



Integrated Country Strategy

Papua New Guinea, Solomon Islands, and Vanuatu

FOR PUBLIC RELEASE

Table of Contents

1. Chief of Mission Priorities..... 2

2. Mission Strategic Framework 3

3. Mission Goals and Objectives 4

4. Management Objectives..... 10

1. Chief of Mission Priorities

To achieve the objectives of the Indo-Pacific strategy (IPS), the Mission's overarching goal for Papua New Guinea, Vanuatu, and Solomon Islands is:

Strengthened U.S.-Pacific partnerships for prosperous, inclusive, secure, and democratically empowered societies.

In pursuing this goal, the Mission will support new infrastructure and energy initiatives, create more opportunities for U.S. business, protect U.S. citizens, and enhance regional security, including freedom of the seas and skies. Strong, visible American action and more effective government institutions will mitigate the growing influence of China (PRC), encourage positive democratic development, and help countries tackle infectious diseases. Our expanding on-the-ground presence will allow us to advocate for U.S. policies and positions and to reassure governments that we will continue to uphold the rules-based order in the region. Consistent and adroit public diplomacy articulates U.S. interests and informs local citizens of our desire to remain reliable friends while promoting a free and open Indo-Pacific region.

Papua New Guinea (PNG), Solomon Islands, and Vanuatu account for 70% of the Pacific Island countries (PIC) population and over 60% of their GDP. PNG is home to the region's largest American investment (ExxonMobil's \$19 billion PNG Liquefied Natural Gas (PNG LNG) project) and sits astride vital sea lanes. It is the only Pacific Island country that is part of the Asia-Pacific Economic Cooperation (APEC) forum, and the only Association of Southeast Asian Nations (ASEAN) Dialogue Partner from the PICs. PNG grows in confidence as a leader in the Pacific region and a bridge between Asia and the Pacific. Through our partnership with the Foreign Commercial Service (FCS) and increased trade capacity support from the United States Agency for International Development (USAID), we will work to level the playing field for American companies and American products. We will advocate for American businesses in PNG, establish an American Chamber of Commerce (AmCham), and encourage other countries with open, market-based economies to consider doing business in our three countries.

The United States and PNG share important historical and commercial links, people-to-people ties, and defense partnerships. However, PNG's democracy is characterized by weak political parties and a nascent civil society. The country lacks the institutional strength and professional civil service needed to combat pervasive state corruption. The Mission will enact positive change in PNG by engaging with and supporting those people and institutions who endeavor to improve governance in the country. In 2019, the Autonomous Region of Bougainville (ARB) held a referendum on independence from PNG, providing an opportunity for the Mission to support peaceful and democratic outcomes.

With the opening of a Defense Attaché Office in Port Moresby, we are poised to deepen our security cooperation with the country to ensure that the United States, our allies, and other like-minded countries remain the security partners of choice for PNG. Expansion of IMET and a growing U.S. military presence supported by INDOPACOM and the Department of Defense will be useful tools in this regard. Health programming in PNG is having an outsized impact, delivering replicable models for health systems strengthening, and our expanding biodiversity and natural resource governance projects serve as an example of the United States Government's (USG) ongoing commitment to promoting sustainable development. Our programming under the Women's Global Development and Prosperity Initiative is focused on gender equality and will improve living conditions for women in all three countries. And finally, we are seeking to build community resilience to natural and man-made disasters through increased Disaster Risk Mitigation (DRM) programming.

The recovery of Solomon Islands since it was overtaken by civil unrest from 1998 to 2003 has been remarkable, and our ability to maintain influence there has largely been driven by the physical presence of the U.S. Consular Agency. The upcoming retirement of our long-serving and very effective Consular Agent will leave a gap that will be difficult to fill. In order to increase our level of influence, access and assistance, the Mission is preparing to re-open our Embassy in Honiara, re-establish the Peace Corps program, implement a Millennium Challenge Corporation Threshold program, and open a USAID office.

In Vanuatu, the thirty-year Peace Corps presence shaped the United States' image. The absence of a full-time diplomatic presence, however, constrains our ability to maintain U.S. influence and achieve desired outcomes. Our team will continue to engage with the people of Solomon Islands and Vanuatu through social media, phone and electronic communication, and frequent visits. In line with U.S. priorities in the Indo-Pacific region, we must also consider both traditional and innovative ways of maintaining strong commercial, security, and development links, and identify ways to further engage with our partners, expand our presence and execute on our commitments.

2. Mission Strategic Framework

Mission Goal 1: A Sustainable, Inclusive, Free and Open Economy that Promotes Growth and Mutual Prosperity

Mission Objective 1.1: Advance economic governance reforms that undergird a level playing field for U.S. companies and promote free, fair, and reciprocal trade practices.

Mission Objective 1.2: Promote high-quality infrastructure and information, communications, and telecommunications (ICT) projects to encourage sustainable economic growth.

Mission Objective 1.3 Build economic sustainability through environmental resilience in all three Pacific Island countries.

Mission Goal 2: An Inclusive and Rules-Based Order that Advances Effective Democratic Governance and Strengthens Civil Society

Mission Objective 2.1: Promote and strengthen governance institutions and practices that are inclusive, transparent, accountable, responsive to citizens' needs, and respectful of human rights.

Mission Objective 2.2: Support civil society to play an effective role in advocacy for democratic norms, human rights and social cohesion.

Mission Goal 3: Safe Access to the Seas, Skies and Land that Promotes a Secure Environment for the Advancement of Commerce and Shared Values within the Region

Mission Objective 3.1: Deepen partner government security capabilities and broaden cooperation between the United States and PNG, Solomon Islands, and Vanuatu.

Mission Objective 3.2: Provide a secure environment and unfettered access for U.S. Citizens, Military, Diplomats, and businesses within PNG, Solomon Islands and Vanuatu.

Mission Goal 4: Sustained Investment in Human Capital that Empowers Individuals and Communities

Mission Objective 4.1: Strengthen public health capacity to achieve more sustainable health outcomes.

Mission Objective 4.2: Expand human capacity building through increased education and exchange programs, and institutional partnerships.

Management Objective 1: Improve operational effectiveness, strengthen service delivery and human resource capacity.

Management Objective 2: Expand USG presence in the Area of Responsibility (AOR.)

3. Mission Goals and Objectives

Mission Goal 1: A Sustainable, Inclusive, Free and Open Economy that promotes Growth and Mutual Prosperity

Description and Linkages: In PNG, Solomon Islands, and Vanuatu, the private sector is undervalued as a partner in driving development. Private sector-led economic growth is a stronger, more reliable engine for development than competing models in that it delivers market-driven decision-making, encourages transparency, and is more likely to result in financially sustainable projects.

Policies that underlie a sustainable, inclusive, free and open economy promote good governance and improve the investment climate. They enhance private sector participation, encourage entrepreneurship and innovation, and attract U.S. and other international investors. They deliver incentives for strengthening commerce-based people to people ties and sharpening workforce capabilities, contributing to Pillar 4 of the National Security Strategy. Promoting U.S. investment, goods and services in all three countries contributes directly to Pillar 2 of the National Security and Indo-Pacific Strategies of stimulating American prosperity. Entrepreneurship in a free and open economy encourages the social and economic inclusion of women, youth, migrants and other marginalized communities. Mission Goal 1 is directly aligned with Goal 3 of the EAP and USAID/ASIA Joint Regional Plan, which recognize that promoting healthy and resilient communities where women are empowered to play a more equal role will increase regional stability and increase opportunities for U.S. companies.

Mission Objective 1.1: Advance economic governance reforms that undergird a level playing field for U.S. companies and promote free, fair, and reciprocal trade practices.

Justification: Good governance underpins economies that are open, transparent, and based on rules and laws that are clear and applied fairly. U.S. support for good governance, therefore, is integral to U.S. foreign policy and national security interests and deepens respect for U.S. values. PNG is already home to the successful \$19 billion ExxonMobil-led PNG LNG project. While there is additional potential for natural resource development in the country, private sector investors are hesitant to enter a market perceived as lacking in transparency and a rules-based system. In order to ensure that U.S. companies are positioned to be successful in all three countries, the Mission will advocate for fair and equitable trading practices, a regulatory environment that does not disadvantage U.S. companies, and strengthened host government capacity to address security, human rights and corruption issues that might affect U.S. investment. Without such measures, the three economies could turn to development partners that rely on poor quality investments which promote dependency and cronyism. The objective reinforces USAID/Pacific Draft Development Cooperation Framework Intermediate Results Development Objective 2.

Mission Objective 1.2: Promote high-quality infrastructure and information, communications, and telecommunications (ICT) projects to encourage sustainable economic growth.

Justification: PNG, Solomon Islands, and Vanuatu targeted the digital economy, infrastructure, and energy sectors as drivers for transforming their economies. By promoting physical and digital connectivity, these lines of action potentially contribute towards the end goal of the IPS, a Pacific open and free, by encouraging their peoples to make use of the services provided by infrastructure, to participate in the marketplace of ideas, and to discover the opportunities of the digital market place. This objective advances the JSP's Strategic Objective 2.3.

The United States committed to the PNG Electrification Partnership (PEP) along with Australia, New Zealand and Japan. PNG's growth and development is stymied by one of the lowest electrification

rates, 18 percent, in the Asia Pacific region and by its high national electricity tariff of 30 cents/kilowatt hour. By 2030, electricity demand is expected to grow by 300 MW as result of expanded connections and future demand from the mining/gas industries. Access to affordable and reliable electricity is integral to PNG in achieving the country's economic and social objectives.

The Mission's commitment to infrastructure in Solomon Islands, the development of the Bina Harbor deep sea port on Malaita, is no less high profile. USAID will look for opportunities under this framework to lay the groundwork for a partnership to erect a commerce and transportation hub in what is now a mangrove forest. A series of assessments to be completed by early 2021 should give detail on what the USG could do to advance the plan.

All three countries stand to benefit from the policies promoted by the USG's Digital Connectivity and Cybersecurity Partnership (DCCP) Initiative. The United States will help accelerate economic growth by improving Information, Communications and Telecommunications (ICT) systems, supporting greater digital connectivity through platforms that bring these island states closer to otherwise out-of-reach economic growth hubs. Digital technology can serve to bridge gaps in efficiency and accessibility in public services, unlock potential livelihood opportunities, and bolster secure connectivity with Pacific diasporas in the United States, Australia and New Zealand.

Mission Objective 1.3: Build economic sustainability through environmental resilience in all three Pacific Island countries.

Justification: The economies of PNG, Solomon Islands, and Vanuatu rely on extractive natural resources like minerals, timber, and fisheries. The viability of the national economy, and the sustainability of the communities that exploit these resources, are threatened by a host of environmental challenges - sea level rise, erratic rainfall patterns, increasing storm frequency and intensity, and damage to coral reefs. Communities are also threatened by the unsustainable use and exploitation of natural resources through poor governance, corruption and such practices as illegal logging and fishing.

USG programming, funded by USAID, will work with host government partners to draft and implement policies to achieve adaptation goals, access more international climate change adaptation funding, and improve capacity to prepare for and respond to natural disasters. In PNG specifically, USG resources will help address the threats and drivers of biodiversity loss by improving the capacity of key stakeholders to better manage natural resources. Should this objective not be achieved, the three countries' natural resources base will erode, national and community resilience in the face of environmental change will weaken, and the scientific, cultural and economic benefits of biodiversity will be lost to the three counties and the world. Mission Objective 1.3 dovetails with JSP 2.2.

Mission Goal 2: An Inclusive and Rules-Based Order that Advances Effective Democratic Governance and Strengthens Civil Society

Description and Linkages: The crux of the IPS is pursuing a free and open Indo-Pacific, where all nations can live in prosperity, security, and liberty. This will only be possible through the promotion of rules-based systems within these nations, where democratic institutions effectively respond to the needs of an empowered civil society. This mission goal also supports Goal 5 of the EAP and USAID/ASIA Joint Regional Strategy.

Mission Objective 2.1: Promote and strengthen governance institutions and practices that are inclusive, transparent, accountable, responsive to citizens' needs, and respectful of human rights.

Justification: We will help PNG, Solomon Islands, and Vanuatu become stable U.S. partners and full participants in the international community. The countries have young democracies, weak institutions, a shaky commitment to respect for human rights and little citizen input into decision making. Irregularities in the electoral system have undermined government credibility and led to increasing citizen frustration. Through international initiatives like the Extractive Industries Transparency Initiative (EITI) and Open Government Partnership (OPG), businesses have a platform to partner with government and civil society to promote accountability and transparency. The result of the November 2019 Bougainville referendum offers another opportunity for the Mission to engage on an issue of grave importance to regional stability. Should this objective not be achieved, public confidence in government could be undermined, and vulnerability to corruption will grow.

Gender inequality and gender-based violence (GBV) are rife in all three countries. Approximately 70% of women in PNG stated that they had experienced rape or sexual assault in their lifetime, according to the 2015 World Health Organization assessment. Numbers are similarly dire in Vanuatu and Solomon Islands. Due to stigma, fear of retribution, and limited trust in authorities, most women do not report sexual or domestic violence. Of the five countries in the world with no women elected to public office, two (PNG and Vanuatu) are covered by Embassy Port Moresby. Supporting women candidates, undertaking public awareness campaigns to encourage voters to support women, and urging the government to enact measures to increase women's political participation are all strategies Post will pursue to try to reverse this distressing trend. Risks associated with not achieving this objective include heightened difficulty in confronting crime and human rights violations and abuses rooted in gender discrimination, and a public policy agenda that gives short shrift to issues affecting women and families.

Mission Objective 2.2: Support civil society to play an effective role in advocacy for democratic norms, human rights and social cohesion.

Justification: Political parties and public institutions have a narrow understanding of citizen priorities and offer only minimal opportunities for public input into the policy process. Respect for human rights, dignity for all and tolerance for diverse viewpoints is lacking. Faith-based groups are strong in service delivery, but other special interest groups need more funding and encouragement to play a larger role in society and government. Risks associated with not achieving this Mission Objective include growing restiveness among sidelined communities and a distorted and unresponsive public policy debate.

Mission Goal 3: Safe Access to the Seas, Skies and Land that Promotes a Secure Environment for the Advancement of Commerce and Shared Values within the Region

Description and Linkages: Secretary of State Michael Pompeo stated in 2018 that “(t)he American people and the whole world have a stake in the Indo-Pacific’s peace and prosperity... (i)t’s why the Indo-Pacific must be free and open.” The State Department 2019 strategic guidance document, “A Free and Open Indo-Pacific: Advancing a Shared Vision,” identified “Ensuring Peace and Security” as one of the goals that anchor the U.S. IPS. Mission Goal 3 aligns with U.S. strategic guidance for the Indo-Pacific and lays out Mission lines of action to further the U.S. commitment to security-related capacity building and engagement of the three nations Post covers. Relevant challenges in Embassy Port Moresby’s area of operations include information sharing, countering trans-national crime, protecting the maritime domain, responding to emerging threats, and maintaining interoperable capabilities with our allies.

Mission Objective 3.1: Deepen partner government security capabilities and broaden cooperation between the United States and PNG, Solomon Islands and Vanuatu.

Justification: All three countries are island nations, straddling key shipping routes, managing lucrative fisheries, and protecting deep sea resources of wide swathes of the Pacific Ocean. All three prioritize maritime domain protection. Through training, capacity building, and arrangements like Shiprider Agreements, the U.S. will empower the three countries to counter threats, whether economic or criminal in nature, within their territorial waters. All three countries have operational gaps with regard to security; only PNG has a military. Failure to complete this objective would push these countries towards PRC and alternative security partners, and increase their vulnerability to transnational criminals targeting key economic sectors (minerals, gas, timber and fish) central to the national economies, or to trafficking in persons, arms smuggling, narcotics and other illegal trades.

Mission Objective 3.2: Provide a secure environment and unfettered access for U.S. citizens, military, diplomats, and businesses within PNG, Solomon Islands, and Vanuatu.

Justification: A secure environment is fundamental to the Embassy’s ability to serve Americans residing in remote parts of the country and to project U.S. presence beyond the capital, particularly in areas where the government struggles to hold separatist impulses at bay. A secure environment is also a prerequisite to the bilateral commercial, cultural and social intercourse between Americans and Melanesians, key components of the Indo-Pacific Strategy’s vision of a free and open Pacific. PNG,

Solomon Islands, and Vanuatu share Western values, implanted by generations of missionaries and educators that were sent to remote corners of the region to proselytize, teach, and heal. This ongoing engagement is key to the dialogue between Americans and Melanesians that buttresses, deepens and adapts these values to new developments.

Mission Goal 4: Sustained investment in Human Capital empowers individuals and communities

Description and Linkages: The Indo-Pacific accounts for over half the world's population and 58 percent of the world's youth, it is important to provide people with skills and resources to participate in the global economy and create conditions for self-reliance. U.S. investment in human capital builds local knowledge of critical issues including infrastructure investment, energy policy, entrepreneurship, and civil society development. The USG works alongside the private sector to improve the lives and well-being of people across the Indo-Pacific. Thousands of U.S. companies operating in the Indo-Pacific uphold a commitment to corporate responsibility and bring their spirit of innovation and entrepreneurialism to the region.

Mission Objective 4.1: Strengthen public health capacity to achieve more sustainable health outcomes.

Justification: The Mission is dedicated to strengthening public health capacity in the nations of PNG, Solomon Islands, and Vanuatu so they may become more productive and economically stable. These nations consistently have poor health indicators and health systems that are inadequate to meet the needs of the population. In PNG, in particular, the leading causes of mortality are perinatal conditions, pneumonia, malaria, TB, meningitis, heart diseases, diarrhea and diseases of the digestive system. PNG has the largest number of people living with HIV (48,000) in the Pacific. HIV is concentrated in the Highlands Region and in the National Capital District (NCD). PNG also has the highest TB prevalence in the Western Pacific Region (and 10th highest globally), with an estimated incidence in 2015 of 432 per 100,000, according to the World Health Organization. Multidrug-resistant tuberculosis (MDR-TB) is also a growing burden. The proportion of TB patients screened for HIV progressively increased from 8% in 2008 to 36% in 2015. In 2018, the World Health Organization re-listed PNG as a polio outbreak country, prompting Australia to impose disease-related travel restrictions on PNG residents. Risks associated with not achieving this objective include disease-related disruptions to travel and trade, diversion of scarce national resources to mitigate the impact of human illnesses, and a heightened human toll among vulnerable populations.

Mission Objective 4.2: Expand human capacity building through increased education and exchange programs, and institutional partnerships.

Justification: PNG's tertiary schools are routinely ranked among the lowest worldwide, while in Solomon Islands and Vanuatu education is not compulsory and difficult to access for remote villages. Papua New Guineans, Solomon Islanders, and ni-Vanuatu are keenly interested in opportunities to study in the United States. Lack of basic infrastructure, high travel costs, and the relative remoteness of all three countries conspire to prohibit travel and exchange opportunities in all three countries. As a result, the workforce generally lacks the knowledge and skills necessary to compete on the global stage and is at potential risk of predatory development and exploitation by larger players in the region.

4. Management Objectives

Management Objective 1: Improve operational effectiveness, strengthen service delivery and human resource capacity

Justification: Port Moresby has historically been challenged with high turnover in local staff, inconsistencies in conforming to Department guidelines in our Management processes, and an inability to achieve uniform service standards in our customer service performance metrics, as measured by ICASS scores. By moving to merit-based compensation and increasing proficiencies in the Department's Standard Operating Procedures (SOPs) and performance metrics, we can build greater capacity and resiliency in our local ranks. We can also increase the effectiveness of our supervisory staff by recruiting more experienced mid-level officers and pursuing more Third Country National (TCN) positions. Lastly, by continuing to improve and reshape our processes to be more compliant to Department and ICASS standards and streamline them with new IT capabilities, we will provide a more reliable, consistent and transparent support structure to assist the Mission in attaining its goals and objectives. Leveraging metrics and educating our internal service providers and customers on their responsibilities in our ICASS processes will greatly improve Management's responsiveness to Mission requirements. Should this objective not be achieved, the Mission risks diverting precious resources into re-creating staff capabilities at the expense of investment in modernization, organizational resiliency, increased retention rates, and customer satisfaction.

Management Objective 2: Expand USG presence in AOR

Justification: OBO continues to make progress on the construction of the NEC with full occupancy slated for late 2021. The move from our current location into the NEC will be Management's most important endeavor in 2021. The NEC will provide state-of-the-art facilities that will allow the Mission to function at its full potential, without the distractions and limitations that exist in our current undersized and outdated facility. The NEC will engender a greater sense of pride in our community, increase the security of our workforce and property and improve the efficacy and efficiency of our operations. The Embassy maintains three government owned residential properties: the Chief of Mission Residence (CMR), the Deputy Chief of Mission Residence (DCR) and the Staff Compound. All three properties are dated (circa 1980s) and require substantial renovations to bring them up to modern standards. Post will continue to work with OBO to find a replacement for the CMR and pursue options for improving the residential pool. Should this objective not be achieved, post's ability to support a growing range of interested agencies, attract talent, and deepen our relationship with the three countries will be compromised.