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Balancing Commitment and Competition in the Pacific Islands

BY DARLENE ONUORAH AND DANIEL SCHOOLENBERG
THE NATIONAL BUREAU OF ASIAN RESEARCH

In recent years, U.S.-China strategic competition has sharpened the U.S. focus on the Pacific Islands, where China has made notable economic and diplomatic gains at the expense of the United States. However, it has been China's security ambitions, namely its security agreement with Solomon Islands and attempt at proposing a region-wide security deal in 2022, that have heightened U.S. concerns. Although the regional agreement was unsuccessful, that result is largely due to the agency and authority of Pacific Island leaders. Yet for small island states reliant on external investment and aid, it may become increasingly hard to resist China's growing power in the years to come, absent a proven U.S. strategy that recommits the United States to addressing regional needs.

Under the Biden administration, the United States created the Partners in the Blue Pacific initiative, held its first Pacific Islands Country Summit, and unveiled the Pacific Partnership Strategy to re-engage with its Pacific partners on health security, climate resiliency, economic development, and other key priorities. This brief will explore how Congress can support these efforts to compete with China and preserve U.S. interests in the Pacific Islands.

Priorities for U.S. Engagement

Climate change and Covid-19 recovery. For Pacific Island countries to properly assess the risks of China's economic influence, it is crucial to provide support that addresses their needs, considers their development priorities, and reduces their vulnerability. To that end, the United States must demonstrate its commitment to meaningful and long-term engagement with its Pacific Island partners, recognizing and responding to the most pressing challenges facing the region. These challenges range from illegal, unreported, and unregulated (IUU) fishing to natural disaster response and Covid-19 recovery.

The first step has already been taken. Through the Biden administration's Partners in the Blue Pacific strategy, the United States has committed \$810 million in additional programs for the Pacific Islands region to support pandemic recovery and mitigate climate change. This builds on the long-standing aid programs of USAID, which has in turn announced a major expansion in the Pacific region. Meanwhile, in coordination with the United States' Partners in the Blue Pacific initiative—an informal diplomatic mechanism between the United States, the United Kingdom, Australia, New Zealand, and Japan—development assistance to the region has risen to a combined \$2.1 billion.

Renewal of the compacts of free association. Maintaining a robust military presence in the Pacific Islands, specifically within the subregion of Micronesia, is critical for U.S. security interests in the Indo-Pacific. The compact of free association (COFA) agreements anchor the political relationships between the United States and the Federated States of Micronesia (FSM), the Marshall Islands, and Palau. These twenty-year agreements grant the United States strategic military access and special military rights in these countries' territories in exchange for U.S. economic assistance. The economic provisions of the COFA agreements expire this year for the Marshall Islands and FSM and in 2024 for Palau.

The appointment of Joseph Yun as President Joe Biden's envoy for negotiations to renew the agreements has proved advantageous so far. The administration has signed memoranda of understanding (MOU) with the Marshall Islands, Palau, and FSM outlining the amounts of funding that the U.S. government will provide to the COFA states over the next twenty years. Despite this progress, the negotiation process

has been criticized by some COFA government leaders and Pacific analysts in the United States for being prolonged, while issues such as the legacy of U.S. nuclear testing in the Marshall Islands have enhanced the COFA states' demands for sufficient compensation. As the United States continues to emphasize the importance of these island states for defense purposes, especially given China's growing security ambitions in the region, renewing the compacts to preserve the credibility of U.S. commitments to the Pacific Islands region must be considered of equal importance.

Diplomatic re-engagement. In 2019 the United States was seemingly caught flat-footed by the news that Solomon Islands intended to switch diplomatic recognition from Taiwan to China. Having closed its embassy in Solomon Islands in 1993, however, the United States was severely limited in the extent to which it could understand or influence developments there. Similarly, few people in the United States have experience or knowledge of Solomon Islands, especially since the Peace Corps program was ended in 2000. Although the case of Solomons Islands is unique, the United States' distinct lack of diplomatic focus on the Pacific Islands is illustrative of a broader regional weakness.

During a speech delivered at a meeting of the Pacific Islands Forum, Vice President Kamala Harris took the first major step toward addressing this issue by promising to re-establish several embassies in Solomon Islands, Kiribati, and Tonga, as well as establishing the role of special envoy to the forum. Congress, for its part, has supported these initiatives by passing the U.S. Pacific Islands Embassy Act, which also included authorizing an expansion of U.S. presence in Vanuatu. More, however, could be done to boost the United States' presence across the region.

At a minimum, these embassy-led initiatives and people-to-people programs will require sustained attention and support over the long term to restore U.S. credibility.


Options for Congress

Congress could take several steps to expand the U.S. presence in the Pacific Islands region and restore U.S. credibility. First, Congress should consider increasing funding for USAID programs as outlined in the Pacific Partnership Strategy and assert oversight authority by requesting reports on aid programs focused on Covid-19 recovery and climate change. In both cases, aid should be oriented toward mitigation and building resilience. To support Covid-19 recovery, programs that provide vaccines, test kits, and personal protective equipment should go hand in hand with establishing the experience and infrastructure that will enable more efficient public health responses. To combat climate change, aid programs designed to offset the effects of rising sea levels, weather-related disasters, and other negative effects will help build resilience.

Second, Congress could encourage swift and productive renegotiations of the COFA agreements

through regular U.S. government interagency discussions to actively understand and approve appropriate funds to each COFA nation. Congress plays an important role in approving the compacts and authorizing the appropriate amount of funding, which is included in the federal budget. This could involve regular congressional briefings and coordination with the Department of State, Department of the Interior, USAID, and the many other federal agencies that negotiate their own agreements with the three COFA states, prior to becoming the broader COFA agreements that are implemented in legislation and signed into law. This would also give Congress a chance to familiarize itself with COFA-related issues and priorities. If appropriate amounts of funding are not administered to these countries, they will be compelled to seek alternative sources of funding, particularly from China.

Third, in addition to the U.S. government's current plans for reopening embassies, Congress could promote new consular offices and Peace Corps programs beyond the Biden administration's existing plans. For example, new U.S. consular offices can be opened in the Cook Islands, Nauru, and Tuvalu. These offices would deepen U.S. contacts with small



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but key nations in the region, while simultaneously increasing U.S. understanding of Pacific Island perspectives through the regular reports and cables relayed by foreign service officers. Congress can also consult the Peace Corps on the feasibility of reinstating Peace Corps programs in Papua New Guinea, Kiribati, and the Marshall Islands. This would be emblematic of the United States' renewed commitment to partnering with Pacific Island countries on their own terms, while simultaneously enhancing people-to-people bonds at the core of U.S. ties to the region.

Congress plays a crucial role in ensuring the successful execution of U.S. strategy in the Pacific Islands. Together, the above policies would serve U.S. interests by strengthening ties with regional countries amid renewed great-power competition. ∞

Darlene Onuorah is a Project Associate with the Political and Security Affairs group at the National Bureau of Asian Research.

Daniel Schoolenberg is an Intern with the Political and Security Affairs group at the National Bureau of Asian Research.

The views expressed are those of the authors.

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