacific would also be strategic for the proposed policy work on land tenure issues. Lastly, it is proposed that IFAD, being now a GEF executing agency, should also keep abreast of developments in the GEF portfolio in the subregion, especially with regard to United Nations Development Programme-GEF regional projects under formulation. These proposals would be funded through small regional grants.

C. Outreach and Partnership Possibilities with NGOs and the Private Sector

46. The limited absorptive capacity of recipient countries makes imperative the need to avoid further duplications and to identify synergies and complementarities between governmental and non-governmental institutions. A number of national umbrella organizations and regional NGOs are operating in the Pacific, including: the Pacific Islands Association of NGOs (PIANGO); the Foundation of the Peoples of the South Pacific International; the Pacific Foundation for the Advancement of Women; and the Pacific Concerns Resource Centre. Their experience with community-based development would make them extremely valuable partners to IFAD. The complementary capacity-building of NGOs would enhance such partnerships. There is also potential in strengthening networking and information exchange among like-minded organizations relevant to IFAD's broader programme goals – for example, those involved in microfinance or microenterprise support. In addition, the NGO umbrella organizations in Australia (the Australian Council for International Development and New Zealand (the Council for International Development-CID) have working relationships with PIC NGOs. CID has already expressed its commitment to collaborate with IFAD in an advisory capacity. As mentioned above, IFAD will also aim to develop innovative strategies to link private-sector development to the needs and strengths of rural communities through multi-partnership arrangements, including with private companies, NGOs, CBOs and local communities.

D. Opportunities for Linkages with Other Donors and Institutions

47. **Multilateral agencies and regional institutions.** IFAD will renew its working relationships with AsDB and the World Bank. Both institutions can offer a regional presence, AsDB with its offices in Fiji, Papua New Guinea and Vanuatu, and one to be established in December 2004 in Sydney, Australia; and the World Bank with its regional office in Sydney. Complementarities with their investments in rural infrastructure will be sought. IFAD could benefit from their sectoral studies, poverty assessments and socio-economic analyses, and could in turn contribute to these activities on a selective basis. The Fund should also interact in the formulation of their policies, sharing the results of

its work at the community level. Both AsDB and the World Bank are currently formulating their regional strategies. IFAD will share its regional strategy with them, highlighting the needs for rural development. At present, the option of cofinancing is not envisaged, mainly due to the limited absorptive capacity of PICs.

48. Because of their current engagement in the implementation of regional agricultural development programmes, SPC and FAO will be IFAD's primary partners in the region. Both institutions can offer important technical expertise in support of project design and implementation, the latter being crucial to ensure effective supervision and backstopping of IFAD programme activities. In particular, the FAO subregional office located in Samoa has already cooperated with IFAD, providing excellent support to the SRESOP mission. As mentioned above, the regional programmes funded by the European Union and the Italian Government present an opportunity for collaboration. As per current practice, the Italian Government could provide additional financing support to initiatives implemented through the collaboration of Rome-based agencies. Both the SPC and FAO have offered office space for a possible IFAD field presence. The United Nations Development Programme's Pacific Sustainable Livelihoods Programme also provides an excellent opportunity to identify viable income-generating opportunities that could be replicated under IFAD-funded operations. Lastly, the FAO Investment Centre has offered to support the design of future IFAD projects/programmes using financial savings from an ongoing Technical Cooperation Programme project. In addition to SPC, many other regional organizations in the Pacific region, covering a wide spectrum of activities and focuses, could provide strategic opportunities for collaboration with IFAD. These would include: for trade, the Pacific Islands Forum Secretariat; for education, the University of South Pacific/Institute for Research, Extension and Training in Agriculture; and for the environment, the South Pacific Regional Environment Programme (SPREP).

49. **Bilateral agencies.** Among the bilateral agencies, AusAID, NZAID and the Japan International Cooperation Agency (JICA)/Japan Bank of International Cooperation play an important role, and therefore the SRESOP mission contacted their offices in the several countries visited. AusAID and NZAID are currently revising their strategies for the Pacific. AusAID has a comprehensive regional presence and is the major donor agency in Melanesia, while NZAID has a significant presence in Polynesia. Both agencies are more focused on social development, with AUSAID having limited activities in the agriculture sector all over the region. Both also have their own country programmes, but appear to direct regional activities through other regional development partners. While JICA would be a potential source of technical assistance, AusAID and NZAID could provide additional resources to IFAD programmes in areas of mutual interest. The Australian Centre for International Agricultural Research is another good potential partner and has already collaborated with IFAD on various agricultural research activities in the region. All four bilateral donors could play a strategic role in supplementing technical and/or financial resources to enhance supervision and implementation support.

E. Areas for Policy Dialogue

50. **Integration with policy-based programme approach.** While the reactivation of the IFAD programme in the Pacific will be based initially on selected initiatives (focused on poverty reduction), this experience will soon be integrated into a programme approach. Successful interventions should become the basis of a policy platform that would enable IFAD to engage relevant regional organizations, national governments, multilateral and bilateral development agencies, and local and regional NGOs in a dialogue aimed at institutionalizing the achievements made. IFAD's approach in policy dialogue should: (i) capture the views of local communities at the village level and make them known at national level; and (ii) be based, to the maximum extent possible, on tangible achievements and experience gained on the ground linking action to policy. This will require that IFAD support: (i) documentation of results achieved; (ii) policy analysis; and (iii) communication and feedback to the concerned agencies. IFAD will explore strategic partnerships in these areas, seeking to develop a common agenda with like-minded development agencies.

51. The following themes are intended to represent only an initial agenda that will become more focused during the implementation of the subregional programme: (i) **investing in agricultural development:** the first thematic area of policy work is in advocacy for further investment in agriculture production (crops, agroforestry, fisheries and livestock). ODA agencies and national governments have generally given low priority to agriculture, although it remains a primary livelihood source of the majority of rural households living in the subregion. IFAD should also follow up on this issue with the concerned regional institutions, namely the Pacific Islands Forum Secretariat and SPC, during the preparation of the Barbados Plan of Action; (ii) **promoting a sharper focus on rural areas and marginal lands:** there is a noteworthy gap in the availability of development resources between the urbanized main islands and outer islands or coral atolls (some of the most extreme manifestations of marginal lands). While this is acknowledged by stakeholders, most development agencies focus on the few urbanized main islands in order to minimize costs and logistical complications. Consequently, vulnerable rural communities of the outer islands are neglected by default, and engaged infrequently on an ad hoc basis. IFAD should engage in a dialogue with other development agencies to ensure that these regions will not be neglected; (iii) **addressing trade issues:** at the consultative workshop held at IFAD in December 2003, PICs singled out agricultural trade issues as important and solicited IFAD to engage in discussions on this subject. The relevance of these issues emerged again during the SRESOP mission. IFAD could promote initiatives possibly in partnership with FAO, which already organizes annual roundtables focused on agricultural trade; (iv) **tackling land tenure issues:** land use rights disputes, right of access to resources, and the non-renewal of long-term leases are issues that have a policy dimension. Together with trade, this is the most important policy issue but also the most difficult to tackle without a concrete project-based experience to share. Still, IFAD should be proactive and, in collaboration with the International Land Coalition, undertake initiatives, such as sectoral studies and policy analysis, that could pave the way for an active dialogue with national governments. The Land Division of SPC will be the main counterpart at regional level; and (v) **encouraging greater involvement of civil society:** many governments are taking steps to involve civil society in deliberative and implementation processes. However, there is further room for creating innovative collaboration. IFAD could channel resources towards catalytic points to encourage more constructive dialogue and perceptible results. It could also participate in the initiatives of the umbrella organizations, PIANGO, Council for International Development and Australian Council for International Development, geared to this objective.

F. Action Areas for Improving Portfolio Management

52. IFAD's operations in the Pacific are likely to be affected by its lack of field presence and the constraints related to its standard modality for supervision and implementation support. Although IFAD's operations in this region will not be considered as business as usual, maximum attention will be given to the identification of means and modalities to control its administrative costs.

53. **Proposed alternative arrangements for implementation support.** IFAD's past operations in the Pacific were administered by the United Nations Office for Project Services (UNOPS) and the World Bank. While retaining core supervision and loan administration requirements with UNOPS, IFAD will explore the possibility of mobilizing partnership arrangements and/or identifying additional funding sources in order to provide cost-effective implementation support. Several development agencies working in the Pacific region have a strong field presence. Among these, SPC and FAO have offered technical and management support and would be interested in collaborating with IFAD.

54. **Loan arrears in the Solomon Islands.** Regarding the specific issue of arrears on loan repayments by the Solomon Islands, IFAD will seek the cooperation of bilateral donors in the region, namely Australia, Japan and New Zealand. The recent decision of the Australian Government to clear the arrears of the World Bank and AsDB so as to enable them to reactivate their programmes will serve as a reference.

G. Tentative Lending Framework and Rolling Programme of Work

55. IFAD is submitting to the December 2004 session of IFAD's Executive Board both the SRESOP and a financing proposal to be funded through a regional grant. After a couple of years of implementation, through the continuing deepening of its technical and institutional knowledge and based on the results achieved, IFAD will review its further engagement and allocate new resources in accordance with the performance-based allocation system with a view to engaging in country programmes on the basis described earlier. In parallel, IFAD will consider the extension, whenever relevant and feasible, of its ongoing institutional activities to the Pacific, region supported directly and indirectly through the Global Mechanism, the International Land Coalition and the International Plant Genetic Resources Institute. In addition, through its recently established GEF unit, IFAD will liaise with a number of existing GEF-funded regional projects and seek opportunities for complementary action.

APPENDIX I

COUNTRY DATA

FIJI

Land area (km² thousand) 2001 1/	18	GNI per capita (USD) 2001 1/	2 150
Total population (million) 2001 1/	0.82	GDP per capita growth (annual %) 2001 1/	2
Population density (people per km²) 2001 1/	45	Inflation, consumer prices (annual %) 2001 1/	4
Local currency	Fijian Dollar (FJD)	Exchange rate: USD 1 =	FJD 1.6
Social Indicators			
Population (average annual population growth rate) 1995-2001 1/	1.0	Economic Indicators	
Crude birth rate (per thousand people) 2001 1/	22	GDP (USD million) 2001 1/	1 684
Crude death rate (per thousand people) 2001 1/	6	Average annual rate of growth of GDP 1/	
Infant mortality rate (per thousand live births) 2001 1/	18	1981-1991	1.5
Life expectancy at birth (years) 2001 1/	69	1991-2001	2.7
Number of rural poor (million) (approximate) 1/	n/a	Sectoral distribution of GDP 2001 1/	
Poor as % of total rural population 1/	n/a	% agriculture	18 a/
Total labour force (million) 2001 1/	0.34	% industry	29 a/
Female labour force as % of total 2001 1/	31	% manufacturing	14 a/
		% services	53 a/
		Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	16 a/
School enrolment, primary (% gross) 2001 1/	110 a/	Household final consumption expenditure, etc. (as % of GDP)	65 a/
Adult illiteracy rate (% age 15 and above) 2001 1/	7	Gross domestic savings (as % of GDP)	19 a/
		Balance of Payments (USD million)	
Nutrition		Merchandise exports 2001 1/	564
Daily calorie supply per capita, 1997 2/	n/a	Merchandise imports 2001 1/	862
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	-298
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Current account balances (USD million)	
		before official transfers 2001 1/	n/a
Health		after official transfers 2001 1/	26
Health expenditure, total (as % of GDP) 2001 1/	4 a/	Foreign direct investment, net 2001 1/	-86 a/
Physicians (per thousand people) 2001 1/	n/a	Government Finance	
Population using improved water sources (%) 2000 3/	47	Overall budget balance (including grants) (as % of GDP) 2001 1/	n/a
Population with access to essential drugs (%) 1999 3/	95-100	Total expenditure (% of GDP) 2001 1/	n/a
Population using adequate sanitation facilities (%) 2000 3/	43	Total external debt (USD million) 2001 1/	188
		Present value of debt (as % of GNI) 2001 1/	10
Agriculture and Food		Total debt service (% of exports of goods and services) 2001 1/	2
Food imports (% of merchandise imports) 2001 1/	n/a	Lending interest rate (%) 2001 1/	8
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	375	Deposit interest rate (%) 2001 1/	1
Food production index (1989-91=100) 2001 1/	99		
Cereal yield (kg per ha) 2001 1/	2 487		
Land Use			
Arable land as % of land area 2000 1/	11		
Forest area as % of total land area 2000 1/	45		
Irrigated land as % of cropland 2000 1/	1		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

APPENDIX I

COUNTRY DATA

KIRIBATI

Land area (km² thousand) 2001 1/	0.7	GNI per capita (USD) 2001 1/	830
Total population (million) 2001 1/	0.9	GDP per capita growth (annual %) 2001 1/	-1
Population density (people per km²) 2001 1/	127	Inflation, consumer prices (annual %) 2001 1/	n/a
Local currency	Australian Dollar (AUD)	Exchange rate: USD 1 =	AUD 1.4
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 1/	2.5	GDP (USD million) 2001 1/	40
Crude birth rate (per thousand people) 2001 1/	29	Average annual rate of growth of GDP 1/ 1981-1991	0.5
Crude death rate (per thousand people) 2001 1/	7	1991-2001	3.0
Infant mortality rate (per thousand live births) 2001 1/	51	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	62	% agriculture	21 a/
Number of rural poor (million) (approximate) 1/	n/a	% industry	6 a/
Poor as % of total rural population 1/	n/a	% manufacturing	1 a/
Total labour force (million) 2001 1/	n/a	% services	73 a/
Female labour force as % of total 2001 1/	n/a	Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	n/a
School enrolment, primary (% gross) 2001 1/	128 a/	Household final consumption expenditure, etc. (as % of GDP)	n/a
Adult illiteracy rate (% age 15 and above) 2001 1/	n/a	Gross domestic savings (as % of GDP)	n/a
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 2/	n/a	Merchandise exports 2001 1/	24
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Merchandise imports 2001 1/	36
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	-12
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	8 a/	before official transfers 2001 1/	n/a
Physicians (per thousand people) 2001 1/	0 a/	after official transfers 2001 1/	n/a
Population using improved water sources (%) 2000 3/	n/a	Foreign direct investment, net 2001 1/	n/a
Population with access to essential drugs (%) 1999 3/	n/a	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	n/a	Overall budget balance (including grants) (as % of GDP) 2001 1/	n/a
Agriculture and Food		Total expenditure (% of GDP) 2001 1/	n/a
Food imports (% of merchandise imports) 2001 1/	37 a/	Total external debt (USD million) 2001 1/	n/a
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	n/a	Present value of debt (as % of GNI) 2001 1/	n/a
Food production index (1989-91=100) 2001 1/	134	Total debt service (% of exports of goods and services) 2001 1/	n/a
Cereal yield (kg per ha) 2001 1/	n/a	Lending interest rate (%) 2001 1/	n/a
Land Use		Deposit interest rate (%) 2001 1/	n/a
Arable land as % of land area 2000 1/	n/a		
Forest area as % of total land area 2000 1/	39		
Irrigated land as % of cropland 2000 1/	n/a		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

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COUNTRY DATA

PAPUA NEW GUINEA

Land area (km² thousand) 2001 1/	453	GNI per capita (USD) 2001 1/	580
Total population (million) 2001 1/	5.25	GDP per capita growth (annual %) 2001 1/	-5.8
Population density (people per km²) 2001 1/	12	Inflation, consumer prices (annual %) 2001 1/	9
Local currency	Kina (PGK)	Exchange rate: USD 1 =	PGK 3
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 1/	2.5	GDP (USD million) 2001 1/	2 959
Crude birth rate (per thousand people) 2001 1/	32	Average annual rate of growth of GDP 1/ 1981-1991	2.1
Crude death rate (per thousand people) 2001 1/	10	1991-2001	2.7
Infant mortality rate (per thousand live births) 2001 1/	70	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	57	% agriculture	26
Number of rural poor (million) (approximate) 1/	n/a	% industry	42
Poor as % of total rural population 1/	n/a	% manufacturing	8
Total labour force (million) 2001 1/	2.59	% services	32
Female labour force as % of total 2001 1/	42	Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	14 a/
School enrolment, primary (% gross) 2001 1/	84 a/	Household final consumption expenditure, etc. (as % of GDP)	64 a/
Adult illiteracy rate (% age 15 and above) 2001 1/	35	Gross domestic savings (as % of GDP)	22 a/
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 2/	n/a	Merchandise exports 2001 1/	1 805
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Merchandise imports 2001 1/	1 073
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	732
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	4 a/	before official transfers 2001 1/	206
Physicians (per thousand people) 2001 1/	0 a/	after official transfers 2001 1/	286
Population using improved water sources (%) 2000 3/	42	Foreign direct investment, net 2001 1/	296 a/
Population with access to essential drugs (%) 1999 3/	80-94	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	82	Overall budget balance (including grants) (as % of GDP) 2001 1/	-3 a/
Agriculture and Food		Total expenditure (% of GDP) 2001 1/	31 a/
Food imports (% of merchandise imports) 2001 1/	18 a/	Total external debt (USD million) 2001 1/	2 521
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	571	Present value of debt (as % of GNI) 2001 1/	78
Food production index (1989-91=100) 2001 1/	124	Total debt service (% of exports of goods and services) 2001 1/	13
Cereal yield (kg per ha) 2001 1/	4 146	Lending interest rate (%) 2001 1/	16
Land Use		Deposit interest rate (%) 2001 1/	9
Arable land as % of land area 2000 1/	1		
Forest area as % of total land area 2000 1/	68		
Irrigated land as % of cropland 2000 1/	n/a		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

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SAMOA

Land area (km² thousand) 2001 1/	3	GNI per capita (USD) 2001 1/	1 490
Total population (million) 2001 1/	0.17	GDP per capita growth (annual %) 2001 1/	9
Population density (people per km²) 2001 1/	61	Inflation, consumer prices (annual %) 2001 1/	4
Local currency	Tala (WST)	Exchange rate: USD 1 =	WST 3
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 1/	0.9	GDP (USD million) 2001 1/	255
Crude birth rate (per thousand people) 2001 1/	29	Average annual rate of growth of GDP 1/ 1981-1991	1.2
Crude death rate (per thousand people) 2001 1/	6	1991-2001	3.2
Infant mortality rate (per thousand live births) 2001 1/	20	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	69	% agriculture	16 a/
Number of rural poor (million) (approximate) 1/	n/a	% industry	27 a/
Poor as % of total rural population 1/	n/a	% manufacturing	15 a/
Total labour force (million) 2001 1/	n/a	% services	57 a/
Female labour force as % of total 2001 1/	n/a	Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	n/a
School enrolment, primary (% gross) 2001 1/	103 a/	Household final consumption expenditure, etc. (as % of GDP)	n/a
Adult illiteracy rate (% age 15 and above) 2001 1/	1	Gross domestic savings (as % of GDP)	n/a
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 2/	n/a	Merchandise exports 2001 1/	16
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Merchandise imports 2001 1/	130
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	-114
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	7 a/	before official transfers 2001 1/	-63 a/
Physicians (per thousand people) 2001 1/	n/a	after official transfers 2001 1/	-19 a/
Population using improved water sources (%) 2000 3/	99	Foreign direct investment, net 2001 1/	0 a/
Population with access to essential drugs (%) 1999 3/	95-100	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	99	Overall budget balance (including grants) (as % of GDP) 2001 1/	n/a
Agriculture and Food		Total expenditure (% of GDP) 2001 1/	n/a
Food imports (% of merchandise imports) 2001 1/	n/a	Total external debt (USD million) 2001 1/	204
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	892	Present value of debt (as % of GNI) 2001 1/	n/a
Food production index (1989-91=100) 2001 1/	99	Total debt service (% of exports of goods and services) 2001 1/	11 a/
Cereal yield (kg per ha) 2001 1/	n/a	Lending interest rate (%) 2001 1/	10
Land Use		Deposit interest rate (%) 2001 1/	6
Arable land as % of land area 2000 1/	19		
Forest area as % of total land area 2000 1/	37		
Irrigated land as % of cropland 2000 1/	n/a		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

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SOLOMON ISLANDS

Land area (km² thousand) 2001 1/	28	GNI per capita (USD) 2001 1/	590
Total population (million) 2001 1/	0.43	GDP per capita growth (annual %) 2001 1/	-12
Population density (people per km²) 2001 1/	15	Inflation, consumer prices (annual %) 2001 1/	8 a/
Local currency	Solomon Islands Dollar (SBD)	Exchange rate: USD 1 =	SBD 6.97
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 1/	2.7	GDP (USD million) 2001 1/	264
Crude birth rate (per thousand people) 2001 1/	39	Average annual rate of growth of GDP 1/ 1981-1991	6.0
Crude death rate (per thousand people) 2001 1/	5	1991-2001	0.7
Infant mortality rate (per thousand live births) 2001 1/	20	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	69	% agriculture	n/a
Number of rural poor (million) (approximate) 1/	n/a	% industry	n/a
Poor as % of total rural population 1/	n/a	% manufacturing	n/a
Total labour force (million) 2001 1/	0.22	% services	n/a
Female labour force as % of total 2001 1/	47	Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	n/a
School enrolment, primary (% gross) 2001 1/	n/a	Household final consumption expenditure, etc. (as % of GDP)	n/a
Adult illiteracy rate (% age 15 and above) 2001 1/	n/a	Gross domestic savings (as % of GDP)	n/a
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 2/	n.a.	Merchandise exports 2001 1/	86
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Merchandise imports 2001 1/	112
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	-26
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	6 a/	before official transfers 2001 1/	-21
Physicians (per thousand people) 2001 1/	n/a	after official transfers 2001 1/	21
Population using improved water sources (%) 2000 3/	71	Foreign direct investment, net 2001 1/	10 a/
Population with access to essential drugs (%) 1999 3/	80-94	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	34	Overall budget balance (including grants) (as % of GDP) 2001 1/	n/a
Agriculture and Food		Total expenditure (% of GDP) 2001 1/	n/a
Food imports (% of merchandise imports) 2001 1/	n/a	Total external debt (USD million) 2001 1/	163
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	n/a	Present value of debt (as % of GNI) 2001 1/	n/a
Food production index (1989-91=100) 2001 1/	147	Total debt service (% of exports of goods and services) 2001 1/	7 a/
Cereal yield (kg per ha) 2001 1/	4 000	Lending interest rate (%) 2001 1/	15 a/
Land Use		Deposit interest rate (%) 2001 1/	3 a/
Arable land as % of land area 2000 1/	2		
Forest area as % of total land area 2000 1/	91		
Irrigated land as % of cropland 2000 1/	n/a		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

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TONGA

Land area (km² thousand) 2001 1/	1	GNI per capita (USD) 2001 1/	1 530
Total population (million) 2001 1/	0.10	GDP per capita growth (annual %) 2001 1/	3
Population density (people per km²) 2001 1/	140	Inflation, consumer prices (annual %) 2001 1/	8
Local currency	Pa'anga (TOP)	Exchange rate: USD 1 =	TOP 1.9
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 1/	0.6	GDP (USD million) 2001 1/	142
Crude birth rate (per thousand people) 2001 1/	24	Average annual rate of growth of GDP 1/ 1981-1991	2.0
Crude death rate (per thousand people) 2001 1/	7	1991-2001	2.4
Infant mortality rate (per thousand live births) 2001 1/	17	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	71	% agriculture	29 a/
Number of rural poor (million) (approximate) 1/	n/a	% industry	15 a/
Poor as % of total rural population 1/	n/a	% manufacturing	6 a/
Total labour force (million) 2001 1/	n/a	% services	56 a/
Female labour force as % of total 2001 1/	n/a	Consumption 2001 1/	
Education		General government final consumption expenditure (as % of GDP)	n/a
School enrolment, primary (% gross) 2001 1/	113 a/	Household final consumption expenditure, etc. (as % of GDP)	n/a
Adult illiteracy rate (% age 15 and above) 2001 1/	n/a	Gross domestic savings (as % of GDP)	n/a
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 2/	n/a	Merchandise exports 2001 1/	16
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	n/a	Merchandise imports 2001 1/	88
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	n/a	Balance of merchandise trade	-72
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	8 a/	before official transfers 2001 1/	-101
Physicians (per thousand people) 2001 1/	n/a	after official transfers 2001 1/	-13
Population using improved water sources (%) 2000 3/	n/a	Foreign direct investment, net 2001 1/	n/a
Population with access to essential drugs (%) 1999 3/	n/a	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	n/a	Overall budget balance (including grants) (as % of GDP) 2001 1/	n/a
Agriculture and Food		Total expenditure (% of GDP) 2001 1/	n/a
Food imports (% of merchandise imports) 2001 1/	33 a/	Total external debt (USD million) 2001 1/	63
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	0	Present value of debt (as % of GNI) 2001 1/	n/a
Food production index (1989-91=100) 2001 1/	98	Total debt service (% of exports of goods and services) 2001 1/	3
Cereal yield (kg per ha) 2001 1/	n/a	Lending interest rate (%) 2001 1/	11
Land Use		Deposit interest rate (%) 2001 1/	6
Arable land as % of land area 2000 1/	24		
Forest area as % of total land area 2000 1/	6		
Irrigated land as % of cropland 2000 1/	n/a		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

LOGICAL FRAMEWORK¹

	Narrative Summary	Key Performance Indicators ²	Means of Verification	Critical Assumptions
GOAL	Enable the rural poor in the Pacific Island Countries to overcome poverty and hardship and contribute to meet the Millennium Development Goals	<p>Number of households with improvement in household assets ownership index.</p> <p>Percentage reduction in the prevalence of child malnutrition</p>	<p>Government and CROP agencies's statistics</p> <p>Representative HH surveys as integral part of project M&E systems</p>	<p>Political stability is maintained</p> <p>Absence of major environmental calamities</p>
OBJECTIVE	Proven effectiveness of IFAD's re-engagement in the Pacific in reducing poverty and hardship in the Pacific	<p>IFAD seen as a credible and effective partner by governments and donors.</p> <p>Number of innovative pro-poor policies and approaches promoted and adopted by government at the local or national level.</p> <p>Number of effective partnerships for rural development established</p> <p>Volume of additional ODA resources mobilized</p>	<p>Survey/questionnaire</p> <p>National/local regulations or admin. circulars</p>	<p>Same as above. In addition:</p> <p>Continuous government commitment to poverty alleviation</p> <p>Commitment of multilateral and bilateral donors in rural development</p> <p>Absorptive capacity of GOVs is improved.</p>

¹ Seeing that the successful re-engagement of IFAD in the Pacific is essential for IFAD's effective action in contributing towards poverty reduction in the Pacific, a separate logframe has been elaborated to illustrate the possible operational strategy for IFAD in this sub-region.

² Indicators in bold are the RIMS indicators. Where appropriate (e.g. borrowers, farmers etc) indicators should be disaggregated by gender.

OUTPUTS	<p>1.1 Innovations and policy initiatives for rural development successfully piloted, in view of future replication.</p> <p>1.2 Strengthened institutional development of local/grassroot organisations.</p> <p>1.3 Action research for pro-poor agricultural rural development carried out according to the region's needs.</p> <p>1.4 Selected areas of policy dialogue where IFAD has a comparative advantage advanced, on national and regional levels.</p>	<p>Number of persons receiving project services*.</p> <p>Number of community projects implemented (by type)</p> <p>Number of people trained in productive skills.</p> <p>Number of people accessing technical advisory services facilitated by the projects.</p>	Progress reports	<p>Same as above. In addition:</p> <p>Effective shift from assistance mentality achieved</p> <p>Resources for rural development (national or external assistance) are made available in a timely manner.</p>
POTENTIAL ACTIVITIES	<p>Develop multi-stakeholder partnerships for rural development, while encouraging civil society participation (PILOTING)</p> <p>Develop and support the investment equity scheme with a small scale country grant (PILOTING)</p> <p>Support partnerships with the private sector (PILOTING)</p> <p>Support income generating activities through MORDI (PILOTING)</p> <p>Support community led climate change adaptation initiatives through MORDI or GEF funded initiatives (PILOTING)</p> <p>Build capacity for improved local governance through MORDI (INST)</p> <p>Complement existing FAO and EU regional programmes (INST)</p> <p>Develop a country-level rural development project (INST)</p> <p>Document and analyse field level innovations (KNOWLEDGE)</p> <p>Support participatory research in agriculture, aquaculture and nutritional aspects (KNOWLEDGE)</p> <p>Support targeted research on PGR, invasive species and NUS (KNOWLEDGE)</p> <p>Support action research on pro-poor ecotourism (KNOWLEDGE)</p> <p>Build capacity for advocating for higher budget allocations for rural and agriculture development (POLICY)</p> <p>Bring best practices from the Asia Pacific region to address land tenure issues (POLICY)</p> <p>Promoting a sharper focus on remote and marginal lands (POLICY)</p> <p>Build capacity for grassroots associations for addressing trade advocacy issues (INST and POLICY)</p>			

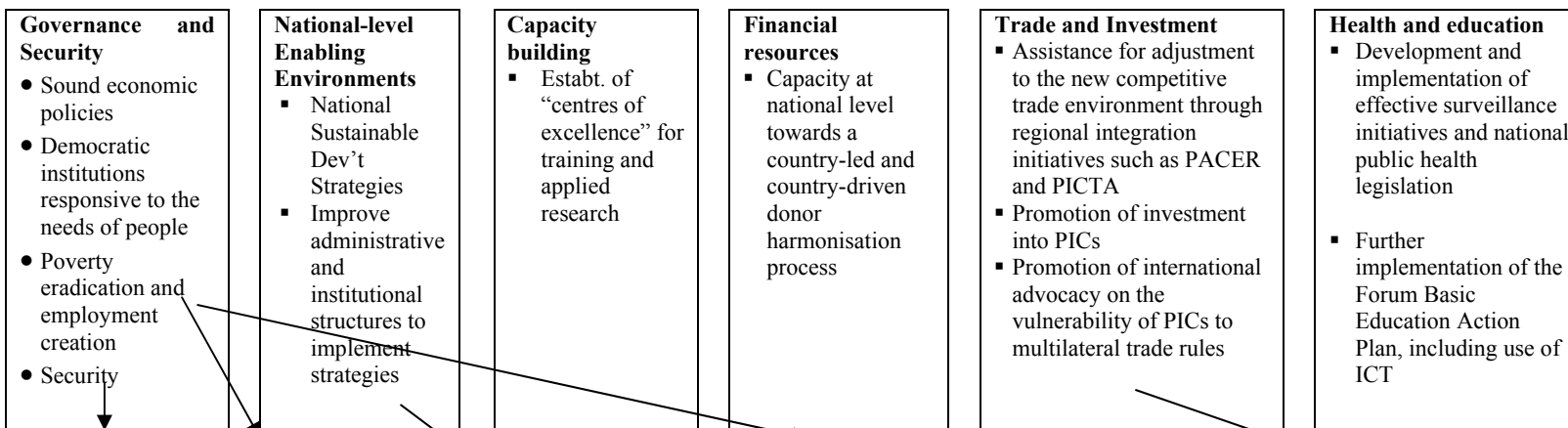
STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

Strengths	Weaknesses	Opportunities	Threats
Overall <ul style="list-style-type: none"> • Strong cultural identity • Indigenous knowledge 	Overall <ul style="list-style-type: none"> • Socio-political instability • Erosion of traditional socio-cultural systems • Weak economies, relying on exports of agricultural commodities and tourism 	Overall <ul style="list-style-type: none"> • Emerging civil society organisations • Expansion of intra-regional trade • Potential for multi-stakeholder approach • Large amount of ODA funding made available by multilateral and bilateral agencies • Improving local food security 	Overall <ul style="list-style-type: none"> • High vulnerability to natural calamities • Poor coordination among ODA agencies and governments
Regional Organizations <ul style="list-style-type: none"> • Very comprehensive network or regional organizations • Institutional mechanisms to ensure coordination of their activities • Adequate funding available • Capacity to mobilize ODA resources • Technical expertise available 	Regional Organizations <ul style="list-style-type: none"> • Perceived inefficiency by member countries • Limited capacity to extend their outreach to local communities 	Regional Organizations <ul style="list-style-type: none"> • Provision of technical and policy support to member countries • Strengthening of bargaining and negotiation power of PICs • Support in the identification of niche markets for agricultural products • Promotion of regional integration of services and development activities 	Regional Organizations <ul style="list-style-type: none"> • Limited impact of their work due to lack of ownership by member countries
National Governments <ul style="list-style-type: none"> • Local knowledge of development opportunities • Legislative authority to back up development priorities • Extensive outreach of representatives 	National Governments <ul style="list-style-type: none"> • Limited institutional capacity • Severe fiscal budgetary constraints • Extremely limited staff numbers 	National Governments <ul style="list-style-type: none"> • Re-orientation of public expenditure towards agriculture and rural development • Preparation of medium-term development plans • Development of a common 	National Governments <ul style="list-style-type: none"> • Frequent loss of qualified staff to private sector and ODA-funded projects • Absence of a strategic framework allowing a long-term vision

Strengths	Weaknesses	Opportunities	Threats
		policy platform on trade issues	
NGOs <ul style="list-style-type: none"> • Commitment to work at community level • Important advocacy role on poverty-related issues • Wide range of NGOs, local, national, regional and international 	NGOs <ul style="list-style-type: none"> • Limited capacity to plan and work together • Dependence on external resource • Limited geographic coverage • Fragmentation of initiatives 	NGOs <ul style="list-style-type: none"> • Increasing confidence and establishment of coordinating body of regional NGOs • Strengthening of local governance 	NGOs <ul style="list-style-type: none"> • Political interference by national governments
Private Sector <ul style="list-style-type: none"> • Capacity to identify investment opportunities • Market linkages 	Private Sector <ul style="list-style-type: none"> • Uncertain legal framework • Shortage of investment capital 	Private Sector <ul style="list-style-type: none"> • Promotion of a legal environment • Interest in multi-stakeholder approach 	Private Sector <ul style="list-style-type: none"> • Limited risk-bearing capacity in volatile market conditions

IFAD'S CORPORATE THRUSTS AS RELATED TO THE PROPOSED SUBREGIONAL PROGRAMME¹

PIC development priorities as reflected in the "Needs for Support from the International Community and Priorities for Implementation of the BPoA"¹



IFAD SRESOP for the Pacific: expected outcomes (as in logframe)	Crosscutting: Promoting good governance	<ul style="list-style-type: none"> • Strengthened local governance to advocate for higher priority to be given to agricultural and rural development • Increased capacity of rural communities to address development challenges linked to their remoteness and isolation 	<ul style="list-style-type: none"> • Increased local food security for the Outer Islands • Increased employment or income generating opportunities in rural areas, esp. for youth • Improved national enabling environment for agricultural and rural development • Improved resilience of the rural poor to natural and environmental variability 	<ul style="list-style-type: none"> • Reduced economic and commercial vulnerability through improved marketing and trade advocacy • Improved policy environment and instruments for microcredit and SME development benefiting the rural poor
		↓	↓	↓
Linkages to IFAD strategic framework objectives		Strengthening the capacity of the rural poor and their organisations	Improving equitable access to productive natural resources and technology	Increasing access to financial services and markets

¹ Source: draft Pacific Position for BPoA+10, as cited in the draft "Synopsis of Sustainable Development in PICs: The Pacific Regional Assessment and Position for BPoA+10" December 2003.

ACTIVITIES OF OTHER PARTNERS IN DEVELOPMENT – ONGOING AND PLANNED

Donor/Agency	Nature Of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
1. UNDP Global Environment Facility	<ul style="list-style-type: none"> Adaptation to Climate Change Objective: increasing countries' capacities to adapt to climate change 	<ul style="list-style-type: none"> All GEF-eligible PICs 	<ul style="list-style-type: none"> Formulation 	Cooperation especially in terms of drawing linkages between adaptation and food security
2. UNDP Global Environment Facility	<ul style="list-style-type: none"> Invasive Species Management Objective: contributing to a community-based movement to eradicate and control invasive species in local ecosystems throughout the region. 	<ul style="list-style-type: none"> All GEF-eligible PICs 	<ul style="list-style-type: none"> Formulation 	IFAD could provide expertise on the agricultural development and community participation aspect to the project,
3. UNDP Global Environment Facility	<ul style="list-style-type: none"> LDC and SIDS Targeted Portfolio Approach for Capacity Development Mainstreaming of Sustainable Land Management (SLM) Objective: Building national capacities for SLM 	<ul style="list-style-type: none"> 14 national medium-sized projects in the Pacific region 	<ul style="list-style-type: none"> Programme approved by GEF, formulation of projects yet to be commenced 	To identify areas of cooperation during formulation of individual projects and avoid duplication
4. UNDP Global Environment Facility	<ul style="list-style-type: none"> Oceanic Fisheries Management: Implementation of the Strategic Action Programme of the Pacific SIDS Objective: Supporting the WCPF commission and assisting PICs to strengthen national fisheries frameworks to implement WCPF convention 	<ul style="list-style-type: none"> All GEF-eligible PICs 	<ul style="list-style-type: none"> Formulation 	
5. UNDP Global Environment Facility	<ul style="list-style-type: none"> Small Grants Programme Objective: providing small grants to rural communities for initiatives under the GEF focal areas 	<ul style="list-style-type: none"> Rural communities, through NGOs and CBOs 	<ul style="list-style-type: none"> To be launched in Fiji and Samoa by end 2004, and expanded to other PICs by 2006 	Knowledge sharing/co-financing

Donor/Agency	Nature Of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
6. South Pacific Tourism Organisation	<ul style="list-style-type: none"> Regional Sustainable Tourism Strategy development Objective: encouraging regionally sustainable tourism development 	<ul style="list-style-type: none"> All SPTO member countries, 	<ul style="list-style-type: none"> Formulation 	In terms of pro-poor rural ecotourism, provision of funds for work that specifically targets rural poor communities.
7. WSSD Pacific Umbrella Initiative – leading partners are SPREP, SPC and USP	<ul style="list-style-type: none"> Planning for Sustainable Community Lifestyles in the PICs Objective: developing local and national capacity to institute community development frameworks 	<ul style="list-style-type: none"> All PICs 	<ul style="list-style-type: none"> Inception and national baseline studies 	Provision of funds/co-financing
8. FAO SAPA	<ul style="list-style-type: none"> Regional TCP Strengthening Food Analytical Capabilities in the Pacific Region (<i>Phase II of RAS/2801</i>) 	<ul style="list-style-type: none"> Fiji, Samoa, Tonga, Solomon Islands and Vanuatu 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
	<ul style="list-style-type: none"> Regional TCP Regional Programme for Food Security – Formulation Assistance 	<ul style="list-style-type: none"> All PICs 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
	<ul style="list-style-type: none"> Regional TCP Capacity Building in Codex, Food Regulation and International Food Standards Harmonization 	<ul style="list-style-type: none"> Cook Islands, Fiji, Samoa, Tonga and Vanuatu 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
	<ul style="list-style-type: none"> Regional TCP Pacific PestNet Meeting Plant Protection Needs – 21st Century 	<ul style="list-style-type: none"> All PICs 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
	<ul style="list-style-type: none"> Regional TCP Regional Training in Meat Processing Technology (Phase II) 	<ul style="list-style-type: none"> All PICs 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
9. SPC				
SPC/EU	Development of Sustainable Agriculture in the Pacific Islands	16 ACP Pacific member countries	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
	<ul style="list-style-type: none"> Coastal marine conservation program 	<ul style="list-style-type: none"> “Pacific Region Environmental Program” All eligible 	<ul style="list-style-type: none"> Ongoing 	Minimal – covers EEZ

Donor/Agency	Nature Of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
		PICs		
	<ul style="list-style-type: none"> Support to artisanal fisher folk 	<ul style="list-style-type: none"> “Community Fisheries Development Program” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – covers EEZ
	<ul style="list-style-type: none"> Coastal marine conservation program 	<ul style="list-style-type: none"> “Pacific Marine Development Program” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – covers EEZ
	<ul style="list-style-type: none"> SPC Crop Improvement Service - improved planting materials from the SPC Regional Germplasm Centre 	<ul style="list-style-type: none"> “Pacific Crop Development Program” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – covers EEZ
	<ul style="list-style-type: none"> SPC Animal Health Service will provide advice on integrating farming with livestock 	<ul style="list-style-type: none"> “Paravet Training” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Provision of funds/co-financing
10. GEF	<ul style="list-style-type: none"> Tuna fish stocks 	<ul style="list-style-type: none"> “International Water Project” All GEF-eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – execution by FFA, covers EEZ
11. EU	<ul style="list-style-type: none"> Address resources issues - coastal marine, fisheries, water and waste management 	<ul style="list-style-type: none"> “Tuna Industry Development Project” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – execution by FFA, covers EEZ
	<ul style="list-style-type: none"> Integrated Farming Approaches for Sustainable Crop Production in Environmentally constrained Systems in the Pacific Region”. 	<ul style="list-style-type: none"> “Croppro Project” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	minimal
12. ADB	<ul style="list-style-type: none"> Protocols for accessing individual countries EEZs 	<ul style="list-style-type: none"> “Fishing Access Arrangements” All eligible PICs 	<ul style="list-style-type: none"> Ongoing 	Minimal – execution by FFA, covers EEZ
14. AusAID	<ul style="list-style-type: none"> National coverage to PICs 	<ul style="list-style-type: none"> “South Pacific Regional Initiatives on Genetic Resources” SID 129 000 	<ul style="list-style-type: none"> Ongoing 	minimal

