

Co-Chairs' Summary of the 3rd Japan-Pacific Islands Finance Ministers' Meeting

Samarkand, Uzbekistan, May 4, 2026

1. The 3rd Japan-Pacific Islands Finance Ministers' Meeting was held in Samarkand, Uzbekistan, on May 4, 2026. Ms. KATAYAMA Satsuki, Minister of Finance, Japan, and Hon. Rexson RAMOFAFIA, Minister for Finance and Treasury, Solomon Islands, co-chaired the meeting.¹ Ministers convened at this third meeting with shared recognition that Pacific Island Countries (PICs) are navigating unprecedented pressures such as more frequent and severe weather events and intensifying geopolitical challenges, including the situation in the Middle East and resulting supply shocks. Ministers from PICs underscored the need for reliable cooperation amid mounting uncertainty, and expressed appreciation for Japan's consistent partnership in advancing resilient and sustainable development.
2. Ministers from PICs appreciated Japan's launch of "Partnership for Strengthening Energy and Resource Resilience in Asia (POWER Asia)," which involves financial cooperation of approximately 10 billion dollars to enable both emergency and structural responses.
3. Ministers emphasized that improving efficiency and affordability, while assuring safety and integrity, of payments across the Pacific region is central to building a more inclusive and resilient economy. Ministers from PICs appreciated Japan's proactive role, including its financial support through the World Bank (WB) and the International Monetary Fund (IMF) to maintain the correspondent banking relationships (CBRs) for the Pacific region. They welcomed Japan's leadership to develop the Pacific Payment Mechanism under the WB's CBR Project, including the Principles as an input for its design, which was discussed at the outreach session with Australia, New Zealand and the United States. They also welcomed Japan's continued support through the Asia-Pacific Group on Money Laundering (APG) as its co-chair, including high-level visits to PICs to promote political commitment for AML/CFT/CPF reform, as well as Japan's sponsorship of participation of PICs in the technical assistance and training forum at the APG annual meeting in Tokyo, Japan in August 2025. They thanked for Japan's financial contribution to the IMF's Analytical Work to help PICs develop digital money ecosystem, including central bank digital currencies and cross-border payment.

¹ Attended by Japan; 13 PICs, namely the Cook Islands, the Federated States of Micronesia, the Republic of Fiji, the Republic of Kiribati, the Republic of Nauru, the Republic of Palau, the Independent State of Papua New Guinea, the Republic of the Marshall Islands, the Independent State of Samoa, the Solomon Islands, the Kingdom of Tonga, the Tuvalu and Republic of Vanuatu; the Asian Development Bank and the World Bank.

4. Ministers reaffirmed that strengthening Disaster Risk Financing (DRF) is essential for ensuring more predictable and responsive fiscal resilience to natural disasters in the Pacific region. Japan has launched the pilot program to introduce the Climate Resilient Debt Clause (CRDC) for new ODA loans. Ministers from PICs welcomed Japan's recent plan to provide a new ODA loan to Solomon Islands that incorporates the CRDC for the first time, and expected other countries to follow. In addition, they welcomed Japan's contribution to establish a new multi-donor trust fund named Pacific Pre-arranged Resources for Enhancing Preparedness And Resilience (P-PREPARE) under the Asian Development Bank (ADB), and Japan's efforts to strengthen climate resilience in the Pacific region via the IMF.

5. Ministers underscored that Domestic Resource Mobilization (DRM) is a pathway to foundation for sustainable development. Ministers from PICs appreciated Japan for hosting the Tax and Development Conference under the Platform for Collaboration on Tax (PCT), consisting of the IMF, Organisation for Economic Co-operation and Development (OECD), United Nations (UN) and WB, in Tokyo, Japan in March 2026. As highlighted during the Conference, Ministers placed high emphasis on institutional capacity building while ensuring countries' ownership. At the same time, tailored support for Small Island Developing States (SIDS), including PICs, remains important. In addition, peer-to-peer learning of policy and implementation challenges and solutions is imperative, as was discussed during the DRM-related events for SIDS at the margin of the Conference in Tokyo. Ministers from PICs also welcomed Japan's continued support to their customs administrations, in collaboration with the World Customs Organization (WCO) and the Oceania Customs Organization (OCO), to develop their revenue collection capacity and to facilitate trade.

6. Ministers appreciated ADB's update on its procurement reform, which benefit PICs through the introduction of (i) Merit Point Criteria, (ii) Early Market Engagement, and (iii) Local Participation. They also noted the progress on the first regional procurement package and encouraged the ADB to facilitate additional opportunities in PICs region going forward.

7. Ministers from PICs expressed appreciation to Japan and Solomon Islands for their excellent arrangements as the Co-chairs of the Ministers' Meeting's Process in 2026. Japan appreciated PICs' inputs and expressed its commitment to the continued support, including but not limited to CBR, DRF and DRM issues. Ministers agreed to continue close collaboration to further strengthen relationships between Japan and PICs on economic and financial issues, and to meet in Nagoya, Japan in 2027 at the occasion of ADB's 60th annual meeting.

- The Pacific Payment Mechanism (PPM) aims to aggregate cross-border transactions to improve economies of scale and ensure a self-sustaining solution.
- Australia, Japan, New Zealand, and the U.S. suggest the principles for the PPM to support the effective implementation of the World Bank's Feasibility Study.

Principle 1: Function-led design

- The PPM should be designed based on specific problems it is intended to address and functions it is expected to perform.

Principle 2: Options-open approach

- A full range of institutional and operational models of the PPM should be systematically assessed, while remaining open to technology options that may support the chosen models.

Principle 3: Minimum Viable Product (MVP)

- The PPM could initially take the form of an MVP based on a design identified through a function-led approach.

Guiding Principles for the PPM

Principle 4: Complementarity and private sector buy-in

- The PPM should be designed in a manner that does not distort markets or crowd out private-sector solutions where possible.
- Rather than replacing functioning CBRs or locally operating banks, the PPM should aim to support and strengthen them by reducing compliance frictions and enhancing transparency.

Principle 5: Robust governance

- The design of the PPM should prioritize robustness and soundness to ensure credibility for the PPM, which will help maintain confidence among commercial banks and sustain CBRs.

Principle 6: Self-sustainability

- The PPM should operate on a cost recovery basis and move toward long-term financial self-sufficiency.