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SOLOMON ISLANDS

The year 2013 was another trying one for Solomon Islands, with some promising developments and also problematic hangovers from 2012. In the region, national leaders participated in the discussions and activities of the Pacific Islands Forum, the South Pacific Community, and the Melanesian Spearhead Group (MSG). Nationally, the ruling government reiterated its areas of policy emphasis, formally established a national university, commenced the formal transition of the Regional Assistance Mission to Solomon Islands (RAMSI), and initiated reconciliation efforts in parts of the country, albeit amidst criticism and a range of controversial decisions.

One of the memorable and positive events of 2013 was the country's

hosting of the South Pacific Pageant, which brought in ten contestants from neighboring Pacific Islands to vie for the South Pacific Queen crown. The contestants brought to the forefront issues facing contemporary Pacific societies. Notably, they all highlighted the widespread concern for domestic violence and its impacts on women, children, and society in general; as the Fijian contestant declared, it “is not acceptable” (ss, 15 Dec 2012). Solomon Islands was honored to host such an important regional event, and Deputy Prime Minister and Minister of Home Affairs Manasseh Maelanga reiterated this in his speech welcoming the contestants by stating that “events like this bring together people from the Pacific to the Solomon Islands and reinforce our image as the Hapi Isles” (ss, 2 Dec 2013).

Fiji Prime Minister Voreqe Bainimarama was the guest of honor during the country’s thirty-fifth anniversary of independence on 7 July 2013. This gesture showed the closeness of Solomon Islands and Fiji as Melanesian neighbors; moreover, it was a statement of their solidarity in the Melanesian Spearhead Group, where Solomon Islands and Fiji have stood by each other’s side during times of trouble. The message behind Bainimarama’s selection might have been directed at the bigger countries in the region and those outside of the MSG family who were not very happy with the Fijian prime minister and his path to power. Prime Minister Bainimarama boldly affirmed the countries’ close relationship by saying, “We are now working with our Melanesian partners—including Solomon Islands—to build a new and better region in the

South West Pacific, a stronger region with more economic clout and a louder voice in global affairs” (Fiji Government 2013). There were concerns locally about the cost of hosting Bainimarama and his delegation on his trip. Just the vehicle that was purchased for Bainimarama’s use cost taxpayers approximately US\$41,340 (ss, 9 July 2013). (One US dollar is approximately S1\$7.27.) Nevertheless, this invitation and visit by Fiji’s prime minister demonstrated the genuineness of the two countries’ relationship. To some extent, such visits boost Solomon Islands’ image. As Dorothy Wickham told Radio New Zealand (10 July 2013), Bainimarama noted that some ordinary, rural Solomon Islanders have expressed admiration for some of his policies.

Another noteworthy visit was that of King Tupou VI of Tonga in his capacity as chancellor of the University of the South Pacific (USP) to award certificates, diplomas, and degrees to 146 graduates at the USP Solomon Islands Centre in September. It was an important event, as the king represented both his country and the Pacific’s regional university. As with Bainimarama’s visit, people were happy that another neighboring Pacific Island leader visited the country and that King Tupou VI took time to share the experiences of Tonga and the university community with his subjects living in the country as well as with various government dignitaries, including Deputy Prime Minister Maelanga (*USP Beat*, 11 Oct 2013). The significance of this visit is that Solomon Islands continues to benefit from regional cooperation arrangements and is working closely with

other Pacific Island states on what matters to its people.

The year 2013 also celebrated hidden successes achieved by local and ordinary Solomon Islands businesses. Although these were not very well covered by the local media, there were certain positive changes throughout the country that are worth acknowledging. These are achievements in communities, spearheaded not by political leaders but by visionary Solomon Islanders and community groups in their own ways. One such success that stood out was the purchase and commissioning of a third interisland cargo and passenger vessel by the Isabel Development Corporation (IDC) to service the local population and other remote provinces (IDC, 11 March 2014; SIBC Online, 12 Feb 2014). The Isabel Province-based shipping company has grown steadily since its establishment by visionary leaders forty years ago.

Another commendable success celebrated in 2013 was the move by the Guadalcanal Plains Landowners Association (GPLA) to venture into tourism development. It has long been noted that landowning groups in the country do not always invest money from their resources for sustainable revenue. Indeed, since the establishment of Solomon Islands Plantations Ltd in the late 1960s, landowning groups rarely invested their money in profitable businesses but rather shared it among themselves for consumption. This changed with the emergence of visionary leaders in the group after the civil strife of 1998–2003. The establishment of the GPLA in 2005 saw the diversion of shares by landowners into worthwhile undertakings and invest-

ments. In late 2012, the landowners shared dividends to the tune of S\$15 million from their investments—the first return of investment of its kind by landowning groups in the country (SS, 14 Dec 2012). In 2013, the GPLA ventured into the tourism industry by purchasing their first motel/hotel to run, providing a positive model for other groups in Solomon Islands to emulate in order to ensure that services and sustainable revenues are offered to their own people.

The year closed with the nomination and knighting of Paul Tovua in recognition of his service to the nation (SS, 6 Jan 2014). Sir Paul Tovua was recommended for knighthood in 2013 and was appointed Knight Commander of the Order of St Michael and St George during the 2014 New Year's awards, a fitting award for a leader and statesman who struggled to bring peace back to the country. Sir Paul was a former member and Speaker of Parliament and chair of the Peace Council, among other positions in which he served the welfare of citizens.

On the political front, the age-old game of finger pointing and accusations of corruption and unethical decision making continued to feature prominently in both provincial and national politics. In Malaita Province, Premier Edwin Suibaea was accused of weak leadership and poor financial management, leading to the resignation of two ministers in March (SS, 4 March 2013). Suibaea managed to defer a motion of no confidence at the time, giving him the opportunity to secure enough support to continue ruling (SS, 29 April 2013). Guadalcanal Province has struggled with

an unstable government since 2012. In September 2013, eight executive members resigned from the Stephen Panga-led provincial government (SS, 25 Sept 2013). With some delaying tactics and persuasion, three members joined Panga's camp in early 2014, although Panga's deputy also resigned (SS, 10 Jan 2014).

Political wrangling also occurred at the national level. Throughout the year, the opposition group in Parliament and civil society organizations accused the government of making unethical decisions on certain issues, including the diversion of landowner royalty funds by various government ministries as well as compensation claims from former Attorney General Julian Moti. From the royalty funds, a total of “[S1]\$3,704,602.53 was paid to the Guadalcanal provincial government, in cash, between 13th February 2013 to 3rd May 2013” (SS, 11 July 2013). The question was why such funds were paid outside of the provisions of the Mines and Minerals (Royalties) Regulations 2011 (SIG 2011). Prime Minister Lilo stepped in and vowed to pursue the culprits, appointing a task force to investigate the issue (SS, 26 Sept 2013). To date, little has been done to catch those responsible.

A decision made in 2007 by the governments of two former prime ministers, Manasseh Sogavare and Derek Sikua, also returned to haunt the Solomon Islands government in 2013: the Moti affair. The current Lilo-led government was reportedly making contact with deported former Attorney General Julian Moti to settle his claims out of court. The government, together with Sogavare, strongly felt that Moti should be compensated

and that the national government is obliged to pay. The ruling government sent current Attorney General Billy Titiulu to negotiate directly with Moti on how to settle the claims (SIBC, 24 Dec 2013). Opposition leader Derek Sikua, however, disagreed with the out-of-court settlement, saying that “any claim for compensation in relation to Mr Moti’s 2007 deportation should be made through the courts” (SIBC, 28 Jan 2014). Meanwhile Andrew Muaki, a lawyer and former government advisor, pointed out that no Solomon Islands court has declared Moti’s deportation illegal and therefore the government is not obliged to compensate him (SS, 17 Jan 2014). The government could have settled the issue out of court, but with criticism from the wider community, the issue is being sidelined, at least for the time being. This will likely return as an issue during the 2014 national election.

The Solomon Islands government was able to realize its long-term dream of having its own university in 2013. The Ministry of Education and Human Resource Development introduced a bill in Parliament (SIG 2012) that changed the name of the Solomon Islands College of Higher Education (SICHE) to Solomon Islands National University (SINU), amending the SICHE Act of 1984 (SIG 1984). The move was met with both criticism and praise. Some congratulated the government on this achievement, though critics mostly pointed to the lack of trained manpower, financial resources, and will to complete the transition from SICHE to SINU.

Barely a year after SINU’s founding, critics’ fears began to be seen as well

founded. The government was reportedly faced with financial difficulties, which resulted in its failure to meet its obligations toward SINU in 2013. The university management was left to deal with student demonstrations over late payment of their allowances and was even forced to ban students from the dormitories if they didn't pay their fees (SIBC, 7 Feb 2014). It should be stressed that over the years, successive governments have made it a practice to provide full scholarships to students doing teacher training and nursing health studies at SICHE as well as to other students in regional universities in Fiji and Papua New Guinea, and even those in Cuba. Otherwise, they face tremendous difficulty in paying tuition and fees and supporting themselves and their families on the student allowances. The move to ask students to pay a certain percentage of their tuition and fees was met with mixed feelings. This year, SINU students were still calling on the Ministry of Education and Human Resources Development and their respective members of Parliament to pay their fees and other essential education costs (ss, 7 Feb 2014). Indeed, the recent decisions by the government to award education fees to members of Parliament exacerbated the "waiting for a free handout" mentality on the part of the students.

At the primary and secondary school levels, teachers and the government were at loggerheads throughout 2013. The teachers staged a sit-in protest to force the government to look at an overdue pay increase following a salary adjustment (ie, a re-leveling exercise) that had been agreed to in 2011 (STO, 7 Dec 2011). The strike was resolved with the intervention of

the Ministry of Education promising teachers that their past-due increases would be paid through a S\$38 million fund approved by government (ss, 5 Feb 2013). But the government failed to meet the stated deadline, and throughout 2013 the relationship between the state and teachers continued to be a thorny one. The education sector faced a lot of difficulties with its administration and came under much criticism for failing to live up to agreements with the teachers' association. All national examinations were delayed until November 2013, which ultimately delayed the start of the 2014 school year, progression of students to high classes, and the selection and sending of new students to regional universities (ss, 5 Nov 2013).

The law-and-order situation in Solomon Islands continued to be fragile, although it has greatly improved compared to the tense period of 1998–2003. In 2013, RAMSI announced its transition away from playing a leading role in the three pillars of its intervention: law and order, governance, and development. These functions are now slowly being returned to the Solomon Islands government and its institutions. RAMSI's transition was initiated ten years after the intervention began in 2003. Speaking at the official commencement of the transition phase, Secretary-General of the Pacific Islands Forum Tuiloma Slade stated: "Solomon Islands is now a secure and stable country, open for business and its people free from intimidation" (RAMSI 2013, 1).

There are mixed feelings in Solomon Islands about the transition, but there is nothing much that the people

or their government can do to halt it, as the decision to proceed was made by Australia and New Zealand, the main sponsors of the intervention project. Part of local skepticism is attributable to the uncertainty over the Royal Solomon Islands Police Force's readiness to take on the role of policing. However, the police did some things well in 2013. For instance, with the help of the people of the Weather Coast of Guadalcanal, the police recaptured three prison escapees who were closely associated with the warlord Harold Keke at the height of the tensions (ss, 8 Nov 2013). The escapees were apprehended after months of terrorizing their own people of South Guadalcanal. Police also attended to many other crimes around Honiara and throughout the other nine provinces. Unfortunately, Edmund Sae, a fugitive who has been on the run since the arrival of RAMSI, has yet to be captured on Malaita. Malaitan communities did not cooperate with the police for fear of their own lives. In his New Year's speech, Solomon Islands Governor General Frank Kabui called on Mr Sae to do the right thing and give himself up to police (ss, 6 Jan 2014). It should be pointed out that the possibility of another amnesty recently proposed by Prime Minister Lilo might just serve to encourage wanted criminals like Sae to keep holding on to their guns.

There is also public concern over the delay in appointing a new police commissioner. In late 2013, five individuals were shortlisted for the post. One name was selected and forwarded by the Police and Prison Service Commission to the Prime Minister's Office in a formal recommendation to the

governor general for appointment. Unfortunately, the person appointed was disqualified because of an age limit. This did not sit well with some groups in Solomon Islands, especially the Malaita Maasina Forum (MMF), which alleged that Prime Minister Lilo already had a person in mind, resulting in the disqualification of the recommended candidate. Although not substantiated, the MMF continues to accuse the Prime Minister's Office during the latest round of the search for a new police commissioner (SIBC, 26 Feb 2014), despite the urgent need for a commissioner to enhance the people's trust in police leadership and the force.

The failure of the government to officially release the 2012 report by the Truth and Reconciliation Commission on the roots of the ethnic tensions continued to confuse people in 2013. A version of the report was leaked and there is no indication when the report will be officially made public. Meanwhile, the reconciliation between the people of the Weather Coast and the government was criticized as selective and insensitive (SIBC, 17 Dec 2013). Hardy Kona, a critic of the government in this particular effort of reconciliation, stated that "reconciliation must be fair and inclusive otherwise it would only be disadvantageous and discriminatory" (SIBC, 17 Dec 2013).

In Honiara, the basic demands of city living continue to be problematic. City dwellers continue to experience water and electricity shortages and traffic congestion. In 2013, a Parliamentary Task Force was set up to look into the ever-increasing transport congestion in Honiara and the subsequent "short bus routes" taken by buses.

Because of short routes, some passengers are forced to take more than one bus to get to their destination, and a trip that used to cost S1\$3 may now cost as much as S1\$15. The task force consisted of all members of Parliament, and a report was produced after several consultation meetings. The task force recommended various strategies to address the short bus routes that adversely affect the Honiara traveling public (National Parliament of Solomon Islands 2013). Although the cabinet has yet to deliberate on the recommendations, the continuous insistence by bus owners to exploit the general public of Honiara must be addressed, and government intervention is needed. Whatever the outcome, this issue will continue to be a matter for deliberation in 2014.

On the regional, subregional, and international fronts, one of the critical issues for Solomon Islands was its lack of a clear position on the independence movement for West Papua. The country was accused of having a double standard when it came to discussing the issue in various forums. Unlike Vanuatu, the position of Solomon Islands was not obvious at the United Nations General Assembly. Prime Minister Lilo was also accused of following the wishes of the Indonesian government when a Solomon Islands delegation allegedly used Solomon Islands government funds to pay for a trip to Indonesia, despite Lilo's claiming that the trip was fully funded by Indonesia. After protests by the public and in the media about the value of spending taxpayer dollars on the trip, the Indonesian government reportedly refunded the monies. Reports confirmed that funds were received from

somebody within Indonesia, although whether the source of the refund was actually the government of Indonesia could not be determined (ss, 22 Aug 2013). Earlier in the year, Solomon Islands was again accused of blindly following the interests of Fiji during the Melanesian Spearhead Group's trip to Indonesia. The trip resulted in much criticism of the MSG, and a proposed meeting to decide on the MSG's position on West Papuan membership in the organization was delayed. Vanuatu withdrew from the MSG delegation, indicating where it stands on the issue (Radio New Zealand, 13 Jan 2014). West Papua will likely continue to be featured in MSG discussions in 2014.

Issues related to land and economic development continued to be featured throughout 2013. The tensions over environmental threats and pollution by the Gold Ridge mine on downstream and surrounding communities appeared sporadically throughout the year. Media statements, roadblocks, and strikes indicate that there are differences to be sorted out between the company, the state, and affected communities on these various concerns. Similar incidents and disruptions to logging companies occurred in other parts of the country. Disagreements with extractive industries continue to trigger conflicts among community members and companies. In Temotu, a church leader and his followers destroyed a logging company camp after all their attempts to ask the company to stop logging failed to bear fruit throughout the year (ss, 8 Jan 2014). The destruction was estimated at S1\$1.1 million, and the perpetrators were arrested and charged (ss, 8

Jan 2014). Similar incidents happened in Malaita and Isabel provinces in 2013. The increased incidence of such actions by community groups should serve as a warning that landowner concerns must be attended to when there are initial signs that the community and company disagree. Land issues also frustrate the government's development efforts: the government's program on economic growth centers was stymied by land disputes and disagreements. In order for such and similar undertakings to proceed, landownership and disputed area issues must be addressed.

The year 2013 saw the government rearticulate its priorities and what it hopes to achieve during the remainder of its term. Toward the end of the year, Prime Minister Lilo put out a list of priorities that his government will pursue in 2014 (SIBC, 22 Jan 2014), ranging from the forthcoming general elections to multilateral cooperation (OPMC, 21 Jan 2014). The irony is that the national general election will be held in late 2014; why the government only came out with its priorities toward the end of its tenure leaves much to be desired, and one only hopes that at least one of its priorities is achieved before the national elections.

At the close of 2013 and the beginning of 2014, international reggae bands and artists visited Solomon Islands. Julian Marley, the son of reggae king Bob Marley, visited the country and put on a show. Unfortunately, it was marred by stone-throwing fans who were unable to make it into the concert area, resulting in police and youth casualties (STO, 23 Dec 2013). In early 2014, Shaggy (Orville Rich-

ard Burrell), another world-renowned artist from Jamaica, visited Solomon Islands. The show had no incidents of bad behavior, in contrast to the Marley performance (STO, 4 Feb 2014). Both of these stars sang songs about love, oppression, politics, and people. One was a very peaceful show while the other resulted in casualties. These disparate outcomes may be an indication of the uncertainty and mixed reactions of Solomon Islanders as they await the results of the 2014 general elections and the RAMSI transition. Whatever happens, time will tell the status of the country's social, economic, and political situations in 2014.

GORDON LEUA NANAU

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VANUATU

This analysis covers a two-year period—2012 and 2013—that encompasses national elections in late 2012 and the eventual change of government the following year. As 2012 began, however, moves by the Opposition, led by Edward Natapei, to bring down the Kilman-led government had all but ceased, while rivalry within and between political parties increased as individual politicians sought to position themselves in anticipation of the national election, which was expected in October. At the same time, allega-

tions of corruption within the government increased to unprecedented levels related to misuse of funds, shady land deals, questionable dismissals of public service officials, and the unexplained death of the minister of infrastructure and public utilities, Harry Iauko, rumored to be related to the arrival in Port Vila harbor of a mysterious super-luxury yacht, the *Phocea*, and its detention by the government due to fraudulent ownership documentation.

One of the hottest issues during 2011, which was not completely resolved by the end of that year, was ratification of Vanuatu's bid to join the World Trade Organization (WTO). The government introduced a bill in Parliament in December and, despite opposition by most of the major non-governmental organizations such as the Malvatumauri (National Council of Chiefs), Chamber of Commerce, Vanuatu Christian Council, and Vanuatu National Workers Union, it passed by a vote of 25 in favor, 20 against (including that of Minister of Justice Ralph Regenvanu), and one abstention (Van Trease 2012). The bill, however, remained unsigned by the president, His Excellency Iolu Johnson Abbil, who had gone overseas for health reasons as the year ended. The acting president (the deputy speaker of Parliament) explained that he could not sign the bill, as the president had left instructions that he would not assent to WTO ratification if it was unconstitutional, which had yet to be determined (*VDP*, 17 Jan 2012).

According to the Vanuatu Constitution, "when a bill has been passed by Parliament it shall be presented to the President of the Republic who shall assent to it within 2 weeks." Other-

wise, if the president considers that the bill may be unconstitutional, “he shall refer it to the Supreme Court for its opinion. The bill shall not be promulgated if the Supreme Court considers it inconsistent with a provision of the Constitution” (chapter 4, article 16 [3] and [4]). On his return to Vanuatu in mid-January, however, the president did not act on the bill, and the government was forced to bring a constitutional case against him. In his judgment, Chief Justice Vincent Lunabek noted that the president had not assented to the bill, nor had he referred a case to the Supreme Court in accordance with article 16 (3) and (4) of the constitution. In response to the government’s case, the president expressed his concern about what he viewed as the “considerable lack of consultation, as expressed by the public before the bill was passed by Parliament.” The president was expressing his disapproval of the bill rather than seeking a judgment on its constitutionality—in effect, posing the question of “whether or not the president can refuse to assent to a bill.” The chief justice, however, made it clear in his judgment that under the constitution the president did not have the power to refuse to sign a bill—only to refer a constitutional question about the bill to the Supreme Court within two weeks of the bill having been presented to him. The president’s inaction constituted a “failure of omission” on his part under the constitution, and he was, therefore, “invited to assent to the Bill for the Protocol on the Accession of Vanuatu (Ratification) Act No. 19 of 2011 by signing the copies of the Bill” (Supreme Court 2012; *VDP*, 23 June 2012).

While it took until June 2012 for the issue of Vanuatu’s membership in the World Trade Organization to be completely resolved, there had been a significant political casualty in January following the vote in Parliament the previous December. Having voted against the bill, Ralph Regenvanu was terminated as minister for justice by Prime Minister Kilman and replaced by Charlot Salwai, member of a new breakaway group from the Union of Moderate Parties (UMP) who called themselves the UMP for Change (UMPC). In his termination letter, Kilman criticized Regenvanu for his “continued actions and support for issues that have been contradictory to the collective policy decisions of the Council of Ministers . . . [which] raised serious questions of loyalty within the Council and members of the government coalition” (*VDP*, 17 Jan, 18 Jan 2012).

Regenvanu expressed disappointment at his termination in a long interview reported in the *Vanuatu Daily Post*, describing how he had supported Kilman continually since the 2008 election and by joining the coalition in December 2010. He agreed that he had not supported the WTO bill, nor the controversial appointment of Thi Tam Goiset, member of the well-known Dinh family, the previous December as roving ambassador to Russia (*VDP*, 3 Jan 2013). Likewise, he pointed out that he had opposed and was the only member of Parliament (MP) to vote against the government bill to increase salaries and benefits of politicians and had publicly expressed his opposition to the purchase of new vehicles for several ministers. At the same time,

Regenvanu described the significant results he had achieved while heading three different ministries during the previous year (Ni-Vanuatu business development, lands, and justice). On the positive side, Regenvanu noted that he was now free to practice the policy that he had espoused while campaigning in the 2008 election: “to provide a role model for good leadership as an MP and a national leader” and to focus on preparing the candidates of his *Graon mo Jastis Pati* (GJP, land and justice party) to contest the national elections at the end of 2012 (VDP, 19 Jan 2012).

While Vanuatu’s membership in the World Trade Organization was finally resolved and did not feature prominently in the coming election debate, several other issues from the past spilled over into 2012. The status of West Papua continued to concern many Ni-Vanuatu—representatives of the Free West Papua movement have had an office in Vanuatu since the early 1980s. Prime Minister Kilman’s decision in April 2011 to side with Fiji’s strongman, Frank Bainimarama, to support granting observer status to Indonesia in the Melanesian Spearhead Group (MSG) was very controversial and elicited numerous articles and letters to the editor condemning the move as a betrayal of Vanuatu’s Melanesian brothers and sisters in West Papua (Van Trease 2012, 428). The Kilman government had also negotiated a Development Cooperation Agreement with Indonesia that concerned the leader of the *Vanua’aku Pati* (VP), Edward Natapei, because it recognized Indonesian sovereignty over West Papua and stated specifically that the two signatory countries

must not interfere in each other’s internal affairs. Natapei declared in February 2012 that any future government of which the VP was a part would review the agreement (VDP, 3 Feb 2012).

Despite strong protest from various elements of the community, Kilman pressed on with his new strategy to engage with Indonesia. In May, he met the Indonesian ambassador to Vanuatu in Port Vila to discuss possible police and paramilitary training, and the next day an Indonesian military plane arrived loaded with promised aid, including computers, tractors, and other vehicles. That afternoon, a peaceful demonstration at the airport by pro-West Papuan youths resulted in police arrests, to the dismay of many Ni-Vanuatu, who viewed support for West Papuan independence as an established policy of the government. A spokesman for the Kilman government responded by saying that after thirty years of failing to change the situation it was time for Vanuatu to try a new strategy of engagement with Indonesia (VDP, 15–19 May 2013). As the election approached, there were suspicions that Indonesia was funneling money into Vanuatu to support particular politicians (VDP, 28 Sept 2012).

The politics of land in Vanuatu is another issue that never seems to be resolved. Numerous land disputes were reported in the daily press during 2012, usually about custom ownership related to proposed leasing to foreign investors. The ongoing problem is that, under Vanuatu law, the minister of lands had been given the right to grant a lease in any cases in which land was disputed, the proceeds to be

held in trust until the rightful custom owner(s) could be determined. It is not uncommon for disputes to be invented when an investor is unable to persuade Ni-Vanuatu landowners to grant a lease (*VDP*, 11 Jan, 24 Feb, 4 July 2012). Calls to take away the minister's power to grant leases under such circumstances have been made for a number of years—this was one of the twenty-one resolutions of the Vanuatu Lands Summit, held in 2006—but no government since that time has had the courage or inclination to act, and, as a result, widespread dissatisfaction continues among Ni-Vanuatu landowners and chiefly authorities (*Malvatumauri* 2006).

Of even greater concern during 2012 was the increasing practice of the minister of lands to approve the sale of state land under value and without tender (*VDP*, 31 March, 4 April 2012). The usual sequence of events was for the land to be sold to a Ni-Vanuatu friend or associate at a low price, who then sold it on to a waiting buyer at a much increased price, pocketing the profit and, it is commonly believed, sharing it with the minister concerned (*VDP*, 2 April 2012). This practice has been occurring for years and led to a Council of Ministers' decision in 2010, when Natapei was prime minister, declaring "that there will be no more sale of state owned land assets," but the practice continued unabated under the Kilman government and is illustrative of the increase in the level of corruption experienced in Vanuatu (*VDP*, 13 April 2012).

Although the Prime Minister's Office also announced in June 2012 that it would no longer tolerate the sale of state assets, the practice

persisted, reaching a new level during the last few weeks before the election when Minister of Lands Steven Kalsakau instructed the director of lands to allocate state land in Luganville and Port Vila to staff in the Department of Lands at grossly reduced values (*VDP*, 12 Sept, 21 Sept 2012). The Land Management and Planning Committee announced in early October that it had approved forty urban land leases for Lands officers in Luganville, many of which involved existing leases that the Department of Lands had canceled due to the failure of lessees to pay their land taxes (*VDP*, 17 Oct, 19 Oct 2012). With the election only a few days away and the outcome uncertain, the minister of lands urged the acting director of lands to "organize this as a priority and forward all certificates and leases to me for approval" (*VDP*, 24 Oct 2012).

Relations between Vanuatu and Australia took a surprising turn for the worse in late April 2012, when Australian Federal Police (AFP) arrested Clarence Marae, the private secretary in the Prime Minister's Office, at Sydney Airport as he transited with the prime ministerial delegation, who were on a trip to Israel. According to Australian authorities, he was arrested over a matter that had occurred ten years earlier in which he, along with Australian nationals operating in Vanuatu, was alleged to have been involved in activities to defraud the Commonwealth and for which a warrant of arrest had been issued. Marae was subsequently transferred to Brisbane, charged with one count of conspiracy to defraud the Commonwealth, and confined to jail without bail.

On his return to Vanuatu, Prime Minister Kilman protested at the way in which the incident had occurred and demanded an apology from Australia. The prime minister's party had been shuffled into the immigration hall instead of the VIP lounge, as is the normal procedure, and at that moment, the AFP arrested Marae. Reactions in Vanuatu were mixed. Some people saw the incident as showing disrespect for Vanuatu's prime minister, while others were less critical. The Nagriamel Movement demanded that the government expel AFP personnel working in Vanuatu as part of the Australian Government's Police Force Strengthening Project. In contrast, Edward Natapei (president of the VP and leader of the Opposition) noted that the AFP had merely been executing a court-sanctioned warrant of arrest, and he criticized the prime minister for engaging someone who had, indeed, previously been convicted for misconduct by Vanuatu courts. However, with no official apology forthcoming, on 9 May 2012, Kilman ordered the AFP to leave Vanuatu within twenty-four hours (VDP, 1-11 May 2012).

As it turned out, the decision to expel the AFP worked to Vanuatu's significant disadvantage by depriving local police authorities of vital support in dealing with a criminal incident involving suspicious international players. On 22 July 2012, twenty police officers took part in a joint operation with Customs, Immigration, and Quarantine officers to board the *Phocea*, a mega yacht that had recently arrived in Vila harbor. After checking Internet sources, police officials reported that the yacht was

“highly suspicious of being involved in smuggling high powered arms, money laundering and breaching related laws of maritime borders” (VDP, 25 July 2012). A court warrant was issued and a search of the yacht discovered numerous documents related to bilateral arrangements and others with forged signatures, which were confiscated. “A substance in a plastic bag that may be opium” was also discovered (VDP, 28 July 2012).

On board the yacht were sixteen crew members, including a Samoan and a Tongan who in March 2012 had been involved in a case related to their obtaining Vanuatu citizenship by false and misleading statements. Both men were arrested and subsequently appeared in court. Tongan police also became involved in the investigation when it was revealed that the *Phocea* had stopped over in Tonga on its way to Vanuatu from Europe via the Panama Canal and that cabinet members had been entertained on board. Internet investigations also found suspicious changes in the yacht's registration and discovered that the yacht had been registered in Vanuatu in 2005 as a diplomatic yacht of Vanuatu owned by Anh Quan Saken, who became a citizen in 2012 and was alleged to have been appointed as Vanuatu consul to Vietnam (VDP, 24, 25, 26, 30 July 2012).

It came as a surprise when the police investigation revealed that the *Phocea* had actually been moored for several days outside the harbor near a small resort without clearing customs and immigration and that at least two government ministers and possibly three other members of Parliament had been on board. Photographs of

the ministers found on board—Minister of Foreign Affairs Alfred Carlot and Minister of Education Marcelino Pipite—confirmed this (VDP, 27 July 2012). They were subsequently charged with and pleaded not guilty to the offence of “boarding before a customs officer—contrary to section 16 (1) CAP257” (VDP, 24 Oct 2012). The case had not been heard even by the end of 2013.

The police investigation had begun to make significant progress in raising questions, if not finding out concrete answers, about the circumstances surrounding the *Phocea* when it was reported that Minister of Internal Affairs George Wells had decided to suspend the head of the Fraud Unit, Andrew Kalman, who was investigating the *Phocea* affair. Initially, no reasons were given for the suspension, except that Kalman was “jeopardizing the case,” but subsequently he was accused of causing delays in the investigation and selling information. Kalman denied all the allegations and was preparing to challenge them in court (VDP, 1 Aug, 8 Aug 2012).

Over the next two months, the captain and crew of the *Phocea* were prevented from leaving Vanuatu while cases were prepared against them for breaching customs and immigration regulations related to their delay in seeking clearance when they first arrived in Port Vila. Most were given relatively modest fines and eventually allowed to depart the country. The circumstances remain unclear, however, how the yacht’s owner, Anh Quan Saken, was able to board a plane within three days of the arrival of the *Phocea*. Clearly, someone in authority facilitated his departure. He was called

to appear in court to face charges with the captain, but he did not return to Vanuatu to do so. Indeed, there were many questions regarding Saken’s true identity and his relationship with Minister of Foreign Affairs Alfred Carlot.

In December 2011, Carlot had appointed longtime resident of questionable character, Thi Tam Goiset, as Vanuatu’s roving ambassador to Russia and other eastern European countries (VDP, 3 Dec 2011). She has been involved in politics for decades and has a reputation for shady activities, having been arrested in New Caledonia several years ago while using a diplomatic passport with no official status and in possession of a number of unexplained passports and VT5 million (One US dollar is approximately 93.5 Vanuatu vatu [VT]). Under her contract, Goiset was not entitled to any remuneration for services rendered but would be entitled to 15 percent of any money granted to the government of Vanuatu as a result of her representations to other foreign government agencies. The *Daily Post* noted that it was ironic that Goiset’s contract came to light physically (a copy was printed on the front page of the newspaper) after Prime Minister Kilman “reiterated his government’s stand against corruption”; the newspaper also noted that Goiset was linked to the decision of Carlot and Kilman in 2011 to recognize the pro-Russian, breakaway republic of Abkhazia (VDP, 3 Jan 2012).

The prime minister’s first secretary, Richard Kaltongga, produced documents alleging that the minister of foreign affairs had also appointed Saken as ambassador-at-large to Peru, Colombia, and the United States as

well as Vanuatu commissioner of trade, business development, and culture for Central America and Panama. Carlot denied the accusations, claiming that the documents were forged, but he did confirm that Saken had made significant financial contributions to the running of the Vanuatu embassy in Brussels. He also recommended that Goiset be removed as Vanuatu's roving ambassador to Russia, but the Prime Minister's Office insisted she remain (*VDP*, 29 Sept 2012). Goiset's involvement with Saken and the *Phocea* remained mysterious at this point, as did the true nature of her relationship with members of the Kilman government. By October, the *Phocea* had become a permanent feature in the harbor, and the affair began to fade somewhat from public view as attention shifted to the national elections scheduled for the end of the month. The yacht had been impounded by the Vanuatu government and would remain so well into 2013.

The Kilman government was significantly damaged by the way it handled the *Phocea* affair and by its involvement in what seemed to be potentially criminal activities. Indeed, the government had developed the reputation of being soft on corruption, whether through the actions of certain of its own ministers or through its lackluster approach to dealing with embedded corruption and incompetence in the public service—a problem, in fact, that has been neglected for years by previous Vanuatu governments. The land issue has already been mentioned, but there were others. In June, Minister of Education Marcellino Pipite signed

a deed of release payment with the director of a local stationery store, for which he had cabinet approval, for the payment of VT17 million, despite the fact that the State Law Office had advised that there was nothing to pay, as the store's claim had been struck down by the Supreme Court several years earlier. The money was reportedly drawn out of funds earmarked under the Teaching Services Commission for outstanding payments to teachers (*VDP*, 8 June 2012). By October, the *Daily Post* reported in front-page headlines that the Ministry of Education had run out of money, attributing the situation to the non-budgeted VT17 million that had been taken out of operating funds, resulting in teachers not being paid and overseas students on scholarships not getting their stipends (*VDP*, 18 Oct 2012).

Another concern among some members of the public, which was attributed to policies of the government, was the increasing number of Chinese workers being allowed into the country. They were mostly employed on construction sites, an area of employment that is reserved for local people, and thus appeared to be taking jobs away from Ni-Vanuatu. The government seemed to ignore the problem, and there was suspicion that special favors were being given to certain local contractors to allow them to recruit foreign workers (*VDP*, 7 Jan, 28 Jan 2012). Likewise, worries surfaced in the country when the government reported that it had established a scheme in Hong Kong to sell permanent resident visas to wealthy Chinese as a source of government revenue and potential investment, with

nearly seven hundred having already been sold by the end of the year (*VDP*, 27 Oct 2012). This is clearly a difficult issue for the government to deal with, as Chinese-Vanuatu relations go back to independence, and the People's Republic of China is a generous aid donor.

Of particular concern has been the government's practice of using its power to dismiss officials for no apparent reason, rather than using established Public Service procedures. In addition to the dismissal of the head of the Fraud Unit investigating the *Phocea*, a series of senior police officers were dismissed without clear reasons being given. For example, there has never been an adequate explanation why Police Commissioner Joshua Bong was "told" to take leave in May and was replaced by Acting Police Commissioner Arthur Coulton (*VDP*, 22 May 2012). The same applies to the suspension of the senior commander south the following month—the minister of internal affairs gave no explanation in response to inquiries (*VDP*, 27 June 2012). Even more confusing was the imprisonment of several senior police officers in late May for "suspicion of inciting a mutiny"—no explanation given—and Bong's reinstatement as police commissioner pending a court challenge (*VDP*, 2 Oct 2012). Within a few days, the Supreme Court struck down the mutiny charges, ten other senior police officers were suspended, and Bong was again terminated as chief of police (*VDP*, 8 Oct 2012).

Several major political parties faced severe problems in the months leading up to the election, mostly related to individual power struggles,

some dating back months or years. In January 2012, tensions that had been building within the UMP since the previous December between longtime leader Serge Vohor from Santo and a younger rival, Charlot Salwai from Pentecost, began to take form. Salwai announced that a group within the party who supported him would be called UMP for Change (UMPC). Evidence of the split became obvious in the following months as individuals declared which group they identified with, culminating in February with two party congresses competing for participants and the Vohor-led faction officially expelling the rebels (*VDP*, 17 Feb, 29 Feb 2012). Following a court case by the Vohor faction, which was subsequently appealed and disallowed, the Supreme Court ruled that Salwai's group could not use the UMP or UMPC name to identify themselves in the coming election (*VDP*, 28 Aug 2012). As a result, Salwai renamed the UMPC as the Reunification of Movement for Change (RMC).

The Vanuatu Republican Party had also experienced a power struggle in 2011, with Alfred Carlot leading a breakaway group from his uncle, the party's founder, Maxime Carlot Korman. Differences continued between Marcellino Pipite and Korman, who attempted to expel Pipite from the party, but this was ruled null and void in a ruling by the appeals court (*VDP*, 12 May 2012). Pipite was subsequently elected president of the Vanuatu Republican Party (VRP), which was confirmed after a court challenge (*VDP*, 30 June, 21 Sept 2012). The effect of this was to sideline Korman, who responded by establishing his own Vanuatu Democratic Party (*VDP*,

24 Sept 2012)—the second time in his political career that he had been forced to take this action. He also made the decision to run as a candidate in the Efate Rural constituency rather than continue to challenge for one of the six Port Vila seats, which he had held since he first entered Parliament in 1979. One positive development for Korman was the decision by the Kilman government to seek his reinstatement in Parliament. He had been stripped of his parliamentary privileges eleven months earlier after being found in contempt of Parliament in 2011 due to unconstitutional rulings he had made as Speaker (*VDP*, 28 Aug 2012).

One of the most significant disputes—the attempt by Tanna MP Harry Iauko to replace Edward Natapei as leader of the Vanuaʻaku Pati—was resolved barely two weeks before the election. The dispute focused on recognition of two competing party congresses held in 2010 on the island of Tongoa—the Iauko faction at Lumbukuti village and the Natapei faction at Panita village—both of which elected executives. Following several last-minute appeals, the court ruled in favor of the Panita congress and Edward Natapei. This meant that Iauko would have to find another name for his group by the time of the election, if he chose to contest separately (*VDP*, 10 Oct 2012). Iauko appealed but was turned down at the last minute. As a result, he went into the election under the name “the Iauko Group.”

During 2012, most of the other major parties—eg, the Peoples Progressive Party headed by Prime Minister Kilman, the Green Confederation

headed by Moana Carcasses, and the National United Party headed by Ham Lini—had been negotiating for support throughout the country, each claiming to have convinced groups from different islands to switch allegiance in their favor. Ralph Regenvanu traveled around the country holding awareness sessions in an attempt to broaden recognition of the GJP. He was its only elected member of Parliament, representing the Port Vila constituency. Two former political strongmen who had been defeated in earlier elections also decided to run again: Barak Sope continued to lead his own Melanesian Progressive Party (MPP), and Willie Jimmy founded a new party, the Liberal Democratic Party. The Nagriamel Movement, which dates back to independence, also expected to field more candidates.

An interesting addition to the political alignment was a new party calling itself the Presidential Party. Its founders, who included several former presidents of the Republic of Vanuatu—Ati George Sokomanu, Kalkot Matas Kelekele, Jean Marie L  y  , and Father John Bani—believed that the way for Vanuatu to overcome the political instability that it had been experiencing since the early 1990s was to replace the Westminster model with a presidential system patterned on that of the United States. They and their supporters attracted a lot of publicity over the four years since the previous election in 2008, and in 2012 they established the Presidential Party as a means of promoting their ideas and bringing about change (*VDP*, 3 May, 21 Aug 2012). While the problem of political instability is indeed very real, the idea of changing the voting system

did not seem to win over many voters. Most people understood their proposals and would have seen changing the voting system as far too radical a solution. The Presidential Party got slightly fewer than three thousand votes in the national election—a mere 2 percent of the total (Vanuatu Government 2012).

The election was scheduled for 30 October 2012, with the campaign set to run from 10 to 27 October, but due to the high interest nationally, campaigning and recruiting of supporters had been going on unofficially for months. Preparations by the Electoral Office began earlier in the year with a voter-awareness program, while the task of updating the electoral roll had been going on regularly at designated times throughout the year.

A major controversy occurred in mid-October, when the Electoral Office published its first list of names of candidates who had qualified to stand for the election, that is, those who had met the requirements as specified under the law in the Representation of the People Act (Vanuatu Sessional Legislation 2006): Vanuatu citizenship, minimum twenty-five years of age, not disqualified from voting, not currently imprisoned or under a suspended sentence not yet ended, and not in bankruptcy. Among those not qualified was the prime minister, Sato Kilman, who had fallen victim to a new requirement, added to the act in 2007, that an individual would be disqualified as a candidate if he or she was “in default of payment of any rates, charges or other debts due to the Government or Government agency” (Vanuatu Sessional Legislation 2007). According to the Electoral

Office, Kilman owed Value Added Tax and rents amounting to VT13 million (VDP, 12 Oct 2012). The following day, the prime minister’s first political advisor, Richard Kaltongga, denied the existence of the debt and threatened the media with “stringent legal controls” to ensure ethical reporting (VDP, 13 Oct, 16 Oct 2012). Within a few days, the Council of Ministers decided to remove the principal electoral officer, Lawson Samuel, and replaced him with the commissioner of labor because of alleged “complications faced by candidates who submitted their names,” which included the prime minister (VDP, 19 Oct 2012). Kilman was allowed to contest the election and won, but newly elected MP Willie Jimmy instituted an appeal in the Supreme Court to clarify whether the prime minister had in fact cleared the debt (VDP, 9 Nov 2012). The court did not make a ruling until February, quashing the petition (VDP, 9 Feb 2013).

There were a few minor incidents at polling stations, but the voting and counting went off without major incident. Nevertheless, a number of political leaders labeled the election as the “worst in history” due to many irregularities in voting—in particular, inaccuracies in the electoral roll (eg, missing names) and alleged fraud relating to proxy voting. In addition, there were alleged widespread attempts to bribe voters during the campaign period and promises of cash to newly elected members of Parliament during the government formation period (VDP, 10 Nov 2012).

The problem with the electoral roll is that it is very difficult to maintain in its present form. Updating is done by

electoral and provincial administrative officers traveling around the islands and through the neighborhoods of Port Vila and Luganville, interviewing individuals and family members. There is no automatic way to remove the names of people who are deceased or to easily amend the registration of people who have changed residence—an increasing problem, as the movement of people in search of employment is on the rise. According to the 2009 national census, Vanuatu's total population was 234,023, of which 143,050 were age eighteen years or older. At the same time, the official count of total registered voters was 192,632—nearly 50,000 more than possible, given the census data (Vanuatu National Statistics Office 2009). The *Daily Post* ran a story with these figures, which elicited a number of letters from the public in response, expressing outrage at the situation (*VDP*, 12 Oct 2012).

The degree of the obvious inaccuracy of the electoral roll cast doubt over the validity of the final election results and, in particular, the problems concerning proxy voting. In Vanuatu, individuals can designate someone in their home islands to vote on their behalf by sending their electoral cards through electoral officials. Given the present registration system, there is no way to check to see whether people have more than one card. It is common knowledge that this is the case; thus double voting is commonplace, which can easily tip an election result one way or the other. Indeed, several of the electoral challenges dealt with by the court after the election involved alleged illegal proxy voting. The severity of the problem faced in

the 2012 election has led the government to seek development assistance to introduce a biometric voting system involving photograph and thumbprints before the next anticipated election in 2016.

The 2012 election continued several trends of previous elections. Beginning in the 1990s, the number of parties and candidates contesting elections has been steadily increasing, splitting the vote to the degree that no single party has been able to win a majority of the seats in Parliament. In 1979, there were 14 parties and 69 candidates, compared to 37 parties and 345 candidates in 2012. The Vanua'aku Pati was able to form majority governments following the 1979, 1983, and 1987 elections, but when the party split in 1991, no single party captured a majority of the votes, leading to the formation of a coalition government. This has been the pattern ever since and is the main factor contributing to Vanuatu's political instability. Likewise, the increase in vote splitting has had a negative effect over the years on the degree of representation in Parliament. The percentage of the total vote won by successful candidates has declined almost every year since independence—from a high of 76.4 percent in the 1979 election to a mere 35.7 percent in 2012—meaning that Vanuatu's Parliament was elected by only a minority of the voters (Van Trease 2005).

To the surprise of many, Sato Kilman's coalition was returned to power, gaining 29 seats versus 23 for the rival alliance led by Edward Natapei, the former prime minister whom Kilman had replaced in a vote of no confidence in December 2010

(*VDP*, 19 Nov, 20 Nov 2012). Of special significance was the gain made by *Graon mo Jastis Pati*—an increase of three rural seats in addition to that held by the party's leader, Ralph Regenvanu in Port Vila. The 2012 election also marked the end of long political careers for two senior politicians—Maxime Carlot Korman (*VRP*), who was elected to the country's first Parliament in 1979, representing Port Vila, and Sela Molisa (*VP*), representing Santo, who was first elected in the early 1980s (Vanuatu Electoral Commission 2013).

The resulting coalition government included Kilman's own People's Progressive Party (6); Green Confederation (3); *Iauko Group* (3); *Nagriamel* (3); *RMC* (3); National United Party (3); *Natatok* (2); Peoples Service Party (1); Vanuatu National Party (1); Vanuatu Republican Party (1); Vanuatu Development Progressive Party (1); Independents (1); and one member of the Union of Moderate Parties (1)—Tanna MP Silas Iatan—who refused to join the rest of his party in opposition. The Opposition, led by Edward Natapei, was made up of his own *Vanua'aku Pati* (8); Union of Moderate Parties (4); *Graon mo Jastis Pati* (4); Melanesian Progressive Party (2); Liberal Democratic Party (1); Independents (3); and National United Party (1)—Tanna MP Mokin Stephen, who refused to join his party in government. Women did not do very well; only ten contested and none were elected. A surprise to many was the election of a *waetman* (white man) as member of Parliament from the island of Epi—longtime resident and naturalized citizen from the United States, Robert Bohn. The first non-

Melanesian to be elected to Parliament was, of course, Prime Minister Moana Carcasses (Republic of Vanuatu 2012).

The issue of corruption in government, which had received ongoing coverage in the media throughout much of 2012 and before, was a major issue in the campaign, as well as the Kilman debt issue and his reversal of Vanuatu's long-standing support for West Papuan independence by allowing Indonesia observer status in the Melanesian Spearhead Group and by signing the Development Cooperation Agreement. Indeed, there had been a strong feeling that Kilman and his coalition partners would be defeated, but the optimism turned out to be a reflection of the political bubble that isolates Port Vila from the rest of the country. Social media played an important role in raising political awareness for the first time, but the outer islands would have been much less connected compared to the two urban centers. The historical difference in degree of awareness of political issues between urban and rural voters was again borne out in the final results. While the Opposition did well in Port Vila, capturing five of the six seats, the government parties actually increased their numbers in the country overall. No Port Vila members of Parliament were included in the new Kilman government (McDonnell 2012).

As is common in Vanuatu, it took time for the final election results to settle down. In early December, the Natapei-led opposition introduced a motion of no confidence in the newly confirmed Kilman government but lacked the numbers to bring about a change (*VDP*, 1 Dec, 11 Dec 2012).

There was much dissatisfaction among the Opposition parties regarding the conduct of the election, with the result that twenty-four electoral petitions were registered with the Supreme Court. Ralph Regenvanu (GJP) was particularly concerned about the large number of proxy votes that were cast and called for the “investigation of allegations that the Principal Electoral Officer Lawson Samuel was transferred out of his post on the eve of the election so that 1000’s of false proxies could be issued to be used in favor of certain caretaker ministers who were facing defeat in the election” (VDP, 3 Nov 2012). Most electoral petitions were not dealt with until 2013, and none of them were successful.

With the election over, attention turned once again to the *Phocea*, which was still anchored in Port Vila harbor. The captain’s case finally came to judgment in the magistrate court, which fined him VT3 10,000 for breaching Vanuatu’s Custom Act. At the same time, the trial date was set for the two ministers who had illegally boarded the yacht before it had cleared immigration and customs, Alfred Carlot and Marcellino Pipite (VDP, 15 Nov 2012). As for the yacht itself, it was still under detention. According to the police, it had been discovered that the members of the crew had forged their qualifications and certificates and were not, therefore, qualified to man the vessel in Vanuatu waters (VDP, 16 Nov 2012). The next day’s front-page story in the *Daily Post*—which reported the discovery of a grounded yacht in Vava’u in Tonga with more than 200 kilograms of cocaine (worth an estimated A\$116 million) and a dead man on

board—was a jolt to the community, given all the rumors surrounding the *Phocea* (VDP, 17 Nov 2012). (One US dollar is approximately 1.08 Australian dollars.)

In early December, efforts by the government to release the *Phocea* failed when Director of Ports and Marine Morris Kaloran ruled that a deed of release signed by Infrastructure Minister Harry Iauko was not in order, that is, it was done without consulting Ports and Marine and thus did not meet the requirements for dealing with such a situation as required by law (VDP, 8 Dec 2012). Three days later, the minister was found dead in a hotel room in Luganville—Vanuatu’s second city, located on the northern island of Santo. The doctor in attendance said that the cause of death was unclear, but no autopsy was performed. Iauko had flown to Luganville the day before (10 December) following the successful defeat by the Kilman government of the no-confidence vote. Rumors of wrongdoing were flying everywhere, with the suggestion that his death was somehow linked to the *Phocea* and a mysterious Southeast Asian—or South American—looking woman at the hotel who allegedly boarded the next morning’s Air Vanuatu flight to Brisbane. There does not appear to have been any police investigation, and nothing further about the death was reported in the media except the government’s expressing sympathy to the family and lamenting the loss of a “man of action” (VDP, 12 Dec, 13 Dec 2012). At the end of December, Prime Minister Kilman authorized the release of the *Phocea*, claiming that there was no longer any legal basis to retain the

yacht. The controversy, however, was far from over. A local lawyer, Less Napuati, had filed a damages claim against the owner of the *Phocea* for forging his signature on official documents, and the yacht was not allowed to leave.

The year 2012 came to an end with many questions yet to be answered about the *Phocea* affair and, indeed, much uncertainty about the future. Would the questionable sale of government land be allowed to continue? Would the arbitrary dismissal of public officials by the government in pursuit of its own questionable agenda continue? Would the blatant corruption and abuse of office that had become so obvious to everyone through the media, which diligently reported despite some threats from government officials, continue without provoking some sort of reaction by civil society? Would the Kilman government be able to hold onto power?

As is normal in Vanuatu, it took several weeks following the Christmas and New Year holiday period for anything newsworthy to surface, except for the continuing revelations about the *Phocea*. The yacht remained at anchor in Port Vila harbor—a reminder of the disturbing events of the previous year. The fact as noted in the *Daily Post* that the Vanuatu government no longer had any link with Interpol (VDP, 8 Jan 2013)—having expelled the Australian Federal Police in May 2012 (VDP, 1–11 May 2012)—deprived authorities of what could have been valuable assistance in sorting out the sleazy *Phocea* saga. What information did become available to the public was due mainly to the dedicated efforts of local journal-

ists—particularly those of the *Vanuatu Daily Post* and via the Vanuatu Daily Digest, a daily news blog by longtime resident and private journalist Bob Makin.

In mid-January 2013, information surfaced raising questions about the yacht's official registration and ownership. Documents identifying both Luxembourg and Malta were used on the *Phocea's* voyage to Vanuatu, but there was a question regarding the true owners. Pascal Anh Quan Saken's name appeared on documents for entry into Panama, French Polynesia, and Tonga (VDP, 12 Jan, 17 Jan 2013). Vanuatu's Ports and Marine Department, however, reported that it had received advice from the Malta Shipping Registry that Maltese registration had been obtained mid-2012 "without any proof of ownership and other requirements" and had, therefore, been canceled as of 14 January 2013. In the view of Vanuatu officials, the *Phocea* had become "effectively stateless and remained under detention at anchor in Port Vila Harbour" (VDP, 19 Jan 2013).

The link between the *Phocea* and prominent government politicians was again thrust into public view when it was reported a few days later that Minister of Foreign Affairs Alfred Carlot had traveled to Port Moresby in Papua New Guinea (PNG), where he met a chartered flight carrying Pascal Anh Quan Saken and his brother, Charles Henry Saken. Flight clearance had been requested by Vanuatu's embassy in Brussels—the official document from the embassy was reprinted on the front page of the *Daily Post* (VDP, 19 Jan 2013)—but the plane appears to have arrived unannounced,

raising the concern of PNG officials. A report by the PNG police quoted in the *Post-Courier* in Papua New Guinea on 21 January noted that the two Saken brothers were naturalized citizens of Vanuatu and “alleged that Mr Quan has travelled extensively into many hostile and trouble hot-spots in the world and thus has been implicated in illegal gun running and drug trafficking activities in the recent past, especially in the Golden triangle area in South East Asia and in Central and South America. . . . What is more suspicious is that they did stop over at the tax haven country of Maldives for re-fuelling purpose as indicated by the pilot” (quoted in Makin 2013b).

Saken explained that as “Deputy Head of Vanuatu’s Embassy in the European Union headquarters in Belgium, . . . his work as a diplomatic representative focuses on energy and disaster management projects. . . [and] Alfred Carlot was so impressed by our work that I have done in Belgium that he wanted us to go to the USA to implement the same program. So, that is why I came to PNG, because the only place for a Vanuatu citizen to get a visa for the USA is PNG.” He also strongly denied that he was a drugs or arms smuggler (VDP, 26 Jan 2013). At the same time, PNG Prime Minister Peter O’Neill issued a statement denying “media allegations linking his government to *Phocea* fugitive wanted in Vanuatu, Pascal Anh Quan Saken, arriving in a Boeing 737 jetliner which made an unexpected illegal landing at Jackson’s Airport,” and Carlot announced that his trip to Papua New Guinea was a diplomatic mission and had nothing to do with the Sakens or the *Phocea* (VDP, 22 Jan 2013).

Prime Minister Kilman, having clearly lost control of his minister of foreign affairs, responded to questions from a *Daily Post* reporter that he “did not know that his Foreign Affairs Minister, Alfred Carlot, would attend a meeting in Papua New Guinea with *Phocea* fugitive Pascal Saken” (VDP, 21 Jan 2013). A few days later, he tried to distance himself further by announcing through his first political advisor, Richard Kaltongga, that “Alfred Carlot’s trip to Papua New Guinea, which the Prime Minister’s Office was not informed of, was a private trip,” and he denied rumors of Saken’s having provided funds to the prime minister’s Peoples Progressive Party. “Maybe he funded some other political parties but not PPP,” argued the political advisor (VDP, 27 Jan 2013).

The continued presence of the *Phocea* was a growing threat to Kilman and his government and he was eager to get the yacht out of Port Vila. The main stumbling block to achieving this appears to have been Director of Ports and Marine Morris Kaloran, who had refused to release the yacht because it was not in compliance with Vanuatu’s laws. The government’s solution was to prod the Public Service Commission to suspend Kaloran from his position (VDP, 22 Jan 2013). A leaked e-mail between Kilman’s first political advisor and Kaloran dated 29 December 2012 revealed that the director had been subjected to significant political pressure. He was told, “If you cannot comply with the Prime Minister’s instructions please advise and forward your resignation immediately” (VDP, 31 Jan 2013). Kaloran, a long-standing and highly respected public

servant, was finally terminated in late February (*VDP*, 26 Feb 2013).

Despite the government's efforts to silence the uproar, the *Phocea* and the questionable activities of its alleged owner, Pascal Anh Quan Saken, would not go away. In mid-February, Prime Minister Kilman found it necessary to respond to continued media allegations linking him to Saken with a statement denying that his political election in 2012 or the formation of government had received financial support from Saken (*VDP*, 16 Feb 2013). That the prime minister found it necessary to make such a statement is an indication of the culture of corruption that has come to underlie Vanuatu politics and fuel the political instability over the past two decades. Seldom does an election or vote of no confidence occur that accusations are not voiced of money changing hands.

Members of the Opposition, some of whom had emphasized the issue of corruption in the national election a few months earlier, expressed their disgust over the stench of corruption that continued into the new term of the Kilman government. Edward Natapei, leader of the Opposition, demanded that Kilman terminate the minister of foreign affairs or "any other ministers who involved themselves in similar situations that could affect Vanuatu's credibility regionally and internationally" (*VDP*, 24 Jan 2013).

Likewise, the new GJP member for the Efate Rural constituency expressed his objection to the decision by new Minister of Lands James Bule to grant a lease to a developer of land in the Lelepa/Mangaliliu area of North Efate known as Lelema—which indicated that it was business as usual for the

new Kilman government. The landowners had worked together to map out and register their custom land in the name of the community in order to safeguard it for their own future use, but the minister ignored this development and signed a lease recognizing another individual from Mele village as the landowner, who then sold the 2,300-hectare lease to two wealthy naturalized citizens, Michel Monvoisin and Ludovic Bolliet, for a fraction of its value (*VDP*, 9 Jan, 10 Jan 2013). A stay order issued by the court has prevented the final lease from being issued, but the dispute is still not settled (*VDP*, 11 Jan 2013).

In late February, the *Daily Post* reported that the leader of the Opposition had had a meeting with the prime minister to discuss a number of problems facing the country, including the increasing evidence of corruption in government (*VDP*, 20 Feb 2013). Not surprisingly, Natapei raised the issue of the visit of the minister of foreign affairs to Papua New Guinea and noted his concern over Minister Carlot having performed a customary ceremony of reconciliation with Prime Minister O'Neill on his recent visit to Port Vila on behalf of the Vanuatu government (*VDP*, 9 Feb 2013). Natapei noted that if Carlot's trip to Papua New Guinea was a private matter—as the Prime Minister's Office had announced—then no reconciliation ceremony between the two governments was necessary.

The discussion also focused on specific political issues and proposals. Natapei expressed his disapproval of the appointment of MP Moana Carcasses as parliamentary secretary

to the prime minister, which had taken place in January—the first time in the history of Vanuatu since independence that such a position had been created (VDP, 12 Jan 2013). Natapei repeated his argument at the time that the appointment was unjustified—it was at the ministerial level—and accused Kilman of simply “creating a job for an MP to keep the Government intact” (VDP, 15 Jan 2013). It should be noted that article 40 (2) of the constitution stipulates that only thirteen ministers are allowed. While Carcasses’s Green Confederation formed part of the Kilman government, he had not been given a ministry at the time of its formation in November 2012.

Most significant was Natapei’s offer to work with the government. Natapei proposed that Kilman undertake a major reshuffling of his cabinet—to remove some of his ministers—in order to accommodate the whole of the Opposition as part of the government. This move on the part of the leader of the Opposition was quite unusual in Vanuatu politics. Rather than simply trying to destabilize the government to gain power by prying loose members of the existing coalition, Natapei hoped to be able to reason with Kilman—to argue that the best way to deal with the country’s difficult problems would be to combine their efforts in a kind of grand coalition or government of national unity.

Natapei also shared his ideas about new legislation that the Opposition hoped to introduce to “combat corrupt practices in Vanuatu politics.” He proposed that legislation be introduced to require that all outside sources of funding for political parties

be declared. Likewise, as a means to stop the frantic buying of the support of members of Parliament to form a majority after an election, the party with the highest number of elected members should be given the first chance to form a new government. Despite his weak position, Kilman apparently was not prepared to work with Natapei and the Opposition. Within a few weeks, Vanuatu was in the midst of another disruptive vote of no confidence—not surprising, given the government’s chaotic state of affairs.

If there was to be a challenge to Kilman’s leadership, the approaching budget session of Parliament—scheduled for 8–22 March—would provide the opportunity for members to take action. The political situation was, however, somewhat confused with rumors growing that some backbenchers within the government were looking for a change of leaders from within their own group with the expectation that this would attract Opposition backing. In anticipation of such a scenario occurring, a number of Opposition members began to change sides in advance of a motion being lodged. It was reported that—with the exception of the party leader, Serge Vohor, who remained loyal to Natapei—all UMP members of Parliament, led by Port Vila MP Tony Wright, broke ranks with the Opposition to join the government (VDP, 8 March, 9 March 2013).

The *Daily Post* observed that as Parliament opened, there appeared to be three factions among Prime Minister Kilman’s supporters in government, which made the decision of the Opposition to lodge a motion of no

confidence on 11 March somewhat unusual. The motion was signed by only 16 of the 51 sitting members (the Speaker is the fifty-second member but would not have been eligible to sign). It appeared that the Opposition did not have the numbers needed to pass the motion (*VDP*, 19 March 2013). It should be noted that because Parliament was already in session, only one-sixth of the members needed to sign in order to table a motion, whereas a majority would be required to call an extraordinary session (Constitution of the Republic of Vanuatu, paragraph 43 [2]). The government responded a few days later by presenting a motion to the Speaker to suspend MP Ralph Regenvanu, who had introduced the motion. It accused him of attempting to destabilize Parliament by “presenting no confidence motions when the opposition hasn’t got the number in parliament to vote them out” (*VDP*, 15 March 2013). Nevertheless, the Speaker, George Wells, confirmed that the motion of no confidence in the government was in order and scheduled a debate for the following week. On Tuesday, 19 March 2013, with the defection from the government of 2 government ministers and 6 members of Parliament, the Opposition’s numbers had increased to 28—more than enough to bring down the Kilman government (*VDP*, 20 March 2013). However, as is usual in the lead-up to a no-confidence motion in Vanuatu, the unexpected is always possible.

The Opposition members were in high spirits when they entered Parliament on the afternoon of 20 March, but the mood quickly changed when Speaker Wells announced that Prime Minister Kilman had handed in his

resignation just prior to the convening of the session and had assumed the position of interim prime minister until a vote for his replacement could take place. Wells then announced that since the only item on the agenda was to debate a motion of no confidence and the prime minister had resigned, the purpose of the sitting was defeated. The leader of the Opposition, as mover of the motion, immediately pointed out that there were, in fact, two parts to the motion—first to remove the prime minister (which was now unnecessary) and then to elect a new prime minister. Natapei then moved that Parliament should proceed immediately to elect a new prime minister. Speaker Wells, however, announced that Parliament would meet one week later on 29 March to elect a new prime minister and declared the session closed (*VDP*, 21 March 2013).

Natapei announced to the *Daily Post* that the Opposition would seek an immediate court ruling on the Speaker’s decision, which, he pointed out, was in contravention of Parliament’s Standing Order 9 (3), which stipulates that “the position of prime minister must be filled immediately when it becomes vacant.” When asked whom the Opposition would support for prime minister, Natapei answered that their candidate would be Port Vila MP Moana Carcasses, adding that he knew the choice was controversial since Carcasses is a “ni-Vanuatu by naturalization . . . [but] he has every constitutional right to become a Prime Minister of Vanuatu” (*VDP*, 22 March 2013).

The chief justice, Vincent Lunabek, ruled in favor of the Opposition’s

application, noting that “the Speaker’s decision that the Parliament session has no other business to discuss due to the prime minister’s resignation is irrelevant as the resignation is an external matter that can’t be allowed to interfere with the procedures and processes of the parliament as stated in Article 42 of the Constitution.” The chief justice, therefore, ordered the Speaker to reconvene Parliament on 23 March “to allow the motion against the Prime Minister to continue” (*VDP*, 23 March 2013). When the vote was taken, Moana Carcasses was elected prime minister with 34 votes in favor and 18 against. Ham Lini (*NUP*) from Pentecost became leader of the Opposition.

In early April, the new government passed a motion to suspend the Speaker from parliamentary sittings until the end of 2013 in retaliation for his attempt to stymie the vote of no confidence against Kilman (8 April 2013). He was replaced as Speaker by Philip Boedoro (*VP*) from Maewo. A rumor began to circulate that the new Opposition would be tabling a no-confidence motion against the new government, but nothing eventuated and, in the end, Lini admitted that they did not have the numbers (*VDP*, 8 April 2013).

Carcasses’s cabinet included all six of Port Vila members of Parliament: Moana Carcasses (Green Confederation), Prime Minister; Edward Natapei (*VP*), Deputy Prime Minister and Minister of Foreign Affairs and Trade; Willie Jimmy (Liberal Democratic Party), Minister of Finance; Ralph Regenvanu (*GJP*), Minister of Lands; Patrick Crowby (*UMP*), Minister of Internal Affairs; and Tony Wright

(*UMP*), Minister of Youth Development and Sport. The other seven ministers included: Bob Loughman (*VP*) from Tanna, Minister of Education; Esmon Sae (*MPP*) from Malakula, Minister of Infrastructure and Public Utilities; David Tosul (*PPP*) from Pentecost, Minister of Agriculture; Marcellino Pipite (*VRP*) from Santo, Minister of Tourism and Commerce; Serge Vohor (*UMP*) from Santo, Minister of Health; Maki Simelum (*VP*) from Ambrym, Minister for Justice and Social Welfare; and Thomas Laken (independent) from Tanna, Minister of Planning and Climate Change. On the whole, due to the heavy representation of Port Vila, the cabinet was not well balanced regionally—always an important consideration in coalition formation and a fact that would not go unnoticed in the months that followed.

In early April, Prime Minister Carcasses announced what he called the “100 Day List” of priorities to be achieved during the first one hundred days of the government’s term in office; it included sixty-eight specific items (*VDP*, 11 April 2013; Vanuatu Government 2013). In addition to the usual reorganization of ministerial portfolios and departments, appointment of political advisors and directors general, and review of the membership of all boards to various statutory bodies and institutions, the new government laid out an array of specific policy objectives it intended to pursue. There was heavy emphasis on dealing with the issue of corruption in government, especially activities that had attracted regular, prominent news coverage such as the misuse of government vehicles and overseas

travel. Favoritism in the awarding of scholarships for university studies was an ongoing problem, and a proposal was included to ensure transparency in selection based on merit rather than family connection. One of the most important proposals to deal with corruption was to amend the Ombudsman Act to “re-instate the power of the Ombudsman to institute a civil case against a leader to recover misappropriated funds and to be able to prosecute a leader for breach of the Leadership Code if the Public Prosecutor has not commenced proceeding three months after issuing a Report alleging breaches.” Unfortunately, this change had not been acted on by the end of 2013. The appointment of a new police commissioner and attorney general would also help to lay to rest these lingering controversies.

Foreign affairs received early attention from the new government. There was to be a full review of all overseas appointments—ambassadors, consuls, and trade representatives. Specific reference was made to the removal of the diplomatic status of Thi Tam Goiset as ambassador to Russia and to the review of the activities she had undertaken. In May, Minister Natapei announced that Vanuatu would establish foreign relations with Georgia and revoke recognition of Abkhazia, which became official in August (VDP, 22 May, 5 Aug 2013). The new government also committed itself to support for West Papua’s full membership in the Melanesian Spearhead Group and for termination of the Development Cooperation Agreement with Indonesia that Kilman had negotiated. The MSG Trade Agreement had become an issue in the previous

year, and the new government proposed to review its costs and benefits to Vanuatu.

Evidence of corruption in the operation of the Citizenship Committee prompted the inclusion in the “100 Day List” of a proposal to establish a commission of inquiry “to investigate and audit all Vanuatu citizenships granted and Vanuatu passports issued and to cancel all citizenship granted which did not meet the requirements of the Constitution and the law” (Vanuatu Government 2013). In addition, it was proposed that consideration should be given to amending the constitution to provide for dual citizenship.

Not listed in the “100 Day List,” but clearly a high priority, was the government’s desire to be rid of the mega yacht *Phocea* and all the suspicious activities and events associated with it. In early April the prime minister announced that, in his view, “the *Phocea* should leave” (VDP, 12 April 2013). This finally happened on 3 May 2013, when it was reported that Customs was “compelled” to provide clearance for the vessel based on a certificate of registration allegedly provided by the New York office of the Vanuatu Maritime Services Limited (the institution that manages Vanuatu’s shipping registry). Customs officials reportedly expressed disappointment at the decision and noted that “Customs has clearly advised the government on what is the correct procedure according to the law and our international obligations, but the PM and State Law Office [SLO] have failed to understand our position. It is therefore with great regret that Customs will have to follow the

instructions of the PM and SLO” (VDP, 3 May 2013).

Despite a report from police and Customs officials that no firearms or drugs had been found in a search of the *Phocea* (VDP, 12 Feb 2013), many unanswered questions remained. Was there a connection between the death of the infrastructure minister in the Kilman government, Harry Iauko, in December 2012, just three days after the director of Ports and Marine had rejected his signed release form? What exactly were ministers Alfred Carlot and Marcellino Pipite doing on the *Phocea* prior to the yacht’s being cleared by customs? Both men had appeared in court, and a trial date had been set, but no further hearings have taken place.

Dealing with corruption in the Ministry of Lands was another high priority area for the new government, but it was the aim of the new minister of lands, Ralph Regenvanu, to formulate comprehensive land reform legislation. The minister’s first step was to secure the suspension and eventual removal of the sitting director general of the Lands Department, accusing him of allegedly “attempting to pervert the course of current investigation, being undertaken by the Public Service Commission, concerning the leases of state lands issued to public servants” (VDP, 13 April 2013). Regarding this issue, the minister “requested all staff of the Department of Lands who had obtained leases over state land from the former Minister of Lands Steven Kalsakau to surrender these leases” (VDP, 18 April, 20 April 2013). The result of meetings between the minister and the lands officers concerned was, however, negative—no

leases were surrendered (VDP, 8 May 2013).

Land reform was not a new priority for Regenvanu—he had been focusing his attention on land issues since his time as director of the Vanuatu Cultural Centre and was the driving force in organizing the National Lands Summit in 2006. Indeed, his short time as minister of lands and then as minister of justice in the early years of the Kilman government had given him the opportunity to identify specific areas in need of reform and to formulate a strategy to bring about reform. Regenvanu’s strategy was to undertake a series of consultations to inform and seek advice from communities around the country in the formulation of a Land Reform Policy, which he intended to take before Parliament before the end of 2013. The consultations concluded with a National Land Law Summit in which the Malvatumauri and chiefs from all around the country joined Minister Regenvanu and other government officials, including the director of the Vanuatu Cultural Centre, in a full discussion of the proposed land reform legislation. The National Land Law Summit and the Malvatumauri endorsed the new legislation. The Efate Vaturisu Council of Chiefs, however, was reluctant to commit to the new reform program, noting that they needed more time to consider the legislation because it affected their circumstances (VDP, 15–17 Oct 2013).

The land reform was, in fact, a package involving the reforms as well as new legislation and changes to the constitution. Revisions to the Land Reform Act of 1980 removed the power of the minister of lands to sign

off on leases on behalf of disputing custom owners and to create leases of state land without the approval of the Council of Ministers. The new Customary Land Management Act replaced the existing Customary Land Tribunals Act of 2001 and “created new processes for identifying custom owner groups and managing disputes about custom ownership in accordance with the rules of customary law. It includes limited rights of appeal on grounds of improper process, for example a meeting not being held properly, but requires that final binding determinations that identify custom owner groups can only be made by customary institutions” (McDonnell 2014).

The new legislation required adjustments to the constitution. Article 30 was changed, requiring Parliament to consult with the Malvatumauri about any changes to land law. A newly drafted article 78 defines custom ownership in Vanuatu as associated with groups and guarantees their right to resolve disputes through their own processes rather than through formal state courts. As Minister Regenvanu explained, “The new laws bring determination of custom owners back to customary institutions, it removes the power from courts and the government to determine who the custom owners are and puts it back under rules of custom” (McDonnell 2014). The legislation and constitutional amendments were passed by Parliament in December, but the legislation was not gazetted as law until early in 2014 (VDP, 3 Dec, 17 Dec 2013). Without doubt, this land reform package represents the most important changes to

the administration of land in Vanuatu since independence.

Another significant accomplishment of the Carcasses government was the passage of legislation to amend the Municipalities Act to provide reserved seats in the municipal councils of Vanuatu for women. This very progressive move—the first of its kind in the Pacific—follows years of campaigning by women’s groups and nongovernmental organizations to encourage women to become more active in politics. A small number of Ni-Vanuatu women have succeeded over the years in winning election to Parliament or municipal councils, but never more than one or two at a time. The amendment was passed unanimously and guarantees 30 percent of the municipal council seats for women (VDP, 30 Aug 2013). It came into effect in time for the Port Vila municipal election in January 2014.

Despite all the euphoria surrounding the new direction of the Carcasses government, several controversial decisions raised concern that certain negative aspects of Vanuatu politics seemed to be continuing as usual. To the surprise of many, the prime minister decided to terminate the highly respected Reserve Bank governor, Odo Tevi, whose contract Kilman had only recently renewed. The leader of the Opposition, Ham Lini, condemned the termination as a “critical mistake,” noting that “the management of Vanuatu’s stable fiscal policy was due very much to Tevi’s strict control” (VDP, 27 April 2013). The termination was seen by many as opening up a position for one of the prime minister’s friends, and Tevi instituted court action against the

government for breach of contract (VDP, 7 May 2013).

On the whole, the Carcasses-led government proved to be quite stable and lasted through to the end of 2013 without any major challenge. A minor reshuffle did occur early in the year, when veteran Port Vila MP Willy Jimmy was replaced as minister of finance by the existing minister of justice, Maki Simelum (VP) from Ambrym, and MP Silas Yatan (UMP) from Tanna replaced Simelum as minister of justice. Carcasses explained only that the changes were made because of differences of opinion within the cabinet (VDP, 11 May 2013). In an interview with the *Daily Post*, Willie Jimmy swore that “there was no such meeting held with other MPs to discuss forming a political bloc as claimed in the media”—which suggests that he may have been seen as a threat by Carcasses (VDP, 13 May 2013).

In due course, it became clear that at the heart of the dispute was Willie Jimmy’s refusal to sign off on the issue of a promissory note amounting to US\$350 million for a project negotiated by the prime minister with a Singapore company to upgrade airports in Vanuatu without consulting even the minister of finance, let alone the cabinet as a whole (VDP, 14 May, 15 May 2013). The most significant element of the project was funding for constructing a new airport on North Efate—an idea that had been floated by Ham Lini as deputy prime minister in the Kilman government—rather than upgrading the existing facility, Bauerfield, close to Port Vila. The rationale behind the project was to make it possible for larger 747 and

767 planes to be able to land in Vanuatu, which it was said is not possible at Bauerfield. The dream is that such planes would be able to fly nonstop from Asia, opening up a huge tourist market for Vanuatu (VDP, 12 Jan 2013).

One definite effect of the termination of Willie Jimmy was that it helped to slightly rectify the imbalance in the cabinet of Port Vila members, though five out of the six still held ministerial portfolios. The claim by the Opposition at this point that it had the numbers to table a motion of no confidence quickly faded when it became clear that this was not the case (VDP, 16 May 2013). The rumor seems to have been true, however, that Willie Jimmy was attempting to organize a new bloc to eventually challenge the Carcasses government (VDP, 27 May 2013).

As part of its strategy to undermine Carcasses, the Opposition issued a press release alleging that the prime minister was involved in illegal passport sales—a scandal that has featured in the media repeatedly at different times in the past. The Opposition said that it had confirmation of a website originating in China “offering Vanuatu passports for sale with certificates of citizenship.” The press release also noted pointedly that if convicted, the prime minister could be “stripped of his citizenship and evicted from the country” (VDP, 25 May 2013). The latter point was a not-so-subtle reference to the fact that Carcasses is not an indigenous Melanesian but rather a naturalized citizen of Tahitian and North African origin—a crude way of attacking the prime minister that would increas-

ingly be used by his opponents in the months to come.

The government had flagged the investigation of irregularities in the operation of the citizenship committee as one of its “100 Day List” priorities. In October, the Citizenship Office had evidence that a “well established group had been issuing false and fake Vanuatu certificates to foreign nationals” and requested that new citizens present their documents for verification (*VDP*, 2 Oct 2013). It was reported that a number of Ni-Vanuatu, including two Citizenship Office officials and some politicians, had been arrested and charged with issuing fake citizenship papers (*VDP*, 4 Oct 2013).

Unrelated to the issue of fraudulent passports, the government announced that it would be tabling a bill in Parliament to amend the constitution—a repeal of article 13—that would make way for the recognition of dual citizenship in Vanuatu. The move was seen by many as benefiting Vanuatu by attracting remittances from future dual citizens living abroad, but the real goal appears to be quite different. The creation of the category of dual citizen is part of a plan to introduce what has come to be known as the Capital Investment Immigration Plan (CIIP), which would be an expansion of the scheme established in 2012 to sell permanent resident visas to wealthy Chinese (see above). The CIIP would, in effect, create economic citizens who meet certain conditions, including the investment of funds in Vanuatu (*VDP*, 26 Nov 2013).

At the end of May, a by-election was conducted on Tanna to replace Harry Iauko after his untimely death

the previous December. His son, Pascal Sebastian Iauko, ran and was claimed by the Opposition parties, who reminded voters prior to the election that Kilman had urged Pascal to follow in his father’s footsteps and promised the people of Tanna at the burial that they—the government at the time, but now the Opposition—would elect his replacement. The combined support of the Opposition parties had been extremely successful and Iauko won by a significant majority (*VDP*, 29 May 2013). Pascal Iauko assumed the leadership of the Iauko Group, which his father had organized to contest the 2012 election, and indeed did join Kilman, Lini, and others in the Opposition (*VDP*, 31 May 2013).

West Papua continued to attract political attention when at the MSG leaders summit in Lifou, New Caledonia, it was decided to defer consideration of the issue of full membership, despite strong backing from Vanuatu for the discussion to proceed (*VDP*, 19 June 2013). Carcasses had taken a strong stand in support of West Papua, but outspoken President of the Oceania Decolonization Committee Shem Rarua labeled the decision unacceptable (*VDP*, 20 June 2013). At independence, Rarua had been a strong member of the Vanua’aku Pati, which supported West Papuan independence, and had continued to advocate for the cause despite breaking with the VP in 1991 to join Father Walter Lini’s National United Party. Carcasses’s response to the criticism on his return from the New Caledonia meeting was to again declare his strong support for West Papuan independence and to call for the Opposition and the govern-

ment to unite on this important issue (*VDP*, 25 June 2013).

Another matter discussed at the MSG leaders summit in New Caledonia that Carcasses felt strongly about was the MSG Trade Agreement. On his return to Port Vila, he issued a strong statement that “Vanuatu does not benefit from this Trade Agreement and it is time we make our voice heard loudly” (*VDP*, 26 June 2013). The Vanuatu Chamber of Commerce and Industry Forum in July concluded that the MSG Trade Agreement resulted in “huge trade imbalance which Vanuatu governments have ignored.” In the past, Vanuatu used to export large quantities of beef to Papua New Guinea, but now Melanesian trade goes mainly one way; in particular, Fiji is able to export a significant range of goods duty-free to Vanuatu (eg, ice cream, water, paint, soap, timber, paper products), while Vanuatu exports little in return (*VDP*, 4 July 2013). It is clear that Vanuatu is not able to take advantage of the Trade Agreement because of the limited size of its manufacturing base—an indication that the country’s policy to encourage foreign investment is not working. Foreigners arrive to set up retail shops, but there is little significant investment in areas that could be transformed into exports. Nevertheless, it is worth noting that the duty-free products from Fiji are cheap when compared to similar imports from Australia and New Zealand, which is a significant benefit to Vanuatu consumers.

Another minor reshuffle of the government occurred in July, with MP Toara Daniel from the Shepherds replacing Minister of Justice Silas

Yatan, who stepped down willingly—he said—because he felt that the “people of the Shepherd Outer Island do need an MP in an executive power [*sic*] to ensure that the population of the Shepherds Outer Islands is not left out of the important developments of the country” (*VDP*, 5 July 2013). The announcement several days later that the Opposition had tabled a motion of no confidence would lead one to suspect that the small reshuffle had something to do with shoring up the government coalition, though this was never confirmed publicly. Likewise, Carcasses dismissed Minister of Tourism, Trade and Industry Marcellino Pipite for having signed the motion (*VDP*, 16 July 2013).

The Speaker of Parliament, however, ruled that the motion was not in order. He alleged that several signatures on the motion had been forged and that two of the members of Parliament who signed were not eligible: the newly elected member from Tanna, Pascal Iauko, had not yet been sworn in, and Luganville MP George Wells was still under suspension until the end of the year (*VDP*, 12 July 2013). The leader of the Opposition, Ham Lini, challenged the Speaker’s decision in court (*VDP*, 16 July 2013). The chief justice, however, upheld the Speaker’s decision relating to the misuse of the signatures and agreed that neither Iauko nor Wells was eligible to sign the petition. His ruling was, therefore, that “the motion of no confidence in Prime Minister Moana Carcasses was invalid and of no effect” (*VDP*, 19 July, 22 July, 26 July 2013).

It turned out that the plot to topple Carcasses was far more complex than appeared on the surface. Following

the 2012 election, Attorney General Ishmael Kalsakau and several others had submitted an electoral petition against the prime minister, Minister Tony Wright, and Minister Patrick Crowby for allegedly having bribed voters in the Seaside area of Port Vila with a bag of rice, money for kava, and VT1,000 to a family member. The expectation was that the electoral petition would succeed and that the government coalition would collapse. The result, however, did not go as the plotters had hoped, with the Supreme Court deciding that the accusations had not been proved and dismissing the electoral petition completely, and the coalition was preserved (VDP, 31 July 2013). Yet another small reshuffle occurred a few days later with the appointment of MP Jonas James from Paama as minister of justice. At the same time, MP Toara Daniel from Shepherds moved from justice to tourism, filling the gap left by the dismissal of Marcellino Pipite (VDP, 3 Aug 2013).

Having avoided two disruptive votes of no confidence, the government was suddenly faced with an issue that had the potential to split the coalition from within. On the eve of the independence celebrations, the prime minister unexpectedly announced that he had signed a concession agreement that “committed the people of Vanuatu to paying around VT33 billion for an airports infrastructure development project with a Singapore company, Vanuatu Trade Development Private Ltd (VTDPL),” which was linked in some obscure way to the GMR International Airports Pte Ltd. The proposal envisaged upgrades to Bauerfield Airport in

Port Vila, Pekoa Airport in Luganville, Santo, and Whitegrass Airport on Tanna, as well as the construction of a new airport on North Efate (VDP, 3 Aug 2013).

It was never quite clear who or what other companies or individuals were actually behind the proposal, but the business arrangements were shocking. In return for construction of the Efate airport, the Vanuatu government would hand over full control of it to the company concerned for fifty years to manage all aspects of its operation—that is, to set and collect all charges, such as landing fees and departure taxes, and control and profit from all associated commercial concessions and real estate. After fifty years, the airport would be handed back to Vanuatu, and all of this would, in theory, not cost the Republic of Vanuatu a single vatu. The US\$350 million loan guarantee was, in effect, a means of holding the Vanuatu government to ransom—to ensure that it did not change its mind at some point and attempt to renege on the deal. This actually happened in the Maldives, with the government of the Maldives and the GMR company ending up in court (VDP, 7 Aug 2013).

Not all members of the coalition were in agreement. The *Daily Post* headline read: “GJP, VP May Not Vote For US\$350 Million,” noting that “some MPs in government are suspicious of the deal and may not vote in Parliament that promissory notes to the value of about VT33 billion be issued to the Singapore Company.” It was reported that the deal had been negotiated and signed by the prime minister without cabinet approval, though Deputy Prime Minister

Edward Natapei gave his support, with some reservations (*VDP*, 8 Aug 2013).

The idea of airport redevelopment has been around for years, but never carried out, due mainly to lack of funding. Indeed, in 2008, specific legislation was passed by Parliament that laid out detailed procedures for the use of private funding as an alternative to aid or a government loan (Vanuatu Sessional Legislation 2008). Likewise, in January 2012, Ham Lini, the leader of the Opposition and minister for tourism at the time, announced that he had spoken to possible Korean backers and intended to promote the development of a new airport on North Efate, capable of accommodating larger aircraft than the existing airport, Bauerfield (*VDP*, 12 Jan 2013). While not opposing the idea of the construction of a new airport, he was strongly opposed to the current GMR project, labeling it a “scam” (*VDP*, 21 Aug 2013).

Parliament voted to set up an ad hoc committee to discuss the concession agreement further, and the project is still under negotiation (*VDP*, 28 Aug 2013). With no clear picture about the source of funding, it is worrying to think about what effect such arrangements might have on Vanuatu. Given the country’s tax haven status and associated potential for the laundering of dirty money—an activity successive governments have never wanted to acknowledge existed, let alone control—Vanuatu’s international standing could be seriously undermined.

Indeed, it is clear that Vanuatu’s reputation as a focal point for shady, criminal activity is increasing. At the end of August, the commissioner of

police announced the discovery of cocaine with a value of VT32 billion—the biggest drug bust in the history of the South Pacific—concealed in a yacht that had been moored in Port Vila harbor for over two years. Originally called the *Raj* and renamed the *Scope* after coming to Vanuatu in 2011, the yacht had been searched earlier, when slight traces of cocaine had been detected, but no drugs were actually found. The cocaine was eventually uncovered below the steel floor of the engine under a layer of concrete—its discovery made possible with the assistance of the Australian Federal Police (*VDP*, 23 Aug, 24 Aug, 26 Aug, 27 Aug 2013).

This was not the first illicit drug haul discovered with a connection to Vanuatu. In October 2011, Australian Federal Police uncovered cocaine worth A\$78 million in Bundaberg, Australia, on a yacht—*Friday Freedom*—that had arrived from Vanuatu as part of an annual yacht race. Australian Federal Police detected the yacht when they were investigating a money-laundering syndicate. Clearly, Vanuatu has become a transit point for drugs, which most likely is part of a larger network covering other islands in the South Pacific (ABC News 2011). Unfortunately, despite these recent events—including the suspicious circumstances surrounding the *Phocea* and the unexplained death of Minister Harry Iauko—there is very little discussion among politicians about the fact that Vanuatu is becoming a focal point of international criminal activity.

There are of course many individuals—politicians and government officials as well as others within civil society—who are prepared to speak

out. Transparency Vanuatu, for example, publishes a regular hard-hitting column in the *Vanuatu Daily Post* highlighting issues and problems in government, and the Graon mo Jastis Pati was able to increase its numbers in Parliament in the 2012 election by running on a platform that included anticorruption as a major issue. Likewise, GJP leader Ralph Regenvanu has been prepared to speak out about issues and confront individuals in Parliament in pursuit of more honest government. There was a sense in 2013, as the weeks passed and the government began to focus with some success on substantive issues, that things might be changing under the new Carcasses-led government. While there were rumors on several occasions of possible votes of no confidence, they never got beyond the talking stage.

However, it is clear that the underlying factor that limits the effectiveness of such individuals and organizations is Vanuatu's political instability, brought on since 1991 by consecutive coalition governments. History has shown that it becomes almost impossible for a weak coalition to take a strong stand on corruption when everyone knows that some of its own members are tainted and would not hesitate to bring the government down if they were exposed. Vanuatu is in need of some serious public discussion on how best to tackle this problem—be it reform of the electoral system to reduce the negative effect of the excessive number of candidates and political parties, the imposition of stricter rules on the formation and operation of parties, or changes to parliamentary procedures to make it more difficult

for elected members to change party membership or to instigate votes of no confidence.

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