



The Australia-Tuvalu Climate and Migration Agreement: Takeaways and Next Steps

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On November 9, 2023, Australia and Tuvalu signed an unprecedented cooperation agreement. It offers 280 Tuvaluans—2.5 percent of the islands’ population—permanent residency in Australia each year. The agreement, which stems from a recognition that Tuvalu’s long-term future is endangered by climate change, offers new possibilities for migration and adaptation but is not without its challenges. This note unpicks the agreement’s context; its possible effects; next steps for Australia and Tuvalu; and lessons for other countries.

What does the agreement contain?

The agreement, known as the ‘Falepili Union,’¹ covers three key aspects: climate cooperation; mobility; and security.

On **climate cooperation**, the agreement reaffirms the 2021 Pacific Island Forum statement in emphasising Tuvaluans’ right and desire to continue to live in their own territory, and Tuvalu’s enduring statehood and sovereignty regardless of the effects of sea level rise. Australia also commits to assist Tuvalu to adapt in situ. In parallel with the Falepili Union, Australia will provide US\$11 million to the Tuvalu Coastal Adaptation Project, a forty-year land reclamation and coastal-strengthening project already receiving US\$36 million from the Green Climate Fund.

On **mobility**, the agreement stipulates that Australia will “arrange for a special human mobility pathway” allowing Tuvaluans to live, study, and work in Australia permanently, with access to Australian social protection. Up to 280 Tuvaluans will be able to come per year on non-humanitarian visas. It seems likely to be allocated by lottery, and not to have a work requirement.

1 Falepili is the act of giving to neighbours without expecting anything in return. See <https://www.internationalaffairs.org.au/australianoutlook/tuvalu-australia-and-the-falepili-union/>.

The clauses relating to **security** are, by some distance, the most controversial in the agreement. Australia commits to assist Tuvalu following natural disasters, public health emergencies, or military aggression. Tuvalu is highly vulnerable to weather shocks. In 2015, Cyclone Pam **displaced 45 percent of the population**; Tuvalu coped relatively well, but if shocks become larger or more frequent, outside help may become more necessary. Australia has previously provided help **following Cyclone Pam**, and **during Covid-19**. The clauses relating to military aggression are much more controversial, and come in a context of **a growing Tuvaluan—and Pacific Island—preference for military neutrality**. Tuvalu commits to mutually agree with Australia any new bilateral partnership touching on security, including those relating to policing and critical infrastructure. This has led some to suggest that the deal is (at least in part) **“neocolonial”**; that it **lacks good faith**; and that it is **“a one-sided win” for Australia**. Tuvalu’s government, in the face of opposition pressure, **appears to have accepted** that the relevant clauses must be renegotiated.

What’s the context of the agreement?

Tuvalu is a very small Pacific Island state. It comprises **nine low-lying islands** covering 1.3 million km² of the Pacific, and has a population of around 11,200. Tuvalu has **an average elevation of 1.83 metres** and **faces significant challenges** as a result of rising sea levels. Some research, and **Tuvalu’s Prime Minister**, has suggested that large portions of Tuvalu **will become uninhabitable** by the mid-21st century (although these predictions **are contested by other researchers**). Internal migration from outlying islands to the capital **may already have been accelerated** by sea level rise. Tuvalu’s Long-Term Adaptation Plan anticipates that **half of the capital, Funafuti, will be tidally flooded** by 2050, and hopes to adapt to these risks by building sea walls and reclaiming land. Tuvalu is a middle-income country, with a GDP per capita of **US\$5,335** and a **youth unemployment rate of 20.6 percent** (2016 data). Australia, by contrast, is a high-income country with a **GDP per capita of US\$65,000** and **one of the tightest labour markets in the OECD**.

The Falepili Union follows longstanding recognition of the climate-migration nexus. Tuvalu has **proposed a United Nations resolution** to create a legal framework for people displaced by climate change. A multilateral approach **is very difficult**, however, and the resolution has not yet been formally tabled. Other approaches to ‘climate displacement’ **have been essayed** in the Pacific. New Zealand **offered a targeted experimental humanitarian visa** for climate-vulnerable Pacific Islanders in 2017. The scheme was expected to target around 100 people a year, but was dropped following a negative reception by its intended beneficiaries. More recently, regional policies on the climate-migration nexus have been adopted. In early November, the Pacific Island Forum **endorsed a Regional Framework on Climate Mobility** which **sets out the region’s expectations** of in-situ adaptation; commitment to reducing displacement; and a pledge to manage rights-based migration to support adaptation. The Forum also re-endorsed a 2021 statement proclaiming that Pacific Island

states would [retain sovereignty over their maritime zones](#) even in the face of climate change; and a statement declaring that Pacific Island states [will continue to retain statehood](#) regardless of the effects of climate change.

Tuvalu already benefits from several regional mobility programmes. Tuvaluan citizens are already eligible for New Zealand’s Pacific Access Category pathway, which [allocates permanent residency visas](#) to 75 ([temporarily 150](#)) Tuvaluans per year on a ballot basis, and Australia’s [new Pacific Engagement Visa](#), which offers 3,000 visas per year; country quotas are yet to be decided. Tuvaluan citizens can also work in New Zealand for nine months at a time through the [Recognised Seasonal Employer Scheme](#) and in Australia through the [Pacific Australia Labour Mobility \(PALM\) programme](#). The agreement is similar to other deals in the Pacific; New Zealand has [a similar partnership](#) with the Cook Islands, and the United States has longstanding [Compacts of Free Association](#) with Micronesia, the Marshall Islands, and Palau. These agreements see the larger states provide financial assistance and free movement, in exchange for policy authority in defence and other areas.

Australia is seeking to take on a more active role in regional development and diplomacy, especially in pushing back against China’s growing influence. Penny Wong, Australia’s Minister for Foreign Affairs since 2022, stated early in her tenure that [“Australia’s future is tied to the \[Pacific\] region”](#). Adaptation to climate change is central to both Australia’s regional diplomacy and [to its development strategy](#). Australian also, importantly, has a longstanding desire to counter China’s [growing geopolitical influence](#) in the region, and Tuvalu is now one of the relatively few Pacific states to still [recognise Taiwan as a sovereign nation](#). Australia has already used [access to migration opportunities as a diplomatic lever](#), and proposals [have previously been put forward](#) to extend similar climate, migration, and security partnerships more widely in the region.

What effects will the agreement have?

If it stands, the Falepili Union will have major consequences for Tuvalu and could serve as an example to be attempted elsewhere. In this, there are both potential benefits and challenges.

- **Domestic politics.** It is possible that the agreement will not last long. The agreement is [reported to have been sought](#) by the current Tuvaluan government, which was dissolved on November 27 at the end of its term.² Yet it has been criticised by Enele Sopoaga, the leader of the opposition, and by [a member of the sitting government](#). Tuvalu’s population [is reported to have been inadequately consulted](#). Sopoaga [has previously rejected](#) similar proposals as “imperial thinking”. This time, he has [described it as](#) “a classic example of neo-colonialism,” [proposed a \(defeated\) motion](#) to force a referendum, and [pledged to abolish it](#) should he be elected. Elections will be held in January 2024 and the deal is not yet ratified; it is now likely that it will be renegotiated or abnegated.

² Whether the deal was sought by Tuvalu [is contested](#).

- Emigration.** If the agreement is upheld, the Tuvaluan population in Australia will grow considerably. In 2023, [only 250 Tuvaluans](#) were present in Australia, of whom perhaps [less than half](#) were born in Tuvalu; now, 280 per year will become eligible. It is also possible that Tuvaluans will retain access to the Pacific Engagement Visa, giving Tuvaluans [a potential additional 75 visas](#) per year. As things stand, 465 Tuvaluans could have access to migration to Australia and New Zealand each year; over four percent of Tuvalu's population. As Stephen Howes [points out](#), the Pacific Access Category [has been very popular in Tuvalu](#)—over 10 percent of the population applied to the ballot in 2019. This said, [only 2,200 Tuvaluans](#) are estimated to have both the desire and the financial means necessary to migrate; for many, wealth is located in [inalienable land possessed under customary law](#). It is possible that Tuvaluans would migrate in a circular fashion, returning to Tuvalu after obtaining Australian citizenship, completing education, or retiring.
- Major increases in earnings.** As noted, GDP per capita in Australia is approximately 12 times greater than in Tuvalu. Research by the World Bank in 2017 estimated that migrants participating in Australia's Seasonal Worker Programme, a precursor to the current PALM programme, could [increase their earnings by 4.3 times](#). New research finds that the average Pacific Island participant in the PALM scheme [sends home 60 percent](#) of their post-expenses earnings, and that some migrants increase their earnings by nine or ten times, with major benefits for their wider family and community. These funds [could support climate adaptation](#) in Tuvalu, investing in income diversification and community projects. They can also be reinvested in migration, [allowing a larger number](#) to benefit from the new pathways.
- Long-term questions for Tuvalu's government functions.** If significant numbers of Tuvaluans do leave for Australia over the coming years, Tuvalu's governance and financial systems will come under increasing stress. In 2022, Tuvalu's government had [total estimated revenues](#) of A\$102 million (US\$67.4 million), of which A\$12.2 million came through taxes. With increased departures, Tuvalu's socio-economic systems, labour market, and tax base risk being degraded. At the same time, adaptation needs will increase and additional services may be demanded by a reduced population. While access to labour migration has been valuable in providing remittances, it has also already [left some sectors suffering skilled labour shortages](#) that Tuvalu has struggled to fill. Over the long term, these problems are likely to worsen. Tuvalu's government will need to consider how best to mobilise additional remittances for adaptation and budget support. Tuvalu does not tax overseas nationals; they may need to change this.
- Long-term questions for Tuvalu's broader governance.** Within several decades, a majority of Tuvalu's population may have left; by the end of the century, the population of Tuvalu may be greatly diminished. (As noted, this is only one scenario: it is also possible that few will elect to leave, and other Pacific Island states with free movement agreements have largely not been depopulated.) If this does take place, the governance of the Tuvaluan population will enter an

unprecedented phase. Most governments in exile anticipate one day returning to their country of origin and make few efforts to raise taxes from exiled citizens. Despite the commitments to Tuvalu's enduring statehood, its government would need to maintain a sufficient structure of citizen engagement and revenue-raising to remain an autonomous and legitimate entity. When citizens are dispersed across other states, this is likely to be challenging.

Next steps for Australia and Tuvalu

The Falepili Union is a new and novel agreement. Numerous further steps are required, and more details of the current plan should be made public.

- **Ensure that consultation does take place.** This agreement poses questions for Tuvalu's sovereignty, long-term governance, socio-economic systems, and community relations. So far, the government of Tuvalu [has not released](#) an official version of the agreement. It needs to discuss the details with Tuvaluans and engage in much wider consultations. Australia's government should support this by making more details public, such as information regarding whether Tuvalu's population would be supported in being [located near to each other](#).
- **Provide training for Tuvaluans ahead of movement.** If the agreement does remain in place, it is to everyone's benefit to support Tuvaluans in obtaining skills that can support themselves fully in Australia while also being of use in Tuvalu. Australia currently supports [the Australia-Pacific Training Coalition](#), which since 2007 has provided vocational training and Australian qualifications to thousands of Pacific Islanders, [including more than 200 Tuvaluans](#). Support for training in Tuvalu could be usefully scaled up, providing skills in areas of mutual benefit, such as electrical work and refrigeration. In fact, the possibility of green-skilled training and migration programmes with Pacific Island states has already been recognised in Australia's [landmark Clean Energy Generation report](#).
- **Support Tuvaluans to integrate in Australia.** Many migrants to Australia [find themselves working below their skill level](#) and struggling to integrate. Given that a relatively large number of Tuvaluans will be coming, and permanently, it is in everyone's interest to ensure that they can work at the correct skill level. Given the long-term nature of this agreement, it would be sensible to strengthen qualification recognition and job matching systems from the start. It would also be sensible to liaise more closely with the existing Tuvaluan diaspora in Australia, who are reported to [not yet have been consulted](#).

- **Improve remittance-sending mechanisms.** The financial benefits of the increased number of Tuvaluans migrating to Australia could be significant for those who remain in Tuvalu, but are reduced by the relatively high costs of sending remittances. In 2022, the average cost of sending money from Australia to Tuvalu was 10.1 percent. Reducing these costs would allow significant larger sums to be made available for development and adaptation.
- **Support Tuvaluans remaining in Tuvalu.** As Farbotko and Campbell (2022) have argued, the concept of atolls’ “uninhabitability” is highly subjective; while some Tuvaluans may consider departure preferable, others are likely to wish to remain permanently. If large numbers of Tuvaluans do gradually leave for Australia, those remaining behind will have to adapt to degraded socio-economic systems and reduced government capacity, and will require particular support. At some future point, depopulation may trigger socio-economic tipping points where viable systems are no longer possible, and more rapid departure may need to be facilitated.
- **Ensure that governance mechanisms for Tuvaluans in Australia and elsewhere are gradually developed.** The Falepili Union reaffirms the endurance of Tuvaluan sovereignty: the question of how this is to be maintained when a majority, or all, Tuvaluans are located in another state will need to be gradually addressed. Subjects to be discussed will need to include protection of Tuvalu’s autonomy in international affairs if its population is predominantly located in areas in which it has no domestic authority; the ability of the Tuvaluan government to raise taxes or maintain a reliable sovereign wealth fund; and approaches to ensuring that Tuvalu’s governance systems can remain legitimate, consultative, and accountable in a new setting. Some steps have arguably already been taken towards this through the ‘Digital Tuvalu’ initiative, although its role beyond attention-raising is unclear and Sopoaga’s comments suggest limited trust in its future for governance.
- **Explore complementary policies.** Australia’s housing market is in a state of crisis and faces increasing pressures due to climate shocks; estimates by the Climate Council Australia suggest that one in twenty-five properties will be wholly uninsurable by 2030. Australia’s tight labour market, and the agreement’s commitment to offering Tuvaluans social protection, will support integration. However, to facilitate this, allowing Tuvaluans to purchase affordable houses and forestalling any possible backlash by Australian citizens, complementary policies are likely to be necessary, especially if the small numbers arriving from Tuvalu are to be increased through later agreements. Complementary policies needed include climate-conscious support for the development of the housing stock.

Lessons for other countries

The Falepili Union has attracted enormous interest around the world. In the Pacific the reaction has been muted but [broadly supportive](#), possibly because the agreement was announced on the sidelines of the Pacific Island Forum. Kiribati offered [qualified support](#), but stressed that it would not be following suit. The region's researchers have been divided, with many criticising its "[neocolonial Western influence](#)" and perceived [lack of climate justice](#), while others [welcome its possible impact](#). China has accused Australia of "[treating island nations as pawns](#)"; American and European policymakers [have praised the agreement](#). What lessons can be derived for use elsewhere, including for other small island states [such as Nauru](#) who could seek a similar agreement?

- **Consultation is crucial.** Emigration, adaptation, sovereignty, and place attachment are deeply political areas, and any policy will be the subject of intense scrutiny. Equity is important, and these agreements should take time: they should be the subject of inclusive and genuine consultation, especially when climate and migration are tied to other policy areas.
- **Targeted pathways adapting existing mechanisms are more feasible than a new protection category.** The exact mechanism for the Falepili Union's migration component is not yet clear, but it may be a version of [the Pacific Engagement Visa](#), targeted to Tuvaluans and without an age constraint or the need to have secured a job offer. Similarly adapted programmes, targeted to specific populations known to be climate-vulnerable, could be feasible and politically acceptable elsewhere. The use of a visa lottery system, previously [proposed by CGD and the International Organization for Migration \(IOM\)](#) for this context, can also be a source of useful lessons. Visa lotteries allow countries of destination to avoid differentiating between similar levels of vulnerability and (if well-managed) ensure the pathways are captured by local networks, elites, or brokers—[as is found to have happened](#) in the case of recruitment to New Zealand's Recognised Seasonal Employer programme.
- **More reflection on the future of endangered states is needed.** There is [no current framework governing international relocation](#), and no treaties relate specifically to the protection of persons in the event of sea-level rise (the climate change effect most likely to result in international, especially whole-state, relocation). Questions of sovereignty in practice, when a government's citizens are dispersed across other sovereign states and consultation becomes more challenging, also [remain to be answered](#). These should be researched and debated now, with international agreements reached while these states retain influence, in order to avoid inequitable outcomes.

As the effects of climate change worsen, agreements like the Falepili Union are likely to become more necessary. This agreement provides a wake-up call to the world: further mitigation is urgently needed. The world [is not currently on course](#) to keep average temperatures down; new and adapted approaches to statehood, migration, and adaptation are therefore necessary.

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