

Political Reviews

The Region in Review: International Issues and Events, 2012

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Melanesia in Review: Issues and Events, 2012

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Pacific regionalism is being transformed. As the economies of Europe and the United States (US) slowly recover from financial crisis, many Pacific countries are investigating South-South cooperation and are extending their aid, trade, and political links with emerging economies in Asia. During the year, Island leaders launched reviews of key regional frameworks and institutions, including the Pacific Plan and the Melanesian Spearhead Group (MSG). This Melanesian bloc also undertook new initiatives on trade and decolonization, while Fiji's central role in regional politics continued as governments and civil society debated the nation's flawed transition toward parliamentary elections in 2014. Working with the MSG rather than the Pacific Islands Forum (PIF), the postcoup regime in Fiji has transformed the country's foreign policy and has begun to play a more independent role on the regional and international stage.

In 2012, the first visit to a PIF Leaders Meeting by a US secretary of state highlighted increasing international engagement with Island states, and the election of new leaders in Paris, Beijing, and Tokyo opened the way for shifts in policies toward the region.

At the annual meeting in the Cook Islands, PIF leaders announced the launch of a major review of regional coordination, while Forum Secretary-General Tuiloma Neroni Slade stated: "Our efforts towards regional integra-

tion should be intensified and accelerated" (PIFS 2012h).

In recent years, there has been quiet—and not so quiet—criticism of the Pacific Islands Forum Secretariat (PIFS), suggesting that it is not fully engaging with the needs of member states. A comprehensive review of the PIFS in 2012 by Peter Winder of New Zealand, Tessie Eria Lambourne of Kiribati, and Kolone Vaai of Samoa made a series of recommendations for reforming the secretariat's structure, leadership, and priorities (Winder and others 2012). A leaked draft of the review highlighted competition among members of the Council of Regional Organizations of the Pacific (CROP): "A broad range of stakeholders noted the apparent competition between regional agencies (SPREP, SPC and the Secretariat) for mandate and funding with respect to climate change issues"; it also noted that "the level of engagement between the Secretariat and member states is weak in both directions" and recommended that the PIFS "should not have any hands-on role in delivering donor funded projects that fall outside of its core mandate" (Winder and others 2012, 7, 4, 5).

By year's end, there had been several corporate reforms intended to strengthen senior management in the secretariat, including updating its information technology systems and developing policies for a new communications strategy and a reporting, monitoring, and evaluation framework. In December, the Forum Offi-

cial Committee met to discuss a new PIFS Corporate Plan for 2013–2018.

Beyond this, however, Forum leaders deferred further action at their annual meeting in Rarotonga, agreeing that the Winder review's key recommendations would be rolled into a broader review of the Pacific Plan for Strengthening Regional Cooperation and Integration.

As a framework for regional coordination, the Pacific Plan grew out of a 2004 Forum Eminent Persons Group, which called for a new vision for Pacific regionalism. However, the resulting policy framework—first endorsed by Forum leaders at their 2005 meeting in Madang—was one of the least visionary documents to appear in recent years. It was widely criticized for downplaying issues of culture and gender (Huffer 2006), and its priorities often reflected the existing agenda of regional intergovernmental bodies.

The Pacific Plan Review Team is led by former Papua New Guinea Prime Minister Sir Mekere Morauta, working with two officials representing Forum Island Countries (Sāmoa's Noumea Simi and former Federated States of Micronesia Vice President Redley Killion) and two international consultants (British aid advisor Peter Bazeley and New Zealand public sector reform expert Nick Poletti). In December, Morauta called for public submissions on the plan, and throughout 2013 the review team will travel to Forum member countries, New Caledonia, and French Polynesia to seek public comment.

Morauta's review comes at a time when there is widespread debate about regional institutions. The international

agenda has broadened, with significant pressures on the region's institutional architecture.

The Forum is deeply rooted in regional frameworks and has become a focal point for international engagement—highlighted by recent visits to Forum leaders' meetings by United Nations Secretary-General Ban Ki-moon, US Secretary of State Hillary Clinton, European Commission President José Manuel Barroso, and other international dignitaries. But just as Island leaders stepped out of the South Pacific Commission in 1971 to create a forum where they felt free to talk politics, Pacific Island leaders are again seeking spaces where they can address their concerns and visions without the major powers setting the agenda.

In 2010, Fiji Prime Minister Voreqe Bainimarama initiated the “Engaging with the Pacific” meetings as a counterpoint to the Forum. In August 2013, these meetings will evolve into a new Pacific Islands Development Forum (PIDF). The PIDF will build on debates about “green growth” and the Pacific Conference of Churches’ “Rethinking Oceania” proposals. It will also work on alternative development measures such as “Alternative Indicators of Well-Being for Melanesia,” a 2012 pilot study produced in Vanuatu for the MSG (VNSO 2012). Over time, however, it will be worth monitoring to see whether the PIDF becomes the venue for interisland dialogue without Forum members Australia and New Zealand in the room (along with other multilateral Forum observers such as the World Bank, the Asian Development Bank, the ACP [African, Caribbean, and Pacific]

Secretariat, the Commonwealth, and the United Nations).

Renewed Forum engagement with the US and French territories also opens new debates about the criteria for full Forum membership. Island nations pushed for action on decolonization at the Non-Aligned Movement (NAM) summit in August and the United Nations General Assembly (UNGA) in September. In contrast, Australia's Parliamentary Secretary for Pacific Island Affairs Richard Marles backed France's role in the region and said that his government supported New Caledonia becoming a full member of the Pacific Islands Forum now, even before the French colony makes a final decision on its political status after 2014 (MacLellan 2012b).

The Bainimarama regime continues to transform Fiji's regional and international relations, even as debate continues at home over the drafting of a new constitution and repression of trade unions and political parties. With initial signs of openness in early 2012, the Forum Ministerial Contact Group visited Fiji in late April, the first official trip since 2008. Forum members welcomed the lifting of Public Emergency Regulations in January and continued to monitor progress toward a new constitution in 2013 and national elections in 2014. Australia and New Zealand funded national consultations for a new constitution throughout 2012, conducted by a team led by constitutional lawyer and scholar Yash Ghai. By year's end, however, the Fiji regime's relations with the Constitution Commission were in tatters, with police seizing printed copies of the draft document to be submitted to a constituent

assembly, and the Fiji military threatening to rewrite the draft.

Ongoing harassment of trade union leaders and restrictions on union organizing in Fiji brought international attention. A delegation from the Australian Council of Trade Unions (ACTU) was refused entry in December 2011, and in September 2012 a visiting International Labour Organization (ILO) mission on freedom of association was obliged to depart without completing its mandate. The ILO reported that "the government had initially agreed to the ILO mission, but then called it short during the first meeting. . . . The Office of the Prime Minister presented the mission with entirely new terms of reference, which the ILO found unacceptable. As a result, the ILO mission was asked to leave Fiji immediately" (ILO 2012).

As relations with Canberra and Wellington continue to sour, Fiji has begun to step away from its historic ties to the Commonwealth and the Australia, New Zealand, and United States (ANZUS) alliance and is engaging in more South-South diplomacy. In recent years Fiji has established diplomatic relations with a range of key developing nations, setting up five new embassies since 2010 (including new missions during 2012 in Seoul and Abu Dhabi).

Opening the July "Engaging with the Pacific" meeting, Commodore Bainimarama stressed that Pacific nations require an independent voice: "We must insist that our voice be heard and heeded. . . . We will dine at the table; we will not be content to pick at the crumbs that remain on the table cloth after the decisions are

made and dinner is over” (Bainimarama 2012).

After joining the Non-Aligned Movement in 2011, Fiji Foreign Minister Ratu Inoke Kubuabola traveled to Tehran for the NAM summit in September 2012, signing a memorandum of understanding to establish diplomatic relations with Iran (Fiji Ministry of Information 2012). Ratu Inoke also traveled to Pyongyang as Fiji became the first Pacific Island state to accredit an ambassador to North Korea (Rauto 2012). Beijing-based Ambassador Esala Teleni (a former naval commander and police commissioner) serves as Fiji’s first accredited diplomat to the North Korean regime.

Not everyone is sure that these changes will benefit Fiji. Historian Brij V Lal, one of the coauthors of Fiji’s 1997 Constitution, argues that “these are short-sighted and eventually counterproductive diplomatic games Fiji is playing with no serious expectation of any far-reaching benefits. . . . Perhaps all these new initiatives will be allowed quietly to relapse once Fiji returns to parliamentary democracy, and once no benefits are seen to derive from them” (2012, 88–89).

However, there is evidence that Fiji’s expanded role in the Group of Asia and Pacific Small Island Developing States at the United Nations is coming up with results. In September, Fiji was nominated by the UN Asia-Pacific group to chair the “Group of 77 and China” for the duration of 2013. This is the first time in nearly fifty years that a Pacific Island country has led the 132-member organization of developing countries in the United Nations. Also in 2012, Fiji was elected as chair of the International

Sugar Organization. This 85-member body administers the International Sugar Agreement, and Fiji’s appointment comes at a significant time; its key industry is in crisis with falling prices, aging infrastructure, and quota exports to the European Union (EU) ending in 2015.

Within the MSG, Fiji has taken the opportunity to advance issues that are low on the Forum’s agenda. Ratu Inoke’s attendance at the 2012 NAM summit led to recognition of the role of Fiji and Papua New Guinea (PNG) on the UN Special Committee for Decolonization, with the NAM communiqué stating: “The Heads of State or Government affirmed the inalienable right of the people of French Polynesia–Maohi Nui to self-determination in accordance with Chapter XI of the Charter of the United Nations and the UN General Assembly resolution 1514 (XV)” (NAM 2012).

Even as French Polynesia President Oscar Temaru sought support from Pacific states in his bid for reinscription on the UN list of non-self-governing territories, the August Forum meeting in Rarotonga reaffirmed the Australian and New Zealand position, calling for further dialogue between Paris and Papeete. However, just a month after the Forum, Sāmoa, Solomon Islands, Fiji, and Vanuatu called for action on decolonization at the UN General Assembly, explicitly supporting French Polynesia’s right to self-determination. As Sāmoa celebrated its fiftieth anniversary of independence from New Zealand during 2012, Samoan Prime Minister Tuilaepa Sailele Malielegaoi told the General Assembly: “In the case of French Polynesia, we encourage the

metropolitan power and the territory's leadership together with the support of the United Nations to find an amicable way to exercise the right of the people of the territory to determine their future" (Tuilaepa 2012).

The MSG is also increasing its support for the Front de Libération Nationale Kanak et Socialiste (FLNKS) in New Caledonia. The MSG sent a mission to New Caledonia in August to monitor the progress of the Noumea Accord. Leaders subsequently established an FLNKS Unit within the MSG Secretariat in Port Vila to act on initiatives that were previously undertaken by the PIFS.

The MSG will hold its annual leaders meeting in New Caledonia in June 2013, together with a ceremony to commemorate the MSG's twenty-fifth anniversary and a Melanesian cultural festival. These strengthened links across colonial boundaries have a practical purpose. The FLNKS will take up the rotating chair of the Melanesian bloc for 2013–14, at a crucial time for the Kanak independence movement. Elections for New Caledonia's provincial assemblies and Congress in 2014 will determine the balance of forces for any subsequent decision on the territory's future political status, with a referendum scheduled to take place between 2014 and 2018.

Melanesian links were also highlighted during July, when Honiara hosted the Festival of Pacific Arts. Thousands of artists, dancers, and sculptors traveled to Solomon Islands from across the region. Throughout 2012, Solomon Islands hosted a number of international events, including the Oceania Football Tournament

organized with the International Federation of Association Football (FIFA) and a visit by the Duke and Duchess of Cambridge, prompting Prime Minister Darcy Lilo to declare, "We have regained our image of the country known as the 'Happy Isles'" (Lilo 2012). In May, the Forum Ministerial Standing Committee on Solomon Islands met in Honiara. After a decade, the Regional Assistance Mission to Solomon Islands (RAMSI) is beginning to wind down, with the transition of development assistance from RAMSI to bilateral donors scheduled for mid-2013 and the planned withdrawal of RAMSI's military component in the second half of the year.

Trade policy continues to be a central focus of regional networking. Even as the global Doha trade negotiations foundered, 2012 saw significant new engagement with the World Trade Organization (WTO). After lengthy and contested accession processes, Samoa became the WTO's 155th member in May and Vanuatu became the 157th member in August. In November, WTO Director-General Pascal Lamy made his first visit to the region. Stopping in Samoa and Vanuatu, Lamy signed a memorandum of understanding with PIF Secretary-General Slade for five years of trade-related technical assistance to Forum Island Countries.

Other donors are making significant investments in trade policy through a "Hub and Spokes" program in order to build capacity for trade negotiations and develop trade policies. The Commonwealth Secretariat and the European Union have funded the development of trade policy frameworks for the Federated States of Micronesia, the Marshall Islands,

Nauru, and Vanuatu, with other countries to follow.

Former WTO official Edwini Kessie took up the position of chief trade adviser for the Forum Island Countries (FICs) in early 2012, revitalizing the faltering PACER-Plus trade talks with Australia and New Zealand. Kessie's Office of the Chief Trade Adviser (OCTA) now has established a base in Vanuatu, winning support from the MSG Secretariat in Port Vila after a battle with the PIFS over trade policy.

At their May meeting in Majuro, Forum trade ministers "reemphasized that PACER-Plus should not result in a conventional free trade agreement and that it should contain provisions that would ensure sustainable growth and development of the FICs" (FTMM 2012, 6), including action on labor mobility and development cooperation. In July, after a three-year pilot, Australia commenced its Seasonal Worker Program as an expanded scheme for unskilled labor mobility (Maclellan 2012a).

Beyond PACER, negotiations for a comprehensive regional Economic Partnership Agreement (EPA) continue with the European Union. Pacific members of the African, Caribbean, and Pacific group (PACP) started talks with the European Union in 2004, with a treaty supposed to have been finalized by the end of 2007. But the EPA talks are lagging more than five years behind this deadline. In spite of a pledge to complete negotiations by the end of 2012, EU and PACP negotiators once again failed to meet their timetable. According to Niue Premier Toke Talagi: "There is a degree of frustration on our part at the fact that this agreement has not been signed.

There is also a suspicion on our side that maybe they are trying too hard to get all that they want, and there is no degree of compromise in the arrangements we need to put in place" (RNZI 2012).

The European Commission continued to ignore Pacific calls for a "development friendly" agreement, with increased aid for trade as well as openings on labor mobility and global sourcing rules of origin for fresh, chilled, and frozen fish. Meeting before the Forum in August, PACP leaders noted: "The initial focus on development cooperation in the EPA negotiations has been superseded by a focus on technical trade issues, while the Pacific ACP Leaders are seeking a re-emphasis on the original intent for a development-friendly EPA" (PIFS 2012f).

In October, Pacific trade negotiators traveled to Brussels for Joint Technical Working Group negotiations between the PACP and the European Commission, the first face-to-face meeting since October 2009. However, it was soon clear that EU officials were unable to respond to the Pacific agenda (Matau 2012). Having obtained interim EPAs with Fiji and Papua New Guinea in 2009, EU negotiators are more focused on Africa and the Caribbean than on a regional deal incorporating the remaining small Pacific states.

The regional trade debate was transformed in November at a Port Moresby PACP meeting, when leaders agreed that all countries of the PACP will now participate in all meetings. This means that Fiji will be reengaged in the PACP at all levels, even though it is suspended from Forum and

Commonwealth activities. In another key outcome of the meeting, Papua New Guinea offered to host and fund a new secretariat to convene PACP Leaders meetings (until now, administrative services have been provided by the PIFS). Just as OCTA was established to provide independent advice in the PACER-Plus negotiations, the new PACP administrative secretariat will eventually provide an alternative source of trade policy advice. According to the PIFS, the Port Moresby decisions are “respectful of the Forum position” that excludes Fiji from regional activities (PIFS 2012b). However, it is clear that Fiji will play a more significant role in setting regional trade policy. PNG and Fiji officials have voiced extensive critiques of the Forum’s trade work in recent years, amid perceptions of excessive Australian influence in Suva.

Former University of the South Pacific economist Wadan Narsey highlighted the importance of these decisions for the region: “The Forum Secretariat is very seriously in danger of being marginalised in the Pacific and I think to some extent when you look at the recent readmission of Fiji to the Pacific-ACP negotiations, in a way that is a symptom of the fact that the Melanesian countries are not going to allow one of their partners to be marginalized from regional and international trade negotiations” (Radio Australia 2012). The revitalization of PACP and MSG trade policy means new subregional initiatives may show more promise. The MSG Trade Agreement will take on new life, following Papua New Guinea’s agreement to reduce duties on almost all of its protected goods in 2012.

With the signing of a memorandum of understanding between Fiji, Papua New Guinea, Solomon Islands, and Vanuatu, the MSG Skills Movement Scheme is slowly getting off the ground. In the education sector, Fiji National University and the University of the South Pacific are discussing expansion to Papua New Guinea and Timor-Leste. Fiji has signed a memorandum of understanding on development cooperation with Kiribati, Tuvalu, Solomon Islands, the Marshall Islands, and Nauru. Through the Fiji Volunteer Service, the first twelve teachers headed off to Marshall Islands in September.

For many years the Small Island States (SIS) have caucused before Forum leaders’ meetings and issued a communiqué on their particular concerns. There is now an SIS Unit within the PIFS, and SIS Pacific Plan desk officers are posted in all SIS member countries (Cook Islands, Kiribati, the Marshall Islands, Nauru, Niue, Palau, and Tuvalu). Given their limited capacity to fully access regional initiatives, SIS leaders lobbied in 2012 for more contributions to the SIS Development Fund (a trust established in 1987 and administered by the PIFS).

After its founding in 2011, the Polynesian Leaders Group (PLG) met in Apia in 2012. The idea of a Polynesian bloc within the Forum has been mooted for decades, but the initiative has now been revived by Sāmoa, driven in part by the Samoan prime minister’s very public disdain for the Bainimarama regime. The Polynesian nations are also seeking to develop common policies on information and communication technology, communications cables, and fisheries.

At the PLG meeting, there were also invitees from Hawai‘i, Rapanui, and Aotearoa—the far-flung inhabitants of the Polynesian triangle. Māori members of the 56-member Iwi Chairs Forum lobbied for full PLG membership (Workman 2012). The potential for indigenous peoples living with constrained sovereignty to join a subregional network raises important issues for the region, with the West Papuan nationalist movement also lobbying for MSG observer status.

In spite of this subregional activity, the main intergovernmental agencies continue to coordinate their regional programs, with CROP agencies debating the allocation of responsibilities and finances where mandates overlap. A key priority during the year was continuing implementation of the 2009 Cairns Compact on Strengthening Development Coordination in the Pacific. A major focus under the Cairns Compact was the ongoing series of “peer reviews” to assess the effectiveness of aid management systems. Throughout 2012, teams of fellow Island officials and donor experts traveled to the Marshall Islands (February), Tonga (August), Papua New Guinea (October), and the Federated States of Micronesia (November).

Through “policy dialogue” and liberal allocation of funding, donors like AusAID and the New Zealand Ministry of Foreign Affairs and Trade have been promoting reform of state-owned enterprises and public financial management systems at the country level. In 2011–2012, the Cook Islands, Niue, the Marshall Islands, Tuvalu, and the Federated States of Micronesia completed public expenditure and

financial accountability assessments, and Nauru, Kiribati, the Cook Islands, and Tonga began to implement public financial management reforms.

The renewed focus of key donors on private sector development has put pressure on social programs. A review team led by former World Bank Vice President James Adams recommended that the Secretariat of the Pacific Community (SPC) hand over responsibility for long-running programs on youth and culture to other agencies. They also proposed transferring the women’s training program at the Community Education Training Centre in Suva and human rights work conducted by the Regional Rights Resource Team. This neoliberal belt-tightening raises real questions, as other agencies that might take responsibility for these programs do not have the outreach to the US and French territories that is a hallmark of the SPC.

The key prism for development outcomes across the region is the Millennium Development Goals (MDGs). But with only two more years to achieve the goals before the 2015 MDG summit, there is still a way to go. The Cook Islands and Niue are the only Island countries on track to achieve all their MDGs. Other Polynesian nations have not reached the target for reducing poverty, although they are on track for four of the goals: achieving universal primary education, reducing child mortality, improving maternal health, and ensuring environmental sustainability.

In contrast, Micronesia, when taken as a whole, is not on track for any goal, although Palau is on track for six out of seven, and all other Micronesian countries apart from Kiribati are

on track for two. A PIFS study found that the largest Melanesian nation is skewing the regional results: “As PNG is off track on all the MDGs, the region is also off track on all the goals. However, excluding PNG, the region is on track towards reducing child mortality, with mixed progress on all the other goals” (PIFS 2012e).

Raising Island concerns at the international level is an ongoing challenge, although the unprecedented visit to the 2011 Forum leaders meeting by UN Secretary-General Ban Ki-moon has begun to expand UN-Pacific relations. In June, the heads of UN missions operating in the Pacific met in Suva for the first time with representatives of CROP agencies to strengthen collaboration and coordination. At the General Assembly in September, Ban Ki-moon joined visiting Pacific leaders for the first meeting of the United Nations and Pacific Islands Forum leaders, hoping for “new momentum for addressing the needs and priorities of SIDS [small island developing states]” (Ban 2012).

But the rhetoric of cooperation has a long way to go before it is translated into action. Speaking to the UN General Assembly, Tuvalu’s Foreign Minister Apisai Ielemia sharply critiqued the lack of attention to SIDS’ demands within the UN bureaucracy: “As much as we appreciate the work of various UN departments and programs on SIDS, we observe that this work has been almost entirely focused on stating and indefinitely reiterating the challenges and problems SIDS are facing. . . . The UN, in 20 years, has not been able to hear and answer the pleas our island States have been making for special treatment. . . . SIDS

are only an abstract notion deliberately kept undefined, because any clarity or debate on who they are and what precisely could be done for them would be too challenging and disturbing” (Ielemia 2012, 2).

Tuvalu’s plea reflects the difficulties faced by smaller countries in dealing with a diverse range of development partners. A report presented to Forum leaders in Rarotonga noted that there is a major problem with “mission overload,” as planeloads of consultants arrive every week to plunder Pacific expertise for reports that often get left on the shelf. The Forum review notes that “development partners (including regional organisations) need to reduce the number of missions, engage in more coordinated missions, provide forward mission schedules and adhere to governments’ mission free periods” (PIFS 2012i, viii).

One mission that was welcomed in 2012 was the unprecedented visit to the August Forum leaders meeting by US Secretary of State Hillary Clinton. Dubbed “Auntie Hillary” in the Cook Islands (Leahy 2012), Clinton won plaudits for her appearance in Rarotonga. In spite of this, Sāmoa’s Prime Minister Tuilaepa Sailele Malielegaoi told Chinese reporters that senior US leaders had ignored the islands for too long: “You must remember that the United States has been a post-Forum dialogue partner for a long time. So far, to my recollection, this is the first time that a person of sufficiently senior status has decided to come.” In contrast, “when we come to China there’s always that readiness among the leaders to meet with us and to listen” (Xinhua 2012a).

Even with increasing engagement by the Obama administration, it is important to keep a sense of perspective about the low level of US commitments to Forum Island Countries. Clinton leaves her post in 2013 and the US government is more focused on the Pacific Rim than on the Islands, in spite of diplomats touting their range of programs in the region (McGann and Pruett 2012). Even though a key US policy is promoting increased trade liberalization in the Asia-Pacific region, Island states are not included in current negotiations for the Trans-Pacific Partnership Agreement.

In the southwest Pacific, the US government has reestablished a USAID program after a gap of sixteen years and is expanding its embassy in Port Moresby. But this expansion, originally slated for Suva, is looking to the interests of ExxonMobil and other US corporations as Papua New Guinea gears up to manage a booming liquid natural gas industry. Island leaders are well aware that current US engagement is driven more by concern over China's economic and diplomatic influence in the region. At the 2012 Forum, Niue Premier Toke Talagi noted: "From Niue's perspective, we're very happy that China's in the Pacific. I don't believe that China's incursions into the Pacific should be seen as a negative thing. I see it as a very positive thing and I have heard also US President Obama say the same thing" (Xinhua 2012b).

Beyond the obvious delight of Pacific Island Forum leaders that the United States is paying attention again, there are still a number of fundamental policy differences with Washington on climate change,

decolonization, maritime boundaries, and fisheries. US climate negotiator Todd Stern has actively worked to rebuff key demands from the Alliance of Small Island States (AOSIS) in global climate negotiations, joining China to block action on loss and damage, increased adaptation funds, and a binding global climate treaty. Clinton's token commitment in Rarotonga of US\$32 million for programs on climate, biodiversity, and renewables highlights the limits of US engagement, given the United States' responsibility for nearly 30 percent of historic greenhouse gas emissions. The US pledge is derisory in comparison to climate funding provided by allies like Australia and Japan, let alone the United Arab Emirates and China.

Through the PIFS, Japan has continued to implement its 6 billion yen Pacific Environment Community (PEC) Fund, financing renewable energy and seawater desalination projects in Niue, the Marshall Islands, and Palau during 2012 (PIFS 2012a, 2012j). At the Sixth Pacific Islands Leaders Meeting (PALM) held in Okinawa in May, outgoing Japanese Prime Minister Yoshihiko Noda committed assistance of US\$500 million to the Pacific over the next three years. In spite of this, the conservative Shinzo Abe government, elected in December, will likely turn back the clock on nuclear, aid, and fisheries policies and increase tensions with China over disputed islands.

With expanded Asian links, some Pacific nations are stepping outside old strategic frameworks set by the ANZUS allies. In part, Fiji's diplomatic tensions with Canberra and Wellington are driving its new links to China

and the developing world. But they are also a reflection of emerging strategic shifts on a global scale as China, India, Korea, and other developing countries transform global economics and politics.

In 2012, China continued to supply scholarships and aid to the Pacific through the China-PIFs Development Cooperation Fund, matched by the Taiwan/Republic of China Regional Development Assistance Fund and Taipei's US\$53 million Pacific Islands Leadership Partnership, to be managed through the East-West Center in Hawai'i.

Australia's new Foreign Minister Bob Carr expressed a pragmatic recognition that many Forum member countries are looking northwest, seeking to link their polity with the dynamism of Asia: "My message really is that Australia and New Zealand have got to live with the fact that China will want to deliver aid in this part of the world [and] there is nothing we can do to stop it" (Carr 2012).

Following adoption in March of a new policy framework, "Towards a Renewed EU-Pacific Development Partnership," Forum leaders held a major consultation with the European Union in October. The Suva meeting focused on the European Development Fund (EDF), the main mechanism for delivering EU development funding. EU and Pacific officials began work on the 11th EDF Pacific Regional Indicative Program for 2014–2020. However, there are concerns that the process will precede the current Pacific Plan review of regional priorities and leave decisions in the hands of Forum officials, as Island leaders will not have signed off on the review before

the EDF draft must be sent to Brussels for EU approval.

Throughout the year, there were a number of significant changes in New Zealand's engagement with the region. In August, NZ Prime Minister John Key led a delegation to Sāmoa to mark the fiftieth anniversary of the Treaty of Friendship between the two countries. After many years of service, NZ Ministry of Pacific Island Affairs Chief Executive Dr Colin Tukuitonga stepped down in 2012, to be replaced by Pauline Winter, a Kiwi of Māori and Samoan heritage. Under Foreign Minister Murray McCully, the NZ government continued to cut the aid budget, while orienting its policies toward private-sector engagement, infrastructure, and neoliberal policy reform in the islands. A former NZAID official noted: "In absolute dollar amounts, New Zealand aid levels effectively stand still over the next few years. . . . Whatever the cause, one thing is clear. New Zealand will remain an aid Scrooge for quite some time yet" (Wood 2012).

While retaining the 1980s ban on port calls by nuclear-powered US warships, the Key government has increased strategic ties with the United States. The 2010 signing of the Wellington Declaration by Clinton and McCully and a 2012 visit by US Defense Secretary Leon Panetta highlight US efforts to leverage New Zealand's links to Polynesia as a counter to China. With a 2012 declaration on "enhanced defense cooperation," New Zealand joined RIMPAC naval exercises; the US Marines trained with NZ forces and also began rotating through Australia's Northern Territory. The ANZUS allies continue with

intelligence monitoring and sharing under the UKUSA (United Kingdom–United States of America) Agreement, through bases like Pine Gap in Australia and intelligence gathering communications facilities at Tangimoana and Waihopai, New Zealand (Rosenberg 2011; Hager 1996).

New Zealand plays a key role in fisheries policy in Polynesia through the Te Vaka Moana initiative, at a time when Pacific governments are seeking to increase the royalties and revenues from Deep Water Fishing Nations (DWFN). In May, Niue Premier Toke Talagi told the Okinawa PALM meeting: “It’s not a secret that these resources create huge wealth for our neighbours and we must look at means of improving the fisheries business model to more effectively share these proceeds” (PIFS 2012d).

Fisheries policy is a growing source of tension, with extensive illegal fishing and increasing pressure from Asian, North American, and now European fleets. Marshall Islands President Christopher Loeak noted: “Our aspirations are too often undermined by the narrow commercial self-interests of those nations at the Western Central Pacific Fisheries Commission that might otherwise seek to embrace us as close political partners. . . . We realize only a penny of true benefit for every dollar of fishing activity, and despite scientific warnings, pressure on key fish stocks has only increased, not diminished. Decades of global lip service at the UN to sustainable development seem to be lost on some of our fishing partners” (Loeak 2012).

Negotiations continue to replace the 1988 Multilateral Treaty on Fisheries with the United States. The talks

improved in 2011 after the US government agreed to increase its fisheries funding for 2012–2013. In June 2012, US negotiators and members of the Forum Fisheries Agency agreed in principle on a fishing fee payment of US\$63 million for 8,300 fishing days. Negotiations resume in July 2013 to finalize an extended treaty, while the Parties of the Nauru Agreement (PNA) seek to maintain unity over the allocation of fishing days and treaty revenues.

The theme of the 2012 Forum was “Large Ocean Island States—the Pacific Challenge.” The Rarotonga meeting included a ceremony culminating years of work to address boundary disputes between Island states. For many years, the SPC/SOPAC Maritime Boundaries Division has been engaged in technical work to clarify borders, as the region has forty-eight shared boundaries where neighboring jurisdictions overlap but only twenty-one are subject to treaty. Boundary limitation is a vital concern as Pacific nations seek to increase potential revenues from fisheries and seabed mining in their Exclusive Economic Zones (EEZs). The Cook Islands, Niue, Kiribati, Tokelau, Tuvalu, Nauru, and the Marshall Islands all signed Maritime Boundary Agreements, resolving overlapping jurisdictions. Kiribati, the Marshall Islands, and Nauru agreed to an additional trilateral treaty to determine where their EEZs intersect.

However, the colonial powers have still failed to finalize long-running boundary disputes. France and Vanuatu continue to joust over control of Matthew (Umaenupne) and Hunter (Umaeueag) Islands (MacLellan

2010). Sāmoa's prime minister said negotiations between his country and the United States on boundaries with neighboring American Sāmoa had proved "a very difficult process" (Tuilaepa 2012). Other maritime disputes include the longtime claim by New Zealand territory Tokelau over Olohega (Swain's Island), allocated by Washington and Wellington to US territory American Sāmoa.

The economic potential of oceans was high on the agenda as Pacific delegations attended the 2012 Rio+20 conference. A key outcome is that Sāmoa will host the Third Global Conference on Small Island Developing States in 2014.

In November, UN Framework Convention on Climate Change negotiations in Doha set back hopes for urgent reductions of global emissions, as countries like Japan, Russia, Canada, and New Zealand refused to join Australia and the European Union for a second commitment period under the Kyoto Protocol. In spite of some advances at the 2012 climate talks, such as the creation of the Green Climate Fund and successful AOSIS lobbying on "loss and damage," the islands still face institutional inflexibility by donors. A June World Bank report on climate and disaster resilience in the region acknowledges that "the institutional rigidity of donor organizations makes cooperation and partnership more difficult. . . . Joint programming of climate change adaptation and disaster risk reduction activities by donors and implementing agencies is not widespread" (World Bank 2012, 3, 4).

Through the CROP Executives Subcommittee on Climate Change,

CROP agencies are developing a regional technical support mechanism to effectively manage expected flows of climate finance. During the year, the PIFS and Oxfam published key studies of "better practice" in accessing the technical, financial, and information resources needed to adapt to global warming (PIFS 2012c; Oxfam 2012).

However, Marshall Islands President Christopher Loeak told the UN General Assembly in September: "We cannot rely only on an uncertain architecture of global climate finance to address the very critical adaptation efforts which will be necessary for our continued survival. The large scale—up to \$100 billion dollars a year—of the future Green Climate Fund and other efforts can easily overlook our relatively modest needs. Our increasingly urgent needs on the ground can no longer be met with paper studies and disconnected pilot projects" (Loeak 2012).

The Islands' attempt to refocus debate on climate change as a threat to national security has continued, in spite of a negative vote at the UN Security Council in July 2011. Pacific SIDS lobbied again in 2012 for the appointment of a special representative on climate and security, supported by adequate resources. In September, Tongan Prime Minister Lord Tu'ivakano stated: "There is an urgent need to continue to address the security implications of climate change including the impact on territorial integrity, the frequency and severity of climate related disasters, threats to water and food security, and the forced displacement of people" (Tu'ivakano 2012).

This broadened definition of human

security has not replaced the traditional emphasis on military deployment and policing in regional politics. Even with the slow wind down of RAMSI, the Australian Federal Police “Pacific Police Development Program” is funding regional operations, working through Transnational Crime Units and Combined Law Agency Groups. In June, the New Zealand government and the PIFS Law Enforcement Unit hosted a meeting for the Regional Working Group on Counter-Terrorism as part of an initiative to strengthen counterterrorism legislation across the Pacific.

In July, nongovernmental organizations and government officials coordinated efforts in support of a legally binding Arms Trade Treaty. This global treaty would establish common standards for the import, export, and transfer of conventional arms, but an international summit that month ended without agreement, with a further conference scheduled for March 2013.

Following their 2009 declaration on violence against women and children, Forum leaders issued a follow-up “Pacific Leaders’ Gender Equality Declaration” at their August meeting (PIFS 2012g). In October, leaders followed with the Regional Action Plan on Women, Peace and Security and endorsed a working group to implement the plan, encouraging women in conflict-prevention and peace-building activities.

Efforts to promote cleanup and compensation after nuclear testing had a bad year. In March, the UK Supreme Court ruled 4-3 that a test case could not proceed, as British, NZ, and Fijian nuclear veterans sought compensation

for the adverse health effects of 1950s British nuclear testing in Australia and Kiribati. Even after the election of Socialist Party President François Hollande in May, the French government refused to update the Morin law, which has restricted the number of cases that can be lodged by the Maohi workers who staffed the Moruroa and Fangataufa test sites for over thirty years. In the United States, an election year and Republican intransigence blocked any progress on President Obama’s call for the US Senate to ratify the protocols of the Rarotonga Treaty for a South Pacific Nuclear Free Zone (SPNFZ)—more than twenty-five years after Russia and China ratified the treaty.

The US is reluctant for treaties like the SPNFZ to limit its operations in the northern Pacific, with the Kwajalein missile testing base in the Marshall Islands and new military deployments in Guam. Admiral Sam Lockyear, commander of the US Pacific Command, accompanied Secretary of State Clinton to the 2012 Forum leaders meeting, highlighting the US Navy’s increasing links to Australia, New Zealand, and France through the Quadrilateral Defense Coordinating Group.

After lobbying across the developing world, Australia won a rotating seat on the UN Security Council in September, representing the Western European and Others Group in 2013–2014. During the year, Canberra burnished its human rights credentials by supporting the Pacific Human Rights Consultation for Regional Members of Parliament and a Regional Workshop on Democratic Institutions. However, Australia drew

criticism from UN human rights agencies, Amnesty International, the Red Cross, and other nongovernmental organizations after the Julia Gillard government reestablished detention centers for asylum seekers in Nauru and on Papua New Guinea's Manus Island. As occurred under John Howard's original "Pacific Solution," the vast majority of the people granted refugee status will end up in Australia after years of torment, with only New Zealand likely to take them from the camps for third-country resettlement.

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