

Pacific Buzz (May 30): PNG election countdown | Japan strengthens Pacific ties | NZ aid cuts | Economic round up | Shifting geopolitics | Political manoeuvrings ... and more



Source: Reuters

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](#).

Countdown to PNG election mired in more constitutional drama

Parliament was dissolved on 16 May and writs issued for a general election to be held on 23 June, leading to hopes of a [resolution](#) following months of political and legal wrangling. Within days yet more turmoil ensued as the Supreme Court handed down a [controversial](#) judgment reinstating Sir Michael Somare as (caretaker) prime minister.

The chief justice was subsequently arrested on sedition charges by police, as led by Belden Namah, the deputy prime minister. After a tense couple of days, parliament was reconvened and voted unanimously to reject the Supreme Court's ruling and declare a [state of emergency](#) in three provinces.

The situation remains [constitutionally muddled](#). Governor General Sir Michael Ogie declared he will not sign any documents until after a new government is formed and that he did not sign an instrument to call the emergency sitting of Parliament. In yet

another twist, the deputy speaker of parliament subsequently ruled the office of prime minister vacant, and that a new prime minister would be elected by the Parliament on Wednesday 30 May.

Social media commentators reacted to the latest confusion with a sense of weariness of events that have dominated PNG politics since August last year, with most looking forward to the elections as a circuit breaker.

The Electoral Commission confirmed a record **3,435 candidates** will contest the 111 seats as two acclaimed political reformers, Dame Carol Kidu and Sir Mekere Morauta, **retire** from politics.

Japan strengthens Pacific ties at PALM 6 meeting in Okinawa

The triennial meeting of **Pacific Island Leaders (PALM 6)**, co-hosted by Japan and Cook Islands, concluded in Okinawa with a new pledge of US\$500 million in aid from Japan to Pacific island countries over the next three years.

The meeting was **notable** for the first-time inclusion of the US, discussion of maritime security issues and Japan's intention to pursue defence cooperation with Pacific island countries. In addition, the meeting called for 'emerging donors' to comply with international aid co-ordination mechanisms.

Analysts have read this as a response to **China's growing influence** in the region.

Leaders of 13 Pacific island countries, Australia and New Zealand attended the meeting. **Fiji's** military prime minister was not invited and did not send a representative.

New Zealand cuts aid budget

The New Zealand government announced last week that planned increases in aid will be pushed back to 2016: the Government inherited a plan to increase aid to \$600 million by 2010, but this has been repeatedly deferred, and is now pushed out to 2015-16 . While official development assistance is **estimated to increase** [pdf] to NZ\$535 million in 2012, an increase of 8 per cent on 2011, assistance is projected to decrease to NZ\$499 million in 2013 and will remain at NZ\$495 million until 2016.

While specific data on the changes at the country level have not been released, it is expected that the Pacific will bear the brunt of the delayed assistance. In 2011-12, Pacific island countries accounted for **81 per cent** of New Zealand's country programme aid spending.

This budget has been **criticised by Oxfam**, noting that it puts New Zealand near the

bottom of the OECD in terms of the proportion of national income to aid. However, [Foreign Minister Murray McCully](#) says that the delay is justified due to cost of the Christchurch earthquakes and that all existing programmes can be continued at current levels but with possible changes in priorities.

Pacific economic roundup

The latest [ANZ Pacific Quarterly](#) [pdf] and [World Bank report](#) note that the resource-intensive economies – PNG and the Solomon Islands – are outperforming the region's other economies. With global economic concerns continuing, countries dependent on remittances and tourism continue to face difficulties.

The [Tongan 2012-13 budget](#) was presented to cabinet on 25 May, with government expenditure set to increase by US\$6.7 million to US\$101 million. This is despite revenue dropping by US\$15.3 million, including US\$3.9 million of budget support. Proposed additional spending includes the establishment of a new authority to develop tourism, and measures for promoting fisheries, agriculture and handicrafts.

The budget announcement comes as the [Tonga Development Bank](#) cuts interest rates and loan repayments for three months.

Shifting geopolitics

The Fiji military government has again demonstrated its intention to expand relations beyond traditional partners, with the announcement that it will open a new embassy in the [United Arab Emirates](#), and work towards an open sky policy.

[China](#) has signalled its intention to invest further in Pacific [fisheries](#) and open its market to tuna exports from the Parties to the Nauru Agreement (PNA).

Meanwhile the Vanuatu government has [defended](#) its links with Indonesia amidst protests over West Papua.

Following renewed [discussion](#) on Australia's approach to the Pacific, Papua New Guinean blogger Martyn Namarong embarked on a [tour](#) of Australia to foster a greater understanding of the relationship between the two countries.

Political manoeuvrings reflect issues with parliamentary systems

There have been a number of controversies recently reflecting the issues associated with managing the Westminster parliamentary system. In Kiribati, there are plans to [strengthen](#) the role of the Public Accounts Committee, including the appointment of a member of the opposition as chair.

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Meanwhile, in Tonga there has been controversy over **cabinet reshuffles**, which have led to divisions within the ruling party and criticisms of a minister's proposal to make members of the opposition '**associate ministers**' ahead of an anticipated vote of no confidence.

Elsewhere, in Cook Islands, the appointment of an unelected female speaker of parliament drew strong **criticism** from the leader of the opposition, who labelled it a 'vote of no confidence' in the parliamentary representatives of the governing Cook Islands Party.

In brief

- 49 people rescued after **MV Solfis sinks** in Solomon Islands.
- Pacific islands want progress on **PACER Plus**.
- Samoa continues celebrations of **50 years of independence**.
- Marshallese **reported separately** for the first time in US Census.
- Pacific leaders **discuss withdrawal** of RAMSI military personnel.
- Calls to discuss independence in **American Samoa**.
- IFJ releases first report on **media freedom** in the Pacific [pdf].
- Vanuatu election date **confirmed**.
- US Senate committee cut \$93.4M in **Guam funding**.

*This biweekly 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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