



Private Sector Dialogue Preparatory Meeting

6 & 7 August 2018

Pullman Hotel, Auckland, New Zealand

OUTCOMES DOCUMENT

The 2018 Private Sector Dialogue Preparatory Meeting was convened on 6 and 7 August 2018 in Auckland, New Zealand. The objective of the meeting was to prepare the private sector for their forthcoming engagement with Forum Leaders in September 2018 in Nauru; as well as to explore private sector interventions on issues relating to Non Communicable Diseases, Climate Change and Disaster Risk Financing, and Regional Economic Integration through the Pacific Agreement on Closer Economic Relations (PACER-Plus).

2. Forum Member Countries represented at the meeting were: Australia, Cook Islands, Fiji, Nauru, New Caledonia, New Zealand, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. Regional Organisations represented were: the Pacific Islands Forum Secretariat (PIFS), the Pacific Corporation Foundation, the Pacific Islands Private Sector Organisation (PIPSO), Oceania Customs Organisation (OCO) Secretariat, and the Pacific Trade & Invest (PTI) New Zealand. A full list of participants is **attached**.

3. In his opening remarks, Mr Howard Politini, Chair of the Pacific Islands Private Sector Organisation reminded the meeting that climate change financing and Non-Communicable Diseases (NCDs) issues are not new to regional conversations. He pointed out that the NCD crisis has overshadowed many regional and national discussions, and for good reasons. Whilst recognising the efforts by national governments, regional organisations and international agencies in the development of the Pacific NCDs Roadmap, the Chair emphasized that the reality is that a sustainable solution has to be collaborative and inclusive of the broader business community.

4. In her opening remarks, Ms Nicole Metzger, Chair of the Pacific Corporation Foundation, reiterated the importance of public-private sector collaboration and partnership. Ms Nicole urged the private sector to take the lead in finding solutions through public-private collective actions, and strengthened cooperation and collaboration.

Non Communicable Diseases

4. The World Bank's *Pacific Possible: Health and Non Communicable Diseases* report, provided an excellent complementarity to a presentation by Dr Viliame Pualoka, a former Tongan Public health physician now working in New Zealand as Senior Health Promotion Strategist specialising in Pacific Health with the Health Promotion Forum of New Zealand. Dr Vili is a Research Fellow with Otago University working with Health Promotion and Policy Research Unit based in Wellington. The meeting considered Government's commitments under the Pacific NCDs Roadmap and noted the recommendations made to the Forum Economic Ministers in 2014 to use policy instruments at their disposal that could influence reductions in the costs of NCD. They include: taxation policy, resource allocation, public expenditure, trade policy, agriculture policy etc. Within this context, the private sector took the opportunity to share their views on NCDs from a business perspective with examples of actions that support life-style changes at the workplace. Studies show the key determinants of a healthy lifestyle to be Social and Health (40%), Health Behaviors (30%), Clinical Care (20%), and physical environment (10%). This trend shows that the private sector has a role to play in all the determinants, through its transformative power, and investment potential.

5. In some countries, NCDs is an additional health crisis on top of Communicable Diseases such as Malaria. Traditionally, health has been considered as a sectoral issue involving Hospitals and the Ministry of Health. Such mindset needs to change, and mainstream health across all sectors and communities. The meeting heard examples of how businesses are investing in a healthy workforce, by providing healthy food options at the work place during working hours, and facilitating employees' access to physical exercise facilities. Whereas private sector interventions can complement public sector programmes and policies, public-private sector coordination towards NCDs needs further strengthening.

6. The following issues were raised during session discussions:

- a. Most governments have reviewed trade and tax policies, targeting unhealthy products whilst promoting the consumption of locally grown fruit and vegetables, encouraging physical exercises, and life style awareness campaigns.
- b. Whereas public policies are expected to influence changes to the regulatory frameworks that impact on policies for instance, targeting sugar sweetened drinks, salted, and tobacco products should be reviewed to include all salt-based, sugar-based products as well as products with high fat content. For instance, carbonated and non-carbonated juice products are not heavily taxed, yet they have high sugar content.

- c. Tax policies should apply to both imported products and locally made products. Exemption of either products subsidizes the others' market access.
- d. It is a fact that products that are deemed unhealthy are cheaper/more affordable than healthy, locally produced products, therefore it is a case of affordability versus a conscious decision of healthy eating habits.
- e. Whereas tax policies have the potential to reduce NCDs, community awareness and lifestyle campaigns to targeted audiences especially children is fundamental.
- f. Any increase in taxes will affect both public revenues, and poor households.
- g. NCDs is a broad coverage, thus the private sector should prioritize their efforts towards specific NCD categories such as obesity.
- h. Coherence between trade and health policies is essential, and the private sector should upscale its investment in NCDs.

Way Forward: Private Sector Key Messages to Forum Leaders

7. Taking their cue from the presentations, resource material and country interventions, participants agreed to focus their key messages on practical issues, and suggested private sector interventions based on the following which will form the basis of their Dialogue conversation with Forum Leaders.

- Tax policies, and their effectiveness towards NCDs fight;
- Acknowledge the Private Sector as appropriate influencers of community behavior change. Thus the private sector should actively participate in the implementation of NCDs related public programmes and projects;
- Encourage investment in agri-health, agri-nutrition; and access s to affordable and healthy products;
- Community awareness is vital;
- Urge Governments to increase the allocation of the tax revenues collected from NCDs related products towards NCDs awareness and lifestyle campaign.
- Urge the review of National Occupational Health and Safety frameworks

Climate Change and Disaster Risk Finance

8. The meeting reflected on the existing climate change related regional and international frameworks and noted that the important role of the private sector is clearly reflected in the both regional and international frameworks.

9. The meeting noted that approximately USD 16.5 trillion is needed to limit temperatures at 2° C, and USD 13.5trillion is needed to finance the Paris Agreement. The Pacific Island Countries will require up to US\$234m/year by 2020 and US\$285m/year by 2040.

10. Whereas the Pacific Island Countries have accessed climate change finance from both multilateral and bilateral mechanisms, the private sector is yet to access meaningful financial resources relating to Climate Change and Disaster Risk Financing.

11. The following issues emerged during session discussions:

- a. Simplified and accelerated access to funding is needed to support establishment of institutions to support business resilience services and projects, including project formulation, Monitoring and Evaluation, and Project closure and application writing.
- b. Public-Private Sector consultations and communication plans should be strengthened.
- c. Local businesses and community knowledge should be integrated in disaster management, rather than INGOs with limited local context.
- d. Scientific data is needed to inform decision making, including formulation of appropriate insurance products.
- e. The climate change discussions opens a new opportunity for the Pacific policy makers to consider alternative and appropriate resilient solutions, especially critical infrastructure. Instruments like the innovative Pacific Resilience Facility (to provide climate proofing retrofitting for infrastructure) should be fully supported.
- f. Increasing costs of insurance are presenting a challenge to businesses ability to cover the costs related to various natural hazards.
- g. Attracting Foreign Direct Investments is critical and resilient infrastructure should be integrated into Disaster Risk reduction mechanisms. Opportunities of leveraging those funds from national provident funds should be supported and further explored.

- h. Coordinated and collaborative actions involving: Development Partners, Public and Private Sector stakeholders in disaster and climate change sectors needs strengthening.
- i. Construction standards should be established and implemented, and best practices should be exchanged among Forum Members, through relevant Forums such as the Building Forum convened by the Cook University in 2018.
- j. A regional private sector fund should be established, to provide relief to disaster affected communities.
- k. Effective and quicker procurement processes post disaster is fundamental.
- l. Support greater representation of the private sector on climate change financing bodies and build better linkages to national focal points for multilateral funds.

Recommendation

12. Recognising the importance of building resilient economies in the face of adverse climatic conditions, the private sector agreed to anchor their support for governments through public private partnerships and agreed to a set of key messages to deliver to Forum Leaders during their Dialogue session.

Pacific Business Update

13. The Australia Pacific Islands Business Council informed the meeting on their operations in the region, in the area of trade and investment promotion services. The Councils provide business information to potential investors, and facilitates Business-to-Business networks, and Business-to-Government dialogue. Partnership between Multi-Country Business Councils and Pacific Islands Private Sector Dialogue was encouraged.

Regional Priority Setting

14. Information on the regional priority setting process was shared with participants. Participants were encouraged to be well informed of the public policy process and to be more active in the call for submissions.

Private Sector-Forum Leaders Dialogue

15. Participants were informed on the Forum Leaders programme including the format of the Dialogue, Dialogue thematic areas and logistics. Participants were also informed of the objective of the Dialogue being an opportunity for Leaders to engage and be informed of current regional challenges and opportunities; and to build stakeholder support for, engagement in and alignment



with, the Forum's regional agenda. The meeting noted that the Plenary has been replaced on the Leaders programme by distinct Dialogues.

Pacific Agreement on Closer Economic Relations-Plus (PACER-Plus)

16. Recognising the central role of the private sector in regional trade agreements including the newly signed PACER-Plus Agreement, the meeting provided an opportunity to hear from regional experts on trade facilitation. The meeting noted signatory governments' progress towards ratification of PACER-Plus. PACER-Plus has the potential to reduce barriers to trade, and increase business opportunities. For instance, PACER-Plus flexible Rules of Origin will enable smaller economies like Cook Islands to global source raw materials and produce PACER-Plus compliant products; and encourage sharing of labor force, through PACER-Plus labor mobility arrangement. However, entry into force of the PACER-Plus requires reform of some existing policies, including business policies. The private sector will require technical assistance in this area.

17. Most Pacific Islands Countries are expected to graduate from LDC category, which will have impact on these countries' market access arrangements including PACER-Plus. The meeting noted that barriers to trade, especially for agricultural products and the related products, are still existing despite the growing number of free trade agreements.

18. The meeting reiterated that the PACER-Plus should contribute to: mutual recognition of qualifications to enable labor mobility; reduce barriers to trade including barriers to capital transfers; and facilitate easy movement of people. The private sector will require capacity building and assistance to trade under PACER-Plus, and urged the expedited establishment of PACER-Plus Implementation Unit.

19. The Oceania Customs Organisation (OCO) informed the meeting on the progress towards the 2017 Pacific Harmonized Commodity Description Framework (HS nomenclature); and implementation of the WTO Trade Facilitation Agreement for the 7 WTO Forum Members. To ensure appropriate and continued capacity building, the OCO has established a pool of experts, across the three sub-regions: Micronesia, Melanesia, and Polynesia. OCO in partnership with national customs have stepped-up their border management infrastructure and surveillance to counter the growing border control challenges.

20. The meeting agreed to continued and regular engagement on PACER-Plus between the Private Sector and the relevant organizations, including the OCO.