

# **A PECC International Seminar**

## **Resilient Islands and Territories in Asia-Pacific**

### **Papeete, French Polynesia, 20/22 January 2020**

#### Executive Summary

To conclude a series of seminars on “**Circular Economy and Economic Development**” the French Pacific Territories Committee for PECC ( FPTPEC) organized a symposium entitled “**Resilient Islands and Territories in Asia-Pacific**” in Papeete, French Polynesia. The earlier seminars during the 2017-2018 period were on: 1) the natural resources industries, 2) the tourism industry, and 3) the mutual recognition of rules and standards to facilitate trade and foreign direct investment.

Hosted by the President of French Polynesia, Mr. Edouard Fritch, the seminar explored and made suggestions to help islands and territories across the Asia-Pacific region become more resilient in the face of heightened environmental risks and to facilitate economic growth.

The meeting included experts from French Polynesia, France, the United States, New Zealand, Chinese Taipei, Chile, representing government, academia and the private sector. Topics under discussion included “How to prepare for natural risks in the Pacific islands and territories”, “Climate change and the resilience of Pacific Islands and coastal territories,” “Housing resilience to natural risks,” “How to develop a resilient tourism in the Pacific Islands,” “The management of touristic areas, towards resilient tourism activities,” “How to fight the negative impact of tourism in high density tourist zones,” and “Economic intelligence and the development of tourism.”

The symposium began with a dialogue on the “changing global environment” including a discussion on the Indo-Pacific strategy for the development of the Asia Pacific region and the Free and Open Indo-Pacific Policy.

#### **1)Introductory session: Statements by President Edouard Fritch and Pascal Lamy**

In opening the seminar, **Edouard Fritch** said that French Polynesia is “a modern economy, connected to its culture and open to the world economy.” This seminar was the third PECC seminar hosted by French Polynesia. In November 2015, the seminar was devoted to the development on maritime transport and port facilities. It demonstrated the necessity for the region to have adequate port infrastructure in order to participate fully in and benefit from international maritime trade routes. In November 2017, a second seminar was dedicated to sustainable and responsible tourism, and focused on the problems associated

with saturated destinations, which are the victims of policies that promote mass tourism. It sought strategies to avoid over-tourism and respect local culture and the natural environment. The present seminar is an opportunity to explore how to make Pacific islands, which are fragile and vulnerable, more resilient. President Fritch noted that natural disasters and climate-related risks faced by the Pacific islands are five times more important to their economies than for mainland areas. To better get prepared, French Polynesia actively participates in regional work on the climate agenda of the Pacific Islands Forum, particularly efforts to fight global warming and adapt islands and societies to its adverse effects.

Low islands and atolls have been preparing themselves for quite a long time to deal with potential environmental damage from climate change, but now all Pacific islands are concerned about rising of sea levels and global warming, beach and coastal area erosion, weather variability, droughts, floods, climate-induced migrations, and the risk of loss of exclusive economic zones were atolls to disappear.

President Fritch stated this seminar is important to deepen the dialogue on the protection of islands and people and consider how to adapt the tourism industry. This seminar was the first of a series of preliminary meetings leading to the France Oceania Summit and the One Planet Summit to be held in French Polynesia in April 2020. It is expected to put forward the best ideas on how to make islands more resilient, even the most remote of them; address issues relating to climate change, promote resilient development and provide substance to the idea of a “Blue Pacific Continent.”

**Pascal Lamy**, Chair of FPTPEC, in his opening remarks, observed that island territories have played a less prominent role in the world economy the recent decades, but are again assuming a more central position as illustrated by the Indo-Pacific strategy for the development of the Asia-Pacific Region initiated recently by President Macron. This will be a central theme of the agenda for the next One Planet Summit and is a reason this event is being convened in French Polynesia.

Island territories played a major international role before the Industrial Revolution as ports of entry on the international maritime routes, facilitating trade, economic, human and political exchanges. But since then the economic role of islands has been gradually decreasing as they could not compete with mainland territories with widely available natural resources at low cost and large work forces. Large-sized firms seeking to maximize economies of scale led the globalization of the world economy throughout the last thirty years. Consequently, Islands have suffered from globalization and their remoteness also marginalized them.

Islands now have renewed economic and international roles to play in response to the new challenges due to climate change and environmental disasters. FPTPEC will support efforts to define new policies to protect their coastal areas, and to adapt and to respond to major environmental risks such as coastal and soil erosion, sea level rise, tsunamis, and cyclones.

Ecology is the central issue putting islands and coastal territories back in the global spotlight. Pacific rim and ocean economies have to protect their ocean from pollution and to develop a

sustainable blue economy using new technologies such those providing renewable energy and promoting a circular economy approach as laid out in the Euro-Pacific Partnership.

In this context, the French Republic has initiated policies to strengthen the resilience of its islands territories and adopted new strategies to prepare and protect them from climate change, such as the “Trajectory 5.0” as described by the High Commissioner of the Republic in French Polynesia. To complement this new policy, the French Republic has also launched an inclusive partnership with the economies of the region to strengthen their security and economic development, with the objective of achieving more sustainable development, heightening resilience to climate change and augmenting the well-being of local populations.

Launched on April 2019 by the French Ministry for Overseas Territories, Trajectory 5.0 has been developed to help the eight French Islands territories to avoid potential environmental disasters if possible and cope with them when necessary. The main objective of “Trajectory 5.0” is to achieve the 17 sustainable development goals as identified by the United Nations. Through a circular economy approach it aims at achieving zero carbon, zero waste, zero chemical in agriculture, zero vulnerability to potential environmental disasters and zero exclusion from public services to make societies truly inclusive. It aims at creating effective synergy in the economic, social and environmental domains.

To facilitate the resilience of islands territories to environmental damage, measures to promote population preparedness have been enacted, infrastructure built to resist sea level rise and cyclones, and shelters erected for local populations, especially in the most remote and smaller islands. Medical assistance by video also can be provided to remote islands when and if necessary.

Innovations and protective measures are used to meet the requirements of a circular economy approach adapted to local conditions: desalination of sea water, sea water air conditioning (SWAC), more extensive use of electric vehicles for public transport, sewage and water treatment facilities for coastal cities in order to minimize risks of ocean pollution from sewerage, and limitations on the use of plastics. With regard to fishing, protected areas have been designated and are closed to foreign vessels, similarly, domestic catches are limited to promote a sustainable development of the resource.

As pointed out in the introductory session, all these proposed efforts towards more circularity should benefit all islands territories and allow them to become more resilient to environmental risks and to provide a more sustainable and inclusive growth in the Pacific region. It was suggested that similarities in issues - challenges occurring across the region on issues of climate change, disaster preparedness, environmental protection, and over-tourism - should permit us to derive conclusions and make recommendations not only to French Polynesia and Pacific island economies but more widely in a PECC and even global perspective.

## 2) A Changing Global Environment

Following the opening, the seminar continued with a review of the broader regional geostrategic and economic environment and presentations on the French and American Indo-Pacific strategies as well as a short presentation on economic aspects of the Chinese Belt and Road Initiative (BRI). There was broad consensus on a number of points:

The Indo-Pacific concept is changing the previous regional cooperation emphasis on “Asia-Pacific” as a region, which, at least in the American view and as reflected in the membership of APEC and PECC, did not usually include the South Asian subcontinent. In contrast, the Indo-Pacific concept emphasizes the linkages across the two oceans, and includes the Subcontinent, expanding the economic and strategic space of regional cooperation. This is consistent with the rapid pace of growth in South Asia, and the Subcontinent’s increasing outward orientation as it becomes more integrated in global trade, investment, and supply chains. The Belt and Road Initiative (BRI) has considerable overlap with the Indo-Pacific concept since much of the emphasis is on the maritime “road” between East Asia and Europe/Africa passing through the Indian Ocean.

The “Indo-Pacific” concept has had special caché among the democracies engaged in the region: Australia, Japan, India, the United States, and France, all of which have adopted it in aspects of official policy. The ASEAN group too has adopted an “Indo-Pacific Outlook.” The stated purposes of these visions, if not necessarily the pathways there, are very similar, emphasizing shared prosperity, respect for sovereignty, openness, and a multilateral architecture based on rule-of-law and a central institutional role for ASEAN as the hinge between the two oceans.

Aside from including the Subcontinent, a driving force of the Indo-Pacific concept can be seen as geostrategic competition with China, particularly for the U.S. and Japanese Free and Open Indo-Pacific (FOIP) Strategies, as the adjectives “free” and “open” imply. Although the U.S. concept is often primarily associated with strategic counterbalancing, many new programs associated with the strategy are in the economic realm and are directed toward providing alternatives to Chinese BRI investments for fear that these may have deleterious financial and environmental impacts for developing countries as well as creating new dependencies and undermining good governance.

BRI is widely seen as having mixed geostrategic and economic dimensions. It recycles Chinese surpluses for the benefit of Chinese industries and workers, and it adds to the supply of capital available for a growing Indo-Pacific region with massive infrastructural needs. It may stimulate development and reduce transit costs. But it also represents a strong Chinese economic, diplomatic, and even military push into the broader Pacific and Indian Ocean regions that may have geostrategic consequences. The U.S FOIP envisions an “honored” place for China in the region so long as Chinese activities are consistent with respect for sovereignty, rule of law, and other U.S. objectives. But there has been no discussion between the two powers of how the FOIP and BRI might work together to enhance economic development without jeopardizing a rule-of-law based, multilateral order.

The Pacific islands may benefit from the more intense interest of outside economies in the region. China and the United States have both increased attention to and enhanced economic programs for the islands. If the competition can be harnessed in ways that enhance developmental resources but do not result in militarization of the region, there are opportunities in both FOIP and BRI for Pacific island countries. But the Island nations need strengthen their own cooperation to support good governance including anti-corruption measures, sustainable economic development, and financial stability.

A key concern of the Pacific Island region, global climate change, is not directly addressed in the U.S. FOIP. The French concept, however, includes a central emphasis on Indo-Pacific cooperation in addressing these issues, which will be a major part of the agenda of the forthcoming One Planet Summit and in subsequent activities at the COP26 in Glasgow and the next Paris Peace Forum.

### **3) Climate Change and the Resilience of Pacific Islands and Coastal Zones**

Climate change and its consequences are major threats to Pacific territories which have to demonstrate their capacity to deal with them. Resilience can be defined as the ability to withstand a shock and return relatively quickly to normal functioning, and it must be demonstrated in the environmental, economic and social fields. These three dimensions are interconnected and encompass sustainable tourism in the case of Pacific Islands. Indeed, the development of tourist activity in a sustainable manner can be more easily achieved in a protected natural environment in which economic and social development is fostered.

The case of drinking water management on the island of Bora Bora demonstrates the positive links possible between the physical environment, economic activity and social well-being. Indeed, the development of tourist activity in Bora Bora represented a opportunity for the Mayor to implement the necessary means to provide safe and sufficient drinking water for both tourists and residents at reasonable cost. Similarly, the tourism has been a catalyst in developing and testing innovative and eco-responsible technologies (e.g. SWAC, an air conditioning system using deep sea cold water).

Resilience also requires a close dialogue between public and private stakeholders in order to share views and good practices and to cooperate as stakeholders on solutions to environmental, economic and social issues. This is even more relevant in small Pacific islands, which are highly vulnerable to the impacts of climate change and must develop better governance to build strong resilience to forthcoming shocks.

From a tourism perspective, resilience requires, first of all, “destination management,” which is characterized by anticipating, planning and coordination efforts of various stakeholders in the framework of sustainability.

Resilient and sustainable tourism has become widely accepted, particularly in island territories, which are especially vulnerable to economic and environmental shocks. French Polynesia is an instance of the successful building of resilient and sustainable tourism, resulting from the growing governmental and public awareness of the economic and environmental vulnerability of the territory.

#### **4) Housing Resilience to Natural Risks: Anticipating Needs and Providing Protection**

Natural disasters are already part of the memory of Polynesians. More than half the population has already suffered from a natural disaster such as cyclone, landslide, sea level rise... to address these risks, public policies have given priority to securing people.

The natural risk prevention plan has been implemented for several years across French Polynesia ; it identifies the areas subject to natural risks and allows for the construction of “Cyclone shelters” to ensure the safety of local population . In the Tuamotu atolls, the most exposed to the risks of marine submersion with waves up to 12 meters and heavy winds in cyclonic period , local population can now find refuge in these shelters , build in each village to withstand strong winds over 300km/h.

The General Development Plan for Polynesia to be launched in the first quarter of 2020 will trigger the implementation of sustainable development projects in each archipelago taking into account their vulnerability to climate change phenomenon.

The traditional “Fare”, built of lightweight plant-based materials found locally provided for years response and recovery to natural disasters; its structure could be moved and rebuild quickly. These constructions constituted the first approach to resilient housing. Adapted to the local climate and environment the traditional “Faré” has disappeared in favor of modern and durable concrete housing, but not adapted to remote archipelagos.

After a particularly dramatic cyclonic episode in 1983 which saw 6 cyclones succeed in 4 months the Government of French Polynesia had to look for an emergency solution to relocate in a sustainable way the population affected by these natural disasters. Thus a “New Fare” was designed to resist to winds up to 200km/h and submersion waves of 1.5m, with a duration of an average 20 years under normal maintenance conditions . More than 4000 “New Fare” have been constructed since 2013, 13% of the Polynesian population living in that type of housing. The logistical packaging of the “New Faré” has been engineered in such a way as it can be delivered ready to build to all destinations in the 5 polynesian archipelagos. Its technical, economic and functional characteristics put the “New Fare” among the upmost sustainable resilient housing solutions in the overall strategy of the Pacific Islands Territories and coastal communities to combat climate change.

Similarly, APEC has recognized the importance of addressing and managing environmental risks. Thus APEC had created the Emergency Preparedness Working Group (EPWG), which has been working to advance APEC’s disaster management capacity building so that APEC economies can mitigate and recover from emergencies and natural disasters. Moreover, the APEC Business Advisory Council (ABAC) emphasized the importance of climate change impacts in its 2019 report to APEC Leaders. It suggested that disaster reduction programs for indigenous communities should also be strengthened. In Chinese Taipei, for example, many of the indigenous communities are located in mountainous areas far from most emergency services. As part of this work, NGOs need greater support from governments and to work collaboratively with them.

## **5) The Management of Tourist Areas**

The Asia-Pacific coastline and marine ecosystems include some of the most diverse and rich coastal ecosystems in the world, including mangroves, the world's largest coral reefs, estuarial and coastal wetlands and large freshwater lakes. The Asia-Pacific region represents approximately 70% of the world's total catch of fish (FAO, 2005). Therefore, marine and coastal ecosystems are a vital source of livelihood, employment, nutrition and economic growth for its population, almost two thirds of the world's total. However, climate change is producing significant impacts and threats on coastal populations of the Asia-Pacific region. It adds to the historical chronic vulnerability of coastal populations to such threats as tsunamis, inundation, and coastal erosion. Dramatic sea level rise is a new threat associated with the melting of ice caps.

In this scenario, climate change adaptation and disaster risk management policies require an understanding of patterns of human settlement and the specific uses of the coastal zones in order to implement national climate change strategies at the local government (LG) level. Typically the local governments (i.e., local municipal and county councils) are responsible for making land-use decisions and approving building permits in coastal areas, so national policies cannot be effectively implemented without them. However, most local institutions lack deep knowledge of the scientific base of national policies, resulting in inconsistent implementation or none at all. In Chile, for example, there are adjacent communities along the same stretch of coast, one of which permits development almost to the beachfront while the other requires significant setbacks to increase resilience to tsunamis, storm surges and sea level rise. The United Nations Office for Disaster Risk Reduction (UNISDR) states that it is essential for including important actors at the local level actors in the formulation and execution of climate change adaptation and disaster risk management strategies.

The increased vulnerability to disaster risks of coastal cities and communities emphasises the critical role of local governments in fostering community resilience as well as strengthening social cohesion and cooperation with neighboring communities. However, in addition to resolve conflicts and setting priorities, building resilience in coastal zones and enhancing liveable coastal cities and communities requires careful planning and implementation at the local level. For that, it is important to support local governments, particularly in the developing nations of the Asia-Pacific region, which are experiencing severe budget constraints. As an example, designing land use planning strategies at the local level might take several years (e.g. ten years in Chile). Co-designing the planning instruments might help empower communities to better understand national policy thinking and the science behind it, gain local political support and reduce unnecessary delay. Public participation mechanisms such as public presentations and open standards processes and workshops can also potentially empower those most vulnerable to climate changes, while at the same time building public trust.

## **6) How to Combat Negative Impacts of Tourism in High Density Tourist Zones**

What is over-tourism? There are basically two approaches to over-tourism: a narrow one and a wide one. The narrower one, on which the UNWTO focuses, can be defined as “excess of tourists resulting in conflicts with residents.” Barcelona or what happens with Airbnb expansion in some localities are well-known examples. There is a wider definition, which is “excess of pressure of tourism on local systems.” This wider definition suggests there may be existential threats from tourism to the very nature of the destination. Here, well-known examples are Angkor Wat and the Antarctic. Clearly, in the Antarctic it is not the local population demonstrates against tourists, but nonetheless, we know that there is over-tourism in Antarctica.

Why talk about over-tourism? The answer seems very simple: the demand is larger than the supply. Put more precisely, the structural reasons for continued growth in demand are stronger than the structural reasons for growth in supply. The medium to long-term outlook for the growth in the volume of global tourists is a positive 4-5 percent annually. There is no other business on this planet that has such a long, constant growth trend than tourism. There were 1.4 billion international trips last year, a growth of 7 percent and clearly above the average. Asia-Pacific is the region that has the highest relative volume growth, mostly due to the huge increase of Chinese tourists.

The structural reasons that may explain this constant volume growth are well-identified and they are here to stay: the population is getting older and has more time and overall people are more wealthy and have the money for leisure activities. There are other constants: transport connections, mostly by air are constantly growing, and the cost of the transport is going down - low costs have been a big factor in this structural growth. Finally, there are many other elements that have led to the facilitation of tourism, including digital platforms, which are a huge lever in removing information asymmetries and freeing capacity, and regulatory improvements, like visa facilitation.

On the supply side, supply is constrained and notably has to do with remarkable sites. Inevitably, the number of remarkable spots on this planet is limited. It is not constant, you can create some more, but not fast enough to keep up with demand growth. If there is a cap, it is not on the demand side, but on the supply side.

How to cope with over-tourism? This is obviously the real operational question, including in the Asia-Pacific region – especially in Pacific islands where ecosystems are more vulnerable. Over-tourism is one of the four themes of the present four-year mandate of the UNWTO working group. The UNWTO has started looking seriously into over-tourism. At the end of 2018, it published case-studies based on research on big European cities, which have had problems with over-tourism and experience in addressing them. It concluded with eleven recommendations, five of which are critical to properly cope with over-tourism.

One, which is pretty obvious but not always easy to implement, is to promote lesser well-known sites or attractive places, diversifying the local supply – for instance, i.e. Paris, trying to have people not all going to the Eiffel Tower or to the Louvre or Notre-Dame, especially given its poor present shape, but encouraging visits to other destinations, including them in package tours.

Second, there is a case for restricting the number of tourists when it is the only solution, as in Venice, and here and there, notably in urban contexts, where for instance Airbnb has often been regulated by local authorities in order to avoid a number of nuisances, and ensure proper legal compliance.

Number three: destination management, proper and better management of tourist flows, and use of the formidable capacity of data systems and digital tools. There are billions of data available about tourists that can be put to use in streamlining supply and demand.

There is even a dream within the WTO that each person on this planet might have a number which would clear all procedures and be used for all tourism purposes. We are not there yet, but it is absolutely clear that data is a mine that would allow much better control and management of tourism and of tourist flows, including for instance through apps that help somebody who wants to go somewhere to detect the level of use at various times of the day or reserve a slot which then will go into a management sequencing process, including for places like museums.

Number four: involve all tourism stakeholders in the planning and design of tourism development, including local actors and local populations so that they understand the logic and so that the game can be played in a cooperative way by industry, local actors, and tourists. A part of the negative impact of tourism on local systems stems from objective economic parameters that can be controlled. Another part comes from the behavior of tourists, who may have a strictly consumerist attitude. Cultural discrepancies can create misunderstandings or lead to real conflicts. Clearly, the responsibility, at least according to the global ethics of tourism, is not on the residents to adjust culturally to the tourists, but the other way round, which of course is easier to be said than done.

Finally, two more concrete recommendations, insofar as the PECC is a venue to inspire APEC programs for the future.

One has to do with the resilience of Asia-Pacific islands, and that is the role of planning. The real recipe to cope with over-tourism is to avoid it, and the way to do that is to strategically plan tourism development. For this we need to know the trends that are reshaping this industry from the supply side, and also from the demand side. In places like French Polynesia or more widely in the Pacific, the islands' ecosystems should endeavor to build on comparative advantages which are derived from the shifts in demand. What is the big shift in demand by tourists? What tourists are now globally looking for is something different, new, not just rest, relaxation, and having a good time with food and drinks. More and more people are now looking for an experience, a moment they will remember and tell their friends about. This experience is now more and more intermingled with physical environment, and the notion that sustainability is essential to the experience is penetrating into consumer thinking and behavior. Tourism becoming green is something that has started happening; it may not yet be big numbers who are looking for a tourist experience that sustains and preserves the environment, but this market segment is growing, and this is precisely what Pacific islands have to offer.

Very similar to what is being done by the UNWTO, Pacific Islands Territories should aim at expanding a network that tracks the impact of tourism on social and environment parameters. Within the UNWTO, there is a large network called International Network of Tourism Observatories (INSTO) that monitors the environmental and social impacts of tourism. It is worldwide and it is growing: there is one in New Zealand at Waikato, which was one of the first. There is one in Australia, in Panama, in Colombia, in Mexico, in Guangdong and three in Indonesia. Presently, there are none in the Pacific island area.

Such soft infrastructure would help insular systems structure tourism offerings with synergies with local ecosystems instead of damaging them. Over-tourism is what global ethics of tourism are trying to avoid. It is not about adaptation, it is about mitigation.

### **7) An analysis of Internet comments about the Polynesian tourism industry**

To stand out from its competitors, French Polynesia has positioned itself as a destination rich in experiences. Tahiti Tourism, the destination management organization, has therefore focused its communication on the concept of "Tahiti and its islands, the islands of Mana". "Mana" is the energy, the spiritual force that surrounds us. You can see it, hear it, touch it, taste it. Linger longer and there you will smell its bewitching perfume ..." The problem is that "it is almost impossible to define Mana (...), the pillar of [the] Polynesian culture". In such circumstances, can tourists experience it? How do the accommodations adapt to this new positioning?

To answer these questions, a systematic analysis of the comments left by tourists on the reservation platform TripAdvisor was carried out. The automated reading of the comments suggest that the Polynesian experience of Mana does not take place globally but only at the visual level. What remains of the experience of a stay in French Polynesia are images, a visual experience. Mana does not appear among the most quoted terms.

This result does not mean that French Polynesia's "Mana strategy" is the wrong way; the promotion of Mana, may not trigger sales, but can attract future tourists with a more cultural oriented approach. The comments analysed show that a specialisation process seems to have taken place. The five-star resort hotels have refocused on the professionalism of their teams and the quality of their location and facilities. Smaller hotels and even guesthouses focus on the quality of their relationships. Experimenting with the Polynesian culture is probably easier in these small accommodation facilities.

### **Conclusions and Recommendations:**

In our session on a changing global environment, the economic and geographic concepts of Indo-Pacific and Asia-Pacific were brought up. There are many potential synergies between the various Indo-Pacific strategies, and the potential for positive collaboration between such strategies and the Belt and Road Initiative should be explored. Climate change was addressed as well as the sustainability aspects associated with it. The tourism industry is an especially relevant topic as a major part of the economies of the PSIDS. Tourism could increase French

Polynesia's GDP; but it must use the opportunities in a sustainable way. The monitoring of larger developments and regional cooperation on global warming issues must be pursued.

Scientific research related to sustainable tourism should influence island and rim policymakers. But too often, scientific recommendations remain only recommendations. How can we improve the interface between the academic and policy communities to enhance sound, research-based policymaking?

PECC can play an important role, serving as a bridge to provide expert counselling, facilitate further investigation and to address financial gaps by expanding networks, and holding seminars and workshops that facilitate the transfer of knowledge between economies, sectors, and the public. For example, PECC can help bridge the planning gap between nationally based commitments to climate change and disaster risk management policies on one hand and the local governments and publics on the other.

PECC should endeavor to involve and raise awareness of all stakeholders in environmental protection, using its close links with governments, the private sector and the business communities to improve destination management by combining and helping coordinate actions among stakeholders. It can also help create and maintain a sustainable tourist "observatory" in the Pacific Islands, based on the INSTO model (<http://insto.unwto.org>) to identify future challenges and monitor responses.