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## **Trump 2.0 and the Pacific Island Countries – What To Expect?**

*By Anne-Marie Schleich*

### **SYNOPSIS**

*After the shock of the 2022 security agreement between China and the Solomon Islands, the United States increased its engagement with Pacific island countries. The next Trump administration is likely to focus on security issues with these countries. However, the biggest obstacle to improving relations will be their opposing stances on climate change. And the growing competition for power in the Pacific has given Pacific island leaders an opportunity to leverage their unique position.*

### **COMMENTARY**

In the immediate aftermath of the United States election, all Pacific Island leaders sent messages of congratulations to president-elect Donald Trump and expressed hope that cooperation with the new administration would continue.

What are the chances that the improved relationship between the US and Pacific Island countries, carefully nurtured under the Biden administration, will continue to grow? What are the areas of potential cooperation and possible conflicts of interest? A look at recent US Pacific Islands policies might provide some clues.

### **The Biden Administration and Pacific Island Countries**

The Biden administration released its Indo-Pacific Strategy in February 2022, the framework for countering Chinese influence, maintaining America's traditional strategic dominance, and signalling its desire to play a greater role in the region. One tool was the strengthening of overlapping minilateral alliances, such as AUKUS and the Quad. Others were newly created, such as the Indo-Pacific Economic Framework for Prosperity (IPEF).

After the shock of the China-Solomon Islands security deal in May 2022, the Biden administration increased its diplomatic and economic engagement with Pacific Island countries. President Joe Biden twice hosted Pacific Island Forum (PIF) leaders at the White House for US-Pacific Summits in 2022 and 2023. The US also announced the US-Pacific Partnership Strategy, a roadmap for strengthening cooperation.

Over the past four years, there has been an unusual number of high-level political visits to Pacific Island countries, including visits by Secretary of State Antony Blinken, Vice President Kamala Harris, and Defence Secretary Lloyd Austin, who was in Fiji in early December 2024.

The Biden administration also increased its diplomatic presence, opening embassies in Tonga, Kiribati, Vanuatu and the Solomon Islands, and a US Agency for International Development (USAID) office in Fiji.

After aid cuts in previous years, Biden announced a US\$810 million aid package over 10 years, including US\$130 million for climate change projects. This funding still has not yet received full congressional approval, and its future under Trump 2.0 remains unclear.

In March, Biden renewed the Compact of Freely Associated States (COFA), announcing an unprecedented package of US\$7 billion over 20 years for the Marshall Islands, Palau and the Federated States of Micronesia. The US has a long-standing special relationship with these three strategic countries in the Western Pacific, which receive the lion's share of US Pacific aid and investment. COFA will continue to allow the US to provide defence, deploy forces and operate bases there.

### **Close Ally Australia Assisting**

America's ally, Australia, has done the heavy lifting in the South Pacific. In tandem with the US, Australia (and to some extent neighbouring partner New Zealand) has further intensified close relations with four Pacific neighbours, notably Fiji, Vanuatu, Papua New Guinea (PNG) and the Solomon Islands. Already the largest aid donor to the Pacific Island countries, Australia has increased assistance in the last two years.

To counter China's influence with its neighbours, Australia has concluded several security and aid deals, including the recent security agreement with Tuvalu, which gives Australia veto power in Tuvalu's foreign and security affairs.

In December 2024, Australia concluded a rather controversial agreement with Nauru giving it veto power over pacts that Nauru might want to conclude with third countries. The five-year deal continues to secure Australia's detention facility for Australia-bound refugees, including an A\$140 million (US\$87 million) budget and police support for Nauru.

The Australia-Solomon Islands security arrangement, announced on 20 December 2024 will provide A\$190 (US\$118 million) to the Royal Solomon Islands Police Force and a new police training centre in the capital, Honiara. This is a major achievement of the Labour-led Albanese government to counter the China-Solomon Islands security agreement.

## **The Second Trump Administration: What To Expect?**

### *Security cooperation*

Trump is likely to focus primarily on Pacific security issues.

Fiji and PNG have been the main beneficiaries of the Biden administration's strategy over the past two years, with landmark defence and security agreements. The Trump administration can be expected to honour previous agreements so as not to create loopholes for potential Chinese security-related engagement.

Increased economic ties between PNG and China will loom large over any potential future US disengagement or trade sanctions.

But the new US administration must also be mindful of the growing discontent with the US and Chinese use of the Pacific as a strategic theatre.

Pacific Island leaders (especially Kiribati) have voiced concerns about ongoing intercontinental ballistic missile (ICBM) testing in the Pacific. They complained about an American ICBM test that flew over the Marshall Islands in November 2024 and a Chinese ICBM test in the South Pacific in September 2024.

PIF Secretary General Baron Waqa recently said: "Geopolitical manoeuvrings mean nothing to Pacific peoples who have cyclones on the horizon [and] are focused on building resilience, peace and prosperity for our families, communities and nations".

### *COFA and the three Compact nations*

The three COFA partner countries could also come back into focus. Trump's first administration regarded the ability to use US military installations in these three island nations as an important part of its Indo-Pacific strategy. He hosted the leaders of the three Compact countries at the White House in May 2019. This view of their "usefulness" to the US is likely to prevail.

However, a longstanding practice has been to allow citizens of the three COFA states to live and work in the United States and to access federal benefits such as food stamps and healthcare. This may be at odds with the proclaimed immigration agenda of the second Trump administration. A partial US revision of the COFA articles is unlikely to be acceptable to the three COFA countries.

### *Indo-Pacific Economic Framework (IPEF)*

There is a strong possibility that the second Trump administration will withdraw from Biden's 14-member economic initiative, IPEF. Fiji, the only Pacific Islands member, is then likely to seek alternative trade agreements.

### *Climate action*

The biggest obstacle to relations between the new US administration and Pacific Island countries will be climate change, as their positions on the issue are diametrically

opposed. President Trump is expected to withdraw a second time from the Paris Agreement and focus his energy policy on oil and gas.

In contrast, Pacific Island countries have become leaders in the global fight against climate change, including in two United Nations groups – the Alliance of Small Island States (AOSIS) and Small Island Developing States (SIDS).

Tuvalu's prime minister has called on major polluters to make concrete commitments to phase out fossil fuel production. Current policies – leading to new coal, oil and gas projects – are a “death sentence”, he insisted.

Samoa rallied UN member states to press for more progress on “loss and damage finance”. And it was Vanuatu that brought about a landmark UN resolution, backed by 130 countries, asking the International Court of Justice for an opinion on countries' obligations to address climate change.

Under the second Trump administration, it is very likely that there will be difficult discussions between AOSIS, SIDS and the US at the UN. The Biden climate change package for Pacific Island countries is also likely to be reduced or scrapped.

### **Outlook: Pragmatic Cooperation**

The second Trump administration will have to take into account that Pacific Island countries have become more pragmatic and have more options than in the past. Geopolitical wrangling has also meant that other donors, both governmental and non-governmental, are willing to step in.

PIF countries have shown that they can overcome some of their internal regional divisions, coordinate their positions and work with like-minded countries outside the Pacific. This pragmatic “New Pacific Diplomacy” has strengthened their voice on climate change issues in UN negotiations.

The geopolitical power competition has provided Pacific Island leaders the opportunity to use their unique position to advance some of their most pressing problems, including climate emergency and infrastructure investment.

No doubt, they will use it in the next four years.

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