FOREWORD

In the Pacific we have long known that we can achieve more together than alone.

Our shared history has countless examples where our people have worked side by side to navigate the many challenges inherent in living on the vast ocean that connects us.

Recently through the Framework for Pacific Regionalism, Forum Leaders have reiterated the need for this collective action to be adaptable, innovative and inclusive to ensure it continues to serve our people.

The geopolitical and development context of the Pacific is constantly changing and today the region faces a variety of external and internal forces that are influencing it. They include climate change, shifts in global power and globalisation, ocean management and conservation, rising inequality, advances in technology, economic and environmental uncertainty, and regional and global conflict.

To successfully and sustainably address these issues we must continually reflect on where we are and how we can most effectively continue working together.

This State of Regionalism report helps us do that by providing a geopolitical analysis of the trends, threats and opportunities facing the region’s political and development ambitions. It should serve as a conversation starter about the strategies we can employ to build a stronger and increasingly responsive region. I trust it will also help inform the thinking of individuals and organisations who submit policy initiatives through our annual Pacific wide public consultation process.

As I have said before, if our collective actions do not impact positively on the lives of people in the Pacific then we are heading in the wrong direction. This report encourages us to ‘think big’ with regard to the journey ahead and it helps us map out our steps along the way.

The Framework for Pacific Regionalism envisages a region of peace, harmony, security, social inclusion, and prosperity so that all pacific people can lead free, healthy, and productive lives. Working together I am confident this can be realised.

Meg Taylor DBE,
SECRETARY GENERAL, PACIFIC ISLANDS FORUM
EXECUTIVE SUMMARY

The world currently faces a heightened sense of uncertainty with shifting global and regional geopolitics. By the sheer fact of our geography, such trends place the Pacific at the centre of contemporary global geopolitics and therefore bring a range of threats and opportunities for realizing the political and development ambitions expressed by Pacific Island Leaders in the Framework for Pacific Regionalism. More specifically, the current trends, issues and opportunities which may have important implications for Pacific regionalism discussed in this report are:

• Shifts in Global Power and Globalisation
• Rising inequality
• Changing Multilateral Relations
• An increasingly crowded and complex region
• Depletion of Natural Resources
• Regional and Global Conflict
• Ongoing Advances in Technology

The context of growing political, economic and environmental uncertainty created by these trends is likely to further exacerbate the vulnerabilities and dependencies the region currently experiences. In the face of such uncertainty, the reports suggest that Pacific regionalism will need to be resolute in making the most of what it has in order to drive the development outcomes it seeks. Building on the opportunities created by The Ocean Conference held on 5-9 June 2017, and Sustainable Development Goal 14, the report emphasises that ‘what we have’ is the shared Pacific Ocean which can provide the source for a resilient and sustainable “Blue Pacific” grounded in our ocean identity, ocean geography, and ocean resources. Such an approach can enable the region to capitalise on new and emerging possibilities for advancing the ambitions expressed by Leaders in the Framework for Pacific Regionalism.
1. INTRODUCTION

Many reports have been written about the state of the Pacific on a range of different issues, including economics, the environment, urbanisation, youth, education, and sustainable development. However, although such reports provide valuable analysis of key issues facing countries in the region, there is a recognized need for a geopolitical analysis that identifies the trends, threats and opportunities that impact on the region’s ability to collectively realise its political and development ambitions. As the Pacific Plan Review highlighted, “regionalism is not just about geography and economics; it is also about the governance of a region that is, collectively, under increasing strain, and whose societies are experiencing new vulnerabilities”. Therefore, the report seeks to provoke discussion amongst the people, communities, organizations and governments of the Pacific about opportunities for the region to work together to advance the Leaders’ vision for the region. The report highlights a range of issues which may impact on the development and political ambitions of the region, and points to some opportunities for advancing those ambitions through collective regional action. Before discussing the key global and regional geopolitical trends, the following section considers the different viewpoints from which we can assess Pacific regionalism.

1.1 A Range of Viewpoints on the State of Pacific Regionalism

There are a range of different perspectives from which we can understand the state of Pacific regionalism, including structure, actors, institutions, interdependence and outcomes. For example, if we consider the state of the Pacific from the perspective of structure (e.g., our geography, cultural similarities and differences, asymmetries in development, historical patterns of cooperation) then one comes up against the well-known list of vulnerabilities and constraints: small islands, long distance from markets, small populations, small private sector, vulnerability to environmental shocks, and so on. From a structural perspective, the state of the region has obviously remained largely unchanged, except perhaps for the increased vulnerabilities posed by climate change. One of the effects of the structural vulnerabilities and constraints facing the Pacific has been an ongoing dependency on overseas development assistance.

From the perspective of actors, the region continues to see important shifts taking place, including French Polynesia and New Caledonia’s membership of the Forum. In the wake of this, other Pacific territories appear to also be considering applying for Forum membership. Furthermore, there is an increasing number of states seeking bilateral relations with the countries of the Pacific, and non-state actors are also playing an increasing role in regionalism. This has led to calls for relooking at the regional institutional architecture, as well claims that we are witnessing a new era of ‘Pacific Diplomacy’. Others argue that we need a more flexible approach to regionalism based on ‘network diplomacy’, as well as the need to embrace the fact that there is no longer one ‘site’ for determining regionalism but rather there are now ‘many regionalisms’.
Related to suggestions for reconsidering the regional architecture is the role of regional institutions in helping to inform and implement regionalism. The recent Analysis of Governance and Financing and the Review of Forum Meetings, both undertaken by the Pacific Islands Forum Secretariat, provide a detailed analysis and recommendations of some of the key elements of the institutional components of Pacific regionalism. Other common institutional components of regionalism include binding agreements and treaties, parliaments, and regional courts. A recent paper comparing the Pacific Island Forum to other regional bodies around the world showed that the Pacific has only one of seven possible regional institutional measures.

One can also assess regionalism in terms of how well it promotes interdependence amongst countries. This might include assessing how freely people are able to move between countries, levels of economic and trade integration, shared political institutions and information and knowledge flows. There are examples from other regions of the world that seek to measure regionalism in this way, such as the Africa Regional Integration Index. Currently there is no agreed set of indicators to measure regional interdependence in the Pacific.

Finally, and most commonly, the state of the Pacific can be described from the perspective of development outcomes. For example, the 2015 MDG tracking report showed that performance across the region on the MDG was mixed with only two countries achieving all MDGs, three countries achieving at least half, and the rest achieving less than half. To put it in context, this means that there was little progress in development indicators across the region over the fifteen year period from 2000-2015. A regional workshop conducted in late 2015 concluded that persistent exclusion and vulnerabilities were the key factors undermining development progress in the Pacific. For example, twenty-five percent of Pacific people live below the basic needs poverty line and it seems that economic inequality is on the rise. The Pacific continues to struggle with social inequities too, particularly those experienced by women: We have the highest rates of violence against women anywhere in the world and the lowest representation of women in national parliaments. Real GDP growth has been small to negative, and our unique vulnerabilities and dependencies mean that any growth is volatile. The increasing impacts of climate change will only add to the challenge of ensuring development impact in the region. Additionally, the growing urban populations, many of whom are poor, increasing numbers of unemployed youth, and an ongoing struggle with Non-Communicable Diseases reflect the vastness and complexity of the development challenges faced by the region. Going forward, the state of the Pacific in terms of development outcomes will be measured through the agreed set of regional SDG indicators.

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The above discussions emphasise the multifaceted nature of regionalism. The point of course is not to single out one perspective over another but to understand how they all interrelate, and, most importantly, what it all means for collective regional political action as means to advance the Leaders’ vision. This connected and multifaceted view of regionalism is perhaps no better articulated than in the preface to the Pacific Plan Review report:

“The region as a whole is experiencing significant social, economic and environmental change and challenges; it is also the subject of new levels of geopolitical interests within and beyond its shores. But the region is vulnerable and it remains significantly dependent on the economies and goodwill of others...But, we were told, that debate needs to be more robust and the process of advancing regionalism needs to deliver bigger results: to be genuinely game-changing in terms of mitigating the region’s vulnerabilities and dependencies, which will otherwise dog its social, economic and environmental well-being”6 (Pacific Plan Review Report p. 2-3).

This report responds to this statement by seeking to inform dialogue on where the Forum could invest its collective political energy in order to navigate the region through global and regional threats and opportunities and deliver genuinely game-changing policy solutions.
2. GLOBAL AND REGIONAL GEOPOLITICAL TRENDS

This section highlights some of the key global and regional geopolitical trends that may have important implications for the State of Pacific Regionalism.

A. Shifts in Global Power and Globalisation

Arguably, the most significant global trend at present is the shifts taking place in global power relations and challenges to neoliberal globalisation. On one hand, we are witnessing a rising tendency toward protectionism and nationalism, commonly associated with the election of President Trump and Brexit. There are signs that protectionism is on the rise, including an increase in temporary trade barriers, low rates of global trade in 2016 and predicted for 2017, and a decrease in multilateral trade agreements including the US withdrawal from the TPP. At a macro level, such events are suggested to be a challenge to the fundamental assumptions about the inevitability of globalisation, or perhaps more accurately, a direct challenge to the assumptions of neoliberal globalisation that threatens to rollback political, economic and cultural liberalization. In contrast however, China has stated it will take the lead in ensuring the continuation of free market globalisation, and the Belt and Road Initiative and supporting institutions such as the Asia Infrastructure and Investment Bank, are at the heart of this commitment. While the potential security threats associated with this shift in global power relations are important for the region, the more immediate term implications include economic volatility and stagnating advanced economies.

This uncertainty and instability may have significant implications for the availability of development financing and may exacerbate existing shortfalls partly driven, for example, by the burgeoning exodus of refugees seeking better life in which has constrained global development funds in times austerity and rolling back of quantitative easing policies in major developed donor countries. It is estimated that the total investment needed to achieve the SDGs in developing countries alone could be about $3.9 trillion per year, which leaves a $2.5 trillion annual shortfall relative to the current and forecast commitments of $1.4 trillion. While part of the solution lies in attracting private financing, such financing will require making this gap profitable and current indications are that there is not yet widespread commitment by the private sector. For the Pacific, a region that remains significantly dependent on the economies and goodwill of others, the implications are obvious. Therefore, ensuring greater effectiveness of the development financing received by the region will need consideration. Although the region recently advocated for the World Bank to expand its definition of fragility to capture Pacific fragility, ODA provided to fragile states often does not address fragility. For example, based on the g7+ Peacebuilding and Statebuilding Goals (PSG), in 2012 just 4% of ODA was allocated to legitimate politics, 2% for security, and 3% for justice. In contrast, 45% went to economic foundations and 46% went to non-PSG issues. A similar analysis based on OECD’s newly developed fragility perspective also indicates that aid is not always aligned to risks and vulnerabilities that will continue to contribute to fragility in the post-2015 era.
While it remains to be seen whether the trend of nationalism and protectionism is an enduring one or simply a moment of political opportunism, it should nonetheless be observed that the election politics of President Trump appears to have opened up a space of legitimacy for political actors from other parts of the world to promote similar policies. For example, in April 2017 Australia signalled a change to its immigration policy to enable more skilled jobs to go to Australians and candidates in various European country elections have been making promises to reduce the number of immigrants as well as withdraw from key European Union agreements and institutions.

B. Rising inequality

Widespread and persistent social and economic inequalities are highlighted as a key underlying cause of growing populism and nationalism. Indeed, The World Economic Forum (WEF) has described severe income inequality as the biggest risk facing the world today. The issue of inequality is now firmly on the international political agenda and is increasingly becoming a major area of focus for a range of organizations, from the International Monetary Fund to Oxfam. The IMF for example recognises that inequality is a key driver of domestic and global economic instability and is implementing a range of pilot projects aimed at reducing inequality. Two separate pieces of research in the Pacific have found that inequality is also a major source of social and political instability. The Pacific Community is currently standardising the measurement of inequality across the region and while the work is yet to cover all countries, the results so far indicate widespread inequality in all five countries surveyed: the average shows that the bottom 20% of the population account for 4.5% of total household income, while the top 20% account for 52.3%. Both a driver and a symptom of this inequality is the rapid urbanisation occurring across the region, with the urban population in the Pacific expected to double in the next 25 years. The region is also experiencing the urbanisation of poverty, with higher rates of poverty in urban areas.
than in rural areas. Indeed, up to 50% of Melanesian urban population live in squatter or informal settlements. Pacific economies are already vulnerable to global financial shocks as well as impacts of environmental disasters – widespread inequalities may provide an additional source of economic, social and political instability that could exacerbate these existing vulnerabilities.

C. Changing Multilateral Relations

The unexpected vote for ‘Brexit’ signalled an important threat to the European regional project, and to multilateralism more broadly. There are indications that other countries may want to follow the UK example. Indeed, Italy’s recent referendum brought the country’s support for the EU into question and elections in other countries could also result in new anti-EU governments who may want to follow the UK example. Such trends may provide cause for reflecting on strategies for engaging with the EU in a Post-Cotonou environment. More broadly, there are also emerging complications for effective global governance. For example, UN Secretary General António Guterres recently argued that increased inequalities created by globalisation and technological advances have created mistrust in multilateralism. Furthermore, the United States has said it will cut USD32.5M funding to the United Nations Population Fund, and has considered making further withdrawals from the UN system.

There are also indications of rising challenges for multilateralism in the Pacific. For example, the recent analysis of governance and financing study undertaken by PIFS indicates that only five percent of donor funds in the Pacific are targeted to regionalism. In addition, two of the region’s larger economies have refused to sign onto PACER-Plus, insisting instead on bilateral agreements. Perhaps the implications to draw here are that rather than suggesting that regionalism is no longer relevant, that the Pacific needs to prioritise regional collective action towards those things that will make the greatest impact. In other words, the benefits of acting regionally and therefore of where the Forum should be investing its collective energies, need to be more clearly articulated and demonstrated.

D. An increasingly crowded and complex region

In recent years the Pacific has experienced growing interest from a range of new governments, donors, civil society organizations and philanthropists, as well as increased participation in different political groupings at the sub-regional and global level. While this has brought greater opportunities for partnership and access to financing, it has also led to calls to revisit the regional architecture and claims that there are now many ‘regionalisms’ rather than a single site of regionalism (i.e., the Pacific Islands Forum). Some observers argue that the Pacific region is now a crowded and complex geopolitical environment that poses security risks should ‘non-traditional’ regional partners gain significant influence. It is important, therefore that the Pacific remain acutely aware of the political-economy of partnerships in the region. Nonetheless, it is widely recognized that the increased competition in the region opens up opportunities for Pacific Island Countries to explore

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new partnerships for advancing Pacific regionalism as well as national interests. Further, Pacific Island countries are actively engaging in international diplomacy and have joined increasing numbers of international organizations. Some countries, for example, are members of up to 30 international organizations, excluding regional bodies. The increased participation in different regional and global political groupings has provided new opportunities for Pacific Island countries to influence political processes and have their voices heard, however, it also poses challenges to ensuring a consistent Pacific voice across groupings and relevant political processes.

E. Depletion of Natural Resources

Another important global and regional trend is the increased degradation of, and contestation over, natural resources. The impacts of climate change, pollution, extraction and the demands of a growing population not only place increasing strain on the economies of Pacific states but also on global natural resources and subsequent services they provide including food, transport, recreation, and cultural expression. For example, global warming, in particular through the anticipated impacts on our coral reefs, is expected to negatively impact the regions fisheries (decrease by 20%) and tourism (decreased by 30%)19. Indeed, coral species are moving towards increased extinction risk more rapidly than any other species20. As the ecosystems supporting these services begin to degrade, competition over access and ownership will intensify. For example, our fisheries are of increasing global importance, and its management is politically charged with a range of interests internal and external to the region. The declining health of marine ecosystems and fisheries in other parts of the world, particularly those on the Pacific Rim may continue to bring greater interest from external actors to our shared ocean resources. For example, research indicates the marine environment, particularly fisheries, in the South China Sea are on the brink of collapse21. Such a catastrophe could see increased pressures in our own waters, demanding strengthened ocean governance in the Pacific. On land, in 2016 and 2017, the Pacific has also witnessed increased tensions between communities, corporations and the government over the control of natural resources and the benefits stemming from extractive activities.
The region’s ocean resources continue to be under threat from pollution and contamination, including from plastics, nuclear contaminants, and shipwrecks. The President of the Federated State of Micronesia recently highlighted the remnants of an estimated sixty shipwrecks from World War II that are posing threats to the lives of people, the environment and the marine ecosystem. While the wrecks provide a source for dive tourism and in some cases serve as artificial reefs supporting marine biodiversity, many still hold oil, unexploded ordinances and other toxic chemicals that threaten ecosystems. There are also ongoing concerns regarding the impacts of nuclear contaminants, particularly in the Republic of the Marshall Islands (RMI) where radioactive materials currently contained in Runit Dome on Enewetak Atoll are leaking into the surrounding ocean and groundwater. There are claims that the fall-out from the nuclear tests conducted in the RMI may have reached as far as Palau.

While the declaration of marine protected areas (MPA) underscore commitment of Pacific responsibility for management and conservation of marine resources, there are also claims that they are a form of ‘ocean grabbing’ based on redefining access, use and control of marine and coastal areas that are partly driven by both security and external non-state interests. For example, the patrolling of MPA enables the extension (in terms of time and reach) of national defence activities. Regarding non-state actors, the development of many MPA are driven by funds from philanthropic trusts and international non-government organizations.

The Asia-Pacific region continues to be the world’s most disaster prone region, accounting for nearly half of all the world’s disasters in 2015. Extreme weather events are also having devastating impacts on people’s livelihoods, as experienced from cyclones Pam and Winston in Vanuatu in 2015 and Fiji in 2016 respectively, as well as severe drought in Papua New Guinea and Palau in 2015. Such ongoing and increasing vulnerability places the food security and wellbeing of Pacific people under great threat and further exacerbate existing inequalities and vulnerabilities.
F. Regional and Global Conflict

Although generally considered a peaceful region, there are some important developments that may give rise to the potential for violent conflict in the Pacific. For example, there are upcoming referenda on independence in New Caledonia and Bougainville which may serve as potential triggers for conflict. In both cases there is a history of armed conflict, unresolved root causes of conflict and small arms circulating in the general population (New Caledonia experienced a number of violent incidents in 2016 involving small arms between the police and youth24). This year saw the withdrawal RAMSI in the Solomon Islands where it is also clear that the underlying causes of the conflict remain and there is much healing and reconciliation that needs to be undertaken in order to redress persistent grievances stemming from the conflict. Urbanisation and the availability of land continue to be pressing concerns, particularly with the addition of high population growth. The commencement of the LNG gas project in Papua New Guinea has led to a number of violent disputes within in and between communities as well as between communities and the project.

There are a range of tensions around the Pacific Rim that if they were to escalate could have significant implications for the Pacific. For example, some researchers have labelled the Pacific as the ‘line of conflict’ between China and the United States.25 The ongoing disputes in the South China Sea and the extent to which the United States is willing to use force to ensure its ‘America First’ ambitions, including tensions with North Korea and China, both pose uncertain threats to the security of the Pacific region. During their April 2017 meeting, ASEAN Leaders expressed their grave concern over the escalating tensions in the Korean Peninsula which they believed has the potential to destabilise the entire region26. There have also been recent shifts in security cooperation in the broader “Indo-Pacific” with Pakistan and India recently joining the Shanghai Cooperation Organization27. The Pacific may become an actor in conflicts around the Pacific Rim by virtue of its geography, therefore it may be pertinent to ask how the region can use its geography as the basis for asserting regional and global peace.
G. Ongoing Advances in Technology

Advances in technology and the ever-expanding influence of social media provide a range of both threats and opportunities. As access to technology becomes more widespread, there are great opportunities for progress in critical areas such as health, education, energy, economic inclusion and renewable energies. Indeed, in contrast to claims that globalisation is under threat, telecommunications technology such as social media remind us daily just how connected we are. However, some challenges are also emerging. For example, the Global Internet Report for 2016 highlights that issues such as large scale data breaches, uncertainties about the use of data, cybercrime, and surveillance are eroding user’s trust and affecting how they use the Internet. The opportunities opened up by social media for generating personal views and alternative forms of media have also given rise to new challenges. For example, according to Pew Research Center, more than 62% of adults get their news from a social media outlet, with 44% of the general population getting their news from Facebook. While this has increased access to information, it has also led to claims of ‘fake news’ and a ‘post-truth’ global society that can provide a source of social and political instability.

From a different perspective, technology is creating ongoing advances in artificial intelligence, robotics and other technologies that are causing profound shifts in the labour market, demanding governments and companies to grapple with questions about technology’s impact on jobs and the economy. Current research indicates that the threat of the automation of jobs will likely be concentrated among lower-paid, lower-skilled, and less-educated workers. Such shifts may have implications for unskilled labour migration opportunities for Pacific Islanders.
3. IMPLICATIONS FOR PACIFIC REGIONALISM: MAKING THE MOST OF WHAT WE HAVE

The Pacific continues to face significant challenges for advancing sustainable development in the region. The context of growing political, economic and environmental uncertainty is likely to further exacerbate the vulnerabilities and dependencies the region currently experiences. Therefore the findings from the Pacific Plan Review regarding strengthened regionalism to overcome vulnerabilities and dependencies remain as relevant today as when they were written almost five years ago. It is in this context that this report suggests that Pacific regionalism will need to be resolute in making the most of what it has in order to drive the development outcomes its seeks.

That this first State of Pacific Regionalism Report is being written at a time when the world is focusing on oceans is perhaps not coincidental. Indeed, in contrast to a view of the region as small and vulnerable and using SDG14 on Oceans as a catalyst for change, there are growing discussions in the region asserting the value of our shared Pacific Ocean. In this case, ‘what we have’ is immense and can provide the source for a resilient and sustainable “Blue Pacific” based on our ocean identity, ocean geography, and ocean resources.

Pacific Ocean Identity

The need to strengthen Pacific regionalism is of critical importance within the context of the growing interconnected nature of issues, which involve interwoven domestic and global challenges. Essential to ensuring the region can make the most of what it has is the assertion of political control over the regionalism agenda. At its most basic, this assertion can be understood in the manner expressed in the Framework for Pacific Regionalism in which Leaders embrace regionalism as “the expression of a common sense of identity and purpose”. Since the inception of the Forum, the ways in which regionalism has been expressed has changed – for example, in the beginning identity and purpose were very much associated with decolonisation and the challenges facing newly emerging states. Overtime, Pacific identity seems to have shifted to an emphasis on smallness and vulnerability and to the opportunities that provides for access to development and concessional financing. The current shifts in the global and regional geopolitical context provides an opportunity for revisiting the expression of a common sense of identity and purpose underpinning Pacific regionalism and to develop strategies for ensuring the Pacific can benefit. In particular, there is a need to consider our shared Pacific Ocean identity can provide the basis for this revitalised expression of Pacific regionalism.

Our ocean identity also provides an opportunity to reassert the Pacific values underpinning Pacific regionalism. During a state of Pacific regionalism workshop in February 2017, an issue that was discussed at some length was the apparent absence of values in the current practice of Pacific regionalism – inclusive of Pacific cultural values, as well as those agreed to by Forum Leaders regarding leadership, liberal (e.g., democracy) and universal (e.g., human rights) principles. The current context of contestation over neoliberal globalisation, increased opportunities for populism
and nationalism, and challenges to global multi-lateral institutions, provides an opportunity for the Pacific to reassert the values that will guide leaders through this period of uncertainty. In addition, reasserting a collective commitment to Forum values can act to reinforce security and good governance in the region.

**Pacific Ocean Geography**

Our ocean geography presents both challenges and opportunities for the Pacific. The shifts in global power relations and the rising tensions around the Pacific Rim have important implications for the security of the Pacific. However, as alluded to earlier, our shared geography also provides an opportunity for promoting a peaceful and secure region. An example of when the Pacific used its geography to promote regional peace and security was through the establishment of both the Rarotonga Treaty as well as the Law of Sea. Indeed, in a context where global contexts traverse the Pacific, an assertion of shared oceanic sovereignty may provide the basis for an important preventive diplomacy role to protect the security of the region and promote global peace.

China’s Belt and Road Initiative is an emerging consideration in the context of our shared ocean geography. It is an ambitious development initiative seeking to build a global infrastructure network spanning more than 68 countries. In May 2017, China hosted a Belt and Road Forum which attracted heads of state and government from 29 countries, along with leaders of global organizations including the United Nations and the International Monetary Fund. The joint communique from the forum notes that while the world economy is undergoing profound changes, “the Forum presented both opportunities and challenges” in “an era of opportunity, where countries continue to aspire for peace, development and cooperation.”

There is an opportunity for the Pacific to benefit particularly if understood as a regional development opportunity and not solely a bilateral opportunity. Our ocean geography could be central to helping China extend its Belt and Road Initiative across the Pacific Ocean toward Latin America, in a “Belt and Sea Lane” proposal. For example, Chilean President Michelle Bachelet has discussed with the Asian Infrastructure and Investment Bank the possibility of investing in a Trans-Pacific optic fiber cable to improve digital connectivity between Asia and Latin America, claiming that such a project could be considered a part of the ‘One Belt, One Road Initiative’ and transform the Pacific Ocean into a bridge between China and Latin America.

**Pacific Ocean Resources**

Our shared ocean resources continue to provide a significant source of economic wealth for Pacific Island Countries. Most commonly, this wealth is associated with fish and there is continued interest in exploring the potential of seabed mineral resources. However, there are also emerging opportunities for valuing the contribution of the environment to national economies in terms of its natural assets, ecosystem services and biodiversity, including their degradation.
For example, a 2017 research study estimated the value of the BP Deepwater Horizon BP oil spill in 2010 at USD17.2 billion[^34] and another study in Wuyishan City in China was able to estimate ecosystems services value at 2.3 billion yuan RMB and a total ‘green GDP’ of 15.3 billion yuan RMB[^35].

Environmental accounts are becoming available to the Pacific through the work of development partners, and they will enable the region to value its oceanic resources beyond extractive value and provide the basis for understanding trade-offs between economic development and environmental sustainability which is necessary for sound decision making for sustainable development. As a newly emerging area, the Pacific region has the opportunity to shape and influence natural capital accounting, including the development of new markets, in ways that help us make the most of what we have. Working together for robust and accountable oceans governance to appropriately value and protect the wealth of the Pacific Ocean will be critical in enabling the possibilities for resilient sustainable development of the region.

Nonetheless, while the region has developed a number of sound technical responses to managing and protecting our share ocean resources, the political dimensions of these issues have often not been given as much consideration at the regional level. Recognizing the connection between our shared ocean resources and the region’s political capital is an important first step in this regard.
CONCLUSION

The Framework for Pacific Regionalism sets out a high-level political ambition for Forum member countries to work together to advance the Leaders’ vision for the region. While current global geopolitical trends are causing a great sense of political and economic uncertainty, they present the Pacific region with a unique opportunity to renew and strengthen Pacific regionalism. The State of Pacific Regionalism report suggests that the best way to collectively navigate the region through the increasing geopolitical and economic uncertainty currently facing the world, is to focus on making the most of what we have. That is, our shared Pacific ocean identity, ocean geography, and ocean resources can provide the basis for deepening Pacific regionalism and its contribution towards a sustainable, prosperous and resilient Blue Pacific.
ENDNOTES

1 During two separate multi-stakeholder consultations facilitated by PIFS in 2016 and 2017, the need for a geopolitical and political economy analysis for better informing regional political decision making was emphasised. It was felt that such analysis would be invaluable for supporting ‘Pacific agency’ in dealing with the range of geopolitical issues that the region may face.


20 IUCN Red List of Threatened Species. www.iucnredlist.org

21 Huffington Post, “China’s Insatiable Appetite for Fish is a Colossal Disaster in the Making” (26 April, 2017), http://www.huffingtonpost.com/entry/chinas-insatiable-appetite-for-fish-a-colossal-disaster_us_58ffa0dce4b0631b8fe9c531?platform=hootsuite.


30 See more at: http://www.tradeready.ca/2017/topics/supply-chain-management/risk-automation-transition-growing-jobs/#sthash.2Ui0PSdO.dpuf


32 Jorge-Tuto Quiroga, “Time for a ‘Belt and Sea-Lane’ for Latin America” (14 May, 2017), http://www.chinadaily.com.cn/opinion/2017-05/14/content_29340173.htm


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