### **Testimony Submitted to the Committee on Natural Resources**

Subcommittee on Indian and Insular Affairs

United States House of Representatives

# "Examining the Office of Insular Affairs' Role in Fostering Prosperity in the Pacific Territories and Addressing External Threats to Peace and Security"

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Francisco Bencosme Former China Policy Lead U.S. Agency for International Development

Thank you Chairman Hurd, Ranking Member Leger Fernández, and members of the Subcommittee for the opportunity to testify before you today and provide my views on threats to peace and security in the Pacific Islands. Earlier this year, I ended my appointment as the China Policy Lead for the U.S. Agency for International Development (USAID), where my team and I worked to align our U.S. development priorities in relation to strategic competition with the People's Republic of China. Prior to that, I worked closely with this Committee as the Deputy to the Compact of Free Association (COFA) negotiations at the Department of State, to codify \$7.1 billion in economic assistance to the Freely Associated States.

### U.S. Leadership in the Pacific

The United States has unilaterally disarmed one of the three pillars of our national security tools - defense, diplomacy, and development - by dismantling the U.S. Agency for International Development, and causing irreparable damage to our standing in the Pacific.

The United States is at risk of ceding its influence in the Pacific Islands and repeating the mistakes we failed to learn after World War II.Our partners in the Pacific are calling it our "yo-yo" policy towards the region.<sup>1</sup> We spent the last six years saying the United States would be intensifying our engagement in the region, and we did so, only to now pull back our U.S. presence on the ground and self-sabotage our influence.<sup>2</sup> Gutting foreign assistance limits our ability to influence and address challenges in the Pacific, especially around topics such as Pacific regionalism, strategic competition, economic resilience, climate change, disaster response, and food security.

<sup>&</sup>lt;sup>1</sup> The "yo-yo" comment was made to me by a senior Pacific Island official in preparation for this testimony.

<sup>&</sup>lt;sup>2</sup> Reuters, <u>Biden vows US commitment to Pacific Islands at summit</u>, September 29, 2022, https://www.yahoo.com/news/bidens-pacific-strategy-heralds-engagement-130027512.html

The Pacific Islands countries do not want a "militarized" competitive approach to the region and are extremely sensitive to great power competition undermining their sovereignty.<sup>3</sup> However, in order to project power across the Pacific and have access to the skies and seas we need to win the hearts and minds of the Pacific. In the Pacific community, there is no distinction between hard power and soft power, and instead the two are intertwined. For example, in the 2018 Boe Declaration, the Pacific Community embraced a broader definition of "security inclusive of human security, humanitarian assistance, prioritizing environmental security, and regional cooperation in building resilience to disasters and climate change".<sup>4</sup> USAID was pivotal to responding to these security threats. USAID was working side by side with our diplomats and military officers to help the United States project power across the Pacific.<sup>5</sup>

Presence matters. USAID was the ground-game for strategic competition. While diplomats would focus in the halls of power, USAID would reach out to local communities and demonstrate American support in a tangible way. USAID announced it was opening up its office in Suva, Fiji and established a country representative in Papua New Guinea.<sup>6</sup> The Department of State announced new embassies in Solomon Islands, Kiribati, Vanuatu, and Tonga. USAID programs are now frozen, and there are reports that the Trump administration will be cutting our diplomatic presence abroad as well.<sup>7</sup> USAID programs were visible signs of U.S. leadership expanding in the Pacific Islands and tangibly helped build relationships with communities "for the American people".<sup>8</sup> Our support for local organizations were oftentimes the only way remote communities would see tangible presence of U.S. leadership. To take it a step further, I worry the high-profile attacks on the U.S. assistance programs by the Trump Administration might have poisoned the well so much with our partners and with local communities that it might be impossible to regain their trust and to be a reliable provider of bilateral assistance ever again. USAID's investments in the Pacific Islands region were a critical part of the United States' vision for a free and open Indo-Pacific that contributed to greater global security and prosperity.

In the past few years, the United States woke up to the consequences of ignoring our Pacific partners. The People's Republic of China stepped into our breach and exploited the United States' absence. There is no question that the United State's national security is intrinsically tied to the security and prosperity of the broader Pacific region, and has been since the very founding of our Republic. However, with the recent actions of the Trump Administration of dismantling our foreign assistance architecture including USAID and withdrawing from the Paris Accords and the World Health Organization, we are seen as not prioritizing the Pacific and our mutual interests for achieving regional security. As a Pacific power, the United States should

<sup>&</sup>lt;sup>3</sup> Fiji Times, <u>Waqa: Climate change single greatest threat</u>, June 25, 2024,

https://www.fijitimes.com.fj/waqa-climate-change-single-greatest-threat/

<sup>&</sup>lt;sup>4</sup> Boe Declaration on Regional Security | Pacific Islands Forum Secretariat, September 05, 2018,

https://forumsec.org/publications/boe-declaration-regional-security

<sup>&</sup>lt;sup>5</sup> Post Courier, <u>High Level US delegation arrives in PNG - Post Courier</u>, July 15, 2024, https://www.postcourier.com.pg/high-level-us-delegation-arrives-in-png/

<sup>&</sup>lt;sup>6</sup> U.S. Embassy Suva, <u>USAID Highlights Pacific Expansion and Development Partnerships in Fiji - U.S. Embassy in Fiji, Kiribati,</u> Nauru, Tonga, and Tuvalu, October 12, 2022,

https://fj.usembassy.gov/usaid-highlights-pacific-expansion-and-development-partnerships-in-fiji/ <sup>7</sup> ABC News, <u>US embassies instructed to prepare for staff reductions: Sources - ABC News</u>, February 12, 2025, https://abcnews.go.com/Politics/us-embassies-instructed-prepare-staff-reductions-sources/story?id=118755936

<sup>&</sup>lt;sup>8</sup> "For the American people" refers to USAID's motto and branding on USAID assistance

demonstrate its leadership and support for our broader Pacific family and seek meaningful engagement and partnership with the Freely Associated States and the entire Pacific region.

### **Partners and Allies**

The sudden U.S. withdrawal from programs in the Pacific where we co-funded with allies and withdrew without consulting or notifying them leaves multiple partners and allies in the lurch. It is the United States, not the PRC, that now runs the risk of being seen as unreliable. The Pacific Islands could face significant buyer's remorse for initiatives like the "Partners in the Blue Pacific".<sup>9</sup> Australia, New Zealand, and Japan have co-founded multiple USAID programs in the region and now find themselves uncertain as to not only the future of specific initiatives but the U.S. commitment to the region.<sup>10</sup> This also undermines our allies commitment to the region as many PIC partners or recipients will wonder why they should accept in the future "latticework" forms of aid if political upheaval could paralyze support for their development needs.<sup>11</sup>

Both because it is in our U.S. interest and because it offers resilience against the PRC, the United States had been bolstering Pacific regionalism — a regionalism consistent with our interests and values. The first-ever Pacific Partner Strategy elevated regionalism as a central goal stating "The Pacific Islands are stronger when regional institutions are strong. The United States will continue to support the Pacific Islands Forum (PIF), ensuring it remains at the center of the regional architecture."<sup>12</sup> USAID was central to supporting Pacific regionalism, for example by working with the Pacific Islands Forum Secretariat to provide funding to support the Implementation Plan for the 2050 Strategy for the Blue Pacific Continent.<sup>13</sup> USAID worked hard to leverage its strong partnerships with key regional institutions, including the Pacific Islands Forum, the Secretariat of the Pacific Regional Environment Programme, and the Pacific Island countries unity, and exerting its influence at the last Forum to change the language in the official communique to remove mentions of Taiwan.<sup>15</sup>

https://au.usembassy.gov/fact-sheet-president-biden-unveils-first-ever-pacific-partnership-strategy/

<sup>14</sup> Ibid

<sup>&</sup>lt;sup>9</sup> UK Statement on Establishing the Partners in the Blue Pacific (PBP): joint statement - GOV.UK, June 25, 2022,

https://www.gov.uk/government/news/joint-statement-on-the-establishment-of-the-partners-in-the-blue-pacific-pbp <sup>10</sup> A good example is the Palau undersea cable who's future is uncertain; <u>The United States Partners with Australia and Japan to</u>

Expand Reliable and Secure Digital Connectivity in Palau - United States Department of State; October 29, 2022, https://2017-2021.state.gov/the-united-states-partners-with-australia-and-japan-to-expand-reliable-and-secure-digital-connectivity-inpalau/

<sup>&</sup>lt;sup>11</sup> Latticework refers to the Biden's Administration Indo-Pacific strategy use of the phrase; "We will pursue this through a latticework of strong and mutually reinforcing coalitions." <u>U.S.-Indo-Pacific-Strategy.pdf</u>,

https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf

<sup>&</sup>lt;sup>12</sup> U.S. Embassy Canberra Press Release, <u>FACT SHEET: President Biden Unveils First-Ever Pacific Partnership Strategy - U.S.</u> <u>Embassy & Consulates in Australia</u>, September, 22, 2022,

<sup>&</sup>lt;sup>13</sup> Archived Press Release on Pacific Island, Online by Gerhard Peters and John T. Woolley, The American Presidency Project, FACT SHEET: Following Through on the U.S.-Pacific Islands Partnership 53rd Pacific Islands Forum (PIF) Leaders Meeting in Nuku'Alofa, Tonga, August 27, 2024,

https://www.presidency.ucsb.edu/documents/fact-sheet-following-through-the-us-pacific-islands-partnership-53rd-pacific-islands-foru m

<sup>&</sup>lt;sup>15</sup> Gordon Peake, Ph.D.; Camilla Pohle; Andrew Scobell, Ph.D., <u>At Pacific Islands Forum, Tensions Flare Over Taiwan, Geopolitics</u> and <u>Climate | United States Institute of Peace</u>; September 05, 2024,

https://www.usip.org/publications/2024/09/pacific-islands-forum-tensions-flare-over-taiwan-geopolitics-and-climate

#### Taiwan

Three of Taiwan's 12 remaining diplomatic allies are Pacific Island nations — the Marshall Islands, the Republic of Palau, and Tuvalu. In 2019, Taiwan enjoyed six diplomatic alliances with Pacific Island nations.<sup>16</sup> That number went down to three in just five years. Not only due to Taiwan's expertise on development issues but also because it helped expand its international space, USAID established the Pacific American Fund, a five-multi-year project, co-funded with Taiwan, that benefited eight Pacific Island countries - including the FAS, by providing grants on community resilience, food security, access to water, health, education, good governance, and natural resources management. This was USAID's signature area of cooperation with Taiwan in the region and a key deliverable for the U.S.-Taiwan partnership dialogue.<sup>17</sup>

### **Strategic Competition**

The People's Republic of China will take advantage of the U.S. withdrawal. The People's Republic of China's influence in the Pacific has grown substantially in the last two decades. The PRC's objectives in the region include establishing a security presence in the region, influencing the region's voting power at the United Nations, and gaining access to the region's rich natural resources such as gold, nickel, critical minerals and fish, and isolating Taiwan's remaining diplomatic partners. While Xi Jinping's signature initiative - the Belt and Road Initiative - elevates global development as a legacy initiative, President Trump seeks to dismantle the United States' own development agency.

By elevating international development and trade, the PRC established partnerships with several Pacific Island countries, notably the Solomon Islands and Kiribati. This is on top of the PRC's expansion of it's Belt and Road projects into the Pacific Islands which often meant leveraging development and building of dual-use port and airport facilities, including in Vanuatu and the Solomons, and deepening dual-use agreements with the Cook Islands and Kiribati to extend its security interest in the region. These projects include visible economic projects such as ports, roads, sports facilities, government facilities, and regional conference venues. This also coincided with tourism and high-level government official visits.

According to the Lowy Institute's Pacific Aid Map, the PRC total aid spending rose to \$256 million in 2022.<sup>18</sup> This puts the PRC as the second-largest bilateral aid donor, though still behind Australia but ahead from Japan, New Zealand, and the United States.<sup>19</sup> According to the recent numbers, the PRC has also transitioned from a loan-infrastructure player to a

<sup>&</sup>lt;sup>16</sup> Alayna Parlevliet, <u>Support Threefold: Taiwan's Pacific Island Allies | New Perspectives on Asia | CSIS</u>; July 17, 2024, https://www.csis.org/blogs/new-perspectives-asia/support-threefold-taiwans-pacific-island-allies#:~:text=In%202019%2C%20Taiwan %20enjoyed%20six%20diplomatic%20alliances%20with,September%202019%2C%20four%20days%20after%20the%20Solomon%

<sup>%20</sup>enjoyed%20six%20diplomatic%20alliances%20with,September%202019%2C%20four%20days%20after%20the%20Solomon% 20Islands. 17 American Institute of Taiwan, LLS -Taiwan Cooperation on International Development and Humanitarian Assistance - American

<sup>&</sup>lt;sup>17</sup> American Institute of Taiwan, <u>U.S.-Taiwan Cooperation on International Development and Humanitarian Assistance - American Institute in Taiwan</u>; November 04, 2022,

https://www.ait.org.tw/us-taiwan-cooperation-on-international-development-and-humanitarian-assistance/

<sup>&</sup>lt;sup>18</sup> Alexandre Dayant, Riley Duke, Nasirra Ahsan, Roland Rajah, Hervé Lemahieu, <u>Pacific Aid Map: 2024 Key Findings - Lowy</u> <u>Institute Pacific Aid Map</u>; Lowy Institute, November 19, 2024, https://pacificaidmap.lowyinstitute.org/analysis/2024/key-findings/ <sup>19</sup> Ibid

grant-based donor in the Pacific.<sup>20</sup> Almost two thirds of PRC assistance to the region is now grant-based, which means less chance of inducing unsustainable debt and hewing closer to the U.S. grant-based model. Many commentators believe that PRC influence comes exclusively in the form of infrastructure deals and, while that has been a main feature of analysis for the first decade of BRI investment, the PRC has adapted and pivoted in some regions to "smaller" projects and in other sectors.<sup>21</sup> Their assistance now takes the form of modular renewable energy projects, vehicle donations, agricultural equipment for farmers, cash grants to schools.<sup>22</sup> The PRC has also flexed its humanitarian assistance via their military responding to the volcano eruption in Tonga and tsunami disaster in 2022 as well.<sup>23</sup> The PRC's assistance also comes in the shape of people-to-people engagements, for example, as the PRC pledged 2500 government scholarships and 3000 short-term professional trainings to Pacific candidates between 2020 and 2025. In other words, the PRC is stepping up, and the U.S. has now unilaterally abandoned the field.

Meanwhile, recent events in the South Pacific where the Chinese People's Liberation Army Navy (PLAN) launched live-fire exercises in the Tasman Sea without any warning to the Australian or New Zealand governments has sent alarm bells across the region.<sup>24</sup> Maybe most concerning has been the muted response from Washington. At a time when our partners and allies need U.S. resolve U.S. leadership has been absent. The live-fire exercises demonstrated the PRC's power projection abilities in the South Pacific, normalize PLAN's presence, and signal to Australia and New Zealand that the PRC is flexing its naval muscles.

Deeply concerning has been the uptick of attacks by the PRC on USAID's work. Last April, I reported to my leadership that the PRC Ministry of Foreign Affairs issued a 20-page attack on USAID's work, offering up a litany of false claims about how the United States had "acted recklessly, committed numerous misdeeds and committed numerous crimes."<sup>25</sup> In 2023, Chinese and Russian state-backed media spread disinformation before the 2024 general election in the Solomon Islands.<sup>26</sup> This came as the safety of some of our partners on the ground were put at risk. The false claims suggested that USAID planned to incite riots and orchestrate "color revolutions". Many of these same talking points have recently been parroted and lobbed domestically against USAID as justifications for its dismantlement.

<sup>&</sup>lt;sup>20</sup> Ibid

<sup>&</sup>lt;sup>21</sup> Victor Chen, <u>China's strategic shift to 'small but beautiful' projects | The Strategist</u>, November 27, 2024, https://www.aspistrategist.org.au/chinas-strategic-shift-to-small-but-beautiful-projects/

 <sup>&</sup>lt;sup>22</sup> Renew Econo, <u>Australia to invest \$125m in Pacific island off-grid and community scale renewables | RenewEconomy</u>, November 16, 2024, https://reneweconomy.com.au/australia-to-invest-125m-in-pacific-island-off-grid-and-community-scale-renewables/
<sup>23</sup> Reuters, <u>China, West rush tsunami relief supplies to tsunami-hit Tonga | Reuters</u>, January 26, 2022,

https://www.reuters.com/world/asia-pacific/china-west-rush-tsunami-relief-supplies-tsunami-hit-tonga-2022-01-27/ <sup>24</sup> Anne-Marie Brady, A Shot Across the Bow: China Signals New Era of Sea Power in the Southwest Pacific, The Diplomat,

February 28, 2025,

https://thediplomat.com/2025/02/a-shot-across-the-bow-china-signals-new-era-of-sea-power-in-the-southwest-pacific/ <sup>25</sup> Chinese Ministry of Foreign Affairs, <u>The Hypocrisy and Facts of the United States Foreign Aid Ministry of Foreign Affairs of the</u> <u>People's Republic of China</u>, April 19, 2024, https://www.mfa.gov.cn/mfa\_eng/xw/wjbxw/202405/t20240530\_11344003.html <sup>26</sup> U.S. Embassy in Papua New Guinea Press Release, <u>Disinformation Regarding our Election Partnership with the Solomon Islands</u>

<sup>&</sup>lt;sup>20</sup> U.S. Embassy in Papua New Guinea Press Release, <u>Disinformation Regarding our Election Partnership with the Solomon Islands</u> <u>- U.S. Embassy to Papua New Guinea, Solomon Islands, and Vanuatu</u>, April 15, 2024, https://pg.usembassy.gov/partnership-with-solomon-islands/

#### **Economic Resilience**

The United States cannot compete with the Belt and Road Initiative with nothing to offer. In the last couple of years, the United States started to invest in the region with an affirmative economic agenda for a free and open region. It is with this in mind that USAID joined the U.S.-Federal States of Micronesia Joint Economic Management Committee to offer an economic development perspective to our allies given the important role that economic security has now become a national security issue. Regionally as well USAID started to invest more on economic resilience. This included key sectors like telecommunications, supply chains, fisheries, and infrastructure where the PRC was significantly growing its presence. For example, in Palau, USAID partnered with Australia and Japan to support the development of an undersea spur cable—Palau's second—that will connect the country to the world's longest undersea cable and increase the internet bandwidth needed to spark greater economic growth.<sup>27</sup> This was administered and funded by USAID's Transaction Advisory Fund (TAF), a Trump Administration priority program in its first term, which served as a "rapid response" program to fund legal, engineering, and technical design services for strategic infrastructure projects in key sectors.<sup>28</sup> Undersea cables are also central to U.S.-PRC strategic competition - given the potential for cables to be used for espionage and to cut off vital nodes of communications.<sup>29</sup>

Another key undersea cable program funded by TAF includes the East Micronesia undersea cable. This internet cable would have connected Kosrae in Micronesia, Nauru, and Tarawa in Kiribati with the existing cable in Pohnpei providing faster, higher quality, and more secure internet connectivity through a submarine cable.<sup>30</sup> This had the potential to connect 100,000 people across three Pacific Island countries for the first time.<sup>31</sup> In the Marshall Islands, USAID provided technical assistance for the country to modernize its telecommunications sector. This helped expand RMI's digital connectivity to remote areas for the time and provide the entire country with more reliable, faster, and secure internet access.<sup>32</sup>

This included leveraging market power and private sector investment in the region. For example, USAID established a \$50 million microfinance facility for micro-, small, and medium-sized enterprises; while also launching a program to support public financial management and domestic resource mobilization; facilitate greater trade and private

<sup>29</sup> Joe Brock, <u>U.S. and China wage war beneath the waves - over internet cables</u>; March 24, 2023, https://www.reuters.com/investigates/special-report/us-china-tech-cables/

<sup>&</sup>lt;sup>27</sup> Department of State Press Release, <u>The United States Partners with Australia and Japan to Expand Reliable and Secure Digital</u> <u>Connectivity in Palau - United States Department of State</u>, October 29, 2022,

https://2017-2021.state.gov/the-united-states-partners-with-australia-and-japan-to-expand-reliable-and-secure-digital-connectivity-in-palau/

<sup>&</sup>lt;sup>28</sup> Department of State website, <u>Infrastructure Transaction Advisory Services - United States Department of State</u>, https://www.state.gov/development-finance/taf

<sup>&</sup>lt;sup>30</sup> AIFFP, Improving digital connectivity in the Federated States of Micronesia. Kiribati and Nauru via submarine cable | The Australian Infrastructure Financing Facility for the Pacific (AIFEP),

https://www.aiffp.gov.au/investments/investment-list/improving-digital-connectivity-in-the-federated-states-of-micronesia-kiribati-and-nauru-via-submarine-cable

<sup>&</sup>lt;sup>31</sup> Ibid

<sup>&</sup>lt;sup>32</sup> Marianas Business Journal, <u>US suspends foreign aid for 90 days, potentially affecting Micronesia | Marianas Business Journal,</u> January 28, 2025, https://mbjguam.com/us-suspends-foreign-aid-90-days-potentially-affecting-micronesia

investment; and improve business resiliency in the Pacific Islands region.<sup>33</sup> USAID also helped leverage a public-private sector partnership in the fisheries sector so that Pacific Island countries can more directly benefit from the global tuna value chain. This included a partnership between USAID, the Development Finance Corporation, in partnership with the Australians in the fishery sector in the Marshall Islands.<sup>34</sup>

In the Solomon Islands, USAID worked with partners at all levels to advance the country's economic competitiveness and inclusiveness, with specific emphasis on developing the agribusiness sector and improving natural resources governance.<sup>35</sup> Finally, USAID even worked hard to expand new partners like MASHAV, Israel's development agency, to the region in the form of a joint project focused on human capital development through knowledge transfer and capacity building.<sup>36</sup> This focused on community resilience, digitization, and water management throughout the Pacific.

With the dismantling of USAID, economic resilience in the region is now at greater risk from PRC predatory practices, where the PRC has used economic coercion as a weapon against Pacific Island nations in the past. President Whipps of Palau has stated the PRC weaponized tourism as a form of economic coercion as punishment for continuing to recognize Taiwan.<sup>37</sup> Supporting U.S. allies and partners economically to diversify their economies is not just a good economic strategy but also a matter of national security. Just as the United States was rising to meet the challenge posed by the PRC economically in the region - we are now withdrawing.

#### **Climate Change**

Climate change remains an existential threat for the Pacific Islands. Sea level rise continues to be above the global average and ocean heating and acidification are threatening to harm ecosystems and livelihoods.<sup>38</sup> For many Pacific Island countries this is the "single greatest threat" to the people of the PICs, as shown at the 49th Pacific Island Forum's Boe Declaration in 2018.<sup>39</sup> At the COP26 United Nations climate summit, the Tuvalu Foreign Minister, Mr. Simon Kofe delivered a speech, while standing ankle-deep in water, stating that when it comes to addressing climate change, "there really are no good guys and bad guys."<sup>40</sup> This past year, the Pacific Island Forum secretary general stated very clearly "Geopolitical manoeuvring means

<sup>34</sup> Relief Web, News Press Release, <u>USAID Announces Additional Support to Pacific Island Countries - Fiji | ReliefWeb</u>, October 04, 2024, https://reliefweb.int/report/fiji/usaid-announces-additional-support-pacific-island-countries

<sup>35</sup> U.S. Mission to Papua New Guinea, <u>USAID's SCALE Project Supports Agriculture in Malaita - U.S. Embassy to Papua New</u> <u>Guinea, Solomon Islands, and Vanuatu</u>, December 19, 2022,

<sup>39</sup> Boe Declaration on Regional Security | Pacific Islands Forum Secretariat, September 05, 2018, https://forumsec.org/publications/boe-declaration-regional-security

 <sup>&</sup>lt;sup>33</sup> Australia- Pacific Islands Business Council, <u>US announces initiatives to boost trade, finance in Pacific - Australia Pacific Islands</u> <u>Business Council</u>, May 27, 2024, https://apibc.org.au/news/us-announces-initiatives-to-boost-trade-finance-in-pacific/
<sup>34</sup> Relief Web, News Press Release, <u>USAID Announces Additional Support to Pacific Island Countries - Fiji | ReliefWeb</u>, October 04,

https://pg.usembassy.gov/usaids-scale-project-supports-agriculture-in-malaita/ <sup>36</sup> Nabilah, Tech In Pacific News, <u>Israel and USAID Launch Partnership with Fiji - Tech In Pacific</u>, August 31, 2024, https://www.techinpacific.com/israel-and-usaid-launch-partnership-with-fiji/

<sup>&</sup>lt;sup>37</sup> Charlotte Graham-McClay, Associated Press, <u>China is weaponizing lucrative tourism over his refusal to break Taiwan ties. Palau's</u> president says | <u>AP News</u>, August 16, 2024,

https://apnews.com/article/palau-china-surangel-whipps-beijing-pacific-influence-045ec0a4f8e67e48d2a4adf0cbd13918 <sup>38</sup> World Meteorological Program, Press Release, <u>Climate change transforms Pacific Islands</u>, August 27, 2024,

<sup>&</sup>lt;sup>40</sup> Tuvalu minister says both China, U.S. needed for climate change action | Reuters

nothing to Pacific peoples who have cyclones coming over the horizon... Geopolitical manoeuvring means nothing to Pacific peoples who have water lapping at their doorsteps due to sea level rise... Geopolitical manoeuvring means nothing to Pacific peoples who are focused on building resilience, peace and prosperity for our families, communities, nations and our region".<sup>41</sup>

In recent years, USAID had announced the Pacific Islands Climate Finance Activity to strengthen the capacity of the Pacific Island Countries - including the FAS - to increase access to and improve management of financing and investments to support climate change mitigation and adaptation efforts.<sup>42</sup> We also announced the expansion of Papua New Guinea (PN) Electrification Partnership through the Pacific Islands. This expanded energy access in the rest of the Pacific Islands through a multilateral partnership with Australia, Japan, and New Zealand - and was an example of how we leveraged small amounts of U.S. investment and multiplied it with U.S. partners and allies.<sup>43</sup> With rising sea levels, increased flooding, and stronger tropical cyclones, the Pacific Islands are on the frontlines of the climate crisis. Accurate weather forecasting is as important as ever in the light of this reality, as it gives communities time to prepare, potentially saving lives. Now this top priority for the PICs has been abandoned by the Trump Administration removing climate change vocabulary, pulling out of multilateral fora, and withdrawing support to phase this existential crisis.

#### **Natural Disasters**

The Pacific Island countries are one of the most natural disaster prone regions in the world.<sup>44</sup> Disaster related events are both seasonal and cyclical, with the small size, remoteness, and fragile biodiversity making them exceptionally vulnerable.<sup>45</sup> The Compacts, codified by this Committee, designated USAID to be the main agency responsible for disaster response to all three Freely Associated States. With the demolition of USAID, no other U.S. agency has the authority, expertise, capacity, or resources to respond to a natural disaster in the Pacific. Prior to recent events, USAID funded an existing network of warehouses with pre-positioned relief supplies and recovery materials.<sup>46</sup> Pre-positioning supplies has proven to be much cheaper and more efficient than bringing resources after a disaster has struck.<sup>47</sup> Given the extremely remote location of these islands and their outer-island populations, response planning must include preparedness, pre-positioning, and qualified and trained staff able to provide the response.<sup>48</sup> This emergency assistance provided life-saving shelter, WASH, and non-food items via the

<sup>&</sup>lt;sup>41</sup> Fiji Times, <u>Waga: Climate change single greatest threat</u>, June 25, 2024,

https://www.fijitimes.com.fj/waqa-climate-change-single-greatest-threat/

<sup>&</sup>lt;sup>42</sup> USAID Press Release, <u>The United States announces more than \$10 million in additional support at the Pacific Islands Forum</u> DevelopmentAid, August 29, 2024,

https://www.developmentaid.org/news-stream/post/184226/usa-support-at-the-pacific-islands-forum

<sup>&</sup>lt;sup>43</sup> Department of State Press Release, Joint Statement on the United States – Papua New Guinea Strategic Partnership Dialogue, October 14, 2024,

https://2021-2025.state.gov/joint-statement-on-the-united-states-papua-new-guinea-strategic-partnership-dialogue/ <sup>44</sup> United Nations Office of Coordination for Humanitarian Affairs, <u>Pacific Islands | OCHA</u>, https://www.unocha.org/pacific

<sup>&</sup>lt;sup>45</sup> Robert Guild and Hanna Uusimaa, Asia Development Bank, <u>Disaster Risk Reduction and Management in the Pacific</u>, August 2013, https://www.adb.org/sites/default/files/publication/30374/disaster-risk-reduction-management-pacific.pdf

<sup>&</sup>lt;sup>46</sup> Reuters, <u>Pacific Islands to build climate disaster warehouses | Reuters</u>, August 08, 2024,

https://www.reuters.com/world/asia-pacific/pacific-islands-build-climate-disaster-warehouses-2024-08-09/ 47 lbid

<sup>48</sup> Ibid

prepositioning.<sup>49</sup> Being able to have relief readily accessible and appropriate can make all the difference in a disaster life-saving response.

Further, USAID, through it's partner Catholic Relief Services, strived to enhance the capacity of RMI and FSM to more effectively prepare for and manage disaster and climate-related risks by supporting locally led responses to small to medium scale disasters.<sup>50</sup> By introducing disaster-resilient agricultural techniques and establishing village savings and lending groups in outer-island communities to allow individuals outside of the banking system to have access to savings during family or community-wide shocks. In addition, USAID would have supported a collaborative initiative through the International Organization for Migration that brings together disaster response authorities in the Philippines and select Pacific Island nations to share best practices, strategies, and identify and address gaps in disaster preparedness and response.<sup>51</sup> Regionally, as part of its Partners in the Blue Pacific initiative, the United States announced USAID assistance to bolster the Pacific Islands' ability to detect and respond to natural disasters.<sup>52</sup>

USAID's three-pronged approach—to enhance emergency response systems, improve disaster preparedness, and strengthen first-responder capabilities—promoted self-reliance, enabling partner countries to lessen the impacts of natural hazards and respond more effectively to disasters, has been largely abandoned. For the first time in three decades, three tropical cyclones are ravaging through the South Pacific.<sup>53</sup> If they hit any of our Pacific partners, the United States would have no capacity to respond to the crisis if called upon. If it hits our Freely Associated States allies, the United States could potentially be in violation of the COFA agreement and the law. The United States expertise and capacity to respond to humanitarian disaster was unrivaled - it was an invaluable tool of U.S. leadership vis a vis the PRC - where we clearly had unparalleled advantage, now all squandered.

### Food Insecurity and Illegal, Unreported, and Unregulated Fishing

Food insecurity remains a real challenge in the Pacific Islands - as the region faces the triple burden of malnutrition, combined with poverty and climate change impacts compounds food and malnutrition security risks.<sup>54</sup> Before the closure, USAID, in partnership with Australia and New Zealand, launched the Pacific Vision for Adapted Crops and Soils initiative which would have built more climate-resilient food systems in Pacific island countries, in partnership

International Development | Medium, October 25, 2024, https://medium.com/usaid-2030/preparing-the-pacific-islands-aede762f0461 <sup>50</sup> Testimony for Craig Hart, USAID Bureau for Asia Deputy Assistant Administrator House Committee on Foreign Affairs, Subcommittee on Indo-Pacific "Renewed U.S. Engagement in the Pacific: Assessing the importance of the Pacific Islands", <u>Microsoft Word - WRITTEN 2023 0314 -- HFAC COFA Hearing for DAA Hart (1)</u>, March 23, 2023,

<sup>&</sup>lt;sup>49</sup> USAID Medium Post, Preparing the Pacific Islands. 6 ways USAID is strengthening early... | by USAID | U.S. Agency for

https://www.congress.gov/118/meeting/house/115525/witnesses/HHRG-118-FA05-Wstate-HartC-20230323.pdf <sup>51</sup> USAID Press Release, <u>The United States Announces More Than \$10 Million in Additional Support at the Pacific Islands Forum -</u> <u>Fiji | ReliefWeb</u>, August 28, 2024,

https://reliefweb.int/report/fiji/united-states-announces-more-10-million-additional-support-pacific-islands-forum <sup>52</sup> Ibid

<sup>&</sup>lt;sup>53</sup> Ben Noll, Washington Post, <u>Three tropical cyclones churn in South Pacific — all at once - The Washington Post</u>; February 25, 2025, https://www.washingtonpost.com/weather/2025/02/25/tropical-cyclones-alfred-rae-seru-south-pacific/

<sup>&</sup>lt;sup>54</sup> FAO. 2021. Poverty, malnutrition and food security in Pacific Small Island Developing States. Bangkok

with the Pacific Community and New Zealand.<sup>55</sup> It supported regional Pacific efforts such as the Unlocking Blue Pacific Prosperity initiative to increase targeted investments in diverse, nutritious, and climate-adapted crops grown in healthy soils and sustainably managed landscapes. In partnership with the regional initiative it was also working with the private sector to diversify supply chains in the region.

USAID also ran a program called "Our Fish Our Future" initiative which partners with the University of Rhode Island to support the management of critical fisheries and ecosystems.<sup>56</sup> By supporting the management of critical fisheries and ecosystems, the project sought to improve food security and maintain tuna stocks, a key economic resource for the United States fishing industry, processing plants, and other American businesses downstream. American consumers eat over 1 billion pounds of canned tuna every year.

One factor in food security is illegal, unreported, and unregulated fishing (IUUF). In general, IUUF costs the global economy between \$26 and \$50 billion annually, harming local and international economies.<sup>57</sup> The tuna industry in the Pacific Islands, commercially generated \$22 billion in 2012 and accounts for more than 45% of state revenues in most Pacific Island countries.<sup>58</sup> For many Pacific Island countries IUUF poses an existential threat to their populations, where people rely on fish for 30% of their diet and more than 50% of their protein.<sup>59</sup>

Combatting IUUF in the Pacific Islands also helps protect their national sovereignty. For example, many Pacific Islands countries do not have military capabilities to police their entire exclusive economic zones. Recent U.S. Coast Guard ship rider agreements allow PIC country law enforcement to patrol and improve their countries' enforcement capabilities.<sup>60</sup>

There is also a geopolitical dimension as well, as the PRC's deep sea fleet is the largest with almost 17,000 vessels, the majority of which operate in the Pacific.<sup>61</sup> According to the Global Initiative Against Transnational Organized Crime, the PRC was ranked as the worst offender of IUU fishing.<sup>62</sup> We will never be able to have enough U.S. Coast Guard fleet to compete with the PRC's fleet - however USAID and other environmental agencies have been

<sup>&</sup>lt;sup>55</sup> Archived Press Release on Pacific Island, Online by Gerhard Peters and John T. Woolley, The American Presidency Project, FACT SHEET: Following Through on the U.S.-Pacific Islands Partnership 53rd Pacific Islands Forum (PIF) Leaders Meeting in Nuku'Alofa, Tonga, August 27, 2024,

https://www.presidency.ucsb.edu/documents/fact-sheet-following-through-the-us-pacific-islands-partnership-53rd-pacific-islands-foru

m <sup>56</sup> University of Rhode Island Press Release, <u>URI Coastal Resources Center lands \$15 million to help countries, communities tackle</u> unsustainable fishing practices in Pacific Islands region - Rhody Today, June 08, 2022,

https://www.uri.edu/news/2022/06/uri-coastal-resources-center-lands-15-million-to-help-countries-communities-tackle-unsustainablefishing-practices-in-pacific-islands-region/

<sup>&</sup>lt;sup>57</sup> World Economic Forum, Pacific countries: data sharing can drive down IUU fishing | World Economic Forum, January 10, 2024, https://www.weforum.org/stories/2024/01/davos24-pacific-countries-drive-down-illegal-fishing/

<sup>&</sup>lt;sup>58</sup> Tony Long and Amanda Nickson, Illegal Fishing Costs Pacific Islands Millions Annually in Lost Tuna Revenue, May 02, 2016, https://www.pewtrusts.org/en/research-and-analysis/articles/2016/05/02/illegal-fishing-costs-pacific-islands-millions-annually-in-lost-t una-revenue

<sup>&</sup>lt;sup>59</sup> Joseph Hammond, Chinese Fishing Fleet Poses Threat to Pacific Island Economies, Indo-Pacific Defense Forum, 21 Jun 2021, available at https://ipdefenseforum.com/2021/06/chinese-fishing-fleet-poses-threat-to-pacific-island economies/.

<sup>&</sup>lt;sup>60</sup> Indo-Pacific Defense Forum Staff, Long-standing shiprider agreements boost Free and Open Indo-Pacific, protect EEZs, April 28, 2024, https://ipdefenseforum.com/2024/04/long-standing-shiprider-agreements-boost-free-and-open-indo-pacific-protect-eezs/ 61 Ibid

<sup>&</sup>lt;sup>62</sup> Secretariat, Global Initiative Against Transnational Crime, <u>IUU Fishing index 2021 | Global Initiative</u>, December 24, 2021, https://globalinitiative.net/analysis/iuu-fishing-index-2021/

supporting the civilian capacity of our partners so they can at least detect and counter IUUF. USAID's work in this crucial part of maritime security has now been gutted - potentially risking Pacific prosperity and security.

## Conclusion

To be clear, there is nothing wrong with wanting to reform the U.S. foreign assistance architecture - in fact, it is much warranted. However, to dismantle the entire USAID system and terminate programs without so much an actual strategic review process is national security malpractice. It does not put America first. It puts the People's Republic of China first — and Pacific prosperity and security last.

The policy chosen by this Administration to bulldoze first and pick up the pieces afterwards is nothing short of disastrous, endangering US security and raising serious legal and constitutional questions. Destroying a crucial national security tool, the trust of our allies, and all basically overnight, has not made the United States safer, stronger, and more prosperous. Instead it strengthens the People's Republic of China and undermines our partnership with the Pacific Island countries. We find ourselves tremendously weaker due to mistakes of the past 6 weeks - mistakes that will take a very long time to recover from and where it may only be possible to mitigate the damage if large parts are reversed as soon as possible — and where Congress has both the power and the responsibility to act.