

Multi-stakeholder Communiqué to the 2nd Pacific Week of Agriculture Ministerial Delegation

Apia, Samoa

1. This communiqué is presented to Pacific Ministers of Agriculture and Forestry who are meeting in Apia on Friday, 4 October. It presents key focus areas and findings from the PWA Side events organized by CTA and partners during the 2nd PWA in Apia.
2. Over 75 delegates representing government officials from the Ministries of Agriculture, Fisheries, Health, community-based and farmers' organisations, agri-enterprises, academia, banks, development partners, technology service providers from primarily Fiji, Kiribati, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, and Vanuatu met at the Sheraton Aggie Grey's Hotel, from 30 September to 03 October and reflected on critical issues impacting the sustainability of Pacific agri-food systems for improved incomes and nutrition outcomes.
3. The delegates reviewed priority actions that have been validated at national and regional levels and co-designed investment plans for leveraging the development of Pacific Local Food Crops and Fisheries Value Chains that can improve access to nutritious and safe foods and enhance incomes; especially for rural households and communities.
4. The four priority intervention areas are:
 - a) Nutrition & Incomes - Pacific traditional foods to positively impact nutrition and incomes
 - b) Finance - Novel approaches to accessing finance and rural financial service provision
 - c) ICT - Transforming agricultural systems and in enhancing value chain efficiency and competitiveness of agri-enterprises
 - d) Weather Risk Insurance - Reducing risks to farmers and other value chain actors
5. Cognizant of the following:
 - a) The agriculture sector, a major source of food and livelihood for up to 80% of the population in Pacific Island Countries, is under-funded. Lending to the sector is less than 2%, despite its contribution to gross domestic product (GDP).
 - b) Transforming the Pacific agri-food system to address the major socio-economic challenges – malnutrition, increasing non-communicable diseases, high dependence on imported foods, difficulties in accessing export markets, unemployment and climate change – will require targeted public and private investments.
 - c) Several innovative actions are taking place at national level which can be upscaled by building the capacity of farmer organisations and small and medium-sized agro-based enterprises to help them to access funding, innovate, improve process efficiencies and meet requirements for domestic and export markets and grow their business.

- d) Consumers in Pacific Island Countries (PICs) have become increasingly reliant on non-traditional and imported processed foods to meet food and nutritional needs.
- e) Traditional knowledge on edible plants (fruits, root crops and vegetables) and marine resources (e.g. seaweeds, sea cucumbers) is diminishing, and with it the loss of indigenous varieties. The rich biodiversity of terrestrial and marine organisms has yet to be fully studied to identify the bioactive compounds that have health and nutritional benefits; however, 75 crops and marine resources commonly consumed in PICs have been profiled for their health and nutritional benefits.
- f) Pacific Island Countries (PICs) have suffered billions of dollars in damage and loss due to catastrophic weather events (e.g. cyclones, floods, drought) and other natural disasters in the last two decades. The predominantly small size and diverse nature of the production systems make agricultural insurance investments unattractive. Biological assets – crops and livestock – typically fall outside mainstream insurance coverage, particularly for small farmers. Opportunities exist for transferring weather-related risks to insurance products that can benefit producers; but these need to be carefully evaluated in the Pacific context.
- g) Certification needed to penetrate niche export markets, e.g. organic and Hazard Analysis of Critical Control Points (HACCP), currently are expensive and not available in most PICs. Research and development (R&D) of new food products that respond to the ever-changing eating habits of consumers is expensive.
- h) The cost of doing business in the Pacific is high. Current policies and procedures for registering a business and obtaining the necessary licenses do not favour agro-based micro, small and medium enterprises (MSMEs).
- i) The development of ICTs in the Pacific is key to the sustainable and economic development in the region. ICTs must either improve efficiency or reduce waste for actors involved in Pacific local food crops and fisheries value chain development.
- j) Weather Index-Based Insurance (WIBI) has been introduced in several African and Asian countries that benefit smallholder farmers and can be considered for the Pacific.

6. The delegates propose the following policy actions for consideration by the Honourable Ministers.

- a) There is need for a shared vision and stronger multi-sectoral alliances at national and regional level for building resilience in Pacific agri-food systems to address the Non-Communicable Diseases (NCDs) epidemic confronting Pacific Island States. Promising community agriculture and health initiatives and the vital role that small and medium enterprises play should be better acknowledged, funded and scaled up.
- b) There is need to mobilise public and private investment in support of scientific research and product development of traditional local food crops and marine, freshwater resources to contribute to improving the food, health and nutrition situation in PICs, as well as provide new income-generating opportunities that specifically benefit local communities.

- c) There is need to harmonise standards, registration procedures and regulations governing MSMEs and reduce the cost for doing business.
- d) Governments and value chain actors need to partner with insurers to determine the suitability of Weather Index-Based Insurance (WIBI) as an option for speeding up post-disaster recovery efforts in Pacific Islands' agri-food systems. Experiences from other regions, can provide valuable lessons in considering Weather Index-Based Insurance (WIBI) as part of any strategy for developing local food crops and fisheries value chains.
- e) Investments are needed to scale up novel and existing ICT platforms/applications as well as prototypes that specifically attract smallholder farmers and fisher folk and micro, small and medium enterprises involved in local food crops and fisheries value chains and expand their use and reach. This development should go hand in hand with improvements in ICT infrastructure and connectivity and capacity building for effective end-user engagement.
- f) There is a need for the allocation of adequate public financing for attracting private and international financing at national level for implementing agricultural policies and priority programmes, and development of a business ecosystem and simplification of regulatory processes to enable agro-based micro, small and medium sized enterprises (MSMEs) to flourish. Innovative instruments are needed that enhance access to banking and financial services, especially in the rural areas. Financial institutions, government ministries and the private sector must work more closely together to offer new and innovative products. Inclusivity is a win-win strategy.
- g) Provision of competitive innovation grant facilities for MSMEs to overcome bottlenecks and take advantage of opportunities to grow their businesses and deliver positive results with innovative best practices. MSMEs must be able to demonstrate the impact to national economy - poverty issues, national GDP.
- h) Development and deployment of innovative monitoring and reporting tools as well as capacity building at regional and national levels
- i) Development of a database of service providers that can be accessed by farmers and MSMEs.

Conclusion

7. Inclusive business development will only be successful when there is transparency, trust and a willingness to work collaboratively among all actors; public and private, in a specific market context. Through collective action, farmers and their organisations as well as MSMEs can better access inputs and credit, improve production/productivity, create added value, penetrate remunerative markets and lobby and advocate for a more enabling policy and business environment.

8. Stronger partnerships are built on our shared common goals and understanding with investors (governments/donors/development partners/banks). The four regional priority areas of nutrition and incomes, finance, ICT and weather risk insurance were reaffirmed by multi-

donors as they are aligned with their development programmes in agriculture. Opportunities therefore exist for scaling up innovations, to collaborate with funding support in the four priority areas for the region is encouraging.

Looking Ahead

9. The partners committed to continue to work together to develop integrated investment plans to support national and regional priority actions and confirmed that they will report the progress made at the next PWA in 2021

Apia

4 October 2019