



**OPOC**

**OFFICE OF THE PACIFIC  
OCEAN COMMISSIONER**

Address: Ratu Sukuna Rd, Suva

Email: [opoc@forumsec.org](mailto:opoc@forumsec.org)

Phone: + 679 3312600

## **Brief for Main Talanoa 2: Current Ocean Governance and Policy Challenges and Limitations**

*Prepared by the Australian National Centre for Ocean Resources and Security (ANCORS)*

### **INTRODUCTION**

#### **Issues challenging the regional ocean policy and governance landscape**

The Blue Pacific Ocean Continent unites Pacific States and Territories through shared values founded on the stewardship of the marine environment and a deep history and commitment to collective ocean diplomacy. The Blue Pacific framing places the ocean at the centre of transformative regional sociocultural, environmental and economic development of the Pacific. Yet, climate change is transforming the ecology and dynamics of the ocean with - ocean warming, deoxygenation and acidification - impacting the intensity of storm events, accelerating biodiversity loss, and shifting fish populations critical to Pacific livelihoods and economies. Meeting these challenges requires reflection on what the Pacific Ocean governance architecture was designed to do, what it has achieved, and then rethinking how the architecture can be transformed to align with current priorities and objectives.

The dialogue is timely given the governance challenges of climate change, oceanic and coastal fisheries management, food security and the related issues of allocation and equity for the region. A key implementation issue for the region is to reflect on how to best provide value to Pacific States and Territories at all scales of governance international, regional, sub-regional and at the national and community level. This requires a focused reflection on the region's investment priorities across ocean sectors that produce economies of scale and prevent donor driven agendas.

The dialogue also provides time to reflect on governing new and potential industries including: offshore renewable energy, marine plastics, seabed mining, ocean habitat restoration and blue carbon industries, and new international rules and duties for biodiversity beyond national jurisdiction and the plastics economy. The current geostrategic interests in the region and new funding sources also present an opportunity for new partnerships in the fulfilment of Pacific priorities for the Blue Pacific Ocean Continent.

## **CHALLENGES OF CROSS SECTORAL REGIONAL GOVERNANCE AND POLICY ALIGNMENT**

Fragmentation is a particular risk for the large and diverse number of institutions under the law of the sea as they govern overlapping issues. The Pacific is exceptional among ocean regions for the level of integration achieved among regional institutions with a mandate for oceans governance. Namely, the Pacific Islands Forum (PIF), Pacific Community (SPC), Pacific Islands Forum Fisheries Agency (FFA), Pacific Regional Environment Programme (SPREP) and South Pacific Tourism Organisation (SPTO). Yet, the challenge for Pacific regional, sub-regional and national oceans governance is that across ocean sectors institutional overlap, duplication, competition and conflict still remain. An overview of institutional ocean governance competences is needed. The overview requires a level of resolution capable of identifying overlaps in competence so governance synergies and conflicts can be addressed.

Competition between Council of Regional Organisations of the Pacific (CROP) institutions for common sources of funding promotes mandate creep and undermines institutional cooperation. In this context, the current trend for cross institutional funding by donors can improve cooperation and promote coordination between CROP institutions. Historically, review and reform of the institutional governance architecture has improved relations among ocean governance institutions and promoted policy alignment across sectors. The upcoming 'Review of the Regional Architecture' offers an important opportunity for genuinely cooperative ocean governance arrangements. Further reflection is also required regarding the linkage between the regional and sub-regional scale of governance with the Parties to the Nauru Agreement (PNA) and the emerging South Pacific Group (SPG).

### *Challenges of implementing regional coordination policies*

Governing the Blue Pacific Ocean Continent requires effective coordination between regional and national institutions and instruments. The region has deepened integration to harmonise governance efforts, improve economies of scale and strengthen diplomatic unity. The 2002 Pacific Island Regional Ocean Policy (PIROP) and its implementing framework the 2010 Framework for a Pacific Oceanscape (FPO) deliver an overarching vision for integrated governance founded on shared goals and norms for the governance of ocean activities across sectors, space and time. A major impediment to the implementation of these strategies was that robust connections were needed between and across scales of governance. However, these policies coincided with an intense period of regional reform, the Regional Institutional Framework review, which impeded regional institutional cooperation to implement these policies. Since these reforms, the region has successfully developed the 2014 Framework for Pacific Regionalism and is now further focused on deepening regionalism under the 2050 Strategy for the Blue Pacific Continent.

Despite launching the regional ocean policies as key regional initiative for funding and joint implementation with external partners; funding has been insufficient to realize the regional ambition and vision. The capacity to implement ocean governance responsibilities will always be contingent on adequate resources, be they fiscal or in terms of resource or human capacity. Against this background, analysing regional institutional competences and dealing with overlaps is an essential part of recalibrating the architecture with the resources. It is also essential for identifying the priority areas for funding. By aligning regional ocean governance with the goals of the 2002 Pacific Island Regional Ocean Policy and 2010 Framework for a

Pacific Oceanscape and the 2050 Strategy for the Blue Pacific Continent, the region can more authoritatively and substantively engage with funding partners to direct resources.

### *Challenges of implementing coordination mechanisms*

Mechanisms to coordinate regional ocean governance play an important role in achieving an integrated approach to oceans governance. The Pacific is acknowledged as a leader in this space. However, there are now a number of regional coordination mechanisms – the CROP, MSWG, OPOC - which require harmonization to operate effectively. Historically, the transparency and accountability of regional level coordination mechanisms have also been highlighted as an issue for attention. Recent revisions to the Charter of the Council of Regional Organisations of the Pacific (CROP) have improved the transparency and accountability to Member States of this coordination mechanism. The CROP Marine Sector Working Group (MSWG) is currently suspended as the Terms of Reference are improved and revised. Finally, the OPOC operates under clear terms of reference and the OPOC’s liaison with external actors takes place through a separate Pacific Ocean Alliance governed by a code of conduct, the ‘Charter for the Pacific Ocean Alliance.’ With the introduction of the timebound CROP ‘Taskforce on international engagement and advocacy for ocean events’ it is apparent that a clear division of responsibilities among these coordination mechanisms is needed to prevent overlaps in competence. The management of external actors in these forums is also critical to prevent undue influence and ensure decision-making rests with Member States.

## **CHALLENGES OF ALIGNING REGIONAL AND NATIONAL OCEAN POLICIES**

The 2002 Pacific Island Regional Ocean Policy was designed as a blueprint for the development of national ocean policies. Since the adoption of the SDGs in 2015, seven Member States: Cook Island (2016), Fiji (2020), Papua New Guinea (2020), Republic of Marshall Island (2018), Samoa (2020), Solomon Islands (2018) and Vanuatu (2016) have developed national ocean policies that add to the existing national ocean policies among the broader Pacific Community members including Australia (1998), the United Kingdom (2009), the United States (2010), and France (2017).

Six national ocean policies refer to both the PIROP and FPO and state the importance of aligning national policy to regional principles and strategic priorities. These policies were designed to respond to the deficiencies of sectoral approaches to ocean governance by improving whole of government coordination. In this respect, six national ocean policies take a centralized institutional arrangement option by establishing an inter-ministerial committee (commission or council), some of which include non-government representatives. RMI does not specify institutional arrangements other than dividing the implementation actions among several lead agencies. Cook Islands, Fiji, PNG, and Solomon Island employed a legislative approach to their national ocean policy, RMI, Samoa and Vanuatu took a policy-based approach like Australia. While there is no one-fits-all approach, effective national policy implementation depends on ongoing political support, clarity of institutional roles and legislative arrangements. It is also of note that despite the concept of sustainable ocean economies dominating regional policy discussions, none of the PIF members adopt a specific blue economy strategy. However, sustainability is featured as an integral part of ocean governance and management approaches at both the regional and national level.

## **Challenges**

- A regional ocean strategy can better inform NOPs, by articulating cross sectoral synergies and by facilitating new and innovative partnerships and collaborations.
- The 2050 Strategy for Blue Pacific Continent, PIROP and FPO, do not clearly articulate the allocation of competence to specific regional and national institutions.
- The absence of a clear hierarchy among legal and policy instruments and institutional arrangements hinders effective policy implementation.
- Implementation is weak due to lack of capacity (resourcing gaps) and over-reliance on external support including financing and technical assistance.
- The absence of a clear mapping of blue economy sectors with competitive and comparative advantages in advancing successful national and regional economic development. Fisheries and tourism are presumably two main sectors, while other sectors have no clear direction for future development.
- Measuring policy implementation progress and outcomes at a level of resolution that is actionable, transparent, and accountable requires dedicated resources and expertise.
- Only five countries developed Integrated National Finance Frameworks (INFF) (CI, Fiji, Samoa, SI and Vanuatu): *“Misalignment between the planning and finance policy functions of government, a narrow focus on public resources to finance the SDGs and the participation of only a narrow group of stakeholders in financing dialogue and decision-making are key challenges in many contexts”* (UNDP, 2019).
- Alignment of NOPs and policy actions with SDGs goals, e.g.: *“This Ocean Policy will assist Vanuatu to achieve National Sustainable Development objectives as articulated in the National Sustainable Development Plan 2016-2030 and will significantly advance Vanuatu’s achievement against the Sustainable Development Goals such as 13 on Climate Change (Take urgent action to combat climate change and its impacts) and SDG14 on Oceans (Conserve and sustainably use the oceans, seas and marine resources)”* (Vanuatu OP, 2016).
- Achieving full integration and effective implementation is costly and challenging.
- Maintaining commitment and sustained political support will ensure policy longevity.

## **FROM REGIONAL TO INTERNATIONAL COMMITMENTS**

How will the region fulfill its foreign policy commitment to govern as one Ocean Continent?

Given enhanced geostrategic interest in the region continued solidarity is critical to uphold a united multilateral rules-based order and safeguard Pacific interests in the peaceful order of the oceans. Unified collective ocean diplomacy is needed to promote Pacific interests in the implementation of rights and duties under the law of the sea. In particular, in relation to biodiversity beyond national jurisdiction, development of the global Plastics Treaty and to continue to keep the climate/ocean nexus and ocean acidification high on the international agenda.

To facilitate these goals improved clarity is needed on the role of in the coordination and provision of diplomatic advice between the PSIDS, MSWG, OPOC, CROP institutions. The success of the Pacific States in securing SDG14 and at the BBNJ negotiations is indicative of the strength derived from the clear designation of roles among diplomatic coordination mechanisms. An important aspect of governing as one Ocean Continent is also to ensure a consistent whole of government approach by national representatives across ocean sectors at the regional and international scale. Fulfilling international duties, such as those under the

Post-2020 Global Biodiversity Framework and the SDGs depends on maintaining strong diplomatic coordination as one Ocean Continent.

## **FINANCING PACIFIC REGIONAL AND NATIONAL OCEAN POLICY DEVELOPMENT AND IMPLEMENTATION**

The implementation of regional and national ocean policy and governance frameworks requires dedicated resources and capacity through a combination of national government budget and external finance. Articulating regionally driven investment focus is essential to ensure external resources are targeted to the region's investment priorities. So far access to external financing is mainly through Official Development Assistance either through bilateral arrangements (for example with Australia, France, and China), Multilateral Development Banks (for example the World Bank, the Asian Development Bank). Other sources of finance are also available for specific areas of ocean policy implementation such as fisheries (e.g., The GEF, FAO), climate change (e.g. Green Climate Fund), biodiversity (e.g. The GEF) or sustainable development (e.g. MDBs). CROP agencies are attracting a large component of the finance available and are implementing multi countries projects to promotes policy coherence. Philanthropic finance is frequently channeled through non-government organizations (NGOs), for example WWF or CI, for ocean governance activities that aligned with the interests of these NGOs such as blue carbon or marine protected areas.

There is an acknowledgment that domestic and external public finance will not be sufficient to fund regional and national ocean policies. The Pacific Ocean Finance for Ocean Health and Governance, funded by the World Bank (WB) and the GEF investigated a range of public and private financing mechanisms<sup>1</sup> from taxes and subsidies, to financing MPAs, insurance and blue bonds, and in 2022 a report on Demystifying green and blue bonds for the Pacific.

### *Challenges*

- Moving from sector-based finance to whole of ocean financing will deliver better value for money - A shift from competition for funding to partnerships between CROP agencies will bring better outcomes and efficiency.
- The impacts of Covid 19 on the Pacific SIDS have been profound with the collapse of the tourism sector with significant drop in GDP, increase level of indebtment and the reallocation of government resources to health and debt repayments.
- Overall, regional and national oceans policies lack investment plans which would clearly articulate investment priorities, identify potential sources of public and private finance and the most suitable financial instruments. In the absence of such strategies, resourcing is mainly driven by donors and investors' objectives. Co designing such strategies with international partners would improve donor harmonization and efficiencies.
- Access to private finance is 3 times more expensive for SIDS than for developed countries because of risk to private investors. Readiness finance from MDBs can assist in building the necessary institutional capacity and enabling environment to reduce risk to potential investors and ensure private finance is affordable.
- Although the region has a long history of regional ocean policy development and governance, access to private finance for implementation is hindered by a high level of indebtment following Covid 19, a lack of suitable national regulatory environments,

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<sup>1</sup> <https://opocbluepacific.org/publications/#pacific-ocean-finance-reports>.

financial management and ability to track financial flows and outcomes and investable projects at scale which are essential to attract private investors. Regional cooperation is a mean of achieving scale and attract large institutional investors interested in aligning their investments with the SDGs and climate goals.

- The Pacific SIDS vulnerability to external economic and climate shocks is placing a disproportionate burden on the Pacific. Continued SIDS international advocacy for Loss and Damage finance is essential to reduce inequalities of the global financing architecture and secure finance for the Pacific. The Bridgetown initiative championed by Barbados is proposing solutions.

## **DISCUSSION POINTS**

Discussion points for consideration at the Talanoa.

### *Achieving integrated oceans policies*

- How can the regional ocean policy and governance framework (eg the blue Continent) improve cross sectoral regional policy coherence and cooperation
- What are the barriers to the development of integrated national ocean policies?
- How can the regional policy and governance framework value add to national level ocean policy and whole of government coordination?

*What mechanisms would facilitate greater cross sectoral integration at the national and regional level?*

- what are the gaps, what needs strengthening?
- What should the upcoming review of regional architecture consider?

*What are the capacity needs for institutional coordination and policy alignment?*

- Are the existing governance structures fit for a changing ocean?
- What would a package of national capacity needs include?

*What are the potential drivers to facilitate regional policy coherence and alignment of national ocean policies?*

- Ocean and climate nexus, shifts in ocean resources, new responsibilities under the BBNJ treaty and future plastic treaty, the SDGs and sustainable blue economy as drivers of regional /national policy coherence across sectors? and regional and national level ocean policies?
- Is there scope under the 2050 Strategy for Blue Pacific Continent vision and principles for updating the regional ocean policy framework?
- A coherent regional strategy which identifies strategic investment priorities, builds economies of scale and drives donor harmonization?

*What are the financing requirements for building institutional capacity for the development and implementation of national ocean policies?*