

Pacific Buzz (July 11): Voting in Timor and PNG | Growing Pacific economies | Pacific arts showcased | Unrealistic energy targets | Flags of convenience ... and more



by Development Policy Centre

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A roundup of development policy issues in the Pacific by the [Pacific Institute of Public Policy](#) and the [Development Policy Centre](#).

Vote counting underway in Timor Leste...

Timor Leste went to the polls on 7 July in an election the UN reports as being [peaceful and well-run](#). Provisional results suggest the National Council of Timorese Resistance (CNRT), the party of caretaker prime minister, Xanana Gusmao, will hold 31 of the 65 seats in the new parliament, two short of the majority required to govern alone. The [opposition](#) Fretilin Party is on track to secure 20 seats. In third place, the Democratic Party appears to have won 10 per cent of the vote, and with it a key position in forming a coalition government. There is [talk](#) of a grand coalition involving all three major parties.

Most of the 21 parties contesting the election [failed](#) to win the three per cent of votes required to gain a seat, which is being hailed as a welcome consolidation of East Timor's political system. Official results are expected on 17 July, and a new administration to be formed by 8 August.

... and Papua New Guinea

Caretaker prime minister, Peter O'Neill, has said he is confident of forming the next government having been **declared** the first re-elected MP as vote counting **commenced** following the poll that got underway on 23 June.

The writs are supposed to be returned by 27 July, but the outcome of the election may be delayed as polling has been extended into this week in seven provinces, and there seems to be the prospect of large numbers of **legal challenges** to the results. So far the **Speaker of Parliament** and another **sitting MP** have been arrested on bribery charges related to the election. There are **multiple** reports of large amounts of cash being distributed to voters.

It is also becoming clear that there will likely be **no female MPs** in the new parliament.

A range of announcements aimed at growing Pacific economies

Also in Papua New Guinea, coffee production has been given a boost with the International Finance Corporation establishing a **risk-sharing facility** with Bank South Pacific to provide US\$5 million in loans to Kongo Coffee Limited. This comes as PNG farmers are eyeing China as a **growth market** for coffee.

Economic ministers from around the region met in Kiribati to release the **Forum Economic Action Plan 2012** [pdf], which focuses on strengthening public financial management, broadening the economic base of island countries, the economic empowerment of women and job creation.

The inaugural Pasifika Trade Expo, held in Nadi, showcased the **region's products**, and was an opportunity for the private sector and NGOs to participate in workshops and attract investment. Also in Fiji, academics speaking at a University of the South Pacific symposium declared that the **South Pacific Stock Exchange** is unprofitable, extremely illiquid and has an unpromising future.

Meanwhile, Pacific island countries that are parties to the Tuna Treaty for US vessels to fish in the region, reached a **deal** that will see access fees for tuna fishing triple to US\$63 million per annum.

Festival of Pacific Arts showcases the creative economy

The 11th **Festival of Pacific Arts** is underway in Honiara (1-14 July) with over 2,500 participants from across the region expected to showcase their creative and cultural works. The festival, which occurs every four years, is recognised as a major

international cultural event, and is **expected** to provide a significant boost to tourism in the Solomon Islands.

The Pacific Institute of Public Policy hosted a public **discussion forum** as part of the festival that explored ways of cultivating a **creative economy** based on art, music, film, media, performing arts and cultural events. This **discussion paper** [pdf] further explores ways of developing a creative economy in the region, including the knock-on effect on tourism and broader investment and the need to protect ownership rights when commercialising cultural knowledge.

Also on the sidelines of the festival, Pacific ministers of culture endorsed a **regional strategy** to further enhance the development of the Pacific's cultural sector. **Melanesian Spearhead Group** cultural ministers met separately to sign an agreement on cultural cooperation that will provide a framework for cultural exchanges and technical assistance amongst MSG members.

12th Micronesian Presidents' Summit

The presidents of the Federated States of Micronesia, Palau and the Republic of the Marshall Islands met in Majuro on 5 July to collaborate on issues of mutual importance to the **Micronesian sub-region**.

The meeting, which was open to the public, covered issues of trade, fishing, air routes, shipping, **climate change** (including 'debt for climate swaps') and relations with the United States under the compacts of free association.

Unfettered immigration rights are a key part of the compact relationship with the US, and **this** *New York Times* article provides an insight into some of the challenges faced by the thousands of Marshallese now living in Arkansas.

Solar farm opens in Tonga as unrealistic energy targets not met

Following the Rio+20 meeting, Tonga and eight other Pacific island countries have **voluntarily committed**, through the **2012 Barbados Declaration**, to increase the percentage of electricity supplied from renewable energy resources. However, the Tonga experience may be salutary: officials now conceded that the target of achieving a 50 per cent renewable energy mix in the government's *Energy Roadmap* by the end of this year won't be met and was **unrealistic**. This admission comes as a US\$5 million solar farm is set to be commissioned, providing four per cent of the country's power needs.

Iranian tankers flying Tuvalu flag of convenience

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Ahead of a European ban on Iranian oil imports, Iran has signed up 11 tankers to [Tuvalu's shipping registry](#). The move will generate revenue for Tuvalu, but may also open the tiny atoll nation to potential legal and political issues. It has been [suggested](#) that Iran is likely using the Tuvalu flag to circumvent the sanctions designed to place pressure on Tehran over its nuclear programme.

Two years ago, the Republic of the Marshall Islands was embroiled in the fallout of the [Deepwater Horizon oil disaster](#), as the rig was registered under that country's flag.

In brief

Australia to double its aid to [Fiji](#).

[Trial of former Fiji PM Laisenia Qarase](#) starts.

Fiji TV reportedly at risk of [losing its broadcasting license](#).

No confidence motion in [Tonga](#) deferred again.

22 nations participate in [naval exercises](#) off Hawaii.

[Pacific Aviation Safety Office](#) in financial strife.

Calls for [wage increase](#) in Vanuatu.

Budget cuts blamed on closure of [FBI](#) office in American Samoa.

Palau becomes 6th Pacific island country to get UNESCO [world heritage site](#) listing.

Controversy over [shark finning](#) in Cook Islands.

This roundup of development policy issues in the Pacific is a joint venture of the [Pacific Institute of Public Policy](#) and the [Development Policy Centre](#). Editorial content is the responsibility of Derek Brien, PiPP Executive Director, and Stephen Howes, Devpolicy Director.

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The Development Policy Centre is part of the Crawford School of Public Policy under the College of Law, Governance and Policy at The Australian National University.

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