

Written Testimony
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“U.S. STRATEGY IN THE PACIFIC ISLANDS REGION”
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Introduction

Chairman Cardin, Ranking Member Risch, and Members of the Committee: Thank you for inviting me to testify on the strategic importance of the Pacific Islands and how USAID is working to deepen U.S. engagement in the region.

The only way for us to tackle complex problems in the Indo-Pacific is to align the three D’s of diplomacy, defense, and development, drawing on our successful whole-of-government approach. We have learned the hard way that one ‘D’ without the others—or even two ‘Ds’ without the third—is not sustainable and not a pathway to success.

As a Pacific nation with a state and territories in the region, the United States is committed to, and has a vested interest in, our neighbors’ success. We consider our Pacific neighbors to be essential partners in fostering a free and open Indo-Pacific region.

The United States—through USAID and its support from Congress—partners with 12 Pacific Island nations to bolster their ability to lead their countries to democratic, resilient, and prosperous futures. USAID’s support to improve the well-being of the Pacific’s diverse communities spans the Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Hosting a vast proportion of the world’s shipping and global fisheries, Pacific waters supply food and income to millions of people in Pacific Island nations and beyond. Yet, being surrounded by these same waters exposes these nations to catastrophic climate-change risks that threaten their very existence. With some Pacific Island nations’ highest point only 15 feet above sea level, the most subtle environmental changes—from coastline erosion to storm surge to rainfall—can translate into catastrophic consequences for communities and livelihoods. As natural disasters grow more severe in intensity and frequency, these effects are compounded. Furthermore, the Pacific Islands face numerous challenges to economic development due to distance and disconnection from major markets, inefficiencies related to economies of scale.

USAID Strategy in the Pacific

Our vision for the Pacific Islands is about listening to the voices of the region and rolling up our sleeves to partner and deliver on our commitments. We are ensuring our engagement with the region is guided by the Pacific Islands, respects the existing regional architecture, and delivers sustainable, tangible benefits to Pacific Islanders—a contrast to the People’s Republic of China’s (PRC) approach.

The PRC is seemingly intent on rewriting, for its own narrow advantage, the international rules-based order that has for decades provided a free and open architecture for peace, security, and prosperity. In contrast, USAID offers Pacific Island countries a tailored development model not rooted in debt and dependence, but in economic trade and integration, inclusivity, locally-led solutions, and the democratic values that can positively transform our shared planet.

The PRC government has capitalized on instability and natural disasters in this vulnerable region to make inroads that often come with additional problematic costs. For example, in Tonga, a country with a high level of PRC-financed debt, the PRC touted the speed and extent of its humanitarian assistance vis-a-vis other donors in the wake of the volcanic eruption and tsunami in January 2022, but Tonga is saddled with a high level of PRC-financed debt and the PRC followed up the next year proposing security agreements tailored to PRC's unilateral regional security interests. In contrast, USAID formed partnerships with organizations in Tonga that allowed USAID to swiftly build a \$2.6 million multi-sector response and recovery effort that also prepares Tongan communities to be more resilient to future disasters.

Expansion of USAID Presence in the Pacific

We have heard the importance of robust presence from Pacific Island leaders. Last year, USAID re-opened its Pacific Islands regional mission in Suva, Fiji and we elevated our presence in Papua New Guinea, Solomon Islands, and Vanuatu to a Country Representative Office based in Port Moresby, Papua New Guinea. This allows us to benefit more Pacific Islanders, strengthen our actions on the ground, and build an enduring and genuine partnership with the region.

USAID's work is designed to address what the region itself has defined as its most pressing challenges, specifically to solve urgent climate challenges; strengthen global health security; strengthen democratic values, good governance, and human rights to counter rising autocracy; expand secure and environmentally-sustainable digital infrastructure; and develop stronger, inclusive economies. USAID's first-ever Strategic Framework for the Pacific Islands, approved in March 2022, reflects a shared aspiration to advance a more resilient, prosperous, and Pacific Islands region.

Meeting these goals and driving sustainable development progress depends on enhancing our cooperation with individual Pacific Island countries as well as Pacific-led organizations, including the Pacific Islands Forum and the Pacific Community. In addition to reinforcing Pacific regional organizations, USAID is also supporting the Partners in the Blue Pacific, which is a group of likeminded countries committed to more effective development coordination on Pacific-identified priorities. Under Partners in the Blue Pacific, USAID is supporting an initiative that will enhance Pacific Island countries' disaster preparedness and resilience by building national humanitarian warehouses.

USAID's Programs in the Pacific

USAID has reaffirmed its commitment to help our Pacific Island partners address existential climate threats, including through additional investments as part of the USG's Pacific Partnership Declaration **and the President's Emergency Plan for Adaptation and Resilience**

(PREPARE). We continue to unlock public and private funding that will preserve the region's rich biodiversity, assist low-lying communities threatened by rising sea levels, and help farmers adopt climate-smart agriculture practices—including those that rehabilitate soil, which improves the quality of crops and, in turn, boosts nutrition and food security. USAID is also partnering with local civil society organizations under our regional grant facility known as the Pacific American Fund to advance Pacific-identified and led solutions to complex development challenges.

In Papua New Guinea, for instance, USAID is expanding access to renewable energy, protecting the country's environment, combatting the HIV/AIDS epidemic, bolstering gender equity, and addressing gender-based violence. USAID's work promoting peace and stability is one facet of the 3D approach under the U.S. Strategy to Prevent Conflict and Promote Stability (SPCPS) in Papua New Guinea, which aims to strengthen regional partnership and elevate locally-led efforts to address the shared objectives of strengthening community capacity to prevent, mitigate, and respond to violence; supporting sustainable and equitable economic growth; and improving justice systems and professionalizing security forces. 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. In the Solomon Islands, USAID works 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.

USAID's environment and climate readiness work remains a top priority. Through the USAID Climate Ready activity, which ended only a few months ago, we mobilized more than \$550 million dollars for Pacific Islands countries to improve access to climate finance from various climate institutions such as the Green Climate Fund, the Adaptation Fund and the Global Environment Facility. Building on the success of Climate Ready, USAID is developing a new climate finance activity that will seek to unlock resources from additional sources, bringing traditional multi-donor sources together with private sector and foreign direct investment to become more resilient to climate change and disaster risks.

We are also responding directly to requests from Pacific Island governments to expand opportunities for economic growth. At last year's U.S.-Pacific Islands Forum Summit, President Biden announced the U.S. would launch a flexible Pacific Microfinance Facility valued at up to \$50 million to expand access to fair and competitive finance for micro, small, and medium enterprises (MSME) in the Pacific Islands. USAID and the U.S. International Development Finance Corporation are now bringing together our comparative advantages to fulfill this commitment. We have received more than a dozen expressions of interest and are now in the process of identifying viable financial institutions to partner with.

Last year, Pacific Island countries joined together to develop, endorse, and launch the Unlocking Blue Pacific Prosperity Initiative. This initiative, led by the Pacific Community, sets a clear and bold vision to protect the region's ecosystem, which is five times the size of the United States, as well as ensure food security and livelihoods for Pacific Islanders. USAID is

supporting this Pacific-led initiative by working with the Pacific Community to align donors behind this vision, utilizing our convening power, and by ensuring that UBPP is **complementary** to other important initiatives in the region. The Pacific Islands Forum Leaders Meeting later this year is a key opportunity for donors, including the United States, to coalesce and to follow through on supporting Pacific-led priorities.

The United States remains one of the largest bi-lateral humanitarian and disaster assistance donors in the Pacific. In addition to our efforts to build countries' resilience **through PREPARE**, advance progress on shared development priorities, and strengthen our enduring bonds across the region, we provide year-round disaster preparedness and resilience assistance, which enables Pacific Island nations to more effectively lead their own disaster responses.

We do this by supporting early recovery, risk reduction, and strengthening resilience throughout the Pacific Islands. This allows partner countries to lead in figuring out solutions to lessen the impacts of natural hazards and respond more effectively to disasters. USAID's three-pronged approach—to enhance early warning systems, improve disaster preparedness, and strengthen first-responder capabilities—helps Pacific Island nations to strengthen national disaster risk management capacities.

Last year, tropical cyclones Judy and Kevin made landfall over Vanuatu between February 28 and March 4, and affected more than 85 percent of the country's population. USAID responded swiftly by supporting the distribution of emergency relief items and coordination for the humanitarian response. USAID provided a total of \$3.2 million in humanitarian assistance for shelter so that communities could start rebuilding their homes; water, sanitation and hygiene assistance including safe drinking water and supplies; support for humanitarian coordination and assessments; nutrition services; and protection for the most vulnerable people affected by the storms.

Across all of these efforts, USAID works directly with like minded allies and partners in the region, as well as through coordinating mechanisms such as Partners in the Blue Pacific and the QUAD. By doing so, we are able to leverage each other's resources and technical expertise, while ensuring USAID's work is complementary, respects existing regional architecture, and is led and guided by the Pacific Islands.

Closing

Mr. Chairman, USAID's investments in the Pacific Islands region are a critical part of the United States' vision for a free and open Indo-Pacific that contributes to greater global security and prosperity.

Thank you for your support in providing us the necessary resources as well as the opportunity to share what USAID is doing in this important region. I look forward to your counsel and questions.