USAID FROM THE AMERICAN PEOPLE **PACIFIC ISLANDS**

Photo: Climate Ready | USAID

STRATEGIC FRAMEWORK

MARCH 11, 2022 - MARCH 11, 2027

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Acronyms

ADB - Asian Development Bank

BHA - USAID's Bureau of Humanitarian Assistance

CSO - Civil Society Organization

DEIA - Diversity, Equity, Inclusion, Accessibility

DFC - U.S. International Development Finance Corporation

DO - Development Objective

DOI - U.S. Department of the Interior

DRG - Democracy, Human Rights, and Governance

DRM - Domestic Resource Mobilization

DRR - Disaster Risk Reduction

EEZ - Exclusive Economic Zone

FEMA - U.S. Federal Emergency Management Agency

FBO - Faith-Based Organization

FSM - Federated States of Micronesia

GBV - Gender-Based Violence

GDP - Gross Domestic Product

GFA - Global Fragility Act

ICT - Internet Communications and Technology

IR - Intermediate Result

IUU - Illegal, Unreported, and Unregulated

LDC - Least Developed Countries

NGO - Non-Governmental Organization

PEPFAR - U.S. President's Emergency Plan for AIDS Relief

PFM - Public Financial Management

PIC - Pacific Island Countries

PIF - Pacific Islands Forum

PNG - Papua New Guinea

PSE - Private Sector Engagement

RDCS - Regional Development Cooperation Strategy

RMI - Republic of the Marshall Islands

SF - Strategic Framework

TIP - Trafficking in Persons

UN - United Nations

USAID - United States Agency for International Development

USG - United States Government

WASH - Water, Sanitation, and Hygiene

Executive Summary

The overall goal of the 2022 – 2027 Strategic Framework (SF) for the Pacific Islands is to advance a more democratic, prosperous, and resilient Pacific Island region. Resilience, the ability of the Pacific Islands to sustainably adapt to and recover from various natural and man-made shocks and stresses, is the guiding principle of this SF. USAID envisions a more resilient region that can better respond and adapt to climate and disaster impacts, pandemics, and economic shocks, with strong political systems that champion democratic values, good governance, human rights, and promote equity and inclusion for all Pacific Islanders. USAID will partner with key regional organizations, Pacific governments, civil society, and the private sector to strengthen overall resilience and accelerate the development progress of the Pacific Island countries (PICs). To achieve this goal, USAID will work through three Development Objectives (DOs):

DO 1: Community Resilience Strengthened
DO 2: Resilient Economic Growth Advanced
DO 3: Democratic Governance Strengthened

USAID programs will assist 12 PICs: Federated States of Micronesia (FSM), Fiji, Kiribati, Nauru, Palau, Papua New Guinea (PNG), Republic of the Marshall Islands (RMI), Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. The PICs occupy a vast area of the Pacific Ocean that is geographically and uniquely situated to help ensure vibrant trade and security for the Americas and Asia. In 2018, the U.S. conducted over $1.9 trillion in two-way trade with the Indo-Pacific region, supporting more than 3 million jobs in the U.S. and 5.1 million jobs in the Indo-Pacific. Ensuring freedom of commercial navigation for all is thus an international defense imperative and priority. The U.S. is deeply committed to partnering with PICs to address their common and unique challenges to ensure their resilience and prosperity. The U.S. government (USG) has reaffirmed its commitment toward the PICs as evidenced by visits from high-level officials to the region and additional investments as part of the USG's Pacific Pledge. To support the USG's renewed effort, this SF outlines how USAID will expand its portfolio and broaden PIC partnerships to address the region's most pressing challenges: high vulnerability to climate change, natural disasters, health threats, and economic shocks, as well as prioritizing development partnerships and collaboration to mitigate influences that challenge the region's stability and democratic systems. These challenges and opportunities are also consistent with the priorities articulated in the Interim National Security Strategic Guidance.

The PICs' location along and within the Ring of Fire, combined with their small geographic size and isolation, make them extremely vulnerable to the impacts of climate change and natural disasters. Climate change is a key development and security priority for the region, which aligns closely with the USG's actions to address the climate crisis abroad. Building from USAID's robust current and past climate engagement, under this SF, USAID will expand climate programming that is aligned with the Agency's new climate strategy and updated USAID and USG climate adaptation and mitigation targets. Many of the PICs have small populations on small islands that are widely scattered across an enormous geographic expanse nearly double the size of the U.S. The region's geographic obstacles and limited resources restrict economic diversification as the economies of scale needed to attract trade and investment are difficult to achieve. USAID's Pacific Islands Regional Roadmap highlights a common set of key governance challenges for the region, with the capacity of women and girls significantly challenged by persistent gender inequality issues. Women and girls are highly vulnerable to human trafficking, which has been a growing concern as several PICs consistently rank in the top tiers of human trafficking watch lists. While the Pacific Islands Regional Roadmap reflects relatively higher scores for a handful of countries on the liberal democracy commitment and civil society capacity metrics, the democracies of the PICs are rooted in strong traditional politics, a nascent civil society, low

representation of women, youth, and other marginalized groups, and challenges related to the rule of law, transparency, and financial and human capacity. Many of the PICs have so far escaped the high infection and death rates of the COVID-19 pandemic, partly because of their remoteness. The pandemic, however, has severely weakened PIC economies and exposed the fragility of health systems and governance structures, all of which are disproportionately impacting women including the rise of gender-based violence (GBV). The geographic challenges, limited economic options, fragile health systems and governance structures, and heightened pressures from COVID-19, make the democracies of the PICs prime targets for authoritarian actors asserting their influence in the region.

Foreign assistance is an important resource flow for many PICs. Australia and New Zealand are the largest bilateral donors in the South Pacific and the USG provides substantial support to the North Pacific as part of Compact assistance that is administered by the U.S. Department of Interior (DOI).[1]

USAID will advance key Administration objectives throughout the SF, with each DO focusing on specific priorities. DO1 will increase community resilience by adapting to climate change, strengthening the sustainable management of natural resources, with a focus on countering illegal, unreported, and unregulated (IUU) fishing, and improving access to sustainable clean energy services. DO 1 will also strengthen health systems to improve COVID-19 response and enhance the delivery of routine but necessary primary health care more efficiently to withstand future shocks. DO2 will promote post-COVID economic recovery; and DO3 will strengthen democracy, human rights, and governance (DRG) and support conflict mitigation in fragile areas. USAID will strengthen the foundational democracies that are already in place in the PICs and leverage resources from like-minded partners to offer sustainable alternatives for private sector-led financing and economic growth. USAID will bolster the capacity of PICs to make independent choices free of coercion to advance the resilience of their environment, people, economies, and democracies. The SF will implement approaches where USAID has comparative advantage: playing the innovator and convening role among like-minded partners, implementing people-to-people programming, and building institutional and human capacity. Going beyond mere information sharing, USAID will seek to cooperate with donor partners in the South Pacific and DOI in the North Pacific to integrate strong local capacity building elements in their programming. The strategic framework also takes into consideration, builds on and incorporates approaches that promote diversity, equity, inclusion and accessibility (DEIA), aligning with current administration DEIA priorities for foreign policy programming and workforce planning and related areas in the Mission's DEIA strategy and plan.

While the most recent International Religious Freedom report does not identify any of the PICs as countries of concern, USAID will seek to increase partnerships with faith-based organizations (FBOs) in the region as effective partners to advocate for the USG priority of promoting religious freedom in Pacific communities and champion the objectives and approaches of the SF. The PICs' strong faith-based traditions are primarily rooted in western religions and there are already a good number of FBOs with operations throughout the region. In addition, these FBOs are fully integrated throughout local communities in the Pacific.

The SF also closely aligns with the Pacific Islands' objectives and priorities as articulated in regional frameworks, including the Framework for Pacific Regionalism, Boe Declaration Action

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[1] FSM, RMI, and Palau were previously UN Trust Territories under USG administration following World War II and gained independence in 1986. These countries then entered Compacts of Free Association (COFA) with the U.S. and transitioned from Trust Territories to sovereign nations. Since this time, the USG has provided direct financial assistance to these countries as part of the COFA with the aim of ensuring access to these countries for both national security purposes and helping the countries to become self-governing and free from U.S. trusteeship.

Plan, and the latest Blue Pacific Framework, which seek to drive strong, collective action to advance the PICs' priorities. Addressing climate change and gender inequality are key priorities of the Blue Pacific. USAID will likewise mainstream climate change and increase the protection and empowerment of women as top priorities across the SF. This will include support for the "3P" paradigm—prosecution, protection, and prevention—to combat human trafficking in the region.

Given the complex, dynamic, and diverse landscape, USAID will require a combination of programmatic and geographic targeting approaches to help the PICs address their most pressing challenges. To optimize impact, USAID will primarily employ a regional approach that focuses on the binding constraints including climate change, weak governance, stymied economic growth, and fragile health and education systems that hinder the resilience of many of the PICs. A regional approach more effectively leverages the resources of key regional partners, drives collective action, improves cost effectiveness, and achieves greater economies of scale than working with individual countries alone. USAID will, however, tailor regional programmatic approaches to fit the unique context of each country and use specific bilateral approaches if the scale or conditions warrant them in certain countries or regional sub-groups. For example, PNG, Solomon Islands, and Vanuatu have over 70% of the PIC population, and over 60% of the region's GDP. The scale of the challenges in PNG and Solomon Islands, in particular, demands a greater bilateral approach, given that they have some of the lowest development indicators in the region. USAID's unique role of delivering disaster response and reconstruction assistance in FSM and RMI also requires a bilateral approach in these two countries. Because of limited resources, USAID will not support all interventions under each Intermediate Result (IR) in all 12 PICs. USAID will prioritize strategic interventions under each IR contingent on each country's context.

USAID developed the SF in close consultation with the USG interagency, PIC government counterparts, like-minded development partners, private sector and civil society stakeholders, and extensive deliberation within the Mission. During the five-year period of this SF, USAID will continue to consult with partners, gather additional evidence, and test and refine approaches as programming expands into new sectors.

Results Framework Graphic

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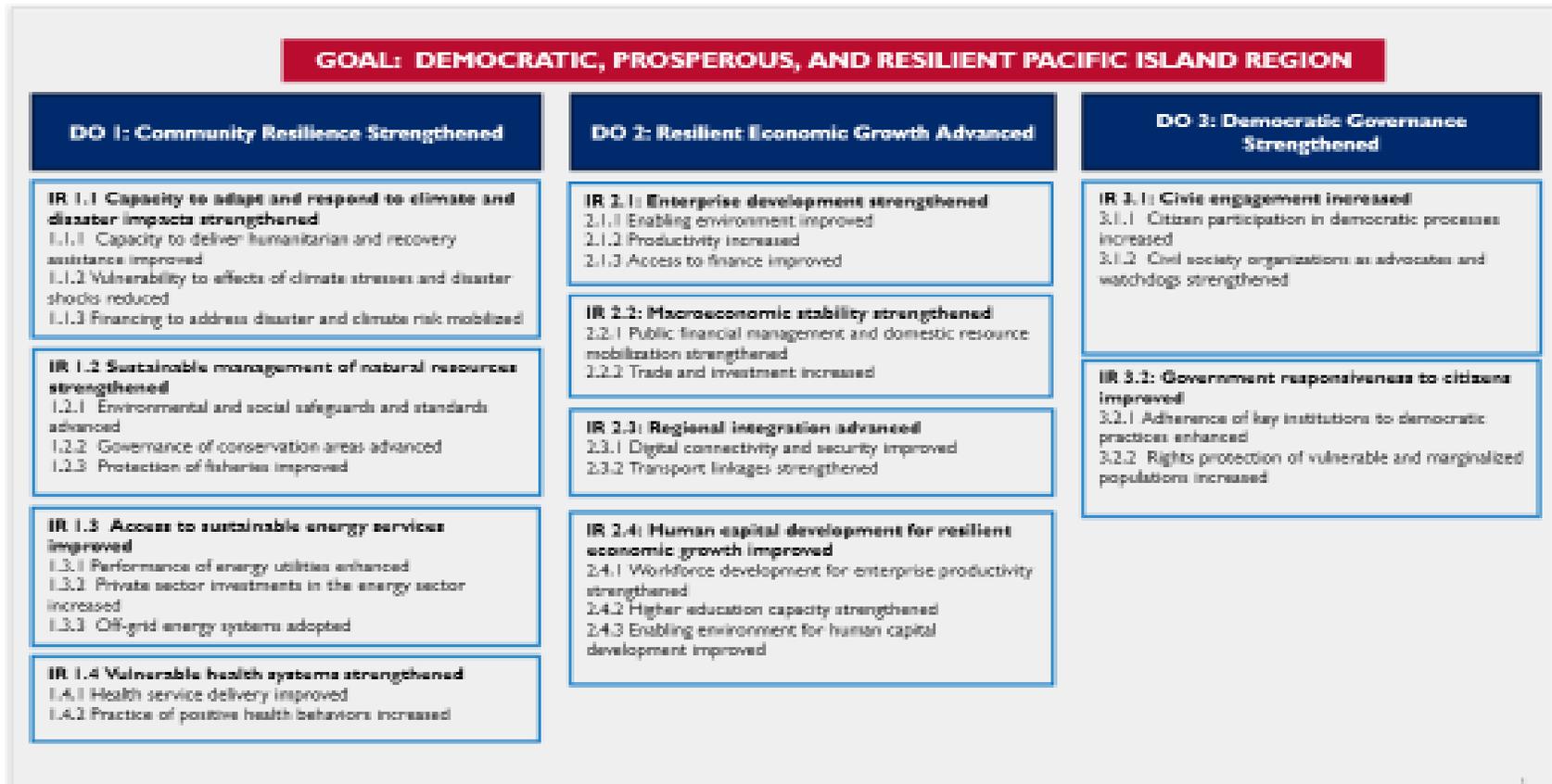
Results Framework Graphic:
This is a graphical representation of the development hypothesis that undergirds the Country Development and Cooperation Strategy (CDCS). More specific components are outlined below.

DO 1: Community Resilience Strengthened	DO 2: Resilient Economic Growth Advanced	DO 3: Democratic Governance Strengthened
IR 1.1: Capacity to adapt and respond to climate & disaster Impacts Strengthened • 1.1.1: Capacity to deliver humanitarian and recovery assistance improved • 1.1.2: Vulnerability to effects of climate stresses and disaster shocks reduced • 1.1.3: Financing to address disaster and climate risk mobilized	**IR 2.1: Enterprise development strengthened** • *2.1.1 Enabling environment improved* • *2.1.2 Productivity increased* • *2.1.3 Access to finance improved*	**IR 3.1: Civic engagement increased** • *3.1.1 Citizen participation in democratic processes increased* • *3.1.2 Civil society organizations as advocates and watchdogs strenghtened*
IR 1.2: Sustainable management of natural resources strengthened • 1.2.1: Environmental & social safeguards and standards advanced • 1.2.2: Governance of conservation areas advanced • 1.2.3: Protection of fisheries improved	**IR 2.2: Macroeconomic stability strengthened** • 2.2.1: Public financial management and domestic resources mobilization strengthened • 2.2.2: Trade and investment increased	**IR 3.2: Government responsiveness to citizens improved** • *3.2.1 Adherence of key institutions to democratic practices enhanced* • *3.2.2 Rights protection of vulnerable and marginalized populations increased*
IR 1.3: Access to sustainable energy services improved • 1.3.1: Performance of energy utilities enhanced • 1.3.2: Private Sector investments in the energy sector increased • 1.3.3: Off grid energy systems adopted	**IR 2.3: Regional integration advanced** • 2.3.1: Digital connectivity and security improved • 2.3.2: Transport linkages strengthened	

IR 1.4: Vulnerable health systems strengthened *1.4.1 Health service delivery improved* *1.4.2 Practice of positive health behaviors increased*	**IR 2.4: Human capital development to resilient economic growth improved** • *2.4.1: Workforce development for enterprise productivity strengthened* • *2.4.2: Higher education capacity strengthened* • *2.4.3: Enabling environment for human capital development improved*	

Regional Context

USAID oversees programming in 12 PICs: FSM, Fiji, Kiribati, Nauru, Palau, PNG, RMI, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. While their land masses appear small on the map, their exclusive economic zones (EEZ) encompass a vast area that is critical to global security and vital to the global economy, hosting a large proportion of the world's shipping, fisheries, and naval corridors.[2] The countries' strategic location; like-minded democratic values and our shared ties dating back to World War II make the PICs critical U.S. partners. While the USG has a long history of engagement in the region, USAID's regional programming has primarily focused on disaster and environment assistance. Public Law 115-409, the *Asia Reassurance Initiative Act of 2018*, underscored the geopolitical importance of the Pacific Islands region. The Act recognized the need for the U.S. to deepen its engagement with the Pacific Islands in areas of mutual interest -- fisheries and marine resource conservation, environmental challenges and resilience, global health, development and trade, and people-to-people ties -- and to continue to support the rule of law, good governance, and economic development.[3]

Several factors frame the region's unique development context. Many of the PICs are among the smallest and most isolated countries in the world.[4] These countries host small populations on small islands that are widely scattered across an enormous expanse, nearly double the size of the U.S. Excluding PNG, which has a population of nearly nine million and a land area of over 460,000 square kilometers (km^2), the rest of the PICs have populations below one million and land areas below 30,000 km^2.[5] Despite these small populations, there has been high population growth, especially in the larger PICs. This growth has led to an increase in the region's youth population, with at least half of the population under the age of 23.[6] The region boasts rich cultural diversity, with three main culture areas -– Melanesia (PNG, Solomon Islands, Vanuatu, and Fiji), Polynesia (Samoa, Tonga, and Tuvalu) and Micronesia (Kiribati, RMI, FSM, Nauru, and Palau). These three broad cultural backgrounds of the PICs have influenced their paths to self-governance and are important factors in understanding their history, allegiances, and approaches to democratic institutions and processes.[7] While these sub-regions vary greatly in their social structures, there are common traits across the PICs. Most Pacific Islanders are fiercely independent, having relied on tribal connections and faith-based traditions, which are primarily

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[2] The Trans-Pacific trade route is one of the largest shipping zones in the world, accounting for more than a third of the East-West global container traffic. Major defense spending by Pacific rim countries are closely linked to the importance of this critical trade route. Commonwealth Secretariat, Ocean Governance: Our Sea of Islands, 2017. The Western and Central Pacific region supplies over 50 percent of the global tuna catch. Pacific Community, Healthy tuna stocks in the Pacific pave the way for strategic sustainable fisheries management, 2019.

[3] U.S. Congress, Asia Reassurance Initiative Act of 2018, 2018.

[4] World Bank, Well-being from Work in the PICs, 2014.

[5] Pacific Community, Pocket Statistical Summary, 2020.

[6] Lowy Institute, Demanding the Future: Navigating the Pacific's Youth Bulge, July 2020.

[7] Melanesian societies, though not Fiji, were characterized by leadership in which mostly male tribal leaders gained followers by their ability to distribute wealth until larger political entities emerged. Fiji and Polynesia were aristocratic societies, characterized by ascribed or inherited leadership with varying levels of chieftainship and hereditary titles, and with the potential for the formation of states under single leaders as happened in Tonga. This facilitated a smoother transition from traditional forms of government to the hierarchy and specialization of the modern state. Micronesian societies are similar to those of Polynesia with inherited leadership but on a smaller scale for geographical reasons and they did not form states in precolonial times. More information in: Integra LLC under the Asia Emerging Opportunities portfolio, Democracy, Human Rights and Governance in 12 Pacific Island Countries, 2020.

rooted in Western religions, to prosper. Religious freedom is not a major concern as none of the PICs have been highlighted in the latest International Religious Freedom report. Another common feature is that PICs have adhered to democracy after gaining independence. Except for Fiji, which had a series of coups, every PIC has held regular elections since gaining independence. The democracies of PICs, however, are generally considered young, with politics that are dominated by kin and tribal connections. The above geographic, social, and political factors pose a common set of challenges to the PICs, which hinders their resilience and obstructs development progress.

USAID's Regional Roadmap Analysis

The Pacific Islands Regional Roadmap reveals significant differences in terms of the region's development progress. The scores for commitment and capacity vary greatly, reflecting the wide variation in the income level and development status among the PICs. The World Bank classifies Nauru and Palau as high-income.[8] The United Nations (UN) identifies Fiji and Samoa as upper middle income; PNG as lower middle income; and Kiribati, Solomon Islands, and Tuvalu as least developed countries (LDC), with Vanuatu recently graduating from LDC status in 2020.[9] The overall heterogeneity of scores across the region highlights the need for interventions tailored to the unique country context, and which enables the prioritization of investments to countries that demonstrate strong commitment and political will to advance sustainability. The Regional Roadmap lacks sufficient data for several dimensions and PICs, which reflects the need to improve data capabilities in the PICs. Despite missing data, the Regional Roadmap indicates key challenges and opportunities. The generally low-capacity scores region-wide point to the lack of institutional and human capacity as the key challenge. The relatively higher levels of commitment reflect an opportunity for USAID to engage PIC governments, civil society, and the private sector to increase the sustainability of local institutions. The PICs have made commitments to strengthen resilience, inclusive economic growth, and democratic governance, but have lacked the capacity to fully achieve these objectives.

Resilience to Shocks

USAID defines resilience as a region, country, community, and individual's capacity to adapt to and recover from a variety of shocks, particularly the environmental, economic, and political shocks to which the PICs are extremely vulnerable. While the Regional Roadmap serves as a proxy for countries' commitment and capacity to solve their own development challenges, it does not capture the impacts of the variety of shocks on the region's path to development. These shocks include the devastating effects of climate change and natural disasters, the fragile economic state of the region, political threats to sovereignty and stability, and, most recently, the impact of COVID-19. Building "resilience" to these shocks will be the guiding principle of the SF. To ultimately achieve sustainability, PICs will need to improve the resilience of systems, resources, and skills to facilitate quick recovery and protect development gains.

Environmental shocks. The PICs recognize climate change as the greatest threat to the region's security.[10] The 2020 World Risk Report lists five countries in the Pacific Islands among the top 15 countries with the highest disaster risk. The countries' geographic location, isolation, and small size make them extremely vulnerable to the impacts of climate change (ex. sea level rise, bleaching of corals, loss of wetlands, flooding, erosion, and endangerment of mangroves, among others) and natural disasters (ex. typhoons, drought, earthquakes, tsunamis, and volcanic eruptions) that frequently hit the region. These events undermine development gains and force

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[8] World Bank, List of High Income countries, 2021.

[9] United Nations, World Economic Situation and Prospects, 2020; List of Least Developed Countries, 2021; and Least Developed Country Category: Vanuatu Profile, 2020.

[10] Pacific Islands Forum, Boe Declaration on Regional Security, 2018.

PICs into a vicious cycle of response and recovery. The negative consequences are tremendous -- loss of life, economic deterioration, damage to infrastructure, threats to food security, and reduced access to freshwater are just a few of the dire consequences.[11] The threat to water resources is of particular concern as a water insecure future can have far reaching impacts on health, economic growth, and food production.

The region's valuable natural resources support major economic industries and serve as the backbone for community livelihoods and food security. These resources, however, are increasingly depleted by over extraction, which is often illegal and driven by strategic competitors. Deforestation and forest degradation are rampant in PNG and the Solomon Islands, which hold the region's largest forests. Fisheries form the cornerstone of the region's economic and maritime security, but IUU fishing is threatening the sustainability of fisheries stocks and maritime sovereignty within the EEZ. Climate change is expected to significantly reduce the productivity of the region's natural resources, thereby aggravating the challenges in this sector.

The Pacific region faces a unique set of energy challenges, which further hinders resilience.[12] Access to electricity across the PICs is relatively low, particularly in Melanesia where a lot of communities are located in geographically difficult and remote areas. Energy infrastructure remains vulnerable to natural disasters and is poorly maintained across electricity generation, transmission, and distribution systems. PICs are highly vulnerable to fluctuating energy prices and high shipping costs given their dependence on imported fuels for power generation and transportation. PICs allocate from 10 percent to more than 30 percent of their respective GDPs to import petroleum products, which diverts substantial financial resources away from meeting development needs. To overcome these challenges, many countries have adopted ambitious targets such as transitioning to 100 percent renewable energy sources according to their respective Nationally Determined Contribution targets. A need, however, exists to support these ambitions with a clear roadmap and detailed implementation plan, including the allocation of public and private resources to achieve the national targets.

In addition to ongoing challenges with preventing communicable diseases and the rising occurrence and burden of non-communicable diseases, the adverse impacts of climate change and natural disasters pose additional health burdens. Shifting rainfall and rising sea levels affect water and food security, with many communities relying on nutrition-poor imported food and lower water quality, availability, and sanitation. These contribute to increased respiratory and cardiovascular disease, water-borne illnesses, and other infectious diseases. Disasters often disrupt the delivery of healthcare services and heighten the risks of disease and death among vulnerable groups. These additional health risks increase pressure on vulnerable health systems that already struggle to address the many health challenges in the region. These challenges include malnutrition, with PNG reporting 50 percent of children as stunted or chronically undernourished; chronic and infectious diseases, including tuberculosis, malaria, and HIV, with PNG having the highest HIV infection rate in the Pacific; and high rates of GBV, maternal and neonatal mortality and adolescent pregnancy. In recent years, there has been a decline in routine immunizations, including measles, which led to a number of deaths in children under the age of five. High total fertility rates result in increased population pressures, which put a greater strain on natural resources in countries like PNG, Solomon Islands, and Samoa. Investments to improve the underlying systems that deliver critical health services are needed to strengthen PICs' capacity to respond to and recover from shocks.

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[11] Samoa Ministry of Natural Resources, Environment and Meteorology [SMNREM] (2005). National Adaptation Programme of Action Samoa. Retrieved from http://unfccc.int/resource/docs/napa/sam01.pdf
[12] ADB, Pacific Energy Update, 2019.

Economic shocks. The economic consequences of the natural disasters in the region include lower growth, higher inflation, and a deterioration of fiscal and current account balances, ultimately resulting in employment and income losses. The structural features of Pacific economies, however, make them susceptible to other types of economic shocks. The geographic remoteness and smallness of Pacific land sizes and populations make it difficult to achieve the economies of scale needed to attract new foreign investment and expand trade. This in turn limits business expansion, employment opportunities, and income generation. Overall, these structural features are binding constraints to economic growth in the region, and fuel economic dependency and vulnerability.[13] Several PICs scored quite low on the Trade Freedom metric, with Kiribati, Solomon Islands, Fiji, Vanuatu, and Samoa at below average, demonstrating the region's barriers to trade. Apart from fisheries and tourism, Pacific economies depend on a few other shock-prone commodities. Most exports from the PICs are limited to agriculture (including fisheries and forestry), tourism, and minerals, with PNG also exporting oil and gas.[14] The trade of this limited set of exports plays a crucial role in the economic fortunes of the PICs. High trade-GDP ratios prevail throughout the region, accounting for over 100-130 percent of GDP for some, making these small economies more externally vulnerable. Limited digital connectivity and transport options further prohibit economic opportunities. The broadband divide continues to widen within the Pacific and between the Pacific and other parts of the world, with affordability as the key challenge. PICs are also ranked relatively low in the World Bank's Shipping Connectivity Index. Some islands in the Pacific are so remote that regular transport services do not exist, leaving people on these islands with limited access to economic opportunities or social services. The remoteness and geographical characteristics of the Pacific countries put a high cost on the movement of goods, services, and people. Private investment is not the main driver of growth and jobs for many PICs because of their small economies, high cost of doing business, and the lack of an enabling environment.

Political Shocks. The average and above average scores of Fiji, PNG, Solomon Islands, and Vanuatu on the Liberal Democracy metric reflect the general commitment of PICs to uphold democratic values. The high scores of several countries in the Civil Society Capacity metric indicates the vibrant civil society sector in the region. This presents an opportunity for USAID to engage with civil society organizations (CSOs) as strategic partners. Despite these relatively high scores, PICs generally have young democracies that are rooted in strong traditional politics, a nascent civil society, low representation of women, youth, and other marginalized groups, and challenges related to the rule of law, transparency, and financial and human capacity. The complex and powerful interdependence of political and social relationships dictate alliances around governance and elections. Across the region, kin and tribal connections are central to political careers and loyalties. Traditional leadership roles can therefore be more important than political and distant national identities. This is especially true for FSM, PNG, Solomon Islands, and Vanuatu, which are states defined more by territory rather than by national identity. The post-independence states are characterized by varying levels of national identity, due to the often-arbitrary divisions of territory, and the extremely remote geographic nature of the region. The decade-long armed conflict between the Government of PNG and the Island of Bougainville demonstrated how weak ties between island communities and national governments could lead to political instability. A Peace Agreement in 2001 established Bougainville as an autonomous region. Through USAID support, a free, fair, peaceful, and credible referendum occurred in November 2019, which contributed to maintaining stability. Bougainvilleans voted overwhelmingly

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[13] For binding constraints at the national level, please refer to R. Duncan and H. Codippily (2014) "Identifying Binding Constraints in the Pacific Island Economies" *East-West Center Working Paper Series* No. 18. See also R. Duncan and H. Nakagawa (2006) "Obstacles to Economic Growth in Six Pacific Island Countries" *Political Science* and C.D. Sugden (2019) "Finding Binding Constraints in the Pacific" *Geography.*

[14] Harvard University, *Atlas of Economic Complexity* (2020, online).

in favor of independence from PNG, but the PNG Parliament still needs to ratify the vote.

> **Box 1: Impacts of COVID-19**
> While many of the PICs have so far escaped the high infection and death rates of the pandemic partly due to their remoteness, COVID-19 revealed the PICs' limited capacity to cope with external shocks. The COVID-19 pandemic severely weakened the undiversified and disconnected economies of the PICs, with the collapse of tourism, disruptions to international trade, and a reduction in remittances. The pandemic also exposed the fragility of health systems and governance structures, with a disproportionate impact on women and children. Lockdowns are not safe for everyone, and as a result, women and children face even higher rates of violence. There is increased pressure for women to take on exploitative employment and be more vulnerable to human trafficking. USAID's immediate COVID-19 response focused on improving health systems, logistics, and communications. USAID has made initial investments to address disinformation, protect human rights related to the pandemic, and support economic recovery and food security, but more support is needed. The SF aims to be flexible and adaptable given the "new normal" and considers new ways to increase resilience considering the pandemic and other new shocks.

Capacity Challenges
The key constraints to improving the region's resilience to shocks is weak institutional and human capacity. This is evidenced by the low scores of many PICs in the government, citizen, and economic capacity metrics.

Low government capacity. The low scores of many of the PICs in the Government Effectiveness metric, with RMI, Solomon Islands, Tuvalu, and PNG at below average, indicate low government capacity across the region. Challenges related to political instability and financial and human capacity lead to less-than-ideal government transparency and accountability mechanisms, as well as the weakening of CSOs, free media, and political parties. Limited financial capacity ties to the economic challenges discussed above and is evidenced by nine PICs (Kiribati, Solomon Islands, Vanuatu, FSM, RMI, Tuvalu, PNG, Tonga, and Samoa) falling below average on the GDP per capita metric. The small populations of many of the PICs lead to small labor pools of skilled workers. Human capacity issues, which are further discussed in the citizen capacity section below, include lack of technical skills and insufficient staff to address priorities. These concerns undermine the ability of the PICs to achieve sustainable development and increase their vulnerability to coercive actors.

Low citizen capacity. PNG and Solomon Islands consistently have the lowest scores in all the citizen capacity metrics -- poverty rate, education quality, and child health, thereby highlighting the greater need for assistance in these two countries.

Challenges in the education sector hinder the conversion of the growing youth population into a skilled workforce. While there have been some improvements to education access, there remains a lack of access to qualified and well-prepared secondary, tertiary, and technical vocational training programs.[15] In particular, girls, young women, persons with disabilities, and rural communities face disadvantages in accessing education. A significant proportion of students who manage to attend school fall below the minimum proficiency levels for literacy and numeracy.[16] These results indicate that more support is needed for the lowest performing students in the

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[15] Pacific Islands Forum Secretariat, 2018 Pacific SDGs Progress Wheels, 2018.

[16] Pacific Community, Pacific Islands Literacy and Numeracy Assessment 2018 Regional Report, Educational Quality Assessment Program, Suva, Fiji, 2019.

region. Recognizing these challenges, the PICs set the goal in the Pacific Regional Education Framework (2018 – 2030): to promote inclusive learning to raise the quality of education across the Pacific, enhance learners' education outcomes, and to produce high quality graduates able to contribute economically and socially to their communities.

Graduates who succeed in finishing school, however, face limited job opportunities due to the economic challenges discussed above. There are high levels of youth unemployment in the region, especially for young women.[17] The growing numbers of youth searching for jobs is driving migration to urban areas, especially in Melanesian countries. The influx is exceeding the pace of urban development, resulting in the rapid growth of squatter settlements. These areas feature high income inequality and unemployment, overcrowding, substandard housing, social exclusion, and lack of basic services.[18] Without gainful employment prospects, unengaged youth could turn to illicit or informal activities, which lead to increases in crime, violence, and personal insecurity. These trends are occurring in varying degrees in the capital cities of PNG, Solomon Islands, and Vanuatu. The future stability and economic prosperity in the PICs will greatly depend on whether the youth bulge can be harnessed to drive economic growth.[19] To engage vulnerable youth in the economy, the PICs must increase employment opportunities and improve access to and quality of higher education and workforce development programs so that the youth can gain the needed skills to contribute to economic growth.

Persistent gender inequality challenges the capacity of women and girls and poses a major constraint to inclusive and equitable sustainable development. While significant advances in establishing gender and inclusion policies have been made, gaps remain in implementation across all sectors. High rates of GBV persist, with more than 60 percent of women in Melanesia, and more than 40 percent in Polynesia and Micronesia experiencing GBV. It causes not only trauma to women and girls, their families, and their communities, but also reduces productivity through the consequent negative health, education, and employment issues that result from GBV. Very limited economic opportunities exist for women in the PICs. Labor market surveys show that while women's share of the labor force is increasing, it is consistently lower than that of men. On average, men outnumber women in formal employment 2 to 1 across the region and as high as 3 to 1 in Melanesia. Low levels of female political representation also persist, with women holding only 7.7% of seats in Pacific parliaments.[20] The region has been further identified as a source, transit point, and destination for human trafficking for sexual exploitation and forced labor.[21] Women are highly vulnerable to human trafficking, especially in local extractive industries such as fishing, logging, and mining.

Pacific Priorities
The Pacific Islands realize that addressing these immense challenges will require strong, collective action. To drive shared commitment and action, the countries have reoriented their view of the ocean, from an element that separates them, to the core of their common identity -- as stewards of the Pacific Ocean's wealth of resources. The countries have recognized their shared strengths as "large ocean states" that form a *Blue Pacific* continent. The PICs have endorsed the *Blue Pacific* as a new framework to drive collective action that will advance the region's cornerstone priorities, which include advancing climate change action, sustainably managing island and ocean resources, promoting energy security, connecting the oceanic

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[17] International Labour Organization, Improving labour market outcomes in the Pacific, 2017.

[18] Asian Development Bank, The State of Pacific Towns and Cities, Pacific Studies Series (Manila: Asian Development Bank, 2012).

[19] Lowy Institute, Demanding the Future: Navigating the Pacific's Youth Bulge, July 2020.

[20] Pacific Islands Forum Secretariat, First Quadrennial Pacific Sustainable Development Report 2018, 2018.

[21] 2020 U.S. State Department Trafficking in Persons Report

continent through information and communication technology (ICT), and fostering inclusivity and equality, particularly the role of women.[22] Recognizing how climate-related disasters have exacerbated the COVID-19 crisis in the region, Pacific leaders have emphasized that climate change and resilience continue to be key regional priorities of the *Blue Pacific* continent.[23] As a framework developed by Pacific Islanders for Pacific Islanders, the *Blue Pacific* demonstrates the countries taking greater ownership of their future. *Blue Pacific* priorities directly link with the Administration's key priorities. Strong, joint commitment by the countries to advance regional priorities that also support USG priorities presents an important opportunity for USAID to position the USG as the partner of choice in the region.

Donor Landscape

The PICs strategic location makes them vital to the national security of other Pacific neighbors who invest significant resources in the region. Australia provides the most assistance, but other large, like-minded donors include New Zealand and Japan. USAID has excellent working relationships with traditional, like-minded partners and the presence of more newly engaged donors, such as the Republic of Korea and India as well as Taiwan's development assistance, complement USAID's work in the region. Among the like-minded donors, the Lowy Institute reports that between 2011 to 2017, Australia was the largest donor with expenditures totaling $7.3 billion over that period, followed by New Zealand with $1.3 billion, the U.S. with $1.2 billion, the Asian Development Bank (ADB) and Japan with over $1 billion, and the World Bank which spent a total of $949 million. The European Union is also a major donor, with a total contribution to the Pacific of around €800 million since 2014. The USG provides approximately $350 million per year, the majority of which goes to the North Pacific as part of its Compact assistance. This includes support for education, health, and infrastructure and is administered by DOI.

USAID will continue to engage like-minded donors directly, in-country, and through multilateral initiatives such as the Quadrilateral Security Dialogue, U.S.-Japan-Australia Trilateral Infrastructure Partnership, the Trilateral Pacific Security Dialogue, and others. USAID also will continue to pursue opportunities to establish relationships with new partners who share our values and objectives in the region.

Strategic Approach

Combining Regional and Bilateral Approaches

Given the complex, dynamic, and diverse landscape, USAID's strategy requires a combination of approaches to help the PICs address their most pressing challenges. USAID will pursue a regional approach in some cases, and in others, either a bilateral approach will be employed or a combination of regional and bilateral approaches to address unique challenges.

To optimize impact, USAID will primarily employ a regional approach that focuses on the binding constraints that hinder the resilience of many of the PICs. USAID will tailor regional approaches to ensure programming fits the unique context of each country. The following factors justify the use of a regional approach:

1) **Key regional partners** – Since many of the PICs often have limited human and monetary resources, key intergovernmental regional organizations, such as the Pacific Community

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[22] Pacific Islands Forum Secretariat, 50th-Pacific-Islands-Forum-Communique, 2019; and Pacific Islands Forum Special Leaders' Retreat: Leaders' Decisions, 2021.
[23] Pacific Islands Forum Secretariat, COVID-19 and Climate Change: We Must Rise to Both Crises, 2020.

(SPC), play important roles to coordinate decision-making and are often regarded by member PICs as sources of staffing and training. Like-minded development partners also manage multi-country programs, including Australia, Japan, South Korea, New Zealand, World Bank, ADB, UN agencies, etc. To effectively leverage available USG, local, and regional resources, USAID will take a regional approach and will work in close partnership with these regional organizations and development partners that have similar regional mandates and programming.

2) **Collective action** – Regional approaches foster shared commitment, promote peer learning, and facilitate the replication and scaling up of country-level best practices across the region.

3) **Economies of scale** - Regional approaches enable the aggregating of demand and supply to achieve greater economies of scale, which will in turn make private sector engagement more feasible in the PICs.

4) **Cost effectiveness** – Given the high cost of doing business in the region, it will be more cost-effective to manage programming using a regional approach, with one main office and satellite offices covering sub-regions.

The SF will enable USAID to adjust approaches and prioritization of countries to respond to new challenges, opportunities, and political considerations that may arise. Where appropriate, USAID will use sub-regional and specific bilateral approaches to respond to development challenges. USAID's unique role of delivering disaster response and reconstruction assistance in FSM and RMI requires a bilateral approach in these two countries. As the two largest nations in the region that are lagging the most in development, USAID also has decided that the scale of the challenges in PNG and Solomon Islands demands a bilateral approach, including for PNG's expected interagency focus under the Global Fragility Act (GFA). PNG is the only Pacific Island country that is part of the Asia-Pacific Economic Cooperation (APEC) forum, and the only Association of Southeast Asian Nations (ASEAN) Dialogue Partner from the PICs.

The increased USAID staff in six Pacific Islands field offices -- Fiji, FSM, Palau, PNG, RMI, and the Solomon Islands -- will play key roles in the successful implementation of the multiple approaches in this strategy. Field-based staff will advise how regional programming can be tailored to local contexts and will play leading management roles for bilateral programming. They will also improve monitoring, collaboration, learning, and adapting across the portfolio, helping address implementation issues and working closely with key stakeholders on the ground to ensure efforts are complementary, leverage resources, and maximize impact.

As programming expands into new sectors, USAID will continue to collaborate closely with partners, gather additional evidence, and test and refine approaches. This will lay the groundwork for developing a full Regional Development Cooperation Strategy (RDCS). Limited resources may not support all interventions under each IR in all 12 PICs. Moving forward, USAID will align country specific strategic interventions under each IR.

USAID's Comparative Advantage
USAID benefits from the USG's long history as a trusted friend and democratic partner of the PICs, dating back to World War II. USAID will leverage the large reserves of U.S. soft power in the region to deepen engagement with the PICs, and our willingness to roll up our sleeves and get down in the trenches to work with one community at a time.[24] The USG should be seen as more neutral when it comes to conversations around the development of a Pacific Agenda. In addition, USAID has a solid reputation for leadership and global development expertise. USAID will focus on three strategic approaches to capitalize on these comparative advantages and distinguish its assistance from malign actors: playing the innovator and convening role among

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[24] Center for Strategic and International Studies, Strengthening the U.S.-Pacific Islands Partnership, 2019.

like-minded partners, people-to-people programming, and building institutional and human capacity.

Innovator and Convener
USAID will promote innovative approaches throughout the SF and focus on transformational technologies that will accelerate the region's development progress. Improving digital access and connectivity is a game changing innovation for the PICs. It can help overcome the geographic challenge of isolation, offer new and better jobs, and facilitate the sharing of knowledge and adoption of enhanced skills. This could result in more than US$5 billion in additional revenue and close to 300,000 additional jobs by 2040.[25] The U.S. has been identified as having a comparative advantage in helping the PICs improve digital connectivity.[26] Recognizing that digital technologies can benefit all sectors, USAID will prioritize the digital transformation of the PICs across this SF by fostering an open, interoperable, reliable, and secure digital ecosystem. USAID will also pursue innovation by working with new partners, with an emphasis on building the capacity of local CSOs and the private sector, and will continue to prioritize the use of collaborative approaches to design and procurement. Already, USAID has championed co-creation as a successful model that has generated new ideas, resources, approaches, and partners. USAID will continue to refine the use of and seek innovative methods to co-design to further improve the focus on quantifiable results.

With additional officers based in the Pacific, USAID will step up efforts to convene like-minded development partners. Moving beyond mere information sharing, USAID will closely collaborate and conduct joint planning with partners to ensure interventions are streamlined and complementary. USAID will also focus its convening power to leverage the resources of like-minded partners to pilot, replicate and scale up innovations, and provide PICs with sustainable alternatives for financing and economic growth. USAID will seek to influence donor partners in the South Pacific and DOI in the North Pacific to integrate strong local capacity building elements in their programming.

People-to-People Programming
USAID will promote a people-centered approach by increasing Pacific Islanders' exposure to U.S. values and good governance practices. People-to-people programming will focus on engaging communities through partnerships with U.S. Peace Corps, which currently has field offices in Fiji, Samoa, Tonga, and Vanuatu, and local CSOs, including business associations and FBOs. Given the PICs' strong faith-based traditions, there are already a good number of FBOs with operations throughout the region. These FBOs often support critical basic services and have a strong influence on communities. USAID will look to partner with FBOs to champion the objectives and approaches of the SF and advocate for the USG priority of promoting religious freedom in Pacific communities.

People-to-people programming will also support scholarships for Pacific Islanders to study in the U.S. and educational partnerships between U.S. and local institutions of higher learning. There is probably no better mechanism for strengthening people-to-people ties than educational exchange programs that create a long-term bond. Incorporating a people-to-people exchange component that facilitates dialogue and transfer of knowledge will not only be limited to education programming alone, but in all aspects of this SF -- fisheries protection, clean energy, disaster risk reduction, strengthening civil society, and improving digital connectivity.

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[25] World Bank, Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries, 2017.
[26] Center for Strategic and International Studies, Strengthening the U.S.-Pacific Islands Partnership, 2019.

Building Institutional and Human Capacity

As discussed in the regional context section, capacity is the cross-cutting challenge in the region and this SF will emphasize a robust capacity building approach in all interventions. USAID will work to strengthen institutional and human capacity in government units, communities, civil society, and the private sector by improving skills and training human capital across sectors.

The provision of scholarships and support for educational partnerships that was discussed in the people-to-people approach will also be a key feature of the capacity building approach. The scholarships will lay the groundwork for a cadre of partners (government, academia, civil society, private sector) who return to their countries with improved capacities in their respective fields. To be truly sustainable, partnerships with U.S. institutions will build the expertise of local higher education institutions in priority development areas (e.g., climate change, public financial management, etc.) in which USAID invests. USAID will work closely with the State Department to ensure programming complements the International Visitor Leadership Program. To harness the growing youth population into a demographic dividend, USAID will focus on building the capacity of youth. USAID will work to improve their skills so they can better participate in the economy and engage them as key actors for demanding good governance, particularly as it relates to the principles of participation, inclusion, transparency, and accountability.

Given the concerning gender inequality issues that persist in the PICs, capacity building interventions will prioritize the empowerment and protection of women and girls. Interventions will support governments, communities, and other key actors to be responsive to the unique needs of women and pay particular attention to boosting the skills of women in the sectors covered by the SF. USAID will work to ensure women's perspectives are incorporated throughout programming, improve their access to and control of resources, increase their political and social representation, prevent GBV and support victims of GBV, and promote the "3P" paradigm—prosecution, protection, and prevention—to combat human trafficking in the region. USAID will build the capacity of government agencies in the Pacific to integrate gender perspectives in policies and plans and engage men and boys as advocates for gender equality.

USAID will pursue human capacity development through intentional approaches to DEIA, such as in work in climate adaptation and in disaster risk reduction (DRR). When DRR programming is specific and intentional about representing the voices and perspectives of persons with disabilities and community disaster planning meetings, the resulting response is more inclusive. Casting a wider net not only to reach underserved and marginalized communities, but also by working with diverse groups of local organizations, opens opportunities to non-traditional groups, such as disability-led organizations. Such an approach improves localization, which can broaden the impact of our work, such as bringing emergency information to the deaf and blind communities. It can also help to develop new and exciting partnerships.

Box 2: Role of Civil Society - An Application of USAID's Comparative Advantages
The role of civil society as described here provides a specific example of how USAID will apply its comparative advantages. USAID will build CSO capacity, empowering them to serve as effective and principled watch dogs, advocates, civic educators, and voices of their communities to promote good governance. USAID's people-to-people approach will be the major vehicle to empower civil society. It is important to recognize that a large majority of CSOs in the region do not have stable funding sources and rely on unpredictable, donor-driven funding. CSOs are challenged by limited human resource capacity, the inability to recruit and retain high quality staff, and high staff turnover. These issues impact their effectiveness and sustainability. USAID's sustainability plans for civil society will include:
- Develop capacity - Support the development of administrative, institutional, and thematic capacities in a manner that is owned and driven by civil society in the region;
- Develop regional/local service providers - support regional or local intermediary institutions, including universities in the region, that can function as service providers to smaller organizations;
- Promote an enabling environment - understand the policy and legal framework and state-society relation in the PICs and support "rules of the game" that enable CSO interaction with citizens and with their governments;
- Recognize CSOs with relatively higher capacities - build and support their initiatives to expand their roles (e.g., FBOs as advocates of good governance); and
- Support a more coordinated role for like-minded donors in the region - a shared understanding of the long-term nature of development and concomitantly the maturation of CSOs (build sustainability from the start not as part of an exit strategy).

Advancing Sustainable Development

USAID will weave key elements throughout the SF to accelerate the region's development progress. The framework will align with regional priorities to help PICs address the development challenges they have identified, increase capacity to finance sustainable development, promote private sector engagement, and build existing and establish new relationships with government counterparts to strengthen their capacity and commitment in leading their countries' development.

Alignment with Pacific Priorities

Designed to support PICs in addressing their most pressing development issues, the SF closely aligns with the Pacific Islands' objectives and priorities as articulated in key regional frameworks including the Framework for Pacific Regionalism, Boe Declaration Action Plan, and the Blue Pacific Framework. The region's development priorities echo the Administration's key priorities. USAID will leverage this close alignment to position the USG as the partner of choice in the region.

The PICs have endorsed the *Blue Pacific* as a new framework to drive collective action that will advance the region's cornerstone priorities. The Blue Pacific priorities to advance climate change action, sustainably manage island and ocean resources, and promote energy security link to the Administration's priorities of combating climate change, strengthening environmental stewardship, and supporting sustainable clean energy solutions. The Blue Pacific priority to connect the oceanic continent through ICT links to the Administration's priorities of promoting sustainable infrastructure and addressing digital authoritarianism. The Blue Pacific also prioritizes inclusivity and equality, particularly the role of women, which aligns with the Administration's priorities to advance DRG, diversity, and gender equality. The development of the 2050 Strategy for the Blue Pacific is underway to outline a long-term vision and strategies for the security and well-being of the PICs. This presents another opportunity for USAID to ensure that the approaches and objectives in this SF are integrated into the region's long-term development plan.

The alignment of the DOs to the Blue Pacific priorities are detailed in the DO sections below. Across the SF, USAID prioritizes the Blue Pacific priorities of mainstreaming climate change and promoting gender equality.

Mainstreaming Climate Change
The USG's rejoining of the Paris Agreement offers an important opportunity to increase engagement with the PICs on climate change, which continues to be the region's defining challenge and affects many sectors. Strengthened adaptation to climate change therefore remains at the core of the resilience concept, and USAID prioritizes the mainstreaming of climate change throughout the SF. USAID will build the capacity of relevant sectors to integrate climate change considerations in development planning and policies to improve the sustainability of investments. For example, USAID will support the integration of adaptation and mitigation measures in ICT development plans to ensure the sustainable use and management of ICT infrastructure investments, such as submarine cables and data centers. USAID will also promote ICT in early warning systems, adaptation, and disaster response and recovery initiatives, and e-government solutions to improve climate and disaster risk management.

Financing Sustainable Development
As previously discussed, the geographic isolation and smallness of the PICs have constrained the growth of their economies. The small tax base limits government capacity to raise domestic revenues, forcing PICs to take on unsustainable debt and opaque assistance from authoritarian actors. USAID's convening approach will be key to leverage resources from like-minded partners and offer sustainable options for financing and economic growth. USAID's capacity building approach will strengthen PICs' capacity in public financial management, domestic resource mobilization, and trade and investment. USAID will also bolster anti-corruption and enforcement capacity to increase transparency and accountability of government finances and budgets. The primary IR links are IR 2.2: Macroeconomic Stability Strengthened and IR 3.2: Government responsiveness to citizens increased.

Private Sector Engagement (PSE)
PSE, a key aspect of USAID's localization agenda, will be critical to diversify and improve the resilience of the region's economies. USAID will prioritize PSE and market-based approaches throughout the SF. Engaging the private sector, particularly U.S. firms and investors, will be key in attracting capital and technology as well as obtaining market access for PIC's firms. PSE will also be crucial to mobilizing financing in terms of increasing access to finance for vulnerable populations and promoting greater investments in critical infrastructure, services, and human capital. USAID's comparative advantage here is to act as convenor and facilitator, identifying opportunities for partnerships, engaging regulatory authorities, and lowering risks for the private sector. USAID's efforts to convene partners to improve economic connectivity will be vital for the PICs to overcome the challenge of distance and the high cost of doing business, thereby making private sector investments and trade more viable. USAID will work to build the brand of the PICs as sources of sustainable natural resources (oceans and forests), connect the PICs to global supply chains, and promote the *Blue Pacific* continent as a trading and information hub. The primary IR links are IR 2.1: Enterprise Development Strengthened; IR 2.3: Regional integration advanced; and IR 1.3: Access to sustainable energy services improved.

Government Capacity and Commitment
While the USG has a long history of engagement in the region, USAID's regional programming has primarily focused on disaster and environment assistance. To support the USG's renewed commitment to the PICs, USAID will expand regional programming to new sectors – economic growth, governance, health, and education. At the onset, USAID will seek to establish new

relationships with government counterparts in these new sectors, engaging them as genuine partners in their own development. The higher purpose of USAID's capacity building approach will be to build government capacity and commitment to advance reforms, enforce laws, promote regulatory compliance, and raise their own resources so that they can ultimately take over programming. The primary IR link is IR 3.2: Government adoption of democratic values increased.

Ensuring Stability
USAID will work to ensure that effective development and fragility approaches are applied to conflict and stability questions across the region and in particular countries as appropriate. In April 2022, the President approved PNG's nomination for interagency support to address its issues related to fragility with the development of a 10-year implementation plan. This includes potentially addressing fragility concerns related to poor governance, economic vulnerability, social fragmentation, illegitimate institutions, political corruption, gender exclusion, human rights abuses, lack of the rule of law, and a vulnerability to natural disasters. Associated programming will be geared within the context of this strategy's regional approach.

Diversity, Equity, Inclusion and Accessibility
In the Pacific Islands region, USAID will endeavor to work with new partners in ways that expand programming to address disparities among marginalized and underserved communities. We will also mobilize support for programs that recognize and reduce discrimination based on racial and ethnic identity. In keeping with the Administrator's localization vision, as discussed throughout this SF, USAID will emphasize input from local actors such as the private sector, non-governmental organizations, and sub-national and local government entities who will play a pivotal role in providing basic services for PIC populations. The Mission is also committed to expanding opportunities to work with new, underutilized, and non-traditional actors by lowering barriers for indigenous actors to access USAID resources. And finally, we will explore opportunities to increase leadership and decision-making among local organizations and host governments.

Results Framework Narrative

Goal Statement
To advance a more democratic, prosperous, and resilient Pacific Island region. A "democratic" region is one that is governed by the people and for the people, and not politically dominated by coercive actors. It is a region that is free to determine and advance its own sustainable development to benefit all citizens. A "prosperous" region is one where economies are more connected to one another and to the wider world, thereby opening up viable and sustainable opportunities for economic growth. With resilience as the guiding principle of the SF, USAID envisions a more resilient region that can better respond and adapt to climate and disaster impacts, pandemics, and economic shocks, with strong political systems that champion democratic values, human rights, and equity and inclusion for all Pacific Islanders. USAID will build the capacity of key regional organizations, partner governments, civil society, and the private sector so they can take charge of strengthening overall resilience and the region's development.

USAID's consultations and analyses determined that progress toward this goal can best be achieved by building capacity to address the region's most pressing challenges: high vulnerability to climate change and natural disasters, vulnerability of economies to shocks, and intensifying geopolitical competition that is increasing undue influence on democratic governance. USAID will

increase capacity and commitment to address these core challenges through three distinct yet interlinked DOs:

DO 1: Community Resilience Strengthened
DO 2: Resilient Economic Growth Advanced
DO 3: Democratic Governance Strengthened

As detailed in the Strategic Approach section, USAID will use a combination of approaches, primarily employing broad regional approaches that will be tailored to fit the unique context of each country, and specific bilateral approaches if the scale or conditions warrant them in certain countries. This approach is anticipated to result in the development hypotheses playing out differently in each PIC. During the SF period, USAID will expand programming into new sectors where it expects to build new partnerships, increase learning, and establish successful models that it can further work to replicate and advance in the next strategy period for the RDCS.

DO 1: Community Resilience Strengthened

Development Hypothesis: *IF* capacity to address the underlying risks of climate change and disasters is strengthened; and natural resources, which communities depend on for livelihoods and protection, are sustainably managed; and communities' access to affordable and climate smart energy systems is increased through transparent, private sector-led investments; and health systems are strengthened to respond to the needs of their populations; *THEN* the natural environment and people across the region will be more resilient and capable of responding to and bouncing back from crises.

The PICs' location along the Ring of Fire, combined with their geographic smallness and isolation, make them extremely vulnerable to the impacts of climate change and natural disasters. These events threaten water and food security, livelihoods, biodiversity, infrastructure, and health care. Resilience in the Pacific Islands will largely depend on the strength of communities and the supportive systems in place to mitigate the impacts of shocks. Strong communities that can adapt and quickly recover from shocks are an essential prerequisite for a resilient and, ultimately, sustainable Pacific Islands region. This DO will build the capacity of PIC governments, civil society, and the private sector to help communities address climate and disaster impacts, and strengthen the critical resources and systems needed to make communities more resilient: natural resources, energy, and health systems. To achieve and sustain the results under this DO, PIC governments will need to advance reforms, enforce laws, promote regulatory compliance, direct resources to the most vulnerable communities, and raise and mobilize their own resources so that they can ultimately take over programming.

To develop the hypothesis for this DO and the overall SF, USAID used lessons learned from its longstanding climate portfolio that initially focused at the community level and was later expanded to include national level work. Experience highlights the need to build on local knowledge to implement low cost and culturally appropriate interventions; prioritize inclusive approaches to integrate gender and other key considerations; and persist in securing community buy-in and commitment. An evaluation of USAID's community level portfolio emphasized the importance of strengthening the capacity of subnational government institutions and CSO partners, and the need to continue community-based support. At the national level, USAID has learned that climate finance technical support needs to be field based and should be expanded to include stronger private sector linkages and leverage broader sustainable finance initiatives. The SF emphasizes these lessons as reflected in the selected approaches and development hypotheses.

This DO supports the region's security objective for a stable and safe environment, and the *Blue*

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Pacific priorities for climate change action, protection of the Pacific Ocean, sustainable management of resources, renewable energy, and ensuring healthy people. This DO further supports the key Administration priorities to combat climate change, strengthen environmental stewardship, promote sustainable clean energy solutions, and strengthen health systems to improve COVID-19 response.

IR 1.1: Capacity to adapt and respond to climate and disaster impacts strengthened
Climate change greatly impacts communities in coastal areas, where most of the population lives,[27] and poses an existential threat to countries composed mostly of low-lying atolls. The Pacific is one of the most disaster-prone regions in the world. Disaster risks converge with critical socio-economic vulnerabilities, environmental degradation, climate change, including both short-term and long-term climate impacts, and more recently COVID-19, making the Pacific a disaster hotspot. Communities have very limited capacity and resources to address climate change and the frequent natural disasters that hit the region. Women are the most vulnerable to climate and disaster impacts,[28] and are also first responders, yet women's voice, agency, leadership, and participation are under-supported, under-resourced, and under-valued. Even though women and girls face disproportionate disaster and climate risks, their capacities remain underutilized in conventional resilience building processes. As a result, women are generally absent in the development of resilience strategies and decision-making processes for prevention, mitigation, preparedness, and recovery. USAID will build the capacity of governments, particularly at the sub-national level, civil society, and the private sector to help communities immediately respond to and recover from disasters, and support communities to address their underlying vulnerabilities to long-term impacts. To ensure communities have sufficient resources to sustain these interventions, USAID will build capacity to mobilize sustainable climate and disaster finance.

This IR will primarily use a regional approach as climate change and natural disasters are common challenges across the region. However, USAID's unique role of delivering disaster response and reconstruction assistance in FSM and RMI will require a bilateral approach in these two countries. FSM, RMI, Kiribati, Nauru, RMI, Tonga, and Tuvalu are priority countries because these extremely vulnerable, low-lying coral, and atoll islands are threatened by sea level rise, drought is prominent, and they have limited natural resources and capacity to adapt to climate change. PNG is also a priority because it sits on the ring of fire and is one of the most vulnerable countries in the world to natural disasters and the impacts of climate change.

USAID will pursue a mix of interventions to improve local capacity to deliver humanitarian assistance and post-disaster recovery in partnership with USAID's Bureau of Humanitarian Assistance (BHA), U.S. Federal Emergency Management Agency (FEMA), and other regional, national, and community stakeholders. BHA will continue to provide timely humanitarian support that includes food, water, and shelter to alleviate disaster impacts on affected communities. USAID will complement BHA support by utilizing development-oriented solutions that will help communities rebuild their homes and livelihoods, enabling swift recovery from disasters. Recognizing the importance of local actors as the first line of defense, USAID will strengthen civil

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[27] Andrew NL, Bright P, de la Rua L, Teoh SJ, Vickers M, Coastal proximity of populations in 22 Pacific Island Countries and Territories, 2019.

[28] Pacific women, particularly in poor communities tend to spend more time at home, which can be swept away during a flood, while men are likely conducting economic activities in more secure public places. Women also do not receive early warning information in time because communication assets are often controlled by men. Moreover, women are affected by secondary impacts, including increased gender-based violence and workloads and reduced economic opportunities. UN Women Fiji, Why is climate change a gender issue? and Climate change, gender, and health in the Pacific, 2014.

society and private sector ability to identify needs and mobilize resources, thereby advancing sustainable financing and PSE. USAID will engage with the private sector to provide complementary and in-kind support (e.g., housing materials) for disaster-affected communities.

Beyond humanitarian assistance, USAID will also support communities to prepare for and mitigate risks, especially of slow onset climate impacts (e.g., drought, sea level rise). Examples of interventions that will reduce communities' vulnerabilities to long-term impacts include providing early warning systems and decision support tools, integrating climate science in policy making and planning, and adopting climate-smart livelihoods. To further support PSE, USAID will target small businesses to develop disaster contingency plans so they can quickly resume critical services to affected communities after a disaster. To improve water security, USAID will help expand the delivery of water, sanitation, and hygiene (WASH) services to vulnerable and underserved communities. Assistance will build the capacity of communities to develop, operate, and sustain climate resilient water supply and sanitation systems, promote proper hygiene and handwashing to prevent transmission of infectious diseases like COVID-19, as well as improve the management of water resources. USAID will prioritize the integration of women's needs in disaster risk reduction planning, and their equal access to climate information, climate-smart livelihood programs, and WASH and other services.

Enhancing the responsive and adaptive capacity of local actors will increase local stewardship of resources, support the development of the region's own resilience agenda, and improve the ability to access financing. USAID will increase access to finance from domestic, international, public, or private sources. This will help communities and governments break the cycle of a constant state of recovery from shocks by spurring investments in projects that are more preventive and adaptive rather than emergency response in nature. USAID will help build the capacity of governments and communities to access climate sustainable climate finance by increasing their awareness on international climate fund requirements, supporting country readiness goals for accessing climate funds, and providing technical assistance in developing funding proposals that address adaptation priorities.

Partners: FEMA will be a major partner for disaster assistance in FSM and RMI. Other key partners include community-based CSOs and coalitions (ex. WASH Pacific Coalition, a group of key WASH actors who implement WASH related projects in the Pacific region); academia (East-West Center; University of South Pacific; University of PNG); and the private sector.

IR 1.2: Sustainable management of natural resources strengthened
Communities greatly depend on natural resources for livelihoods, food security, and protection from disasters. Forests protect communities from landslides and flooding and the vast forests in PNG and Solomon Islands store substantial amounts of carbon, thereby offering significant climate change mitigation potential. Coastal communities rely heavily on fisheries for daily food needs and livelihoods. While women play important roles in natural resource-based livelihoods in the Pacific, men tend to make the decisions and have greater access to the benefits. These valuable resources, however, are being increasingly threatened by deforestation and IUU fishing, and climate change exacerbates these challenges. The major threats to natural resources are tied to weak governance and characterized by uneven institutional capacities of national governments across the region to undertake sound environmental planning, enforce management measures, and engage widely with stakeholders. The resilience of communities will require improvements in the sustainable development of natural resources to enable ecosystems and the people who depend on their services to thrive. To achieve this, USAID will focus on three areas: increase the capacity of government institutions to strengthen and enforce environmental and social safeguards; improve the governance of conservation areas by building capacity for environmental decision making that is not only evidence-based, but also inclusive,

representative, and transparent; and address IUU fishing by strengthening sustainable community-driven fisheries management and linking it to broader national and regional level fisheries protection.

Given that PNG and Solomon Islands are two of the primary countries in the region where major deforestation occurs, bilateral approaches will be used for forestry interventions in these countries. The conservation of these globally important tropical forests also supports important climate mitigation priorities. Fisheries programming will primarily use a regional approach as PICs generally face common challenges in this sector. Priority countries in this IR include PNG and Solomon Islands because of their significant forestry resources and because PNG is one of the world's last frontiers for biodiversity. Other priority countries are Fiji because it has the third largest land size among the PICs and a relatively large EEZ, and Kiribati, which has the largest EEZ in the region, but limited capacity to manage its fisheries resources. Likewise, the Pacific region's ocean resources also include large blue carbon potential, which can be better managed and conserved through the development of new accounting methodologies.

This IR will focus on building government capacity and commitment to advance environmental and social safeguards. It will also reduce the illegal extraction of predatory players and level the playing field for legitimate businesses. This approach further promotes financing for sustainable development as it will help ensure that the natural resource benefits accrue to communities. To support PSE, USAID will improve incentives to increase private sector investments in conservation, create transparent and level market conditions, and demonstrate sustainable supply chains. USAID will prioritize the integration of gender considerations in natural resource management programs, work to increase the participation of women in decision-making processes and conservation-friendly livelihood programs, and promote shared value co-benefits for women and men.

Partners: Key partners for this IR include relevant government ministries, SPC's Fisheries, Aquaculture and Marine Ecosystems Division, Pacific Islands Forum Fisheries Agency, Secretariat of the Pacific Regional Environmental Programme, and CSOs and coalitions that are involved in community-based conservation, such as the Locally Managed Marine Protected Area Network and the Micronesia Conservation Trust.

IR 1.3: Access to sustainable energy services increased
As an essential input to basic needs, access to sustainable energy empowers communities to achieve their economic goals, healthcare objectives, and environmental resilience. Energy access, however, remains at alarmingly low levels, especially in Melanesia, with PNG having the lowest access in the region at only 13 percent. Women and girls are often responsible for collecting traditional fuels for communities that rely on biomass for energy, which can take up as much as three hours a day. Despite their important role in providing energy, women are excluded from energy plans and decision-making processes, and often miss out on the benefits when access to energy is improved.[29] While many PICs have national energy policies and renewable energy targets, they lack clear roadmaps and resources to achieve their targets. PICs require stronger institutional capacities to improve the viability of their energy utilities and attract greater private sector investments so that the region's energy sector can become more secure, sustainable, market-driven, and resilient. USAID will increase access to affordable and climate smart energy by improving the performance of energy utilities, increasing transparent private sector investments in the energy sector, and expanding off-grid energy systems in the region.

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[29] UN Women, Gender And Energy In The Pacific, 2017.

Given that PNG has the lowest energy access in the region, and by far the largest population among the PICs, this IR will use a bilateral approach and prioritize interventions in PNG. If funding is available, the IR will use a regional approach for other priority countries with the next lowest rates of electrification in the region: Solomon Islands, Vanuatu, Kiribati, FSM, and RMI. Provincial centers, island communities, and other remote populations will be targeted for this assistance.

USAID will improve the institutional capacity of PNG's regulatory authorities to develop and implement effective energy policies and support PNG's energy utility to transform itself into a strong partner. USAID will enhance the ability of PNG's energy utility to provide reliable energy, better serve customers, expand electricity connections, and improve overall financial viability to undertake capital investments and partner with the private sector. To further promote PSE, USAID will increase private sector investments in energy by linking viable energy projects to financing. USAID will also engage communities and landowners to address social and environmental impacts of power infrastructure projects. USAID will support off-grid communities with distributed energy generation systems, utilizing small scale renewable energy technology to be developed in partnership with the private sector. Beyond PNG, USAID will also explore additional programming to support PICs to expand energy access, increase private investment, and better utilize technology to accelerate clean energy transition priorities. Recognizing that women can be powerful actors in the transition to sustainable energy, USAID will prioritize women's involvement in planning and managing energy solutions; and support economic and gender empowerment in communities and households that benefit from new electricity connections.

Partners: Key donor partners in this IR are Australia, New Zealand, and Japan who are parties to the PNG Electrification Partnership. Major PNG partners include the country's energy utility, PNG Power Limited, the Independent Consumer and Competition Commission, and the National Energy Authority. The private sector will also be a strategic partner to mobilize investments in the energy sector.

IR 1.4: Vulnerable health systems strengthened
The region has some of the lowest health statistics in the world with weak health systems that are increasingly becoming overwhelmed by the additional health burdens caused by frequent natural disasters. When health systems are strong and able to respond to the needs of their populations, then these populations in turn will be strengthened and more resilient to the challenges they face, whether it be another infectious disease outbreak or catastrophic weather event. There are critical gaps in the institutional capacity of PICs to deliver high-quality health services and there are issues in the demand for health services. In some PICs, health services are underutilized and in other examples, services specifically created to serve marginalized populations do not exist, or those clients experience stigma and discrimination in the health system. Limited sexual and reproductive rights and a lack of resources for women and girls hinder the improvement of basic health in the region. USAID will strengthen health systems by providing targeted interventions to help address these supply and demand issues, with a focus on improving the quality and access of health services for women and girls.

This IR will continue to support a bilateral approach for critical PEPFAR interventions in PNG to help strengthen the country's health system to achieve HIV epidemic control. USAID also will use a regional approach to prioritize PNG and Solomon Islands given their low rankings on the Child Health metrics in the latest Pacific Islands Regional Roadmap. FSM, RMI, and Palau are also priorities because they offer an important opportunity to leverage USG's long-standing relationships with these countries. Having additional USAID staff in each of these countries will

better enable USAID to cooperate with host governments and USG agencies to integrate strong local capacity building components into their plans.

USAID will build government capacity for policy reforms and structural changes to address the root causes of low access to and quality of health services. USAID will focus on strengthening the key elements underpinning the quality of services: 1) leadership and governance; 2) workforce development, training, and quality improvement; 3) sector planning, budgeting, and financial management; 4) information systems; and 5) supply chains, medical products, vaccines, and technologies, among other important areas. The emphasis on improving health sector governance, planning, budgeting, and financial management advances sustainable financing. To support the demand-side of health systems, USAID will improve access to sound health information, accurate messaging, and services. USAID will support social and behavior change strategies and work with civil society organizations to advocate for and improve access to services for key vulnerable, at-risk, and marginalized populations, including victims of gender-based violence. USAID will prioritize the health issues of women and girls by supporting improvements in maternal/child health and family planning. These interventions will lead to increased practice of positive health behaviors and increased demand for quality health services even for vulnerable populations, which will allow PIC communities to hold their health systems more accountable and increase system responsiveness to community needs.

Partners: USAID already engages with the major health donors in the region, including Australia and New Zealand, and they have looked to USAID's technical expertise in some areas such as supply chain and health financing. To enable coordinated, synergistic programming, USAID has established relationships with other key stakeholders, including SPC's health unit, World Health Organization, United Nations International Children's Emergency Fund, International Federation of Red Cross and Red Crescent Societies, and Joint United Nations Programme on HIV/AIDS.

DO1 Assumptions:
- USAID has commitment and buy-in from all USG partners, including DOI, and other development agencies as needed.
- International climate/environment funds are adequately funded, well-functioning, and prioritize allocation of funds to the most vulnerable countries.

DO1 Risks:
- Catastrophic natural disasters will occur that will require USAID to divert resources from other sectors. In crises, USAID will shift resources toward humanitarian efforts. For long-term resilience and sustainability, USAID will focus on capacity building for climate change adaptation, disaster preparedness, planning, and economic recovery.
- Either another pandemic or existing chronic conditions due to increasing non-communicable diseases cause greater strain on health systems.
- DOI managed compacts are not renewed.

DO 2: Resilient Economic Growth Advanced
Development Hypothesis: *IF*, at the micro-level, local enterprises are supported to improve productivity and obtain access to sustainable financing; and macroeconomic stability is strengthened through greater capacity in public financial management and increased trade and investment; and at the regional level, countries are better integrated with markets by improving digital connectivity and transport linkages; and human capital is more developed with improved workforce skills; *THEN* PICs' economies will be able to grow, be more resilient to shocks, and better able to overcome the challenges of distance and isolation.

In addition to the economic shocks from natural disasters, the structural features of Pacific economies make them particularly vulnerable to other global market stresses. The geographic obstacles of smallness and distance have restricted the expansion of the private sector and diversification of exports, forcing PICs to rely on a narrow set of volatile industries. Compounding these challenges are limited transportation and digital connectivity. PICs also lack the policies and standardization framework that will allow their economies to be more closely integrated regionally to achieve economies of scale and globally to open up their markets to new sources of trade and foreign investment flows. As a result, Pacific economies fail to produce enough jobs for their growing youth populations. Despite the increasing supply of workers, many lack the needed skills to enter the workforce. All these factors make Pacific economies extremely vulnerable to economic shocks, as was the case with COVID-19.

To increase resilience, PICs need to improve the ability of their economic systems to withstand and recover from shocks. This will require economic systems that encourage the growth of businesses, raise sufficient resources to make adaptive investments, connect with regional and global markets to open up additional economic opportunities, and provide the workforce with the needed skills to participate in the economy. At the micro level, USAID will advance the development of local enterprises by improving the business enabling environment, enhancing productivity in critical sectors, such as fisheries and tourism, and increasing access to sustainable finance. USAID will strengthen macroeconomic stability by building the capacity of government institutions to improve domestic resource mobilization (DRM), improve public financial management (PFM) and accountability systems, and lower the cost of doing business and promote competition to attract more trade and investment. To better integrate PICs with markets, USAID will deliver technical assistance to improve digital connectivity and transport linkages. And as a foundation to all these efforts, USAID will improve institutional capacity to support a strong, educated workforce that can productively contribute to economic growth. To achieve and sustain the results under this DO, PIC governments will need to promote an open, enabling environment and improve regulatory quality; implement effective DRM and PFM reforms; strengthen infrastructure planning and management; support digital access and connectivity; and increase resources for human capital development.

The development hypothesis for this DO is informed by lessons learned from the climate portfolio, supported with research, and aligns with approaches of other like-minded development partners.[30]

USAID will leverage resources from like-minded partners to provide viable alternatives for financing and sustainable economic growth. Interventions in this DO will support the key Administration priorities of assisting with post-COVID economic recovery, promoting sustainable infrastructure solutions, and addressing digital authoritarianism. This DO will also support the region's objective to achieve inclusive and equitable economic growth, and the *Blue Pacific* priority of connecting the oceanic continent.

USAID would use a regional approach for all IRs under DO2 and prioritize PNG and Solomon Islands because they have the lowest scores on the Poverty Rate and Education Quality metrics in the latest Pacific Islands Regional Roadmap. FSM, RMI, and Palau are also priorities because there is an important opportunity to leverage USG's long-standing relationships with these

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[30] For binding constraints in Pacific economies: C.D. Sugden, Finding Binding Constraints in the Pacific, Geography, 2019; R. Duncan and H. Codippily, Identifying Binding Constraints in the Pacific Island Economies, East-West Center Working Paper Series No. 18, 2014; and R. Duncan and H. Nakagawa, Obstacles to Economic Growth in Six Pacific Island Countries, Political Science, 2006. For an example of a partner approach: Asian Development Bank, Pacific Approach 2021-2025, 2021.

countries. USAID plans to increase its presence in each of these countries. Doing so will enable it to better influence the integration of strong local capacity building components into country plans.

IR 2.1: Enterprise development strengthened

The business environment in PICs is generally characterized by high costs, time-consuming processes, and overly burdensome regulations, thereby imposing significant costs on businesses. Local enterprises also lack the expertise and resources to improve productivity and expand their operations. Women in the Pacific face greater challenges in starting a business as they often have lower financial literacy and management skills and lack ready access to business networks.[31] With a focus on supporting women-owned businesses, USAID will strengthen the development of local enterprises by improving the enabling environment to encourage private sector investment and build the capacity of local enterprises to improve productivity and increase access to sustainable finance.

USAID will build government capacity and commitment to address the factors that hinder the formation and growth of businesses and promote a business-friendly enabling environment in the Pacific. Interventions will include policy advocacy and institutional capacity building to reduce transaction costs, improve regulatory quality and transparency, lower barriers to entry, and encourage competition, entrepreneurship, and innovation. This IR will advance PSE by improving the conditions that will attract more private investment, such as tax incentives for the private sector to encourage job creation. Interventions will also level the playing field for legitimate businesses, thereby countering the undue influence of coercive actors.

USAID will expand business development services for micro, small, and medium enterprises to increase their productivity, commercial viability, access to markets, and capacity to generate employment. Assistance will enable local enterprises to expand their e-commerce presence through digital marketing and e-payment solutions. Support will focus on key drivers of the local economy, such as fisheries, tourism, and other service industries. USAID will expand access to sustainable finance for local businesses. Technical assistance will support the roll-out of a secure transactions framework, development of business registries and credit ratings, and introduction of other innovative financing solutions, including fintech, in the region. These interventions will promote reforms that lower barriers to financial sector development, strengthen domestic financial service providers, and central banks in the PICs. Interventions will also seek to lower financial risks through insurance and guarantee schemes and mobilize the resources of like-minded partners to expand options for sustainable financing, which will be a key approach to deterring coercive and burdensome debt practices.

Partners: USAID will partner with the U.S. International Development Finance Corporation (DFC) to help expand formal lending to emerging businesses in the region. USAID will also work in partnership with the ADB, World Bank, Japan, and European Union to strengthen enterprise development across the region.

IR 2.2: Macroeconomic stability strengthened

Given the high vulnerability to shocks and small economic base, many PIC governments are confronted with serious fiscal challenges, and have low capacity to manage their public finances. The small tax base and scant private sector activity limit government ability to raise domestic revenues and to make sufficient allocations for adaptive and inclusive development programs. While many PICs have adopted policies to advance gender equality, these commitments are not

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[31] ADB, Women and business in the Pacific, 2018.

supported by budget allocations to address gender issues.[32] To strengthen macroeconomic stability, USAID will boost capacity in DRM and PFM, with a focus on improving gender-responsive budgeting within PFM plans. To support the diversification of Pacific economies into industries that are less prone to shocks, USAID will also build institutional capacity to expand trade and investment more effectively. Improving DRM, PFM, and trade and investment will raise local resources and help PICs become more equipped to anticipate and respond to the many shocks to which they are vulnerable.

USAID will strengthen PICs' capacity for DRM by supporting tax administration and policy reforms, including initiatives that will expand the narrow tax base in PICs, increase compliance among taxpayers, and reduce revenue leakages. Tax analytics will help determine the tax burden in each PIC relative to similar economies, which type of taxes and incentives can be used to broaden the tax base or attract investment, and the distributional and welfare impact of taxes on different segments of society. USAID will work with tax administration authorities to strengthen tax systems and make them more simple, fair, and efficient, including support for automating key tax business processes such as tax e-filing and e-payment. To improve PICs' capacity in PFM, USAID will support systems strengthening efforts, particularly for procurement systems; promote innovative PFM interventions, such as results-oriented budgeting and automated budget processes; and institutionalize global standards of fiscal transparency and accountability such as the Extractive Industries Transparency Initiative and the Open Government Partnership. These interventions will improve spending efficiency and the delivery of public services. To boost trade and investment and strengthen trading relationships with non-traditional partners, assistance will complement existing trade and investment initiatives in the region. USAID will help increase the capacity of Pacific governments to comply with their World Trade Organization commitments and maximize the benefits from their memberships in preferential trade agreements. USAID will also assist in addressing obstacles to cross-border trade and advance customs modernization.

Partners: USAID will work with Pacific Ministries of finance, trade, and commerce; local chambers of commerce, American chambers of commerce, and the foreign investor community; and CSOs.

IR 2.3: Regional integration advanced
The lack of safe, reliable, and efficient digital communications and transport infrastructure is a major barrier to opening up economic opportunities and improving the quality of life for citizens of the PICs. Digital technology can be especially important in empowering women as it can open new opportunities for women to participate in online work, e-commerce, and the sharing economy.[33] Improving connectivity between Pacific economies and the outside world will increase job opportunities, access to services, and foster greater levels of trade and investment, thereby contributing to resilient economic growth. USAID will improve regional integration by implementing a mix of activities to expand the provision of and improve the availability and reliability of digital and transport services in the PICs. USAID will prioritize interventions that improve the connectivity of outer islands to benefit from links to economic hubs as well as critical access to health and education services.

USAID will build government capacity in infrastructure planning, procurement, and maintenance, helping ensure climate change considerations are integrated throughout the life cycle of infrastructure projects, and that procurement is done in a transparent and accountable manner. Given that infrastructure projects will require considerable investment, key approaches will be to

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[32] Pacific Islands Forum Secretariat, First Quadrennial Pacific Sustainable Development Report 2018, 2018.

[33] World Bank, Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries, 2017.

promote PSE to catalyze private investment and leverage the resources of development partners to expand sustainable financing options. USAID will facilitate public-private partnerships and support opportunities to aggregate the demand of small PICs. This will help improve operational cost and efficiency and help mitigate the risk of private investment. USAID will also work with PIC governments to support necessary changes in the legal and regulatory environment to attract investors. USAID will further seek opportunities to promote competition in mobile and international telephony, internet service provision, and transport and logistics services to help lower costs and improve service delivery in countries that are large enough to support two or more competing operators.

To facilitate increased use of digital technologies for better services and economic activity, USAID will support the transition of government services from manual to digital platforms and expand e-government solutions. USAID will partner with the private sector to transition Pacific economies to digital payments and expand trade through e-commerce platforms and e-payment systems. USAID will enhance digital skills and literacy, prioritizing interventions that can reduce economic gender gaps and increase the participation of women in the digital economy.

USAID will also focus on strengthening secure connections and cyber protections such as data privacy and internet and information security. These interventions will encourage 5G clean path approaches and promote alternatives to covered technologies to ensure safe, more open, and secure environments that will advance the development of the digital economy.

Partners: To facilitate infrastructure investment, USAID will work closely with the DFC, United States Trade and Development Agency, the private sector, and the Pacific Region Infrastructure Facility, which is a multi-partner investment coordination and technical facility of like-minded development partners that supports infrastructure development and management in the Pacific.

IR 2.4: Human capital development for resilient economic growth improved
Most PICs face a shortage of adequately skilled people and an oversupply of unskilled workers. Contributing to this skills mismatch are poor educational outcomes, which include low literacy levels and lack of access to university and training institutes. These challenges are due to many PIC governments having inadequate capacity and resources to support communities in the provision of quality education services. While many PICs have some form of education legislation and policies in place, implementation remains inconsistent, and funding for education is often low and ad hoc. As a result, many PICs face serious difficulties in recruiting and maintaining a high-caliber workforce. USAID will work to address these deficiencies to reinforce broader gains in human capital development, supporting regional and country-level partners to measurably improve key learning and educational outcomes that contribute to resilient economic growth. Given the high levels of unemployed youth, with a large proportion being women, USAID will prioritize interventions that increase access to training and skills development for these marginalized groups.

USAID will work to strengthen the overall enabling environment in the region by engaging with local government actors and institutions of higher learning to identify key barriers to human capital development and build local capacity to address those issues. USAID will tap into U.S. university expertise to provide technical assistance to Pacific higher education institutions on a broad array of topics to address human capital development challenges, including management, curriculum development, and innovation. USAID will also improve institutional capacity to deliver quality workforce development programs, such as life skills training, technical-vocational training, or life-long education programs to reintegrate out-of-school children, youth, and adults back into formal education. USAID will support dialogue mechanisms that will link government, industry, academia, and skills training institutions to address issues surrounding workforce development

and higher education. USAID will initiate steps that directly support the goals stated in the inaugural Pacific Skills Summit in 2019, which include promoting and advocating the importance of investing in skills development to realize regional sustainable development efforts and resilient economic growth.

Partners: Key partners include Pacific ministries of education; higher education and training institutions, including the University of the South Pacific; and U.S. universities.

DO2 Assumptions:
- The economies will be able to recover from the impacts of COVID-19 and economic stability will return in the medium to long term.
- Private sector and like-minded development organizations are willing to partner and leverage resources with USAID.
- Strong ownership and support for policy reform by host governments.

DO2 Risks:
- Continued downturn or depression in the global economy.
- USAID over-estimates its convening and leveraging power.

DO 3: Democratic Governance Strengthened
Development Hypothesis: *IF* citizens of the PICs are engaged to participate in democratic processes and hold government institutions accountable; and government institutions are responsive to citizens by advancing the rule of law, participation and inclusion, transparency and accountability, integrity of elections and political processes, and protection of human rights including those of vulnerable populations; *THEN* the PICs' democratic governance will be strengthened and become more resilient to undue influences, building a more integrated region that advances sustainable development.

PICs generally are young democracies, with strong traditional politics, nascent, but active civil society, and challenges with the rule of law. Each country has unique challenges, but common themes can be seen within these democracies, including low participation of women and youth in decision-making processes and challenges related to political instability and financial and human capacity. These issues lead to weaker government transparency and accountability mechanisms, as well as the weakening of CSOs, free media, and political parties. Authoritarian actors are exploiting these fragile governance structures and limited capacity, thereby threatening the sovereignty of the PICs, and obstructing their path to sustainable development.

Strong democratic systems require two key elements. For citizens to have greater confidence in their government and democratic system, citizens need to be engaged -- to be aware of and provide input into government decisions and to demand accountability and transparency. The second key element is strong government institutions that are representative, transparent, participatory, and accountable to their constituents. Together, these elements will strengthen resilience against undue influences so that PICs are free to determine and advance their own sustainable development to benefit all citizens. USAID will work on both the demand and supply sides to strengthen democratic governance in the region, advancing political systems that are representative of the will of the people and infused with the principles of participation, inclusion, and accountability. USAID will leverage the region's vibrant civil society to increase civic engagement and demand for improved government transparency and accountability. USAID will expand citizen's participation in democratic processes and improve the capacity of CSOs, journalists and independent media to serve as advocates and watchdogs. These interventions will increase the ability of citizens to participate in, negotiate with, influence, and hold accountable the institutions that affect their lives. On the supply side, USAID will support

governments to improve responsiveness to its citizens by bolstering initiatives that reinforce the political will and strengthen the capacity of governments to embrace citizen engagement and accept accountability for their actions. USAID will increase the capacity of key regional, national, and sub-national agencies to adhere to democratic practices and execute programs for the rights protection of vulnerable and marginalized populations. In addition, USAID will expand engagement with various multilateral forums in the Pacific to provide needed international pressure to help foster sound, just, and responsive democratic governance in the region. To achieve and sustain the results under this DO, PIC governments will need to follow through on their national, regional and international commitments to strengthen good governance, promote democratic values, and improve transparency and accountability mechanisms.

While USAID's DRG programming in the Pacific has primarily focused on PNG and more recently Solomon Islands, experience highlights the need to strengthen both the demand and supply sides of democratic governance. For example, USAID's support to build the capacity of civil society organizations (demand side) and the Office of the Bougainville Electoral Commissioner (supply side) were critical to ensure a free, fair, peaceful and credible referendum in Bougainville. The development hypothesis is also informed by a DRG assessment[34] that identified critical gaps and needs and provided recommendations on focus areas for this SF.

Interventions in this DO will support key Administration priorities to advance DRG, diversity, and gender equality, and mitigate conflict in fragile areas. This DO also aligns with the region's objective for strengthened governance and legal and administrative systems as articulated in the Framework for Pacific Regionalism.

USAID would use a regional approach for all IRs under DO3. USAID would prioritize PNG and Solomon Islands because they have some of the lowest scores among the PICs for the Government Effectiveness metric in the latest Pacific Islands Regional Roadmap. FSM, RMI, and Palau are also priorities because there is an important opportunity to leverage USG's long-standing relationships with these countries. USAID plans to increase its presence in each of these countries. Doing so will enable it to better influence host governments and USG agencies to integrate strong local capacity building components into their plans.

IR 3.1: Civic engagement increased
The Pacific benefits from a wide variety of CSOs, including established non-governmental organizations (NGOs), community-based groups, FBOs, and independent media. While these groups are active at national and local levels in the Pacific, many are generally weak, especially community-based groups that are often far removed from urban areas, primarily because they suffer from resource and capacity deficits. These constraints hinder their ability to address the many challenges that exist in their communities and to effectively engage with government actors and other stakeholders on key issues and concerns. In addition, large sectors of society, notably women and youth have limited engagement in politics and policymaking. The limited civic engagement in the region weakens government transparency and accountability. USAID will work through people-to-people approaches to increase the engagement of citizens in democratic and decision-making processes; and build the capacity of CSOs, including media organizations, to inform and amplify citizens' voices and engagement.

With a focus on women and youth, USAID will build citizens' capacity in leadership, advocacy, representation, and related skills. Assistance will support opportunities to bring together formal and informal leaders and constituents to identify and address issues, reconcile differences,

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[34] Integra LLC under the Asia Emerging Opportunities portfolio, Democracy, Human Rights and Governance in 12 Pacific Island Countries, 2020.

promote greater understanding and mutual trust, and work on common goals. This includes working with FBOs and traditional leaders where the opportunities exist to leverage their influence in the community to advance participatory governance and overcome inequalities, particularly gender inequality. Elections vest in the citizen the power to choose their leaders and is at the core of a democratic system of governance. USAID will mobilize citizen voice and participation in advancing the values of transparency and integrity in electoral processes. USAID will also foster citizen engagement in key government processes, such as budget and procurement processes to prevent the misuse of public funds.

To bolster the vital role of CSOs as advocates of reform and watchdogs for accountability, USAID will support strategic CSO-led programs that increase citizen engagement, protect rights and counter discrimination, advance governance reforms, and have potential for scale and replicability. Given the close-knit family and tribal connections within PICs, USAID will look at potentially supporting regional organizations to ensure the independence of watchdogs. To allow the unfettered flow of accurate information to citizens, USAID will support traditional media practitioners and social influencers in the evolving digital environment in such areas as the strengthening of legislation around freedom of information and the press, combating disinformation and hate speech, building capacity, and promoting self-regulation. These efforts to strengthen a free and independent media will help combat disinformation. To enhance the effectiveness and deepen the development impact of CSOs, USAID will promote networking among CSOs by providing venues for individual CSOs with a shared interest to come together to exchange experiences, express identities, discuss and debate needed changes, and craft strategies for action. USAID will also focus on building the organizational capacity of CSOs to improve their performance and overall sustainability (please see Table 2 for more details).

Partners: Pacific regional organizations engaged in promoting good governance will be strategic partners, including SPC's Human Rights and Social Development Division, which is mandated to amplify impact related to human rights and good governance, gender equality and social inclusion, youth, and cultural development in the region. Other key partners include CSO coalitions, local CSOs, including media organizations, FBOs, and business associations, and traditional community leaders.

IR 3.2: Government responsiveness to citizens improved
Many government institutions in the region are weak and under-resourced, factors which contribute to their ineffectiveness and inability to be fully responsive to citizens. Some key institutions are even non-existent. For example, except for Fiji, no other PIC has a dedicated anti-corruption institution. USAID will build the capacity of government institutions to be genuinely representative of the will and interests of the people, and help government institutions and policies become more accessible, transparent, accountable, and responsive to their constituents, especially women, youth, and other disadvantaged groups. USAID will utilize multilateral forums to foster commitment, collective action, meaningful peer connections, and increased regional momentum to improve government responsiveness.

USAID will assist governments to follow through on their regional and international commitments for good governance and institutionalize reforms to withstand changes in administration or political leadership. Interventions will support mechanisms and processes that foster government openness to receiving citizen feedback and incorporating public inputs in decision-making; improve the administration of justice; and reinforce the processes that underpin democratic institutions, such as elections. To increase sustainable financing, USAID will enhance public accountability in government finances and budgets, increase public sector transparency and access to information, bolster anti-corruption and enforcement measures, and strengthen

investment and project safeguards. USAID will advance the rule of law by strengthening institutions and mechanisms that support a democratic political system where everyone, including the state itself, is accountable to laws that are passed openly, enforced fairly, and adjudicated independently.

A critical priority under this IR is to cultivate an environment where key institutions protect and uphold the rights of every person, particularly victims of GBV and human trafficking. USAID will apply a holistic and multi-sectoral approach to address these critical issues, supporting interventions across three pillars -- prevention, protection, and prosecution. USAID will improve prevention through enhanced local and community-based mechanisms and strategies; strengthen protection and sustainable durable solutions and services for victims; and improve capacities to prosecute offenders and increase access to legal services by victims. USAID will help bridge the gap between policy and implementation by supporting the work of regional and national human rights institutions and other key government stakeholders to ensure fidelity with fundamental freedoms and human rights and effective implementation of laws and national action plans. USAID will seek to develop high level advocacy and engagement with governments of PICs to address GBV and trafficking in persons issues and strengthen coordination with other agencies and development partners to maximize impact of interventions in the region.

Partners: Pacific regional organizations engaged in promoting good governance will also be strategic partners in this IR, including SPC's Human Rights and Social Development Division, as well as national and sub-national government agencies, including elections and human rights commissions.

DO3 Assumptions:
- PIC governments are willing to work with USAID on good governance initiatives.
- The relationship between government and civil society in PICs strengthens as governments operate in a transparent and accountable manner.
- Regional cooperation among the PICs will continue despite the announced withdrawal of RMI, Palau, FSM, Kiribati, and Nauru from the PIF, the region's leading political body. Micronesian countries are expected to maintain their memberships in other key Pacific regional organizations. This includes some organizations where the U.S. is also a member such as SPC. The USG will continue to work with partners throughout the Pacific to encourage regional cooperation.
- Domestic stability will maintain, and ongoing and potential independence referendums and movements, will not result in conflict.

DO3 Risks:
- Authoritarian actors increase efforts to undermine democratic progress.
- Regional cooperation breaks down, thereby threatening the shared commitment and collective action to advance good governance.
- Domestic instability due to ongoing and potential independence referendums and movements, lead to conflict.

Monitoring, Evaluation, and Learning

Monitoring
USAID will organize a monitoring system that will track progress, performance, programmatic assumptions, and operational context under each DO. The Performance Management Plan (PMP) will further describe plans to collect and utilize baseline data and set specific targets. To

track and consolidate high priority indicators, USAID staff and implementing partners have been using standardized performance indicator tracking tables using Excel-based templates. These tables will help USAID transition to the Development Information Solution (DIS). Given the large geographic expanse of the Pacific, USAID will also look to use geographic information system (GIS) tools to improve planning, monitoring, analysis, learning, and decision-making.

The overall organization of the monitoring framework will include analytical lenses to support the management of regional and select country programs. This includes the articulation of monitoring objectives, data gathering methodology, tools and indicators. The monitoring approach will have an integrated information data management process that will promote the alignment of regional and country programs and clearly establish the connection of all programs to the strategic priorities. To advance regionalism and cooperation, the use of monitoring and indicator domains will support the relevant metrics identified in the Blue Pacific framework.

Evaluation

In line with the Agency's Evaluation Policy, USAID will plan mid-term assessments and evaluations, particularly for activities in new sectors. These analyses will examine the delivery of inputs, achievement of outputs, and assess the effectiveness of implementation and the coordination of inputs across the portfolio. Findings will highlight any needed course corrections, identify lessons learned and best practices, and inform the design of future programming.

The evaluation framework will have systematic assessments of the implementation and results of regional and select country-programs. These assessments will adopt a standard criteria which includes relevance, effectiveness, efficiency, impact and sustainability. The evaluation of regional programs will prioritize evaluation questions on the areas of changes and learnings that have occurred across stakeholders, including the degree to which our regional program was responsible for these changes. At select country programs, the evaluation will focus on the overall performance and delivery of USAID's assistance. The evaluation framework will focus on translating the knowledge and research products to feed into the long-term learning process of USAID/Pacific Islands.

Culture of Learning

USAID will focus on strengthening tools and approaches that will facilitate collaboration, learning, and adaptation. These tools will be particularly important to enable USAID's strategic approach in serving as an innovator and convenor among development partners. USAID will increase participation in external collaborative mechanisms with PIC governments, donor agencies, regional and country-specific stakeholders, to share information, conduct joint analysis, and identify opportunities for learning, collaboration, and leveraging of resources. USAID will work with key stakeholders to develop a Learning Agenda as part of the PMP, which will identify and set learning priorities and support an evidence-based learning environment to achieve development outcomes. A preliminary list of learning questions per DO are included below:

DO 1 Notional Learning Questions
- ○ Have capacity building activities meant to address shocks contributed to resilience?
- ○ What USAID approaches and strategies were most effective and efficient in improving access to energy services of isolated and/or hard-to-reach communities?
- ○ To what extent have USAID health systems activities increased the ability of people to respond to and cope with disasters or health crises?

DO 2 Notional Learning Questions
a. As USAID develops its programming, what are the most effective alternatives to expanding

the productivity of traditional economic systems in the PICs, such as agriculture, fisheries, and tourism, and absorbing the youth population into the labor market?
b. How did USAID-supported digital connectivity interventions affect economic growth and welfare across geographies?
c. Which programmatic approaches have been most effective in increasing the economic empowerment of women?

DO 3 Notional Learning Questions
a. Which programmatic approaches have been most effective in cultivating traditional and faith-based leaders as champions for democratic values? Has the advocacy of these champions led to changes in constituents' attitudes and behavior?
b. Under which conditions in the PICs does supporting women and marginalized groups result in their increased political participation?
c. To what extent do CSO-supported activities improve their effectiveness in their advocacy and watchdog role?
d. Which programmatic approaches have been most effective in promoting adherence of national and sub-national institutions to democratic practices?
e. Under which conditions does technical assistance provided by USAID address the gap between policy and implementation for protecting the rights of marginalized populations?

Monitoring, Evaluation and Learning Resources
The Program Office (PO) will lead in ensuring optimal MEL implementation across the portfolio. The PO will streamline MEL processes; provide a strong technical evidence base for learning and adaptive management; enhance the skills of USAID staff, implementing partners, and other key stakeholders on the use of data for decision-making, learning, and adaptive management; and foster a culture for collaborating, learning, and adapting.

Annex
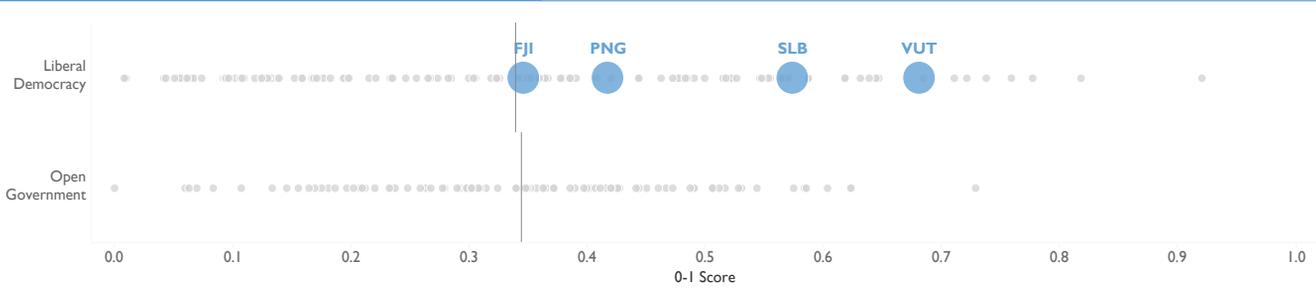
Annex 1: Pacific Islands FY 2021 Regional Roadmap
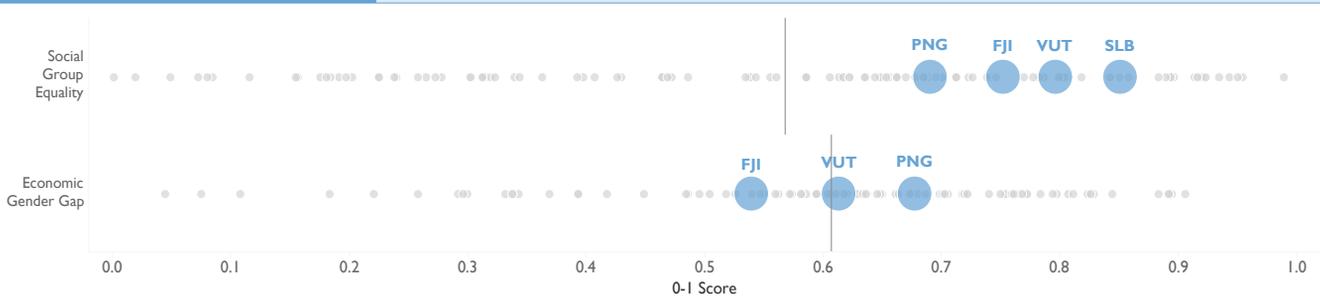
PACIFIC ISLANDS

JOURNEY TO SELF-RELIANCE
FY 2021 REGIONAL LANDSCAPE

OPEN AND ACCOUNTABLE GOVERNANCE

INCLUSIVE DEVELOPMENT

ECONOMIC POLICY
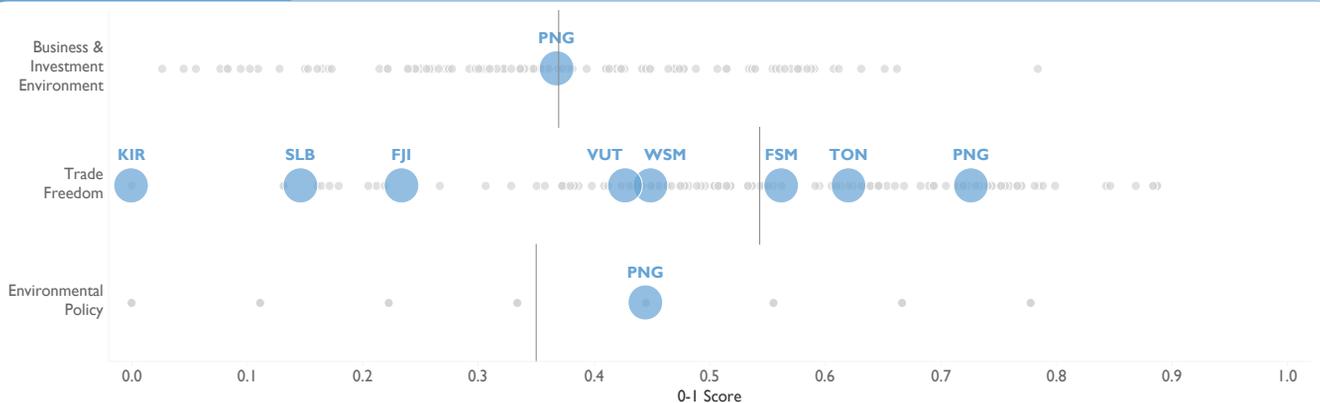
GOVERNMENT CAPACITY

Government Effectiveness — MHL, SLB, TUV, VUT, KIR, FSM, PLW, FJI, WSM, PNG, NRU, TON

Tax System Effectiveness — FSM, VUT, KIR, TON, WSM

Safety & Security — PNG

0-1 Score: 0.0, 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0

CIVIL SOCIETY CAPACITY

Civil Society & Media Effectiveness — FJI, PNG, VUT, SLB

0-1 Score: 0.0, 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0

CITIZEN CAPACITY

Poverty Rate ($5/Day) — PNG, SLB, VUT, FSM, FJI, TUV, WSM, TON

Education Quality — PNG, SLB, VUT, TON, TUV, KIR

Child Health — PNG, SLB, KIR, VUT, NRU, MHL, FSM, TUV, TON, PLW, FJI, WSM

0-1 Score: 0.0, 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0

CAPACITY OF THE ECONOMY

GDP Per Capita (PPP) — KIR, VUT, MHL, PNG, TON, NRU, FJI, PLW, SLB, FSM, TUV, WSM

Information & Communication Technology (ICT) Adoption

Export Sophistication — PNG

0-1 Score: 0.0, 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0
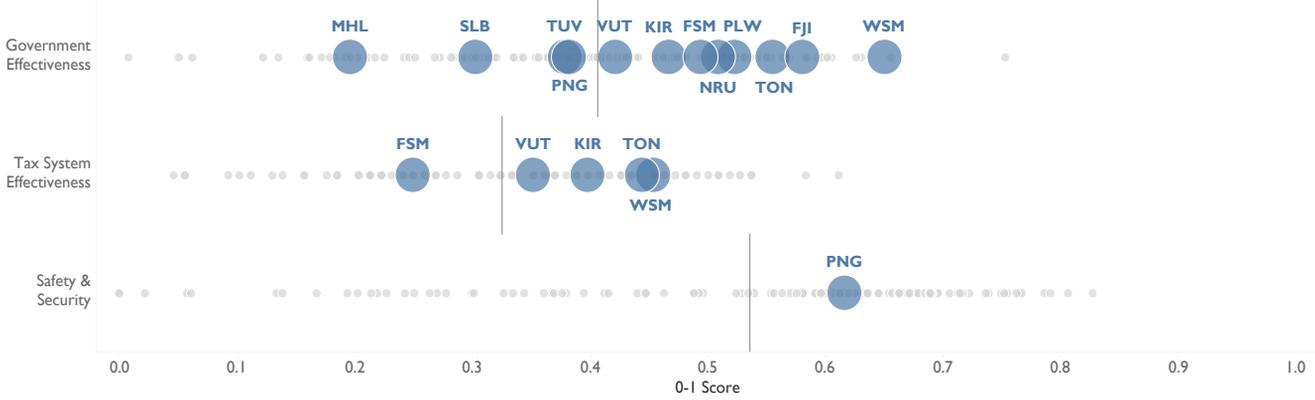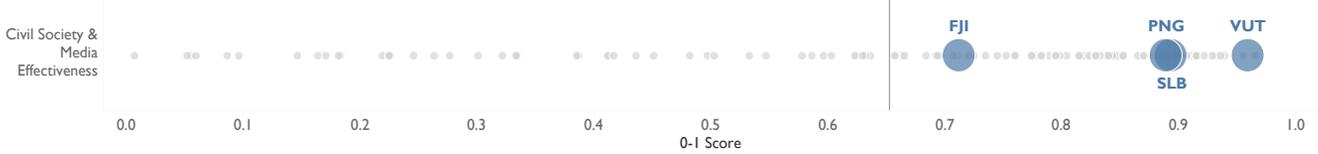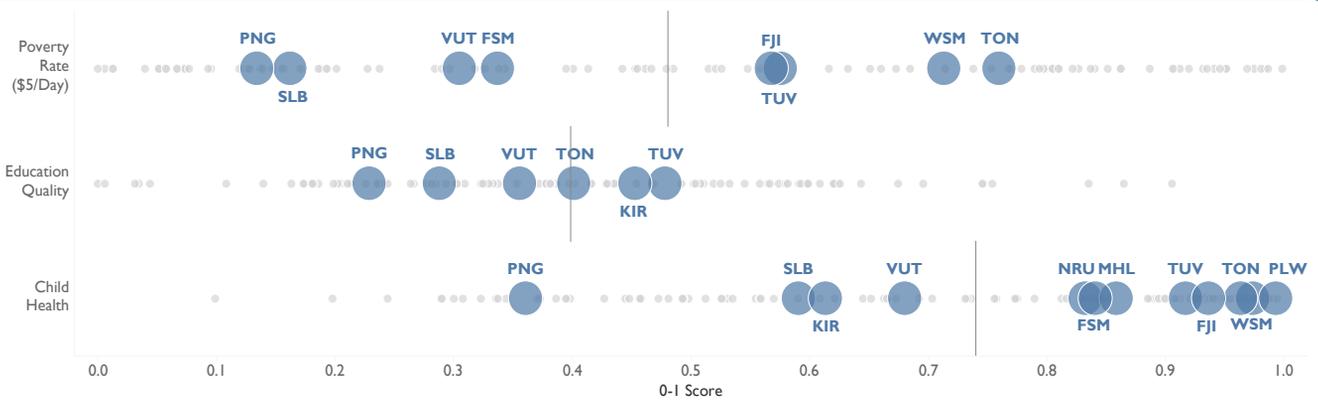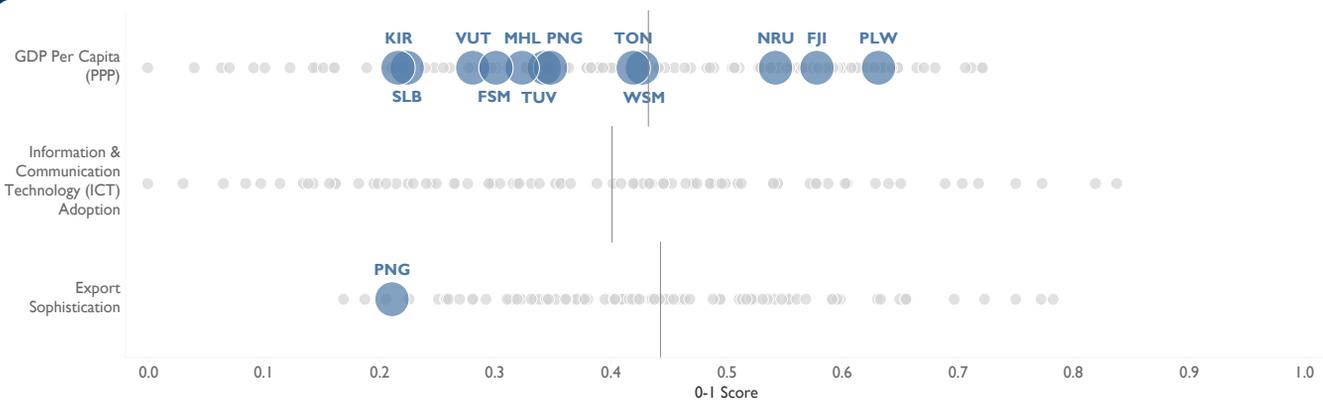
SELF-RELIANCE ROADMAPS

INDICATOR DEFINITIONS AND SOURCES

The FY 2021 Country Roadmaps draw on the latest data available as of July 1, 2020, with latest results typically covering the 2019 or 2018 period. All source data are derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Commitment and Capacity scores. Map boundary representations are not necessarily authoritative.

For more information on definitions and sources, please visit roadmaps.usaid.gov.

COMMITMENT

OPEN AND ACCOUNTABLE GOVERNANCE

Liberal Democracy: Measures freedom of expression, freedom of association, suffrage, elections, rule of law, judicial constraints on the executive branch, and legislative constraints on the executive branch. Source: Varieties of Democracy

Open Government: Measures the degree to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. Sub-factors include: publicized laws and government data, right to information, civic participation, and complaint mechanisms. Source: World Justice Project, Rule of Law Index

INCLUSIVE DEVELOPMENT

Social Group Equality: Measures political equality with respect to civil liberties protections across social groups as defined by ethnicity, religion, caste, race, language, and region. Source: Varieties of Democracy, Social Group Equality in Respect to Civil Liberties

Economic Gender Gap: Index comprising five components: (1) wage equality between women and men for similar work; (2) the ratio of female estimated earned income to male income; (3) the ratio of female labor force participation to male participation; (4) the ratio of female legislators, senior officials, and managers to male counterparts; and (5) the ratio of female professional and technical workers to male counterparts. Source: World Economic Forum, Global Gender Gap Report, Economic Participation and Opportunity Sub-Index

ECONOMIC POLICY

Business & Investment Environment: A composite measure gauging the conduciveness of a country's (1) enterprise conditions—the degree to which market, entrepreneurial, tax, labor, and other regulations enable businesses to start, compete, and expand—and (2) investment environment—the extent to which investments are protected adequately through the existence of property rights, investor protections, and contract enforcement, as well as the availability of domestic and international capital. Source: Legatum Institute, Prosperity Index

Trade Freedom: Measures a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Source: Heritage Foundation, Index of Economic Freedom

Environmental Policy: Gauges the soundness of environmental stewardship and natural resource management, factoring a wide array of macroeconomic policies with environmental consequences, such as energy and tax policies, and incentives at the firm and household levels. The metric also factors whether legislation and regulations are effectively executed, as well as the influence of societal stakeholders beyond the government, including the private sector and civil society. Source: Bertelsmann Stiftung Transformation Index (BTI)

CAPACITY

GOVERNMENT CAPACITY

Government Effectiveness: Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies. Source: World Bank, Worldwide Governance Indicators

Tax System Effectiveness: Ratio between a country's actual tax collection and the estimated level of tax revenue that a country could achieve given its macroeconomic, demographic, and institutional features. Source: USAID Collecting Taxes Database, Tax Effort Indicator

Safety and Security: Measures the degree to which individuals and communities are free from war and civil conflict, terrorism, politically related terror and violence, violent crime, and property crime. Source: Legatum Institute, Prosperity Index

CIVIL SOCIETY CAPACITY

Civil Society and Media Effectiveness: Measures the range of actions and mechanisms that citizens, civil society organizations, and an independent media can use to hold a government accountable. The mechanisms include using informal tools such as social mobilization and investigative journalism. Source: Varieties of Democracy, Diagonal Accountability Index

CITIZEN CAPACITY

Poverty Rate ($5/Day): Measures the percent of the population living under $5/day in purchasing power parity (PPP) terms. Source: World Bank, PovCalNet

Education Quality: Gauges both the quality of education—using harmonized scores across major international student achievement testing—and the quantity of schooling received—using age-specific enrollment rates—to evaluate the relative performance of educational systems worldwide. Source: World Bank, Human Capital Index, Learning-Adjusted Years of Schooling Indicator

Child Health: A composite measure that aggregates child mortality, access to at least basic water sources, and access to at least basic sanitation facilities. Source: Columbia University Center for International Earth Science Information Network (CIESIN)

CAPACITY OF THE ECONOMY

GDP Per Capita: Measures the flow of resources available to households, firms, and government to finance development as the country's total Gross Domestic Product (PPP) divided by the country's population. Source: World Bank, World Development Indicators

Information and Communication Technology Adoption: Index comprising: (1) mobile-cellular telephone subscriptions; (2) mobile-broadband subscriptions; (3) fixed-broadband internet subscriptions; (4) fiber internet subscriptions; and (5) internet users. Source: World Economic Forum, Global Competitiveness Index

Export Sophistication: Measures the diversity and ubiquity of a country's exported goods, key markers that can help gauge economic sophistication and resilience. Source: Center for International Development at Harvard University, Economic Complexity Index

USAID Journey to Self-Reliance FY 2021 Country Roadmaps

Pacific Islands Regional Profile
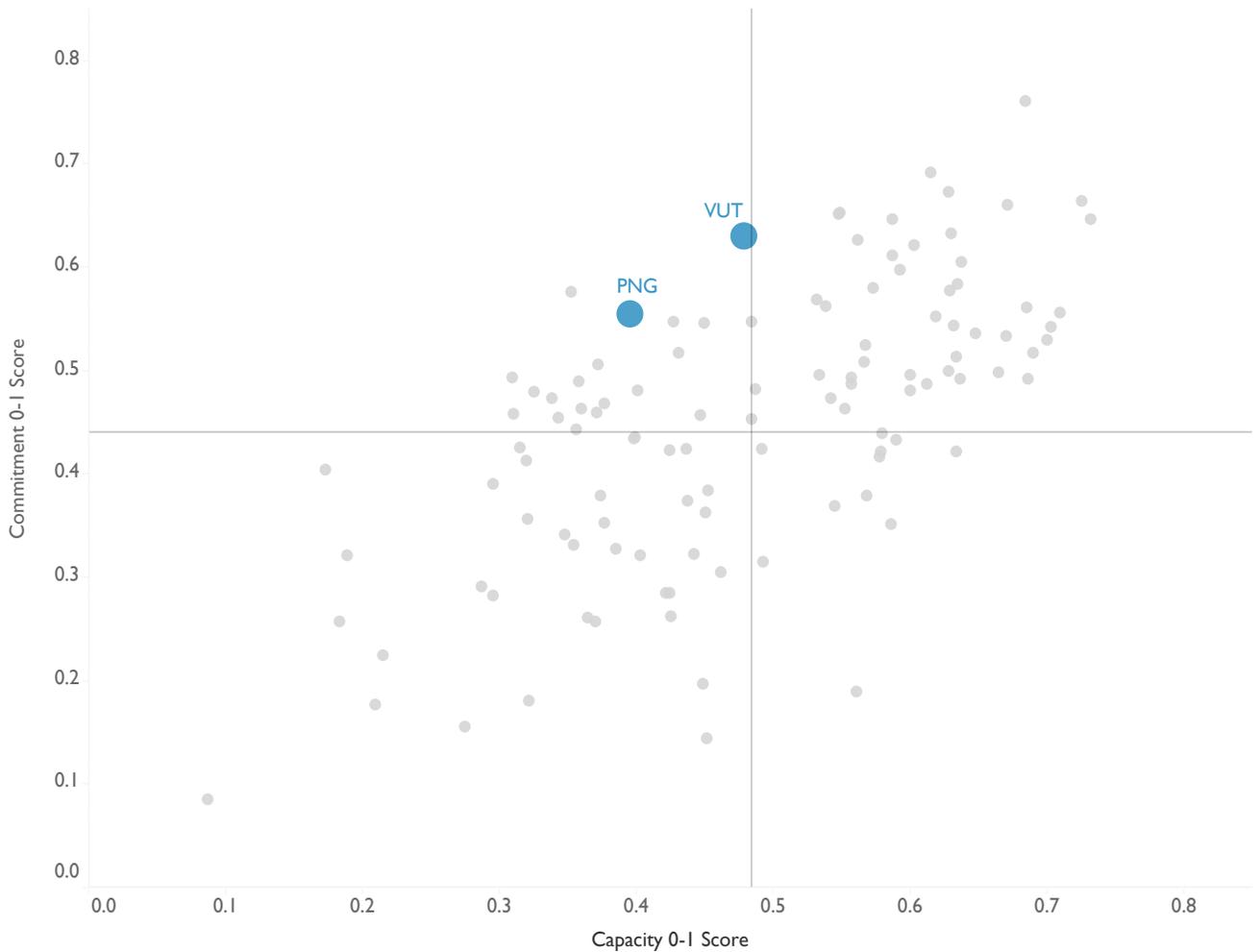
This chart provides overall Commitment and Capacity scores for Pacific Island countries and all other low- and middle-income countries globally with sufficient data (N=113). Countries must have data for at least 4 of 7 Commitment metrics and at least 6 of 10 Capacity metrics. A score of '1.0' represents the most advanced score possible, while a score of '0.0' represents the least advanced score possible. All metrics are weighted equally in the calculation of the overall Commitment and Capacity scores. Underlying data is for latest year available, typically 2019 or 2018, and is derived from third-party sources.