

## **THE BLUE PACIFIC CONTINENT – QUALITY INFRASTRUCTURE FOR THE 2050 STRATEGY**

### **STATEMENT BY ELIZABETH WRIGHT-KOTEKA**

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Kia Orana, Bula, Talofa lava, Malo e lelei and warm Pacific greetings.

I am delighted to participate in the Opening of PRIF Week 2023. I am particularly honored to be here, on behalf of the Chair of the Pacific Islands Forum – the Cook Islands, to share with you some of the perspectives of our region, as well as my country, on what quality infrastructure means for us in the context of the Blue Pacific Continent and our region's 2050 Strategy.

As you may be aware our Leaders vision for 2050 is “... for a resilient Pacific Region of peace, harmony, security, social inclusion and prosperity, that ensures all Pacific peoples can lead free, healthy and productive lives”. This vision is supported by the 2050 Strategy and its seven thematic areas of political leadership and regionalism; people-centred development; peace and security, resources and economic development, climate change and disasters, ocean and environment; and technology and connectivity. Each thematic area contains a number of strategic pathways which focus on governance; inclusion and equity; education, research and technology; resilience and wellbeing; and partnerships and cooperation. These pathways serve to guide the development of the Strategy's Implementation Plan.

Just last Friday 13<sup>th</sup> October (Fiji time), the Forum Officials Subcommittee on the 2050 Strategy held their 32<sup>nd</sup> meeting to discuss the latest version of the Implementation Plan. This will be submitted to a Special Forum Official Meeting scheduled for this week, which will have a special focus on the Regional Collective Actions (RCAs), prioritised for implementation. These proposed RCAs encompass approximately 105 initiatives spread across the seven thematic areas of the 2050 Strategy. It is anticipated that the Forum Officials Meeting will endorse this draft from the Sub-Committee, which will subsequently be submitted to the Forum Leaders in November, for their consideration and endorsement.

This Plan is the first phase of the implementation of the 2050 Strategy, with a timeframe to 2030. It recognises the need for strengthened institutional arrangements, operating systems, collaborative approaches and integrated planning.

Although the Implementation Plan does not explicitly talk about infrastructure, when one looks at the themes and the related RCAs, the need for quality infrastructure as a foundational ingredient to the achievement of the aspirations of the 2050 Strategy and Implementation Plan is obvious.

We all know that infrastructure underpins the development of any country or community. It is hard to think of an activity that doesn't use infrastructure. We commute to where we want to go on transport networks. These same networks bring goods to us or allows us to send products to markets. Our homes and business are powered by electricity through built power stations and systems. We turn a tap on and access water, due to the infrastructure being in place. For the majority of us, our communities are surrounded by infrastructure including the homes in which we live, the places in which we work, the schools which are essential for our children's education, and the hospitals and clinics which are fundamental for health and wellbeing. We are surrounded also by economic infrastructure which supports the economy in its totality.

Our theme for this PRIF week is Quality Infrastructure for a Blue Pacific Continent and we may ask what does this mean for us.

Quality of course can be expressed in many ways, such as how you enhance irrigation infrastructure, or innovate with efficient technology in bridges and roads, or ensure accessibility and greening of infrastructure, or make urban development plans more sustainable and responsive to communities.

Quality is important for the poor. Consider those who are without electricity or with water scarcity. These people are waiting for low cost and reliable power supply or improved water supply.

For the Pacific, quality also means resilience. Resilience to the impacts of climate change.

Just the other week, in Brisbane, regional government representatives and private sector discussed resilient infrastructure. We heard that the Asian Development Bank has estimated that approximately \$3.1 billion is needed each year through to 2030 to meet the infrastructure needs of Pacific countries. The Lowy Institute suggested that in 2020, development partners committed about US\$280 million in infrastructure grants and US\$640 million in loan financing across the Pacific. We are a long way from achieving the ADB's estimate of infrastructure need.

This information therefore infers that for the Pacific, a giant step towards quality infrastructure is financing. On the multilateral front, for example, accessing climate finance fails to accommodate small islands unique needs, realities and vulnerabilities. This is further compounded by high transactions costs and small project sizes, as well as human and technical capacity constraints. Sometimes the project is re-scoped and designed to meet the requirements of the donor, as opposed to the needs of the communities. Climate finance needs to be accessible and expeditious if it is going to do any good to impacts already being experienced in countries and communities.

In countries where the private sector is small, the international community should stop being unrealistic on the scope for financing from private sectors across the board. The role of grant funding cannot be emphasized enough in relation to infrastructure finance for the Pacific.

For the Cook Islands, due to graduation under the OECD rules, we are disadvantaged in terms of accessing grant funding with some development partners. Whilst we are proud of our private sector led economy and our fiscal management which has allowed for this graduation, the fact is, that we still have a significant gap in terms of cashflow to finance our infrastructure development, particularly for what can be deemed by others, uneconomical investments in our outer islands, with their extremely small populations. Yet, they deserve a certain level of service for their decision to stay and live in these remote communities, and government has an obligation to take care of all our people.

Where loan financing is an option for infrastructure development, the terms must be truly concessional for all to access. Let's recognise that GDP in the Pacific context does not remove exposure to vulnerabilities and that one category 5 cyclone can wipe out more than 20 years of progressive development.

In recognising these financing challenges, countries are engaging with a range of development partners and seeking out new partners to fund existing or anticipated gaps.

In the lead up to the Pacific Islands Leaders Forum in November, Australia has proposed a common set of principles for quality infrastructure and financing development. These principles are:

- That all infrastructure investments provide local jobs and training opportunities;
- That investments deliver value for money – not just for investors but for Pacific island countries and communities;
- That investments put climate resilience at the centre;
- That investments provide responsible and transparent financing;
- And that investments promote inclusivity.

These principles make sense and when implemented, they should also mirror the Paris Declaration on Aid Effectiveness and its principles of Ownership, Alignment, Harmonisation, Managing for results and Mutual accountability.

When these threads are brought together we will have much greater success at ensuring that infrastructure will underpin the progress of the 2050 Strategy and the vision of our leaders for a resilient region of peace, harmony, security, social inclusion and prosperity, that ensures that all Pacific peoples can lead free, healthy and productive lives.

In closing, we have a Cook Islands saying which goes like this:

**‘Atui ‘ia ta’au ka’a ki taku**

**E na to tāua mana ta’unga**

**E ‘apaipai ki te openga.”**

This translates as, ‘Weave your coconut fibre into mine and our combined abilities will take it to the end. Our destiny depends on how each of us contributes.’

I wish you well for this PRIF week as you weave the fibres that will contribute to quality infrastructure for the blue Pacific continent.

Meitaki maata e kia manuia