

THE PACIFIC PLAN: HOW TO MAKE IT WORK?

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INTRODUCTION – THE PACIFIC WAY

It is an honour and privilege for me to be invited to Manila to address this important topic for the Asian Development Bank.

The late founding father of the Fijian state, Ratu Sir Kamisese Mara, first coined the phrase the Pacific Way. The Pacific Way is a way of life that celebrates the many diverse but unique Pacific cultures. The Pacific Way is not however to be taken as an excuse for idleness and corruption. In an address to the Pacific Islands News Association (PINA) in 2003, I reminded Pacific journalists that they were Pacific Islanders first and journalists second.

What is this unique Pacific culture that is best encapsulated in the Samoan term “Tofa”? It is humility that is founded on the dignity of proud peoples who value their traditions and cultural heritages. I need to stress early that regional cooperation as a concept is part and parcel of the Pacific way, and can easily be adopted in any Pacific Plan.

The Pacific Way – Sharing Adversity

I have set the stage for introducing the fundamentals of a Pacific Plan, but before I can elaborate, our culture dictates that I must firstly offer our deepest sympathy and heartfelt condolences at the impact of the recent tsunamis on many of the lives and the

livelihoods of those who share our world, and especially those who are part of our ADB family.

We share their grief and have offered whatever help our meager resources permit. We congratulate you, President Misa Chino, and ADB, for your prompt, efficient and effective response to this tragedy. We understand your need to prioritise this unprecedented disaster at this time. In these special circumstances, I am particularly honoured that you have found the time to allow my visit to Manila to address this issue of the Pacific Plan. This is indeed a difficult time in the history of the Asian Development Bank, and the Pacific ADB family stands prepared to help in any way we can.

Asian Development Bank's Special Assistance for the Pacific Plan

I must thank you President Misa Chino, for acting under your delegated authority from the ADB Board, to approve the provision of US\$500,000 on a grant basis, to provide technical assistance, (TA), for developing and implementing the Pacific Plan. The main goal of this TA is to strengthen regional cooperation and integration. We also record our appreciation of the Government of Japan for financing this endeavour under the Japan Special Fund.

This is a significant contribution that places immense value and recognition on the process of formulating and implementing the Pacific Plan. This TA will greatly assist all 13 Pacific Developing Member Countries (PDMCs) of the Pacific Islands Forum to not only understand but to fully integrate the concept of Pacific regionalism.

This TA will also assist in ensuring that the established Pacific Plan Task Force (PPTF) will achieve its goal of agreeing to and implementing the Pacific Plan by October 2005.

The Pacific Vision

At the Forum Leaders' Meeting in Auckland, New Zealand, in April 2004, Forum Leaders formally adopted this Vision: "*Leaders believe the Pacific region can, should*

and will be a region of peace, harmony, security and economic prosperity, so that all its people can lead free and worthwhile lives. We treasure the diversity of the Pacific and seek a future in which its cultures, traditions and religious beliefs are valued, honoured and developed. We see a Pacific region that is respected for the quality of its governance, the sustainable management of its resources, the full observance of democratic values and for its defense and promotion of human rights. We seek partnerships with our neighbours and beyond to develop our knowledge, to improve our communications and to ensure a sustainable economic existence for all.”

There are four main focuses of this Vision. I state them here with my own explanatory notes:

- i. **economic growth** (I would add the words “with equity” –growth that benefits all sectors of an economy)
- ii. **security** (The focus of Australian and Forum initiatives in Solomon Islands, Papua New Guinea, and throughout the region)
- iii. **sustainable development** (All development must be sustainable, if resources are not to be totally depleted, such as is happening in the “plundering of our forests” in some Pacific nations)
- iv. **governance** (All resources, aid and local, spent on the people, and not wasted on corruption)

The intention of the Forum Secretariat is that from this Vision will emanate the Pacific Plan, which will focus on the three pillars of sustainable development:

- i. **economic growth** (with equity)
- ii. **social development** (life expectancy, education rates, literacy rates, infant/maternal mortality rates, are some of the indicators).
- iii. **environmental protection** (indicators include reforestation levels, marine/wild life reserves, preservation of water catchment areas, fish/bird/animal

species protection.

The Three Pillars – The Importance of Both Social and Economic Development

I will now expand on these three pillars of sustainable development by focusing on the significance of these stated goals. In the first instance, all growth must be equitable and must be spread to all levels of the economy, especially the lower echelons. Top heavy growth means the rich will get richer, and the poor get poorer. Not all growth trickles down to the poor. This is a reality that must be taken into account in any meaningful growth strategy.

Secondly, development can only be achieved and determined by reference to both economic and social indicators. A good mix of these indicators is taken into consideration in determining the Human Development Index (HDI) ranking of countries. The Human Development Report 2004 (UNDP) was launched on 27 July 2004, and the main rankings of Pacific countries are set out hereunder:

Australia	3	Solomon Islands	124
New Zealand	18	Vanuatu	129
Tonga	63	Papua New Guinea	133
Samoa	75	Timor-Leste	158 (worse performer in
Fiji	81		Asia/Pacific)
		Sierra-Leone	177 (worse performer in
			world)

Samoa is second only to Tonga in the HDI rankings and I have written a formal letter to the United Nations Development Program (UNDP) in which I question Samoa's ranking of 75, behind Tonga at 63.

	Average Life Expectancy	Literacy	Average School Attendance	Place
Tonga	68.4	98.8	82	63
Samoa	69.8	98.7	69	75

The figure of 69% for our school enrolments is obviously wrong. This figure has totally ignored enrolments in Church and private schools, which would set the correct figure at close to 90%. Our Education Ministry is going to ensure that the correct figure is reflected in this year's Human Development Report 2005.

The HDI rankings place certain countries with higher per capita GDPs behind countries such as Samoa. This merely reflects the emphasis on social reforms in these states.

The Forum Secretariat also conducts biennial Forum Stocktakes and the results were tabled in our Forum Economic Ministers' Meeting (FEMM) in Rotorua in June 2004. These results confirm the HDI rankings collated by UNDP, and only Samoa is noted as fully complying with the Forum's Eight Principles of Accountability. (See Appendix A)

As well as the Forum Stocktakes, the ADB, through its Country Governance Assessments (CGAs), is another independent monitor of the extent to which PDMCs are adhering to the good governance agenda. I shall focus on the vital importance of good governance in the context of the Pacific Plan later in this Paper.

Finally, environmental protection policies must be in place to ensure that all economic and social development is sustainable. There is an important saying by a well known tribe of native Canadians: "We do not inherit the land from our forefathers, we borrow it from our children."

It is absolutely essential that this philosophy of life is etched indelibly into the Pacific Way and becomes an integral part of the Pacific Plan. In order to successfully achieve this ideal, environmental awareness must become a cornerstone of any successful Pacific Plan.

I have enunciated these three Pillars of the Pacific Plan in the cultural context of the PDMCs. It is necessary to fully understand the Vision in order to fully comprehend what the PDMCs must do in order to achieve the goals of any Pacific Plan. The 2005

Human Development Report has already emphasized the vital role culture plays in any development agenda. The point is all development goals must be culturally sensitive.

Good Governance – The Key Component of any successful Pacific Plan

In a Report published in 2003, the ADB states as follows:

“Weak governance hurts the poor disproportionately, through insufficient service delivery, insufficient levels of accountability, corruption, inequality and discrimination, lack of citizen participation, and empowerment, poor access to markets and support, including employment, and judicial systems. Weak governance is a root cause of poverty and breeds instability. ADB has recognized that without effective governance institutions, structures and services, efforts to reduce poverty will not be effective, and more equitable development for all cannot be achieved.”

(ADB 2003 Staff Analysis: Background Papers for ADF IX Donors’ Meeting, Tokyo, November 2003)

I consider the significance of this statement justifies its being reported in full. I have spoken often and delivered several formal lectures on this topic of Good Governance. I wish to only mention two of those lectures here. The first was the Inaugural Peter Tali Coleman Lecture in Pacific Public Policy at Edmund A Walsh School of Foreign Service at Georgetown University, in Washington DC. The second was a public lecture under the auspices of the University of Auckland and the Legal Research Foundation (NZ). titled: *“Pacific States and Development: The Role of the Good Governance Agenda.”*

Time constraints do not permit me to repeat the major premises I enunciated in those lectures so I shall make them available to ADB. I will state here that in those lectures, I emphasized the point that the most serious problem facing the world was not ever diminishing aid dollars, it was the amount of that aid that was being wasted by the endemic corruption in most of the third world. I must also emphasize here that corrupt societies are not particularly concerned whether they pillage their own meager national

resources, or foreign aid.

Most development partners, including ADB now have the ultimate goal of linking lending to governance. This process involves a degree of abdication of sovereignty, but I must emphasize the dangers inherent in pushing too many reforms, including good governance reforms, too quickly.

This is particularly dangerous in the case of those countries already under economic and political stress. I wish to formally commend here the World Bank's assistance under the LICUS program, helping "Low Income Countries Under Stress (LICUS)."

The final report on LICUS was adopted by the World Bank Executive Board on 30 July 2002. The main recommendation is that the World Bank should "Increase the frequency and quality of its analytical and advisory services to countries with weak governance." The whole thrust of LICUS is to avoid stressing developing countries even more by imposing good governance reforms in times of economic difficulties but rather gradually over a longer period.

With the utmost respect, the alternative to such a policy is chaos. Pushing a good governance agenda aggressively in a country already under stress, either political or economic, is a formula for disaster.

Sovereignty

There is clearly an over-sensitivity to the so-called usurpation of sovereignty involved in regionalism. Any developing country that pushes its development agenda experiences an erosion of sovereignty every time it seeks assistance. This is part and parcel of the concept of tied aid, embodied in the phrase "tough love."

Fiscal responsibility, such as the European Union rule limiting budget deficits to less than 3% of GDP, must be part of any Pacific Plan. Such beneficial sharing of

sovereignty must be explored as an option, especially for addressing the development challenges that all 13 PDMC's face. This is now a well recognized and accepted fact in all regions of the World. The ASEAN and CARICOM models should be explored as being potentially adaptable to meet the requirements of the Pacific Plan.

In our region, regionalism has succeeded in shipping (Pacific Forum Line) but failed in airlines (Air Pacific). There have been major successes in the areas of fisheries (Forum Fisheries Agency) and the environment (South Pacific Regional Environment Project). Indeed the Forum Secretariat itself is a successful exercise in regionalism. The Pacific Plan must ensure these successes translate into concrete economic and social benefits for all our peoples.

Making the Pacific Plan Work

Any Pacific Plan can only work with the total commitment, the good will participation, and the resolute compliance of all 13 PDMCs. The key to success is to set realistic goals and agree to a road map to achieving them. Such goals may not always be achievable, as we all noted in Germany and France's failed attempts to meet the EU budget deficit guidelines.

In all such plans most participating countries feel they are being coerced. They should be made to believe that their adherence to the Plan is in their own political and economic self-interests. It is not that important that Germany does not meet the EU's budget deficit guidelines, what is significant is that it is trying very hard to do so.

Compliance is most easily achievable if the provisions of the Pacific Plan are closely linked to the individual country's own national goals. This can only be achieved if the individual PDMCs all have clearly articulated national priorities. This may require ADB assistance in the capacity building required to achieve this objective.

Regionalism is a concept for the 21st Century. It is inherently a good method of achieving economic and political self discipline. It is a good way to place the priority on sustainable long term goals, and not politically expedient quick-fix short term solutions.

The Pacific Plan must incorporate the benefits of strategies included in the Pacific Island Countries Trade Agreement (PICTA) and the Economic Partnership Agreements (EPA) with the European Union. The earlier PDMCs begin to realize the benefits of the Pacific Plan, the quicker they will commit to and comply with its requirements.

We must all support the Pacific Plan as the way forward for achieving a better standard of living for all our Pacific peoples. We thank all our development partners, and especially ADB, for assisting us to reach this difficult milestone in our development agendas.

Farewell to President Misa Chino

We today formally farewell President Misa Tadao Chino, Lau Afioga Misa Tadao Chino, o le Paia lava lea o le Aiga Tauaana ma le latou Tama. Faasavalu, Salu, Auvaa i Peau ma Tama Tausala. Tainane galu-e-fa ia Falelatai, Tula o Salogo ma le Tagata o le Vavau.

Ua malie toa, ua malo tau. Ua faamalo fai o le faiva. Tau na alofagia e le Atua ala uma o le a uia, ma ia faafualoa e le Atua lou soifua laulelei.

Conclusion – Find the Light

I conclude with a quote from Martin Luther King:

“Darkness cannot drive out darkness; only light can do that. Hate cannot drive out hate; only love can do that.”

As we set out to achieve our ultimate goal; to make the world a better place for our children and grandchildren to grow up and live in, we must ensure all our efforts, including the Pacific Plan, assist us to find the light.

We must never lose sight of the fact that the light comes with understanding and compassion. We must always remember that love is the natural condition of the human heart.

Where else can we find this light?

We can find it in Fiji's Vijay Singh, usurping Tiger Woods as the World's No.1 Golfer.

Where else can we find this light?

We can find it in Samoa's Tana Umaga, Captain of New Zealand's All Blacks, the World's Greatest Rugby Team.

Where else can we find the light?

We can find it in one of greatest examples of regional cooperation, the Pacific Rugby team.

We can find it in all successful regional projects.

Where else can we find the light?

We can find it when our Pacific Island Leaders all serve our various peoples with compassion and an unswerving commitment to integrity. There can never, ever be any justification for causing our people deprivation and suffering, through any deliberate acts of greed and corruption. Only Nero could fiddle while Rome burned.

Where else can we find the light?

We can find it in the smiling, contented faces of our Pacific youth. Their faces filled with hope of a better tomorrow.

Where else can we find the light?

We can find it in ensuring we look after our children's future, by protecting scarce resources.

Where else can we find the light?

We can find it by ensuring every man can live with dignity, put food on his table, so he does not have to steal from his neighbours.

Where else can we find the light?

We can find it by celebrating our cultures, and respecting other peoples' cultures.

Where else can we find the light?

We can find it in taking pride in our history, and planning for a better future.

Where else can we find the light?

We can find it in the inspiration that World leaders such as President Misa Tadao Chino inspires in all of us, to make this World a better place, for all our children and grandchildren.

God Bless Misa Tadao Chino,

God Bless the Pacific States,

God Bless ADB,

God Bless us all

Soifua

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