

Mr Shaheen Ali, Mr Vili Caniogo, development partners, colleagues from across the Pacific...

It is a great pleasure to participate, together with our colleagues **from SPC, the World Bank, the IMF and FAO** in the opening of this **Pacific Agriculture Policy Planners Workshop**, with a dedicated session on **Public Expenditure Review**.

The EU has, over many years, supported the Pacific region in agriculture and public finance management, through our bilateral and regional programmes.

This we have done notably with our **Agriculture Policy Programme** at SPC, which is contributing to the organisation of this event today, and with the support the EU has provided to the IMF **Pacific Technical Assistance Centre** on public finance management matters.

You will see representatives of both of those programmes today and I want to thank them very much for their efforts and the good work done so far.

This workshop on **Agriculture sector Public Expenditure Reviews (AgPER)** combines these two areas in a very practical way.

The EU sees agriculture has a major source of economic growth in the Pacific. And given the large proportion of households in many countries **relying on subsistence farming, agriculture** is an **essential sector** in the fight against poverty.

Public Finance Management, on the other hand, is another key priority for the EU. In the EU as well as in our partner countries. Sound Public Finance

Management is just **the best way for public funds to achieve their goals** and deliver results for the people.

And by the way, progress in this will certainly help **your countries and your people more than any possible increase in donor support in the future.**

But because we know that public budgets for agriculture are **relatively small**, it is of the utmost importance that they are **efficiently allocated and executed** in order to promote **inclusive and sustainable development**. This is what **Public Expenditure reviews** - and this workshop – should help you achieved.

The **Pacific Agriculture Policy Project** - known as **PAPP** programme- is funded by the EU and implemented by SPC for some €8.6M. The programme provides assistance from the **macro level**, policy making and strategic thinking, **to the micro level**, with support directed to farmers and smallholders.

The project seeks to **improve food security for Pacific smallholder communities** by addressing three policy areas:

1. Strengthening regional agricultural development strategy;
2. Improve the dissemination and adoption of applied agricultural production research technologies;
3. Contribute to agricultural enterprise development through improved market linkages;

During its first year of implementation the PAPP project has made an important contribution, notably by collecting and analysing **agricultural and forestry policies and statistics in the region**, which will support **evidence-based policy making**.

This workshop **goes a step further** by also looking at best ways of implementing agricultural policies through **enhanced expenditure planning**.

And this fits excellently with the assistance provided by the **Pacific Financial Technical Assistance Centre (PFTAC)**, which the EU supports with a €3.5 M allocation.

Macroeconomic stability, enhanced macroeconomic forecasting capabilities and a well-functioning public financial management system are some of the key objectives of this programme and, of course, are crucial for the **successful implementation of sector strategies**, including **agriculture strategies**, at country level.

And let me add that today's focus on **Public Expenditure Review in the Agriculture sectors** is particularly **relevant for the EU**. As you may know we have important initiatives in **Vanuatu (€25M)** and in **Solomon Islands (€10M)** on rural development and agriculture which will start in 2016.

And the EU and the Government of Fiji are currently engaged in the development of a **€20M** programme to support **agriculture and the sugar sector** from 2016 to 2020.

For all those initiatives the EU is looking forward to **implement budget support programmes** – so moving away from a **project approach** to initiatives that put **the entire management responsibility**, operational and financial, **on the governments** and their Ministries of Agriculture.

Against this background, today's effort to draw lessons from experiences with public expenditure review, in the region and in Africa, **cannot be more timely.**

I hope you will all benefit from this **Africa, Caribbean and Pacific cross-fertilisation.** Because, at the end of the day, this is not just **public funds** from your countries that you will be managing **more efficiently** but also **donor funds**, when channelled through government systems.

As the **exchange of knowledge and best practices** between partner countries is the "**raison d'être**" of our PAPP programme, I look forward to the **workshop's discussion**, the good work done of our colleagues from the **World Bank** as well as the **contributions of many of you** coming from neighbouring islands.

The Pacific region and its agricultural sector is **very well represented today** and this is a recipe for an excellent workshop to take place over the next 3 days.

I wish you all a fruitful discussions and exchanges.