



As Small Island Developing States, it is important we reflect through PIDF's work and vision for a Pacific that is united, distinctive and sustainable.



ANNUAL REPORT

2015/2016



A United Pacific

CATALOGUING IN PUBLICATION DATA

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ACKNOWLEDGEMENTS

We offer our sincere thanks to all our Members and Partners who have worked with us on our journey to support an enabling environment for Green-Blue Pacific economies, and affect transformative change for sustainable and inclusive development in the Pacific.

DESIGN

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ABOUT US

The **Pacific Islands Development Forum (PIDF)** is a space for catalysing, mobilising and mainstreaming action in support of sustainable development through Green/Blue Pacific economies. It is an action-oriented platform – bringing together the expertise of the private sector, normative leadership of the public sector, and successful delivery mechanisms of civil society – to identify innovative solutions, develop high-impact collaborations and engage state and non-state actors to ensure sustainable development and poverty reduction in the Pacific Islands.

OUR VISION

A United, Distinctive and Sustainable Pacific Society.

OUR MISSION

Enabling Green/Blue Pacific economies through inclusive strategies, multi-stakeholder governance, and genuine partnerships.

OUR MEMBERS 2016

-  Republic of Fiji
-  Federated States of Micronesia
-  Republic of Kiribati
-  Republic of the Marshall Islands
-  Republic of Nauru
-  Solomon Islands
-  Democratic Republic of Timor-Leste
-  Tokelau
-  Kingdom of Tonga
-  Tuvalu
-  Republic of Vanuatu
-  Pacific Islands Association of Non-governmental Organisations (PIANGO)
-  Pacific Islands Private Sector Organisation (PIPSO)



A Distinctive Pacific

ACRONYMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific group
AOSIS	Alliance of Small Island States
COP 21	21 st Conference of the Parties to the UNFCCC
COP 22	22 nd Conference of the Parties to the UNFCCC
COP 23	23 rd Conference of the Parties to the UNFCCC
CSOs	Civil Society Organisations
EU	European Union
FFA	Pacific Islands Forum Fisheries Agency
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMBM	Global Market Based Measures
GNIplus	Global NDC Implementation Partners
IACG	Inter-Agency Consultative Group
ICAO	International Civil Aviation Organization
IMO	International Maritime Organization
IUCN	International Union for the Conservation of Nature
KOICA	Korea International Cooperation Agency
MRC	Members' Representative Council
NSDBs	National Sustainable Development Boards
P-SIDS	Pacific Small Island Developing States
P-SIDS&T	Pacific Small Island Developing States and Territories
PIANGO	Pacific Islands Association of Non-governmental Organisations
PICAN	Pacific Islands Climate Action Network
PIDF	Pacific Islands Development Forum
PIPSO	Pacific Islands Private Sector Organisation
PLEDS	Pathway for Low Emission Development Strategy
PPMC	Paris Process on Mobility and Climate
PPP	Public Private Partnerships
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SOC	Senior Officials Committee
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
UN	United Nations
UN-OHRLS	UN Office of the High Representative for Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USP	University of the South Pacific
WWF	World Wide Fund for Nature

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FOREWORD: A Message from the Chair

*The Hon. Manasseh Sogavare
PIDF Chair
Prime Minister of Solomon Islands*

The Pacific Islands Development Forum (PIDF) has come into existence at a time when the Pacific and the world are facing major challenges in the face of climate change, over-exploitation, and threats to resources on land and in our oceans.

It was charged with leading a transformative change for the region to shift to a Green/Blue economy and address the root causes of these problems. It is an honour for me to Chair this organisation during this time.

I am acknowledging the tremendous contribution of my predecessor – the Honourable Voreqe Bainimarama Prime Minister of Fiji, the inaugural Chair of the PIDF.

As Small Island Developing States (SIDS), it is important we reflect through PIDF's work and vision for a Pacific that is united, distinctive and sustainable. PIDF's focus on areas of common concern to Pacific Island Countries and Territories, as well as the inclusion of the private sector and civil society, ensures that it unites us in the Pacific.

The space it provides to Pacific Small Island Countries and Territories ensures that we follow our own agenda as Small Island States on matters that most impact us, such as climate change. It also ensures that, collectively, we make our development efforts sustainable to benefit us today and also future generations.

These are formative years for PIDF. Its governance structures are still taking shape with the establishment of the Members' Representative Council (MRC) and the National Sustainable Development Boards (NSDBs) and a first meeting of the biennial Conference still to take place. Despite this, leaders have high expectations of PIDF and believe that by working smartly and frugally with its many national, regional and international partners, it will be able to lead its Members through this transformation.

Many PIDF Members have established their NSDBs that provide a multi-stakeholder platform for decision making around the Sustainable Development Goals (SDGs) and development issues facing our region.

“PIDF’s focus on areas of common concern to Pacific Island Countries and Territories, as well as the inclusion of the private sector and civil society, ensures that it unites us in the Pacific.”



That is a good first step because the development challenges we face today need to be addressed through the input of all sectors of society and therefore must be inclusive of the private sector, civil society and of course government institutions.

It is important that these NSDBs are now given life and start implementing PIDF’s mission in individual Member Countries and Territories. PIDF now has a presence in each of its Member Countries and Territories and various stakeholders have a presence in PIDF’s governance structures through the MRC and the PIDF Conference.

The PIDF Regional Development Trust Fund now being established will ensure that PIDF’s programme is adequately financed into the future while ensuring that Members’ development needs are fully addressed.

The work that PIDF is doing in maintaining the battle against climate change by promoting the High Ambition clauses of the *Suva Declaration on Climate Change*, a milestone achievement of the organisation, needs to continue by focusing on those areas of the Declaration that are yet to be realised.

At the same time, PIDF needs to continue working with its numerous national, regional and international partners to attract the best development solutions to our region.

We see a bright future ahead for PIDF. As you can read in the pages of this Annual Report, the success we have realised to date demonstrates the extent to which a new paradigm – based on partnerships at local to global scales – can lead to excellent results on the ground.

Working in partnership with many countries and institutions, PIDF looks forward to building on its achievements to ensure sustainable development and poverty eradication in the Pacific and lead the Pacific’s transformation to a Green/Blue economy that Members have tasked it with.

We hope you will be encouraged to join us in this journey after reading this Annual Report.

FOREWORD: A Message from the Secretary General

François Martel
Secretary General
Pacific Islands Development Forum Secretariat

I am pleased to introduce PIDF's **Annual Report for 2015/16**, a synthesis of activities undertaken and results achieved in the region as we embarked on the development of our *Strategic Plan*. The Pacific region is both dynamic and diverse and there has been tremendous progress in devising solutions against the daunting challenges of climate change while creating pathways for sustainable development.

The 2015/16 period yielded many milestone moments for our new and growing organisation, one of which was the formulation and endorsement of the *Suva Declaration on Climate Change* in September 2015. In the lead-up to COP 21 in December of the same year, the Declaration proved pivotal in galvanising the resolve of Pacific island nations to negotiate a higher ambition pathway for the Paris Agreement.

Following the achievements secured in Paris, the new year continued on a positive footing with the confirmation of registration of the PIDF Charter with the United Nations (UN) in January. This action allows the PIDF Charter to be invoked within the UN system, thus paving the way for greater engagement by PIDF with the UN. PIDF's whole-of-society approach to sustainable development, that flows out of its unique structure as a multi-stakeholder organisation, is having resonance in the Pacific and beyond. The organisation welcomed four new members during the year: The Pacific Islands Private Sector Organisation (8 February 2016), Tuvalu (17 February 2016), Tokelau (27 April 2016), and Timor-Leste (13 July 2016).

The scale, scope and challenges of the transformation needed for Green/Blue Pacific economies means that partnerships will be critical for success. The many new partnerships formed during the year with organisations such as the University of Fiji, Pacific Islands Private Sector Organisation (PIPSO), Pacific Islands Forum Fisheries Agency (FFA), and the United Nations Development Programme (UNDP) saw funding and successful engagements that will lead to greater opportunities in the coming year.

Threats to the Pacific Ocean, which occupies half of the earth's sea surface and more than a third of the Earth's surface, endangers environmental and human well-being not only in the Pacific but beyond. In line with our mandate to support ocean health, maintain critical ocean ecosystems, conserve and enhance the resilience of our ocean through the Blue economy, leaders of PIDF in their 2016 Summit in Honiara designated 2017 as Pacific Year for the Ocean. A campaign tool kit was developed and launched at the Pacific Islands Pavilion of the World Conservation Congress in Hawaii in September 2016.

“We are confident of the foundation that has been put in place this year to create greater awareness of the organisation globally, regionally and nationally, and establish robust systems and processes to position PIDF to deliver tangible benefits to its Members in 2017”



Our partnership for action on Green economy, which supports our region in reframing economic policies and practices around sustainability, took a step further in 2016 with our participation at the Global Green Growth Institute (GGGI) Annual Week Summit in Jeju, South Korea. This participation resulted in a project on Green Economy Education for Traditional Leaders, which is funded by the Korea International Cooperation Agency (KOICA) and that will be undertaken in collaboration with GGGI in the Pacific.

In terms of governance, 2016 witnessed the first change-over in our Chair with the baton passing from Fiji to Solomon Islands at the PIDF Leaders' Summit held in Honiara in July 2016. The year ended on a high note with PIDF being granted Permanent Observer status to the UN General Assembly in December 2016. This positions PIDF to be the first and only multi-stakeholder representative of its Pacific Small Island Developing States and Territories (PSIDS&T) members at the UN.

Reporting on the Work Programme is guided by the PIDF Logical Framework for the period 2014-2017 and the approved Work Plan for 2016. The Work Programme, undertaken by the Secretariat with the approved budget by the Governing Council, is strongly aligned to the Strategic Profile, the 'Ten Things', as well as the key priority strategies of leadership, innovation and genuine partnerships. This report reflects the work undertaken in these areas.

We are pleased to announce that the independent auditors have provided an unqualified audit opinion on PIDF's accounts, which is also presented in this Annual Report. I would like to take this opportunity to acknowledge the support we have received from all our Members and partners during the establishment phase, as well as the commitment of our staff and the leadership of our inaugural Chair Fiji, and current Chair Solomon Islands.

We are confident of the foundation that has been put in place this year to create greater awareness of the organisation globally, regionally and nationally, and establish robust systems and processes to position PIDF to deliver tangible benefits to its Members in 2017.

OUR STORY: Key milestones in the establishment of PIDF

PIDF was created out of a desire to bring transformative change to the Pacific by focusing on sustainable and inclusive development in the region. The following milestones in the establishment of PIDF highlight the impressive progress that the organisation has made in a relatively short period of time. It is our belief that the pace and extent of this progress augurs well for the future.



August 2012

The call for a 'Pacific Island Development Forum' is endorsed by Pacific Island Leaders at the 2012 'Engaging with the Pacific' meeting.



August 2013

Inaugural meeting of PIDF held in Nadi, Fiji



April 2014

Official opening of the PIDF Secretariat in Suva, Fiji.



September 2015

- 2015 Leaders' Summit held in Suva, Fiji.
- Endorsement of the *Suva Declaration on Climate Change*.
- Enactment of the PIDF Charter.
- Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Tonga, Solomon Islands, Vanuatu and PIANGO sign PIDF document of accession.
- Appointment of Mr François Martel as Secretary General



December 2015

Pacific Island nations rally behind PIDF's *Suva Declaration* at COP 21 in Paris.



February 2016

Tuvalu and PIPSO join PIDF.



March 2016

- Staff recruitment for the PIDF Secretariat is completed.
- One Pasifika Programme Strategic Plan drafted



April 2016

Tokelau becomes first Pacific Territory to join PIDF.



July 2016

2016 Leaders' Summit held in Honiara, Solomon Islands.
Timor Leste becomes a member of PIDF



December 2016

PIDF granted Permanent Observer status with the United Nations General Assembly



ONE PASIFIKA: Highlights from 2015/16

The goal of PIDF's **One Pasifika Programme** is to create and support an enabling environment in PIDF Member Countries and Territories for sustainable development that: empowers people and safeguards their environment and social fibre; and pursues a Blue/Green Economy model with full and active participation of their government institutions, civil society and the private sector.

The following pages provide a summary of highlights and achievements from PIDF's work programme during 2015/16 under the thematic areas of leadership, innovation and partnerships.



Leadership



Innovation



Partnership

LEADERSHIP

Fostering a sense of environmental stewardship, and overseeing the evolution of Pacific Island economies from Brown to Green/Blue necessarily requires strong and inclusive leadership. While political leadership is essential, PIDF's whole-of-society approach to sustainable development mandates that voices from the private sector and civil society (including women, youth and people with disabilities) both religious and traditional, are included and have an important role to play in the decision-making process.



Revitalised agenda presented at milestone meeting

From 12-13 July, 2016 representatives of PIDF Member Countries, Territories and Organisations joined an array of high-level special guests at the 2016 Leaders' Summit. Convened under the overarching theme of 'Stewardship for Healthy Oceans and Healthy Nations' the 2016 Summit was the first meeting of Leaders to take place under the new governance structure.

With a mandate to bring together the expertise of the private sector, normative leadership of the public sector and successful delivery mechanisms of civil society, PIDF ensured that delegates from all three sectors were represented at the Summit, as well as representatives from academia and other development stakeholders.

Comprising a Pre-Summit meeting and a Leaders' Summit, the two-day gathering hosted by the Government of Solomon Islands in Honiara, provided a platform to enhance high-level discussions, maintain momentum on progress made at the 21st Conference of the Parties (COP 21) to the UN Framework Convention on Climate Change (UNFCCC), share opportunities on accessing adaptation financing, and emphasise the importance of oceans.

During the meeting, the Summit appointed the Honourable Manasseh Sogavare, Prime Minister of Solomon Islands, as the new Chair of PIDF for 2016-2018. He took over from the Honourable Josaia Voreqe Bainimarama, Prime Minister of the Republic of Fiji, who had been Chair since the inaugural meeting of PIDF in 2013.

Advancing leadership in Pacific climate action

In September 2015, PIDF demonstrated its leadership in Pacific climate action through the formulation and adoption of the *Suva Declaration on Climate Change*. The historic Declaration, endorsed at the 2015 Leaders' Summit, served to encapsulate a Pacific position on climate change and catalysed Pacific regional support for: a legally-binding Paris agreement; limiting global temperature rise to 1.5 degrees above pre-industrial levels; the inclusion of loss and damage as a standalone element; addressing gender-based inequality and discrimination in action on climate change; a commitment to enhanced financial resources, technology and capacity building; and acknowledgement of the special circumstances faced by vulnerable groups such as SIDS.

In the lead-up to Paris and at COP 21, the *Suva Declaration* became the Pacific region's High Ambition blueprint for the Paris Agreement. In recognition of the very real and pressing threat posed by climate change to the lives and livelihoods of Pacific Islanders, PIDF's work on climate change action and advocacy continued apace in 2016 with the development of a *Climate Change Road Map* to provide a detailed assessment of the regional and international dynamics in climate change.



The draft document also outlines PIDF's proposed work in the near-term as well as the long-term, and articulates how this will complement the climate change dimensions of the other threads of PIDF's work.

In 2016, work was also undertaken with the Pacific Islands Climate Action Network (PICAN) on a proposal for a *Pacific Climate Treaty*. The objective of the Treaty is to build on the moral and political leadership already shown by Pacific Island states in their efforts to tackle climate change and advance climate action, in the Pacific and globally. PIDF believes that the Treaty is a logical next step to focus on the key priorities and concerns of the Pacific, as enunciated in the *Suva Declaration* and captured in the Paris Agreement. Both of these important documents were presented to representatives at the 2016 Leaders' Summit. The Leaders noted the *Climate Change Road Map* and the *Pacific Climate Treaty* and requested the PIDF Secretariat to embark on national level consultations on both draft documents. National consultations were undertaken in Republic of the Marshall Islands and Federated States of Micronesia, with additional consultations to take place in 2017.

Catalysing stewardship for healthy oceans and healthy nations

The health, wealth, history, culture and identity of the Pacific are – and will continue to be – defined by our great ocean. As such, the careful management and protection of our region's single greatest resource is key to a sustainable Pacific future. In 2015/16, PIDF took concerted steps to place ocean sustainability high on the agenda of Pacific Islands. Following the adoption of the resolution for the observance of the 2017 Pacific Year for the Ocean at the 2016 Leaders' Summit, PIDF developed a campaign logo and media toolkit, and promoted the use of the #myoceanmatters hashtag to stimulate response and engagement with the campaign.

The Pacific Year for the Ocean was officially launched by Jan Olsson, Swedish Ambassador for Environment and Oceans, together with Anote Tong, Former President of Kiribati and Board member of Conservation International in the presence and with the support of the President of French Polynesia, Edouard Fritch in September 2016 at the International Union for Conservation of Nature (IUCN) World Conservation Congress in Hawaii.





In addition to the My Ocean Matters campaign, PIDF played a pivotal role in supporting the Pacific Small Island Developing States and Territories (P-SIDS&T) in their preparations for the June 2017 UN Ocean Conference, co-hosted by the Governments of Fiji and Sweden in New York. To provide the Pacific region with a coordinated platform for this hallmark event, plans were put in place for PIDF to host a High Level Pacific Blue Economy Conference in early 2017. The focus of this high level multi-stakeholder conference will include latest innovations, lessons learned, best practices, sustainable management and conservation of ocean resources for the people of the Pacific Islands.

Elevating the priorities of Pacific Small Island Developing States on the international stage

Following the registration of the PIDF Charter with the United Nations, significant progress has been made in strengthening PIDF's position as the regional counterpart to Pacific Small Island Developing States (P-SIDS).

In February 2016, following an invitation from the Chair of the P-SIDS Group in New York, Secretary General Martel attended a P-SIDS Strategic Planning Meeting in Nuku'alofa, Tonga. This meeting provided the opportunity for PIDF to be actively involved in the P-SIDS Group's continued efforts to assess support for the 2016 year of decisions and activities at the UN.

This was followed by an April 2016 briefing to Pacific missions at the UN Headquarters in New York and the September 2016 participation of the PIDF Secretary General to the 71st session of the UN General Assembly, in support of the interests of PIDF Members.

In December 2016 the UN General Assembly granted Permanent Observer Status to PIDF following consensus amongst all the 193 Member States. This milestone achievement signified global recognition of the mandate, membership and operations of PIDF, and an acknowledgement of the contribution that the organisation and its Members can make to the realisation of the global sustainable development agenda.





Establishing robust governance and operational structures

The 2015/16 period was one of growth for PIDF, with the number of Secretariat staff increasing from just four in December 2015 to almost 20 less than a year later. As such, significant efforts were directed to establishing robust operational structures and procedures to meet the needs of the growing organisation and ensure its long-term sustainability.

A key outcome for PIDF in 2016 was the development of a draft PIDF *Strategic Plan* which was developed with the involvement of all Secretariat staff, and undertaken following an analysis of recommendations made at past Leaders' Summits.

Also in 2016, the PIDF Secretariat commenced work on establishing the third and fourth tiers of the PIDF governance structure – the Members' Representative Council (MRC) and National Sustainable Development Boards (NSDBs) – designed to provide a multi-stakeholder platform for decision-making around the SDGs and development issues facing PIDF Member Countries and Territories. Country consultations with public sector, private sector and civil society leaders in the Republic of the Marshall Islands and Federated States of Micronesia were completed in the fourth quarter of 2016 and country concept notes and finalised programmes were produced. The process will be continued in other PIDF Member Countries and Territories in 2017.

Three meetings of the Senior Official Committee (SOC) were convened during the year. An update of the progress of activities toward the Summit Outcomes of 2015 and 2016, respectively was provided to senior officials. It was decided in the final October SOC meeting for 2016 that a self-reporting system for institutional strengthening be in place for the new Chair. The self-reporting has been developed and is in place.

Progress was also made towards the establishment of a Regional Development Trust Fund, dedicated to the development of long-term sustainability of the activities of PIDF. A Draft Trust Deed for the development of modalities for the institutionalisation, operation and management of the PIDF Regional Development Trust Fund was prepared, and further consultations are being pursued with PIDF Members.



INNOVATION

Working to achieve a transformative shift to the development paradigm requires innovation in thought, planning and approach. In its short history, PIDF has already demonstrated its capacity and willingness to rise to this challenge and develop robust policy designs, promote scalable and adaptable technology choices, and devise innovative solutions to complex problems – with the needs of Pacific Island peoples and their environment top of mind.



Amplifying Pacific voices at COP21 and beyond

The 21st Conference of the Parties (COP 21) to the UN Framework Convention on Climate Change (UNFCCC) took place in Paris from 29 November to 13 December 2015. Representatives from PIDF, including Secretary General Martel, attended the conference as guests of the delegation from the Republic of Fiji.

At the event PIDF collaborated with PICAN to organize 'We the Pacific' side event on 1 December 2015. The successful dialogue forum brought together high-profile speakers including the President of Kiribati, Anote Tong; Prime Minister of Tuvalu, Enele Sopoaga, the Secretary General of PIDF François Martel, the Minister of National Disaster Management of Fiji, Inia Seruiratu and Ms Talissa Koteka representing the Prime Minister of Cook Islands.

Speaking to a packed room at the AOSIS (Alliance of Small Islands States) Pavilion, the high-level panel urged for the adoption of measures outlined in the *Suva Declaration*, including the need for global temperatures to be contained within 1.5 degrees temperature rise and the importance of including loss and damage provisions within the new Agreement.

In February 2016, following the Paris Agreement, PIDF convened a Post COP 21 Public Forum in Suva. The extremely successful event was organised with support from the University of the South Pacific (USP), and financial assistance from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the European Union (EU). The forum was attended by over 250 participants from a number of regional and international organisations, governments, civil society, private sector, community groups and individuals, including staff and students from universities.

In advance of the 22nd Conference of the Parties (COP 22) to the UNFCCC in Marrakesh, PIDF participated in the regional High-Level Support Mechanism meeting in Samoa facilitated by the Secretariat of the Pacific Regional Environment Programme (SPREP). This platform identified the needs of Pacific countries and led to a Guidance Note that was subsequently distributed to Pacific missions and representatives attending COP 22 in Morocco.

Also in the lead-up to COP 22, Secretary General Martel was invited to attend the follow-up meeting of the second Morocco and Pacific Island States Forum held in Rabat to reflect on progress made since COP 21 and discuss Pacific priorities in advance of the commencement of negotiations in Marrakesh.

During COP 22, PIDF held discussions with the International Civil Aviation Organization (ICAO) Head of Environment, the Co-Chairs of the Paris Process on Mobility and Climate (PPMC), and the Climate Policy Watch team on potential collaboration towards implementation of the Paris Agreement and COP 23. Positive responses from non-state actors and their increasing interest and participation in the regional agenda discussion threads have also enhanced PIDF's commitment to embracing and amplifying civil society inclusion and private sector participation. This is an impact of PIDF on the regional architecture and landscape.

Mainstreaming green growth in blue economies

Across the Pacific region and around the world, evidence abounds of how economic growth and development has come about at the expense of the environment. One of PIDF's objectives is to redress this imbalance by working with its Members to mainstream principles of green growth within the Blue Economies of the Pacific.

The engagement of the expertise that the Global Green Growth Institute (GGGI) offer in this area saw the Secretary General participate in the GGGI Annual Week Summit in Jeju, South Korea in September 2016. This participation resulted in the development of a new project on Green Economy Education for Traditional Leaders funded by the Korea International Cooperation Agency (KOICA) and implemented in partnership with GGGI in the Pacific.

During the year, PIDF also supported its Member Countries and Territories in promoting national level green growth approaches, such as the Tonga multi-stakeholder initiative to develop and promote a Green Growth Framework in the Island Kingdom. In October 2016, PIDF promoted green growth with the private sector at the Fiji Top Executives (TOPEX) Meeting.

Work was also undertaken in partnership with UNDP and PIPSO, on the 'Sustainable Development Goals Localisation Project' that will see to the establishment of a Pacific Green Business Centre portal intended to provide support and foster engagement of the private sector in addressing and contributing to the attainment of the SDGs, Paris Agreement, SAMOA Pathway and the Sendai Framework. This online tool, slated for launch in 2017, will help Pacific businesses transition to greener models of doing business.

Driving innovative solutions for sustainable sea transport

Given the vast distances between islands, international and trans-national shipping is essential to the Pacific region. While shipping remains an important means of mass transport, improving its sustainability, lowering fuel oil consumption, and reducing emissions would result in significant benefits to the people, environment and economies of Pacific Island Countries and Territories. As such, PIDF is committed to the promotion and adoption of sustainable shipping approaches to provide effective services for remote island communities.

In 2016, PIDF continued to facilitate the preparation and coordination of the Pacific region's position on shipping emissions and sustainable sea transport.

In April, at the International Maritime Organization (IMO) 69th Session of the Marine Environment Protection Committee, PIDF Members and other concerned IMO Member States, sought firm commitment from the IMO to ensure that international shipping contributes its fair share to the international community's efforts to curb greenhouse gas (GHG) emissions. Solomon Islands and the Republic of the Marshall Islands co-sponsored a paper with Belgium, France, Germany and Morocco, inviting IMO to develop a work plan to define this fair share.

It was subsequently agreed to establish a working group on how to progress the matter. In 2017, PIDF will continue to lead the Pacific in advocating for reducing GHG emissions from the international shipping sector.

Paving the way for de-carbonisation in the Pacific by 2030

For PIDF and the Pacific region, the terms outlined in the Paris Agreement relating to greenhouse gas emission neutrality and limiting global temperature rise to 1.5 degrees was a major achievement. PIDF is committed to providing support to Pacific Countries and Territories to ensure they can reach the decarbonisation targets set in the Paris Agreement, and to advocate and engage on those issues – such as maritime and aviation transport emissions – that were omitted from the final text of the Paris Agreement.

In advance of the 2016 ICAO Assembly Meeting, PIDF held a Talanoa to begin consultations on the important issue of aviation emissions. The Talanoa was attended by Pacific Island diplomatic missions, international agencies, regional agencies and other stakeholders. PIDF advocated for High Ambition amongst its Members prior to the ICAO Meeting. It was identified that apart from national and regional relationships, partnerships with High Ambition countries are also needed so as to foster best possible outcomes for the Pacific.

It was agreed that the Pacific region must engage fully in negotiations regarding Global Market Based Measures (GMBM), and that Pacific Island Countries need to influence the Carbon Offsetting Mechanisms to ensure benefits to the region. The PIDF proposed to coordinate efforts to ensure that this happens.

In line with developing decarbonisation plans for the region, PIDF – in collaboration with ClimateWorks Australia Global NDC Implementation Partners (GNIplus) and others – is developing a new initiative in support of Pacific Low Emissions Development. This aims to support the implementation of the Paris Agreement by helping Pacific Island Countries to plan, prioritise, finance and implement projects that deliver a positive long-term climate change and development outcome.



PARTNERSHIPS

The momentum and political will required to affect transformational change is not possible in the absence of genuine and durable partnerships. PIDF aims to serve as a dynamic regional partnership platform that recognises, celebrates, promotes and preserves the diversity of Pacific cultures, its people's history and the challenges they face from climate change, globalisation and development. In doing so, PIDF has sought out and successfully established genuine, durable partnerships that are founded in a shared commitment to the health and wellbeing of Pacific Island peoples and our natural environment.



Bolstering South-South development cooperation

As the regional counterpart for the South-South groupings, PIDF sought collaborations with international institutions to engage state and non-state actors for high impact collaboration on sustainable development and poverty reduction in the Pacific Islands.

In August 2016, PIDF collaborated with the Government of Indonesia to hold a week-long training programme to build capacity in the field of community-based seaweed and fisheries products. This collaboration was part of technical cooperation commitments made by the Government of the Republic of Indonesia for Pacific Island Members of the Melanesia Spearhead Group and PIDF to improve development capacity.

To further strengthen PIDF contribution through partnership, the Secretary General attended the meeting of Inter-Agency Consultative Group (IACG) on SIDS Global Partnership for 2030 held during the month of September, the Colombo Plan 45th Consultative Committee Meeting and also participated in the High-Level Forum of Directors-General for Development Cooperation at the Global South-South Development Expo in Dubai.

Partnering to promote Green/Blue economy approaches

In October 2016 PIDF collaborated with the University of Fiji to deliver a two-day regional conference on renewable energy in the Pacific, with a focus on Fiji and Papua New Guinea. The Regional Stakeholder Conference on Renewable Energy was facilitated through the University of Fiji's EU-funded 'Renewable Energy in Pacific Islands: Developing Skills and Capacity' project, known as EPIC.

The conference was successful in bringing together experts and stakeholders from the renewable energy and energy efficiency sectors and provided a platform to raise issues, exchange information, and share experiences and best practices. This important and successful collaboration paved the way for the signing of a Memorandum of Understanding between PIDF and the University of Fiji, a partnership that promises to grow and evolve in the coming years through the implementation of solarisation projects in PIDF Member Countries and Territories.

In 2016, PIDF was pleased to contribute to WWF Pacific's groundbreaking report about the economic and developmental value of ocean assets. *Reviving Melanesia's Ocean Economy: The Case for Action* provides a strong baseline and key guidelines for PIDF to develop innovative solutions that support Members in taking action to sustainably manage their valuable ocean resources in the context of the Blue Economy.



Fostering engagement with the private sector and civil society

A key point of advantage in PIDF's approach is its strong emphasis on engagement and partnership with the private sector and civil society.

A milestone in PIDF's inclusive approach to engagement took place in February 2016, with the signing of the PIDF Charter by the Pacific Islands Private Sector Organisation (PIPSO) – the representative body of 15 national private sector organisations in the Pacific. PIPSO's admission to PIDF signifies a strong commitment from both organisations to provide an enabling environment for Green/Blue Pacific economies.

In March 2016, at the invitation of the UN Office of the High Representative for Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (UN-OHRLS), PIDF joined representatives from more than 37 SIDS and the private sector at a three-day conference on Public Private Partnerships (PPP) for Small Islands. The event, hosted by the Government of Aruba and the PPP Knowledge Centre in Aruba, in partnership with UN-OHRLS and the Government of the Netherlands, saw the engagement and contribution of PIDF on the important role that PPP can play in promoting sustainable growth in SIDS. This participation resulted in a follow-up meeting with the Under-Secretary for UN-OHRLS and the commencement of discussions regarding membership to the Inter-Agency Consultative Group (IACG) on SIDS and potential collaboration with the newly created Centre of Excellence for SIDS in Aruba.

The importance of engaging the private sector to achieve sustainable development was also emphasised by PIDF at the 2016 Pacific Business Forum in New Caledonia an event for which PIDF was both a financial partner and participant.

To strategically engage civil society on climate action, PIDF convened a Post-COP-21 Talanoa with Pacific Civil Society Organisations (CSOs) in February 2016. At the debrief, CSOs identified the need for regional organisations and governments to communicate the Paris Agreement outcomes in a meaningful way, and in a manner suited to the Pacific regional context. Other issues discussed at the Talanoa included the Draft Pacific Climate Treaty and the idea of establishing a Pacific Climate Commission to strategically and cohesively organise the region's climate negotiations, communications and campaigns.



Strengthening Pacific sustainable development through collaboration

PIDF's whole-of-society approach to sustainable development places great emphasis on the transformative power of partnership and collaboration. In 2016, PIDF exchanged Memorandums of Understanding with the Pacific Islands Forum Fisheries Agency (FFA), ClimateWorks-Australia on low carbon development strategies for the Pacific Islands and with Fiji National University to support the PIDF work programme in the area of climate change adaptation and mitigation.

As outlined in the pages of this inaugural Annual Report, many new partnerships and initiatives were activated over the course of the year including the partnership with UNDP and PIPSO on the development of a Green Business Centre Portal. Other new initiatives included the collaboration with University of Fiji in the area of renewable energy, the development of the PLEDS project in collaboration with ClimateWorks and the development of the initiative in collaboration with KOICA and GGGI on providing Green Economy Education to Community Leaders and Resource Owners.

Relationships too, were forged and strengthened. For the first-time, high-level contact was established between PIDF and the Government of New Zealand, with the February 2016 visit to the Secretariat of Minister for Foreign Affairs of New Zealand, Hon. Murray McCully.

In May 2016, an official visit was made to Timor-Leste – a long-time supporter of PIDF. This was at the invitation of the African, Caribbean and Pacific group (ACP) to participate in a Pacific multi-stakeholder dialogue meeting in Dili. During the visit, Secretary General Martel met with Prime Minister Rui Maria de Araujo and, soon after, Timor-Leste became the fourth new PIDF Member in 2016, bringing the total number of PIDF Members to 13.





A United, Distinctive & Sustainable Pacific Society

Pacific Islands Development Forum



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Email: secretariat@pacificidf.org Website: www.pacificidf.org

STATEMENT BY THE SECRETARIAT OF THE FORUM

In accordance with a resolution by the Secretariat of Pacific Islands Development Forum (the Forum), we state that:

- [i] the accompanying statement of comprehensive income of the Forum is drawn up so as to give a true and fair view of the results of the Forum for the sixteen month period ended 31 December 2016;
- [ii] the accompanying statement of financial position of the Forum is drawn up so as to give a true and fair view of the state of affairs of the Forum as at 31 December 2016;
- [iii] the accompanying statement of cash flows of the Forum is drawn up so as to give a true and fair view of the cash flows of the Forum for the sixteen month period ended 31 December 2016;
- [iv] the financial statements have been prepared in accordance with International International Financial Reporting Standard for Small and Medium-sized Entities;
- [v] at the date of this statement there are reasonable grounds to believe that the Forum will be able to pay its debts as and when they fall due; and
- [vi] all related party transactions have been adequately recorded in the books of the Forum.

For and on behalf of the Secretariat and in accordance with a resolution by the Secretariat.

Dated this 10 day of April 2017.

Secretary General

Deputy Secretary General



PACIFIC ISLANDS DEVELOPMENT FORUM
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIXTEEN MONTH PERIOD ENDED 31 DECEMBER 2016

	Sixteen Month Period Ended 31 December 2016
Income	
Voluntary contributions	\$ 3,354,718
Interest income	6,311
Amortization of deferred capital grant	30,643
Total income	3,391,672
Expenses	
Depreciation	50,423
Workplan and institutional meeting costs	918,249
Personnel related expenses	1,315,156
Other operating expenses	438,154
Total expenses	2,721,982
Surplus for the period	669,690
Other comprehensive income	-
Total comprehensive income for the period	\$ 669,690

PACIFIC ISLANDS DEVELOPMENT FORUM
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<u>2016</u>
CURRENT ASSETS	
Cash at bank	\$ 618,689
Receivables	46,017
Total current assets	<u>664,706</u>
NON-CURRENT ASSETS	
Intangible asset	4,173
Plant and equipment	108,718
Total non-current assets	<u>112,891</u>
TOTAL ASSETS	<u>777,597</u>
CURRENT LIABILITIES	
Deferred income	30,642
Payables	45,410
Provisions	31,855
Total current liabilities	<u>107,907</u>
TOTAL LIABILITIES	<u>107,907</u>
NET ASSETS	<u>669,690</u>
ACCUMULATED FUNDS	<u>\$ 669,690</u>

PACIFIC ISLANDS DEVELOPMENT FORUM
 STATEMENT OF CASH FLOWS
 FOR THE SIXTEEN MONTH PERIOD ENDED 31 DECEMBER 2016

	Sixteen Month Period Ended 31 December 2016 Inflows / (Outflows)
Cash flows from operating activities	
Receipts of grants and donations	\$ 3,354,718
Payments to suppliers, employees and project reimbursement costs	<u>(2,638,225)</u>
Cash generated from operations	716,493
Interest received	<u>6,311</u>
Net cash provided by operating activities	<u>722,804</u>
Cash flows from investing activities	
Payments for intangible asset	(6,259)
Payments for plant and equipment	<u>(97,856)</u>
Net cash used in investing activities	<u>(104,115)</u>
Net increase in cash and cash equivalents	618,689
Cash and cash equivalents at the beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	\$ <u>618,689</u>



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INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Islands Development Forum Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pacific Islands Development Forum (the Forum), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, and statement of cash flows for the sixteen month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Forum as at 31 December 2016, and of its financial performance and its cash flows for the sixteen month period then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Forum in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Secretariat for the Financial Statements

The Secretariat of the Forum is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the Secretariat determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretariat is responsible for assessing the Forum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretariat either intend to liquidate the Forum or to cease operations, or have no realistic alternative but to do so.

The Secretariat is responsible for overseeing the Forum's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Members of Pacific Islands Development Forum (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Forum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretariat.
- Conclude on the appropriateness of the Secretariat's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Forum's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Forum to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretariat regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Secretariat with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SUVA, FIJI
10 APRIL 2017

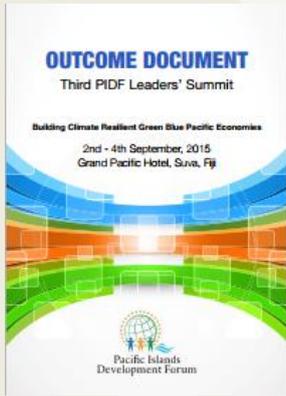


BDO
CHARTERED ACCOUNTANTS

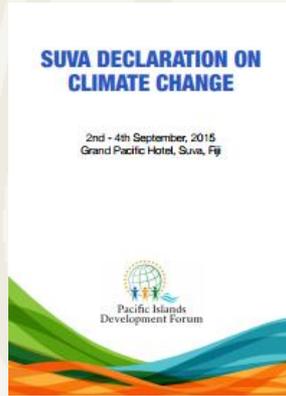
PUBLICATIONS



PIDF Charter



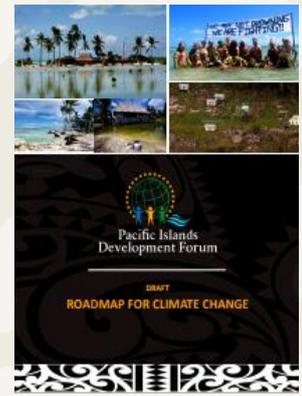
2015 Leaders Summit Outcome Document



Suva Declaration on Climate Change



Pacific Climate Treaty



PIDF Roadmap for Climate Change



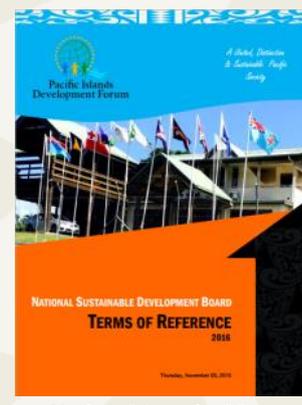
PIDF Manual



2016 Leaders Summit Outcome Document



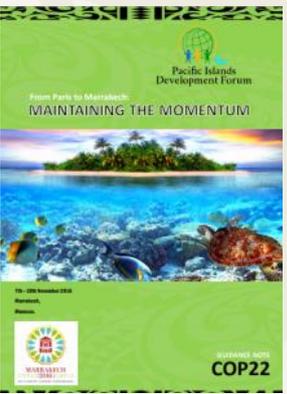
Strategic Plan



National Sustainable Development Board Terms of Reference



Pacific Year for the Ocean Toolkit



COP22 Guidance Note



PIDF Bulletin

EVENTS/TALANOA



Seaweed Farming Workshop



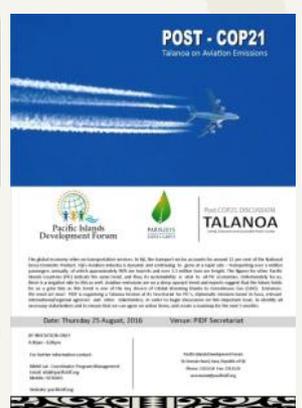
POST COP21 Talanoa Reflections on CSO Partnership



POST COP21 Talanoa Paris Agreement Public Forum



POST COP21 Talanoa Shipping Emissions



POST COP21 Talanoa on Aviation Emissions

STAFF LISTING MANAGEMENT



Secretary General
François Martel



Deputy Secretary General
Penijamini Lomaloma



Climate Change Advisor
* Dr. Mahendra Kumar



**Team Leader
Program Management**
Mark Borg



**Team Leader
Member Capacity**
Arpana Pratap



**Team Leader
Research Policy & Evaluation**
Viliame Kasanawaqa



**Team Leader
Corporate Services**
Vinita Prasad



**Team Leader
Strategic Communications**
Nitish Narayan



**Team Leader
Member Services**
Anaïs Rouveyrol

** Completed contract with PIDF in 2016*

STAFF LISTING



**Coordinator
Logistics**
Arti Chand



**Coordinator
Member Services**
Dr. Leba Salusalu



**Coordinator
Accounts & Admin**
Sazneen Hassan



**Coordinator
Policy Research & Evaluation**
Melaia Kubuabola



**Coordinator
Member Capacity**
Asfrin Ali



**Coordinator
Programme Management**
Nikhil Lal



Executive Assistant SG
Joyce Qaqalilai



Executive Assistant DSG
Litia Sevakasiga



Admin Assistant
Raginald Khan



Admin Assistant
Orisi Samoce



Driver
** Ravulolo Tuikubulau



Driver
John Swamy

*** Completed contract with PIDF in 2016*

PURPOSES

The PIDF shall drive, through national, regional and international frameworks, transformative changes by focusing on the sustainable and inclusive development of Pacific Islands by:

- Advocating the very real and pressing significance of climate change for the lives and livelihoods of Pacific Islands and Pacific Islanders;
- Implementing policies for sustainable development and especially poverty eradication that respond to the challenges posed by climate change and globalisation;
- Accelerating the integration of the three pillars of sustainable development namely environment, social, and economic, to harmonise the pursuit of economic growth with the needs of societies and the sustainability of the environment;
- Facilitating the use of tools, approaches and innovations, such as Green-Blue Pacific economy, leadership and genuine partnerships to stimulate robust debate while fostering an inclusive change agenda.

FUNCTIONS

The PIDF shall:

- Serve as a dynamic regional partnership platform that recognizes, celebrates, promotes and preserves the diversity of Pacific cultures, their history and the challenges they face from climate change, globalisation and development;
- Provide an inclusive regional multi-stakeholder forum to enable collaboration between leaders and representatives of Pacific governments, civil society and private sector to take ownership of their decisions and actions to address their special development needs;
- Serve as the Pacific regional counterpart for south-south groupings and other regional and international arrangements that focus on sustainable development and especially poverty eradication in Pacific Islands to ensure policy coherence at all levels;
- Advocate for a robust, effective, inclusive and transparent follow-up and review process to connect activity at national, regional and international levels;
- Secure the support of development partners through formal agreements for technical assistance and financial resources to achieve sustainable development and poverty eradication outcomes;
- Promote innovation through the adoption of robust policy designs, good governance practices, and scalable and adaptable technology choices to deliver transformational changes;
- Support the development of national infrastructure of development to connect with regional and international institutions;
- Develop an information hub for the dissemination of information on Green-Blue growth, sustainable development and especially poverty eradication.





**Pacific Islands
Development Forum**

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