The European Union’s Pacific Strategy and the New Framework for Pacific Regionalism

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This paper considers the recent Review of the Pacific Plan, the basis for strengthening regional cooperation and integration in the South Pacific. It considers whether the Review adequately takes account of criticisms of the Pacific Plan and assesses how far the EU’s Pacific Strategy complements the objectives of the Review.

This paper intends to review the latest development in the evolution of a regional policy amongst the countries of the South Pacific as reflected in the recently published Review of the Pacific Plan. With its ten million population, two-thirds of whom live in Papua New Guinea, but spread over an oceanic area greater than the land area of the USA, forging a sense of regional identity was always going to be problematic. The Pacific island states include some of the poorest countries in the world with the particular challenges of their geographical isolation and environmental vulnerability.

In 2005 the 16 members of the Pacific Islands Forum adopted a Pacific Plan to enhance cooperation in the South Pacific. Partly in response to this development, together with the adoption of the Cotonou Agreement, the European Consensus on Development and commitments to the Paris Declaration on Aid Effectiveness, the European Commission (EC) considered that there was a need to revisit its own approach to relations with the 15 Pacific members1 of the African, Caribbean and Pacific (PACP) group of developing countries and adopted its own Pacific Strategy (EC 2006).

Whilst EU Member State involvement in the Pacific has declined, with the exception of France, which retains three Overseas Countries and Territories (OCT) in

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1 Pacific ACPs – Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, East Timor, Tonga, Tuvalu and Vanuatu.
the region², the EU has provided over €1.8 million of aid through the European Development Funds. As well as its commitment to poverty alleviation it was argued in the Pacific Strategy that collectively the EU retains an interest in the sustainability of natural resources, including biodiversity, fish stocks and tropical rainforests in the Pacific, which can be regarded as global public goods. The EU also has an interest in stability and security in the region. High rates of population growth, combined with low economic growth, are creating a degree of fragility. Conflict in East Timor and the Solomon Islands and military coups in Fiji, have had the potential to destabilise the region. To address these problems it was argued that the EU needed to enhance its cooperation with other key players in the region, especially Australia and New Zealand. In the international context China is an important new actor on the regional stage with growing economic and political influence.

The EU’s Pacific Strategy focused upon the areas where it felt it had a comparative advantage – sustainable management of natural resources, governance, and regional integration. The EU was seen as being able to offer technical support in developing the sustainable management of natural resources. In particular it intended to focus upon supporting the management of ocean and coastal resources, supporting regional surveillance of fisheries and marine research. New Fisheries Partnership Agreements with PACP states offers both regulated access for European vessels as well as cooperation to ensure sustainability. The EU was already a participant in the Pacific Islands Forum Fisheries Agency and in the Western Central Pacific Fisheries Convention. The other focus was upon sustainable logging, particularly in Papua New Guinea (PNG).

In terms of governance the EC argued that it could draw upon its experience of post-conflict situations and focus upon institution building. In its Pacific Strategy it would pay particular attention to tax leakages in the fisheries and forestry sectors and compliance to international standards in addressing corruption and money laundering.

Underlying the EU’s approach is an emphasis upon the regional dimensional. Regional integration is seen as building critical mass, enhancing regional governance and facilitating cross-fertilisation. To increase aid effectiveness the intention is to ensure that the EC aid programme is more concentrated, with an emphasis upon budget support, and focused upon the regional level. Thus the 10th European

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² New Caledonia, French Polynesia, Wallis and Futuna. The UK has one remaining territory – Pitcairn.
Development Fund provided for a Pacific Regional Indicative Programmes of €95 million over the period 2008-2013. Of this 47% was allocated to supporting regional economic integration, with 42% allocated to the sustainable management of natural resources. Although trade between the EU and the PACPs is of limited importance, except in the case of sugar exports from Fiji and palm oil and coffee from PNG, it was believed that the establishment of reciprocal trade concessions under a regional Economic Partnership Agreement (EPA), as provided for in the Cotonou Agreement, could make a significant contribution to the region’s integration and economic development. However negotiations have proved difficult and currently only two Interim Economic Partnership Agreements have been signed with Fiji and the PNG.  

Regional Cooperation

The oldest regional organisation was founded in 1947 as the South Pacific Commission (SPC) by the six colonial powers in the region, and is based in Noumea, New Caledonia. Renamed the Pacific Community in 1998 the total membership is now 27 and it fulfils a technical advisory role for its members covering land and marine resources and socio-economic programmes in the health, education and information/communication sectors. However, the principal driver of regional integration in the South Pacific has been the Pacific Islands Forum (PIF). Founded in 1971 as the South Pacific Forum in response to the impasse in the South Pacific Commission in addressing French nuclear testing in the Pacific, it now includes all 14 independent South Pacific states, together with Australia and New Zealand who provide over two-thirds of core funding and exert considerable influence. In 1973 the South Pacific Bureau for Economic Co-operation (SPEC), based in Fiji, was created to provide a forum for discussions related to economic and trade related matters. Subsequently renamed the Pacific Islands Forum Secretariat (PIFS) it helps in setting the PIF agenda, focusing in particular on regional cooperation in trade, economic and political areas. Since 1989 there have been annual post-Forum dialogues with non-regional states, including the EC, France and the UK, and since 1994 the PIF has had observer status at the UN.

Subsequently the PIF established the Council of Regional Organisations in the Pacific (CROP) to coordinate the nine independent organisations that emerged during

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3 For further details see Dearden 2008
the 1970s; harmonising activities, providing management policy advice, coordinating regional meetings and providing a focus for donor relations. The regional organisations represented in CROP include the Forum Fisheries Agency (FFA), the South Pacific Applied Geoscience Commission (SOPAC), the South Pacific Regional Environment Programme (SPREP), the Pacific Islands Development Programme, the South Pacific Tourism Organisation (SPTO), the University of the South Pacific (USP) and the Fiji School of Medicine.

The first real attempts to forge a comprehensive regional policy can be traced back to 1995 when the members of PIF adopted a 25 year ‘Vision Statement’ which committed the members to the development of a regional strategy which, amongst other objectives, would improve aid management. This was followed by the Biketawa Declaration, which laid the foundations for political cooperation and conflict resolution. In 1996 the PIF leaders delegated their Economic Ministers to elaborate and implement a regional strategy. Since 1997 the Forum of Economic Ministers (FEM) has met annually and reported in a Forum Economic Action Plan. These Action Plans included commitments to enhancing their economic competitiveness, addressing economic governance, the enhancement of economic and social data, addressing environmental issues, land tenure, and the legal and institutional environment.

In 2004, at the initiative of the New Zealand Prime Minister Helen Clark the Forum Leaders met in Auckland and committed themselves to seeking

‘...a Pacific region that is respected for the quality of its governments, the sustainable management of its resources, the full observance of democratic values and for its defence and promotion of human rights.’

To achieve these objectives the PIF recognised the particular needs of smaller island states (SIS), the importance of cultural identity and regional inclusiveness and committed themselves to reform of the Forum’s procedures. They also committed themselves to the preparation of a Pacific Plan to identify where the region would gain from sharing resources, governance and aligning policies. In October 2005 the leaders of the PIF endorsed the Pacific Plan for strengthening regional cooperation and integration. The plan was reviewed and updated, with a set of guiding priorities, in 2009 and provided a framework for aligning and coordinating the CROP agencies.
The latest Annual Progress Report (2012) assessed progress in the implementation of the Pacific Plan around the five priority themes – economic growth, poverty alleviation, climate change, governance and social and political stability. The promotion of economic growth and development was emphasised and elaborated in the Waiheke Declaration in 2011. A Working Group of the technical agencies was established at the regional level and has been focusing on energy security, transport safety, tourism, trade and fisheries. In the transport sector, for example, the SPC and the Association of South Pacific Airlines are considering the concept of a tendered regional airline services. Meanwhile the SPTO has commenced implementation of the Pacific Regional Tourism Capacity Building Programme funded by the European Development Fund. Fisheries are particularly important to PIF members and the SPC and FFA continue to offer technical support to the members’ participation in the Western and Central Pacific Fisheries Commission (WCPFC) and the Multilateral Treaty on Fisheries with the USA. In the area of trade the PIF Secretariat has been central to the ongoing negotiations for a revised Pacific Area Closer Economic Relations Agreement (PACER) that offers non-reciprocal tariff-free access to the Australian and New Zealand markets. Similarly the PIFS has been supporting the ongoing negotiations with the EU to establish a reciprocal EPA.

Education and training are seen as central to long-term poverty reduction and here the emphasis has been upon the creation of frameworks to inform national policies i.e. the preparation of a Pacific Education Development Framework (USP and SPC), a Framework for Youth Development in the Pacific (SPC) and a Pacific Youth Employment Strategy (SPC and PIFS). In addressing climate change SPREP has taken the lead amongst the CROP agencies, providing technical support to Pacific island governments in developing their commitments for greenhouse gas reductions and other environmental targets and assisting in ‘capacity building’ to access and manage environmental funds (e.g. the Pacific Adaptation to Climate Change Programme). A similar approach has been taken with the Marine Sector Working Group, which has focused upon securing funding to provide frameworks for marine conservation initiatives, improved marine geo-spatial planning and fisheries support.

A major focus of regional coordination has been the implementation of the Cairns Compact on Strengthening Development Coordination in the Pacific (Forum Compact) through innovative peer reviews of government policies and systems. Eight countries are at different stages of the peer review process. At the same time five
Pacific states undertook Public Expenditure and Financial Accountability assessments carried out by the Pacific Financial Technical Assistance Centre and other development partners and four countries have begun to implement Public Financial Management Programmes. Overall regional reports were prepared by the PIFS identifying progress towards achieving the Millennium Development Goals on poverty reduction and on Tracking the Effectiveness of Development Efforts. The experience of two years of implementing the Forum Compact was central to the Pacific region’s influence in the global debate on development aid effectiveness, in particular its participation at the Fourth High Level Forum on Aid Effectiveness held in Busan in 2011.

Finally, the regional institutional structure underpinning the Pacific Plan has provided the framework for the regional forum of national law enforcement and security officials to review national and regional counter-terrorism policy. The regional structure has also been crucial in stabilising the situation in the Solomon Islands where a Regional Assistance Mission (RAMSI) has been providing support to the government in policing, justice, economic development and political governance.

In 2012 the Pacific Plan Action Committee (PPAC) had endorsed the preparation and piloting of a performance assessment framework for the Pacific Plan. The pilot considered five policy areas over the period February to May 2012, assessing how far the Pacific Plan was relevant to the development of regional strategies or frameworks by the regional agencies, in Ministerial meetings and other bodies. This pilot exercise demonstrated that a performance framework was feasible and provided government representatives with a useful assessment of progress. It is intended to extend the performance framework by developing more detailed performance indicators.

Assessment

Although clearly the existing agencies of CROP and the PIFS had been active across a wide variety of policy areas, both in providing frameworks for national policies and in representing the collective regional interests in negotiations with international bodies and aid donors, it was felt that the overall Pacific Plan was in need of review. Considerable change has taken place in the international environment since the adoption of the original Pacific Plan. Whilst most Pacific states remain highly dependent upon aid, four being amongst the most heavily aid dependent countries in
the world, the sources of this financial assistance have become more diverse (e.g. China) as have the aid instruments employed. The UN had instigated discussions as to the post 2015 Development agenda following on from the Millennium Development Goals. At the same time the UN Conference on Sustainable Development, held in Rio in June 2012, had refocused the debate on sustainable development, an issue of particular importance to the vulnerable island economies of the Pacific. 2014 will also see the twenty-year review of the Barbados Programme of Action (International Conference on Sustainable Development of Small Islands Developing States) and the region will also have to continue to address the results of the Fourth High-level Forum on Aid Effectiveness (Busan) as embodied in the Cairns Compact. All of these initiatives will require a co-ordinated response from the Pacific island states if they are to influence the global debate. It was therefore felt important to reconsider how the Pacific Plan, as the region’s master strategy for regional integration and cooperation, needed to be updated to reflect the new global development agenda.

The review was undertaken in 2013 to consider ‘governance and priority setting and to what extent the regional institutional architecture supports the strategic directions of the Plan’. Between January and May 2013 the review team visited all 18 members of the Forum and consulted widely, undertook background research and received 70 written submissions. Amongst the submissions those by Roman Grynberg and Tony Hughes are the most relevant.

Roman Grynberg prepared the basic document for the original Pacific Plan under the auspices of the Asian Development Bank and Commonwealth Secretariat (Grynberg 2006) and therefore has a particularly useful perspective upon its subsequent contribution to the political and economic development of the Pacific Islands. He regards the subsequent history of economic initiatives in the Pacific as disappointing, believing that the underlying economic circumstances of most of the Pacific Islands leaves them unable to exploit ‘comparative advantage’ in any economic sphere. Only those initiatives which provide an element of ‘economic rent’ have successfully contributed to their economic development. These initiatives include the Sugar Protocol of the EU’s Cotonou Agreement, EU Tuna Preferences and the New Zealand temporary seasonal workers scheme. To overcome these economic disadvantages ‘the Pacific plan constituted the most serious effort by political leaders in the Pacific to address the fundamental inability of most of the government administrations in the region to deal with a complex range of issues by
virtue of their small size. There were numerous objectives but essentially it was a political attempt to pool resources and deal with the absence of economies of scale.’ However Grynberg regards the failure of the Pacific Plan as lying in its lack of ‘ownership’ by the island leaders. With its origins in an initiative by Helen Clark, the then New Zealand Prime Minister, it became merely a bureaucratic response, with Australian and New Zealand officials implementing their existing regional aid programmes under the aegis of the new Pacific Plan. Crucially Grynberg argues that once it became clear that it was merely ‘window dressing’ it received little or no support from the island leaders; failing because it has no obvious island champions nor any real roots in the islands. Islands leaders had long given up on any serious attempt to address the real issues that the Prime Minister had correctly noted in her analysis but done nothing to resolve.’ Indeed Grynberg goes even further and argues that the Pacific Forum, as an institution, was fundamentally weakened in its foundation by the inclusion as members of both Australia and New Zealand whom, in effect, had a final veto on policy. At the same time both Australia and New Zealand lacked any vision for the islands beyond their interest in regional geopolitical stability. But he also identifies the lack of real commitment amongst the island leaders to regional integration. With both the Pacific Islands Countries Trade Agreement and the Melanesian Spearhead Group Trade Agreement “whereas island officials have always been happy to write, sign and ratify trade agreements implementing them and accepting the real economic costs were quite another matter”. A classic case of ‘policy evaporation’. Similarly the persistent practice of island states negotiating ‘confidential’ bilateral fisheries access agreements is unlikely to have yielded a maximum benefit to the countries the leaders are claiming to represent, but maximised the opportunities for corrupt payments.

Tony Hughes, in his submission to the Review, endorses the sceptical view of Pacific leaders’ commitment to regional integration. “There is little overriding or continuing sense of common interest amongst the Pacific island countries (PIC) - a fact that is known and exploited all the time by donors and foreign investors”. “Physical distance, historical isolation and ethnic identity seem set to continue to shape PICs attitudes to each other over the years to come”. But he shares with Grynberg the view that the presence of Australia and New Zealand as founding members of the Pacific Forum undermined its ability to forge a genuine Pacific island common identity. “The presence of Australia and New Zealand as full members of the
Pacific Islands Forum, aside from stretching the normal meaning of ‘Pacific Islands’, has had a formative influence on the character of that body, the evolution of the ‘regional institutional architecture’ and the practice of regional cooperation.” This fundamental political constraint explained the nature of the original Pacific Plan.

“Part of the problem was the early use of the term ‘Pacific Plan’, as if a workable and technically sound plan had suddenly sprung fully formed from the waves. The Forum’s 2004 pronouncements did not purport to be a plan with an implementable statement of issues, goals, resources and activities in a timeframe with targets and performance indicators. They were a call for a regional version of such a plan to be produced, something that would move the region forward on issues and in policy areas where a common interest could be identified and pursued together - recognising that action at the regional level will only work if it is directed to goals that embody acknowledged national interests.” Thus the Pacific Plan was never intended as a conventional development plan, with a schedule of specific actions, but as an institutional framework for developing joint actions. The central question for Hughes is thus whether this institutional framework is adequate for performing the task.

The problem of a multiplicity of overlapping agencies had been recognised as early as the 1970’s. A report to the Forum in 1976, reviewing aid to the region, had called for the gradual merger of SPEC (later the PIFS) and the SPC. Subsequently a joint SPEC and SPC Committee report in 1980 and a comprehensive review by the SPEC in 1982, endorsed the proposal for a merger of the two institutions. However during the 1980s and 1990s the newly independent PICs were enjoying participation in the growing number of regional organisations and both the PIFS and SPC were being generously supported by international aid. Therefore there was little motivation to seek rationalisation of the regional development organisations, which had also managed to develop mutually satisfactory methods of cooperation and division of labour, apart from competing for international development funds. ‘The CROP became a cosy club of CEOs skilled in defending the turf of their institutions while delivering sufficient attractively packaged outputs to keep the clients happy.’ (Hughes 2013). However in the new millennium there was a call for yet another review of the existing regional organisational structure, which Hughes undertook. His 2005 report to the Forum Secretariat again recommended the formation of a new Pacific Commission, absorbing the Pacific Forum and the existing SPC. However the separate ‘interests’ of existing CROP agencies, the Pacific Forum and the SPC,
frustrated any dramatic progress. It is within this historic context that the 2013 review was undertaken and to whose conclusions we can now turn.

The Review

The Review reflects the critiques of both Hughes and Grynberg. A clear distinction is made between regional cooperation and regional integration. Regional integration would involve a surrender of national sovereignty in order to address capacity constraints and deliver economies of scale in services, to improve resource allocation through the creation of larger integrated markets and to address economic ‘externalities’ and ‘public goods’, as in fisheries. Although the Pacific Plan was viewed by some as laying the foundations for regional integration, in practice the emphasis has been upon regional cooperation. As already observed the Pacific Plan was not a regional development plan for the Pacific. Such a development plan would have needed to be comprehensive, aligned with national development plans prioritising government expenditure and involving elements of redistribution between states. However the development of the CROP agencies and the relatively successful management of oceanic fish stocks took the PIF beyond the limits of regional cooperation characterised by ‘joint statements’. But attempts to pool resources in air and sea transport and to engage in the bulk purchase of fuel and pharmaceuticals, ultimately failed. Nor can the relatively few examples of successful regional cooperation be said to be the result of a coherent process of regional policy development or political dialogue.

Although the remit of the Review excluded consideration of the performance of the individual regional organisations, their relationship to the PIF and Pacific Plan Action Committee (PPAC) was viewed as central in explaining its weaknesses and it endorsed the view that wider reform of the regional institutional architecture represented ‘unfinished business’. Although the regional organisations are often regarded as the embodiment of Pacific regionalism and utilise the Pacific Plan as justification for aid support, it is central to the Review’s argument that regionalism is a political not a technical process and that the existing Pacific Plan lacks focus or priorities. Thus the annual assessments of the Pacific Plan, as we have seen, are described solely through a review of the activities of national governments and the regional organisations. The management structure of the Plan lies at the heart of this process of ‘policy evaporation’. The Review identified an officials-led process, with
the technical agencies, focused upon their funding, driving the agenda and priority setting under the aegis of the Pacific Plan. The Pacific Plan is governed by the PPAC, which is composed of representatives of every member state, together with executives of each of the CROP agencies. For financial reasons PPAC meetings coincide with those of the Forum Officials Committee (FOC), often involving the same representation. “The result is the prosecution of an agenda that is ‘in line’ with the Leaders’ vision of regionalism, but that is not necessarily representing political choices or strategy.” (Review page 18). Thus ‘the processes around the Plan appeared to the Review to be dominated by bureaucratic and institutional interests, the result being that the Plan contains too many priorities, often of the wrong sort.’(Review page 19). At the same time frustrations amongst the managements of the regional organisations has led to the growth of direct bilateral relations with the region’s aid donors; with the support of initiatives unrelated to the Pacific Plan’s priorities or governance processes, further eroding political ‘ownership’.

Thus the Review’s central conclusion is that there is a need for an overhaul of the processes and institutions that govern the Pacific Plan, recognising that its principal role is political not technical. The Pacific Plan should not be regarded as a coordinating mechanism but as a means of giving a political voice to Pacific regionalism. To emphasise this change of focus the Review recommends a New Framework for Pacific Regionalism. This new Framework should ‘be more politically led, relevant, inclusive and value adding...be flexible enough to cope with the region’s diversity, accepting different pathways to development, ...contain a robust public policy process,... be manageable and managed’ (Review page 23) and be owned by the Pacific Leaders.

The emphasis upon flexibility and the call for the recognition of the role of sub-regional developments is an acknowledgement of an important trend in recent years. Of particular importance has been Papua New Guinea’s (PNG) increasing engagement with the region. Accounting for two-thirds of the region’s population PNG was instrumental in forming the Melanesian Spearhead Group (MSG) in 1987 with Vanuatu, the Solomon Islands and the Kanak political party of New Caledonia. Initially focusing upon negotiations for New Caledonian independence from France the MSG subsequently turned its attention to developing a free trade area by 2008. Joined by Fiji, for whose military government the MSG now offers a regional political platform, progress in fostering intra-MSG free trade has been limited. By 2000
Vanuatu and the Solomons had effectively suspended their involvement. Nonetheless the formation of this Melanesian grouping has induced the Polynesian and Micronesia PICs to form their own associations to advocate their distinctive interests.

In the Review the needs of the Smaller Islands States (SIS) are acknowledged. With their acute vulnerabilities and greater dependency, they have much to gain from effective regional integration, but the Review questions the need for a separate ‘SIS strategy’ within a revised Pacific Plan. But central to the new Framework is more effective priority-setting and the Review explicitly recommends that the special requirements of the SIS be addressed in this process.

Thus in summary the Review calls for a new framework that will provide ‘a strategic superstructure that covers the vision, values and strategic direction articulated by Leaders plus some processes that prioritise initiatives,’ but does not itself contain a set of such initiatives. The New Framework for Pacific Regionalism should encompass clear statements of the Leaders ‘Vision’ for the Pacific, the regions values, it strategic direction – identifying the region’s current situation, its strengths and weaknesses, and outlining the arguments for regional cooperation – and outlining the possible approaches that might be taken to deeper integration. At the same time the Framework should identify the process for prioritising initiatives and the methodology for their monitoring and evaluation.

To achieve these objectives the Review recommends a number of broad institutional changes. The Review regards the Pacific Plan Action Committee (PPAC) as too cumbersome to fulfil its roles in identifying and advising the Leaders on policy options and driving progress on regionalisation. It recommends its replacement by a Board for Pacific Regionalism (BPR), which should be composed of a small group of active executive directors rather than the large group of representatives of national governments and agencies of the existing PPAC. To support the board the PIFS needs to be more proactive in providing independent evidence-based policy options; ‘identifying more proactively the big-picture of political, social and economic determinants that are progressing regionalism’ and more effective in supporting implementation of regional initiatives. As described above the record of regional initiatives has been mixed. The Review identified a number of factors that may have accounted for this poor performance, including failures of political oversight, lack of clear implementation plans, failures to secure donor and stakeholder support, inadequate capability in the PIFS and too many priorities, diluting management
attention and accountability. Thus although the Review argued that all regional stakeholders should be able to propose initiatives that meet the relevant criteria, the PIFS should be the ‘guardian of Forum processes’.

Determining the criteria that should be applied in prioritising initiatives had begun in 2007 during the revision of the Pacific Plan, with market, sovereignty and subsidiarity tests. Under these criteria a proposal might be adopted if it established a regional norm or standard or common position on an issue (e.g. climate change); if it could involve the provision of a regional public good (i.e. it has characteristics of non-excludability and non-rivalry), address externalities (e.g. oceanic fisheries) or if the regional provision of a service might also have the potential to realise economies of scale or contribute to overcoming national capacity constraints. Initiatives may also be undertaken where it may compensate for a failure of a national government to provide essential services such as security or the rule of law (e.g. RAMSI). Further the Review proposed four additional criteria. Firstly, is there a clear substantial net benefit; has the initiative been properly costed? Secondly, is it of sufficient importance to require the Pacific Leaders’ attention or can it be addressed by another forum? Thirdly, is the proposed initiative likely to succeed; is it accompanied by a clear implementation plan with guaranteed funding and adequate administrative capacity? Finally, is this proposed initiative being undertaken already by another organisation?

Of particular importance in implementing Pacific Plan initiatives is the financial support of the aid donors. In order to secure the long-term commitments that will be required it will be essential that the PICs demonstrate a strong commitment to aid effectiveness. To achieve this the PIFS must build upon its existing track record and the innovations of the Forum Compact, in championing aid coordination, alignment, harmonisation, ownership and evaluation.

Although the emphasis in the Review has been upon ‘processes’ it has included a number of recommendations for future work by the PIFS which have arisen from the consultation process that was undertaken. Analytically the Review argues that issues such as the definition of a ‘reasonable’ standard of living, indicators of ‘poverty’ and ‘progress’, the costs of delivery of central government services and the role of increased labour mobility in economic development (Recommendation 5 & 6) needed to be addressed. Institutionally, the review recommends that PIFS works with the CROP agencies to examine the merits of reforming the management of the
southern albacore fishery, establish a Secretariat to assist in the development of seabed mining (Recommendation 2) and focuses upon the development of specific policies to address sustainable development (Recommendation 3) and the feasibility of improving transport and communications services amongst groups of the Smaller Island States (recommendation 33).

But throughout the focus of the Review is upon the means by which the PICs may realise their political commitment to enhance their regional identity. The emphasis is upon a political decision-making framework that is transparent and inclusive but also independent of capture by vested national or organisational interests. The new Framework for Pacific Regionalism, which could emerge, should provide a clear focus upon a manageable number of clear regional priorities. To select these priorities will require the PIFS to provide timely and adequate supporting analysis and it is for the PIFS to drive the agenda. Although the PIFS should oversee implementation, the Review recommends that it should not implement initiatives itself because this would dilute its focus. This may however raise difficulties given the existing role of the PIFS in delegated aid management; something that donors are likely to be emphasising through their commitments in the Paris Declaration on Aid Effectiveness to the increasing use of country systems and budget support.

The Review is thus only the first stage of a process of reform to reinvigorate progress along the path to Pacific regionalism. The pace and precise form that this progress will take will depend upon the extent of the real political commitment to regional cooperation amongst the PIC governments. Experience suggests that this can certainly not be taken for granted or that it is sufficient to overcome the existing institutional inertia. Nor can it be taken for granted that the main ‘sponsors’ of the PIF, especially Australia and New Zealand, will endorse the political process to the degree that is required, although their continuing financial support to regional organisations is likely to continue to be crucial. For the EU this will raise questions over its political relationship to both of these key regional players. Whilst its Pacific Strategy emphasises the importance of aid coordination in achieving the aid effectiveness to which the EU is committed in its development policy under the Paris Declaration, there may emerge issues on which the EU has its own distinct political and economic agenda. Although the EU interests in the Pacific region are principally confined to fisheries access agreements, France remains a significant political actor in the region with its three remaining OCTs. Thus how far the EU can assert its own
identity in the region remains to be seen. Certainly the Pacific Strategy specifically emphasises the failure of the EU to raise its visibility in this region and the inadequacy of the current Post-Forum Dialogue to provide an opportunity for policy exchange between the EU, the second largest donor in the region, and the PACPs.

At the institutional level the EU could contribute to the new Framework by following the example of the EPA negotiations and attempting to regionalise fishing access agreements, rather than pursuing traditional bilateral agreements. Given the nature of fisheries this could also make a significant contribution to sustainability. Similarly the EU could support the proposals to restructure existing regional responsibilities by indicating its willingness to avoid negotiating directly with CROP agencies and instead to work through the proposed Board for Pacific Regionalism and to fully commit to aid coordination. In 2008 the PIFS (PIFS 2010) estimated that there were almost a thousand missions by the development partners to Forum Island Countries, of which only a quarter were coordinated with other donors. However the proposal to change the role of PIFS to one that oversees implementation but does not implement initiatives itself, may require the European Commission to significantly reform its method of aid delivery in the region which currently uses the PIFS as the delegated authority.

The EU recognises the centrality of the Pacific Plan in fostering economic development in the region and considerable emphasis was placed in its Pacific Strategy upon its compatibility with the PACPs approach to regional integration. But it recognised that “a long-term formula for effective and politically well anchored regional integration in the Pacific is still under construction” and that “the Pacific Plan, while an important step, must be considered ‘a living document’ and the start of the process rather than the end. Pacific regional cooperation is bound to evolve and the EU’s policy for the region will therefore have to adapt overtime.”
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