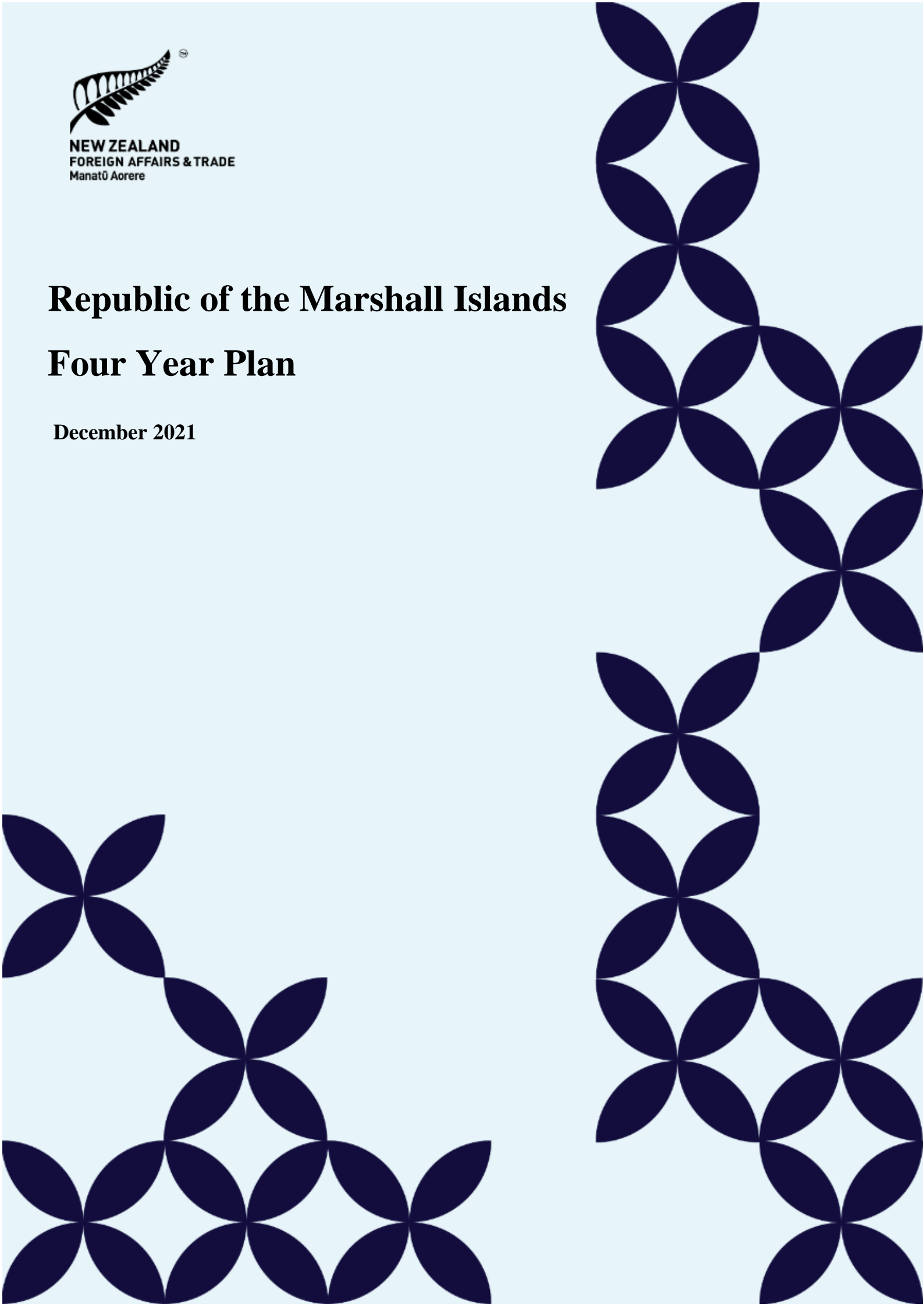
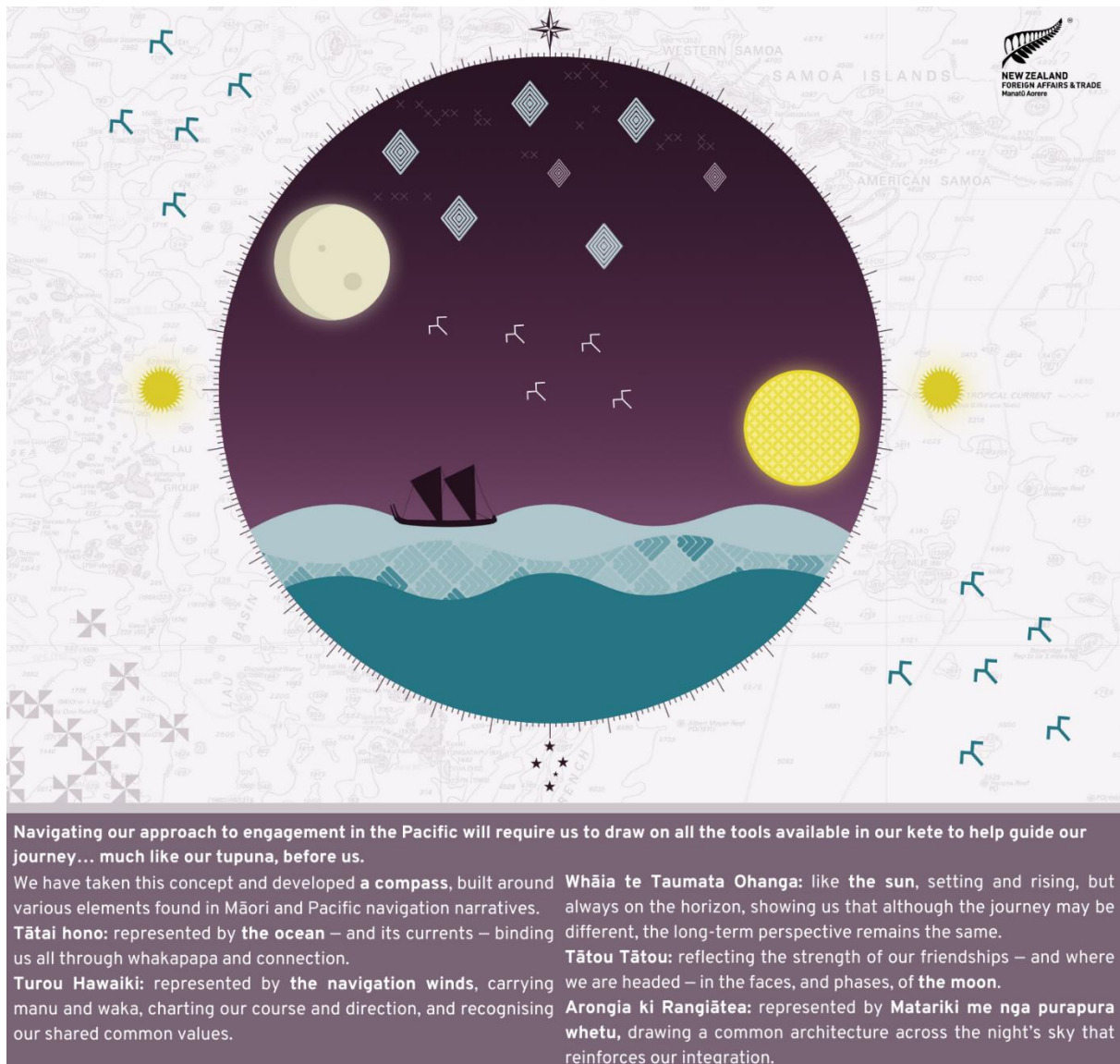


# **Republic of the Marshall Islands**

## **Four Year Plan**

**December 2021**





This document is one in a series of Four Year Plans for Pacific Island countries published by the New Zealand Ministry of Foreign Affairs and Trade. For the latest version please go to [www.mfat.govt.nz](http://www.mfat.govt.nz)

ISSN 2744-7278

#### Crown copyright ©

This work is licensed under the Creative Commons Attribution 4.0 International licence<sup>1</sup>. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms. Any use of flags, emblems, names or words protected by the Flags, Emblems, and Names Protection Act 1981<sup>2</sup> must not infringe any provision of that Act.

For questions on attributing work to the Ministry of Foreign Affairs and Trade please contact: cmd@mfat.govt.nz Phone: +64 4 439 8000 Fax: +64 4 439 8511

<sup>1</sup> <https://creativecommons.org/licenses/by/4.0/>

<sup>2</sup> <https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html>



## Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Four Year Plan (4YP) to guide the planning and management of New Zealand's overall engagement with the Republic of the Marshall Islands, and as a platform for dialogue.

The 4YP is used to bring clarity to what work should be prioritised and to help monitor progress to achieve shared outcomes and strategic goals.

This is a living document that will be refreshed annually to ensure it responds to changes in country context, including impacts of external shocks such as COVID-19.

### An integrated approach

Aotearoa New Zealand pursues an integrated approach to engagement with the Republic of the Marshall Islands. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security, and development objectives to deliver sustainable progress in developing countries, and advance New Zealand's interests and values. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy — it reflects our network of international relationships and commitments, and is an expression of our values.

## Enduring principles for New Zealand's engagement in the Pacific

The **enduring principles** which guide New Zealand's overall engagement in the Pacific region are:

- **Tātai Hono** (The recognition of deep and enduring whakapapa connections):

Shared history and meaningful relationships will shape our engagement, reinforcing New Zealand's depth of connection within the region and increasing understanding of Pacific peoples. These connections can further be enhanced by the shared value of reciprocity, shared national and regional priorities, shared language connections, and the recognition and celebration of the diversity between and within our indigenous values and those of Pacific partners.

- **Turou Hawaiiki** (Navigating together):

Our engagement will recognise that we share common values, and will reflect the unique and substantial overlap with New Zealand domestic policy decisions in respect of the Pacific. The development of New Zealand regional and national policies will actively consider their implications for the Pacific. We will also actively consider the impact on Pacific Island countries from international treaties and agreements that Aotearoa New Zealand is negotiating.



- **Whāia te Taumata Ōhanga** (Journey towards a circular economy):

Our engagement will recognise that the journey we each take is different but our horizon is the same. We will collaborate in support of the Sustainable Development Goals, with the long-term inter-generational perspective these Goals bring consistent with New Zealand's and Pacific Island countries' enduring journey together. We will aim to achieve lasting resilience through Pacific Island countries' enhanced capability to deliver on national and regional priorities through supporting sustainable human, economic, and social development. We recognise each country's mana to determine and protect its own kaitiakitanga.

- **Tātou Tātou** (All of us together):

Our cooperation will be underpinned by the principles of whanaungatanga and friendship, including honesty, trust, and respect. We will listen and have conversations. We will act with predictability, consistency, and based on the values we share as people of the Pacific. We will harmonise our efforts with others. We will confidently share New Zealand's views and perspectives, being clear about the things we will do and the things we will not do. The strength of friendship allows us to communicate openly even when our views differ.

- **Arongia ki Rangiātea** (Focus towards excellence):

We will actively take an integrated approach across each New Zealand Government agency to recognise the centrality of the Pacific. We will amplify our value in the Pacific through encouraging impactful co-investment from actors outside the region, and by supporting regional architecture that reinforces Pacific ownership and priorities.



## Country overview

### Country context

The Republic of the Marshall Islands (RMI), with a population of around 55,000, is built almost entirely on low-lying atolls. RMI gained independence in 1986 when a Compact of Free Association (COFA) with the United States came into force. While RMI is fully self-governing, the COFA treaty provides RMI with considerable economic support as well as visa free access to live and work in the United States. In return, the United States receives exclusive defence access to RMI's surrounding waters and airspace. Negotiations are under way to extend COFA funding provisions beyond the current phase, which is due to end in 2023. Other major development partners for RMI include Japan, Australia and Taiwan as well as the World Bank and the Asian Development Bank.

Like other small island states, RMI has a limited resource base and relies heavily on international support, mostly in the form of grants. RMI has the third largest Exclusive Economic Zone (EEZ) in the Pacific and, excluding COFA funding from the United States, fisheries is its largest source of revenue. Over the past few decades RMI has experienced a clear trend of urban migration, with Majuro and Kwajalein atolls now home to around 75% of the total population. There is increasing disparity between incomes in the urban centres (which depend on the Government and the Kwajalein missile base) and those in the outer islands, where subsistence fishing and farming remain central to daily life.

Climate change is the single greatest threat to RMI's continued development. With an average elevation of only 2 metres, sea level rise is an existential threat to RMI. Changing global temperatures also threaten to bring increased flooding and droughts, and could alter fish migration patterns. Advocacy for strong and decisive global action is a foreign policy priority for the RMI government, and RMI is recognised as a world leader in the fight against climate change.

### The Republic of the Marshall Islands' National Development Plan

RMI's National Strategic Plan 2020-2030 is built around five core pillars: social development; environment, climate change and resiliency; infrastructure; economic development; and good governance. The plan also identifies six cross-cutting issues: outer-island development; resilience; adaptation to sea level rise and climate change; nuclear justice; human development; and security.

### COVID-19 impacts

Early and strict border closures have kept RMI's population free from COVID-19 and, supported by the United States, it was one of the first countries in the Pacific to begin vaccinations.

The economic cost of the border closures has been relatively low compared to Pacific countries whose economies depend on tourism. A GDP contraction of around 1.5% is due primarily to the impact of border restrictions on some fisheries transshipment operations. Remittances from citizens



overseas, which accounted for around 14% of GDP in 2019<sup>3</sup>, are also expected to fall as a result of fewer employment opportunities internationally.

## **New Zealand's partnership with the Republic of the Marshall Islands**

The bilateral relationship between Aotearoa New Zealand and RMI has historically been limited. Aotearoa New Zealand is committed to building deeper connections with countries across the Pacific, and we have made a concerted effort to expand our engagement with RMI over the past few years. We have increased our development work and funding allocated to RMI, which has allowed new investments in renewable energy, fisheries, and oceans related activities, in addition to previous support provided to small-scale economic development activities and through scholarships.

We share a lot of goals with RMI, especially in the area of climate change. The Government of RMI is leading the world in efforts to raise awareness and combat the effects of climate change. Aotearoa New Zealand is interested in strengthening regional solidarity to deliver on climate change ambitions, ensuring the implementation of regional security declarations and amplifying Pacific voices on the world stage. We work closely with RMI through our engagement in regional organisations including the Pacific Islands Forum Fisheries Agency and we have partnered with the RMI on initiatives at the UN and in other multilateral fora.

New Zealand's Consulate General in Honolulu is accredited as the non-resident Embassy to RMI. Our Consulate in Honolulu looks after the overarching North Pacific 4YP, which includes RMI as well as the Republic of Palau and the Federated States of Micronesia. We connect regularly with RMI's Consul General, who is also based in Hawaii. We recently established a new position based in our Consulate in Honolulu to focus on the North Pacific. This position allows Aotearoa New Zealand to concentrate on the relationship with each of the North Pacific countries and supports delivery of our expanded development programme.

---

<sup>3</sup> [Remittances | KNOMAD](#)



## New Zealand's 4YP strategic goals in the Republic of the Marshall Islands

### Strategic goals

**Goal One:  
Enhanced  
regional  
solidarity  
and security**

This goal is about growing and deepening our partnerships in the North Pacific to support the security of the region. In doing this, we recognise the expanded concept of security agreed by Pacific nations in the Boe Declaration which addresses the wide range of security issues in the region, both traditional and non-traditional<sup>4</sup>.

The Pacific is stronger when we work together. Supporting Pacific unity and collaboration on regional and global issues is a priority for Aotearoa New Zealand. Recognising the significant work that others are already doing in the North Pacific, and the limitations of our resources and experience in the North Pacific, we will seek to build collaborative partnerships with key actors in the region. We seek to add value to their work by contributing targeted expertise, and facilitating greater connections across the Pacific in order to achieve better outcomes at a regional level.

**Goal Two:  
Increased  
well-being  
and  
resilience**

This goal is about increasing RMI's ability to cope with external shocks. We recognise the serious threat that climate change poses for RMI's ongoing development and well-being. That is why supporting RMI to better manage the impact of climate change is at the core of our development work in the region.

We want to support the Government of RMI on climate change mitigation, sustainable resource management, and good economic governance. Supporting better economic governance and sustainable management of resources can help reduce fiscal vulnerabilities reinforce transparency and accountability for the use of public resources. Echoing the core principle of the Sustainable Development Goals (SDGs)<sup>5</sup> to leave no one behind, we will also explore ways to ensure that RMI can better address the needs of women, people with disabilities, and other people and groups at risk of being left behind.

<sup>4</sup> The Boe Declaration identifies the following aspects of regional security: *Human Security, including humanitarian assistance, to protect the rights, health and prosperity of Pacific people; Environmental and resource security; Transnational crime; and, Cybersecurity, to maximise protections and opportunities for Pacific infrastructure and peoples in the digital age.* <https://www.forumsec.org/2018/09/05/boe-declaration-on-regional-security/>

<sup>5</sup> The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The 17 SDGs are defined in a list of 169 SDG Targets. Progress towards these Targets is agreed to be tracked by 232 unique Indicators. <https://sdgs.un.org/goals>





## Alignment with RMI's National Development Plan

These goals strongly align with RMI's own development goals, with a particular focus on supporting RMI's goals for environment and climate change, economic development and good governance.

## Specific outcomes linked to our strategic goals

The logic diagram annexed to this 4YP sets out how our strategic goals, which are long term outcomes, drive more specific **medium and short term outcomes**. Aotearoa New Zealand will work towards these outcomes in partnership with RMI.

## Assumptions

In setting out the logic diagram and outcomes, we have made the following **key assumptions** which we will continue to test and monitor during the implementation of this 4YP:

- United States' funding under COFA will be extended, and the United States will remain actively engaged in the region.
- Other key donors will continue to contribute to RMI's development.
- Vaccination strategies in RMI will be successful, allowing resumption of more normal movement of people and economic activity within the next twelve months.

## Risks

We have noted the following **key risks** which we will continue to monitor and develop mitigation measures for during the implementation of this 4YP:

Strategic level risks	Mitigation measures
There are significant delays to restarting travel in the region due to COVID-19 which will impact New Zealand's ability to implement activities using in-country technical assistance and the ability for increased in-person political contact.	We will monitor the situation closely, and continue to explore ways to engage with the North Pacific virtually. We will also maintain flexibility in our development programme, including delivering funding via alternative modalities such as budget support.
COVID-19 enters the North Pacific community.	We will remain in close contact with RMI as well as with key partners in the region, particularly the United States and Australia, in order to understand the latest situation. This will enable us to respond quickly to changing needs and circumstances.

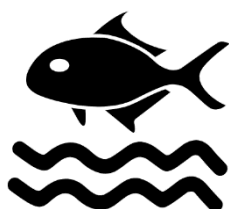




## Key themes supporting these outcomes

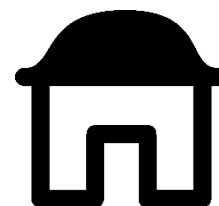
Aotearoa New Zealand has adopted a number of thematic focus areas for its engagement with the Pacific region, recognising that thematic policy, insights and technical expertise are vital to building strong and resilient partnerships. For our engagement with RMI the key thematic focus areas are: **climate and environment**, **oceans and fisheries**, **governance**, and **peace and security**.

The thematic area of **climate and environment** touches on everything that we do in RMI. Without increased action to limit the impact of climate change and protect the environment, there can be no lasting economic, social or political development in RMI. Our work to date in RMI has also drawn on expertise in the area of infrastructure and energy to increase renewable energy production across the country, helping to reduce reliance on fossil fuels.

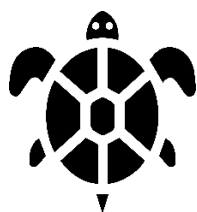


The importance of **oceans and fisheries** to the well-being and livelihoods of the people of RMI drives our engagement in the country. Fisheries is a vital resource for RMI, not only contributing to the national economy but also providing a reliable source of food for many communities. We want to help RMI to safeguard the life-supporting capacity of the ocean, and improve fisheries management in order to ensure that economic growth does not come at the expense of long-term sustainability.

We also draw on wider thematic expertise in the area of **governance**. We use technical assistance to help build capacity within RMI's public service to deliver quality services efficiently and adhere to transparency and accountability requirements.



Thematic expertise in the area of **peace and security** also guides our engagement in the North Pacific. We want to support greater understanding of and capacity to respond to modern security risks, using the expanded concept of security inclusive of human security, humanitarian assistance, environmental security, transnational crime and cybersecurity. Our aim is to help build capability and capacity to keep people and communities in RMI safe, sustain economic prosperity, and support national sovereignty.



Our 4YP strategic goals and outcomes are also supported through non-bilateral programmes such as multilateral, humanitarian and partnerships programmes that may be working outside of key thematic areas identified in this 4YP. Alongside the bilateral programme, non-bilateral programmes have a key role in realising strategic goals and outcomes.



## Achieving development outcomes that are effective, inclusive, resilient and sustained

New Zealand's International Cooperation for Effective, Sustainable Development policy statement identifies four development principles that guide New Zealand's work with partner countries: effective, inclusive, resilient and sustained<sup>6</sup>.

**Effective development** is values driven, partnership focused, adaptive, outcomes focused, and evidence based.

**Inclusive development** addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development.

**Resilient development** strengthens the environment, economy, and societies to withstand shocks and manage crises while protecting future well-being.

**Sustained development** enables lasting progress and is locally owned to uphold results in the long term.

## How we put this plan into action

To operationalise this 4YP and therefore contribute to achievement of agreed goals Aotearoa New Zealand uses a range of actions and works with multiple partners. Across each of our goals we will:

- work to deepen the partnership between Aotearoa New Zealand and RMI
- seek to work in coordination with other key partners and donors, and
- draw on expertise from within and across New Zealand Government agencies to operationalise our plan.

New Zealand's development assistance in RMI is delivered as part of our overarching North Pacific 4YP, which also includes the Federated States of Micronesia and the Republic of Palau. International development cooperation funding for this 4YP is managed over a three year period. Over this period, there is flexibility to move funds into and between 4YPs in order to respond to rapidly changing contexts. Current information about New Zealand's International Development Cooperation appropriation is on the MFAT website<sup>7</sup>.

---

<sup>6</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

<sup>7</sup> <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/>



## Goal One: Enhanced regional solidarity and security

We will seek to deepen our partnership with RMI through increased bilateral engagements, including increased frequency of accreditation visits (border restrictions permitting). We will continue to work closely with RMI when engaging with regional agencies and when working as part of regional programmes. We will look for new opportunities to partner with and support RMI in regional and international fora to advocate for action on shared priorities. In doing this, we will draw on technical and thematic expertise from within MFAT and New Zealand Government agencies.

We will also increase our engagement with regional partners in order to ensure a coordinated and complementary approach. Through our development investments, we will provide targeted support to help RMI implement regional frameworks and agreements, including the Boe Declaration and others that will improve the security of RMI and the wider Pacific region.

### Key indicators of progress

- |  |  |
|--|--|
| <b>Goal One:<br/>Enhanced<br/>regional<br/>solidarity<br/>and security</b> | <ul style="list-style-type: none"> <li>• Increased New Zealand support for multilateral and regional initiatives to work in RMI</li> <li>• Frequency of policy dialogue and high-level engagements between Aotearoa New Zealand and RMI</li> <li>• Mobilised amount of funding per year between 2020 and 2025 accountable towards the USD 100 billion commitment (SDG indicator 13.a.1)<sup>8</sup></li> <li>• Progress against Boe Declaration Action Plan<sup>9</sup></li> </ul> |
|--|--|

## Goal Two: Increased well-being and resilience

Different strands of work contribute to the achievement of this goal: increasing climate resilience, increasing economic resilience, promoting equity and inclusion, and improving governance. We will pursue this through targeted development funding, delivered largely through technical assistance (border restrictions permitting) as this modality has proven effective in the past. Technical assistance will focus on continuing to increase the capacity and capability of fisheries management in RMI, improving economic governance (including through policy dialogue), and developing national strategies and policies to support sustainable and inclusive economic management.

We will also engage closely with the Government of RMI to ensure that our support meets RMI's particular needs and context.

<sup>8</sup> See also Climate Finance in the Paris Agreement. <https://unfccc.int/topics/climate-finance/the-big-picture/climate-finance-in-the-negotiations>

<sup>9</sup> <https://www.forumsec.org/2018/09/05/boe-declaration-on-regional-security/>



### Key indicators of progress

- Goal Two: Increased well-being and resilience**
- Increased proportion of fish stocks within biologically sustainable levels (SDG indicator 14.4.1)
  - Increased share of renewable energy in the total final energy consumption (SDG indicator 7.2.1)
  - Increased proportion of national exclusive economic zone managed using ecosystem based approach (SDG indicator 14.2.1)
  - Increased primary government expenditures as a proportion of original approved budget, by sector (SDG 16.6.1)
  - Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions (SDG indicator 16.7.1)

### How we assess progress against this plan

We report back on progress towards our goals in the Pacific overall via MFAT's Annual Report<sup>10</sup>. In addition, we report back on this plan to the Government of RMI through regular officials' level engagement. This not only gives us an opportunity to discuss what has been achieved in partnership but also to test whether our plan remains fit-for-purpose or we need to change anything.

Shared progress against the key indicators listed for each strategic goal helps us to monitor progress at the highest level. We also support and use country-owned statistics and data to monitor progress at the macro level and therefore will not develop a separate country-level measurement framework. In addition, we monitor and evaluate our development activities to ensure their effectiveness and ongoing strategic alignment. The results and any lessons learned from this process are compiled annually and fed into an Annual Reflection discussion and report on progress against the 4YP outcomes. This in turn informs the annual updates of the 4YPs.

Every 6-8 years we will commission an independent evaluation of MFAT's overall engagement in RMI in partnership with the Government of RMI. This evaluation, which will consider progress against outcomes, the challenges and any lessons learned, will inform continued improvement.

### For further information

Aotearoa New Zealand is represented in the Republic of the Marshall Islands by the Consulate-General in Honolulu, Hawaii. Contact details are available on the MFAT website<sup>11</sup>. To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at [www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/](http://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/)

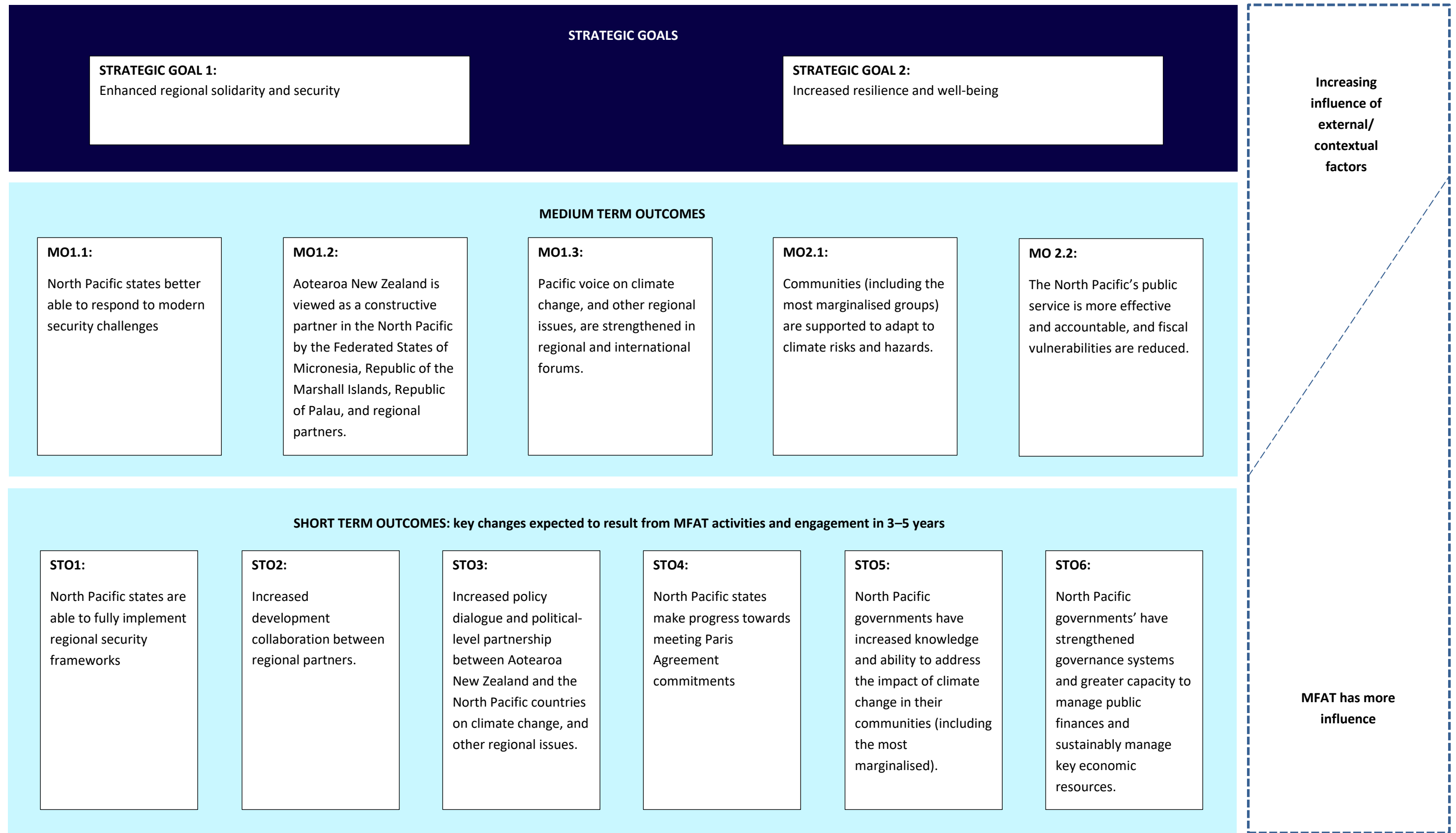
<sup>10</sup> <https://www.mfat.govt.nz/en/about-us/mfat-annual-reports/>

<sup>11</sup> <https://www.mfat.govt.nz/en/countries-and-regions/americas/united-states-of-america/new-zealand-consulate-general-honolulu-hawaii/>





## Appendix: Logic diagram for North Pacific 4 Year Plan<sup>12</sup>



<sup>12</sup> MFAT's North Pacific Four Year Plan encompasses our work in the Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands.