

## THE PACIFIC COMMUNITY

**FIFTH PACIFIC REGIONAL ENERGY AND TRANSPORT MINISTERS' MEETING**

Port Vila, Vanuatu, 8 – 12 May 2023

**TD 10: ACCELERATING SUSTAINABLE DEVELOPMENT OF CARBON-FREE  
MARITIME TRANSPORT**

[Submitted by the Pacific Blue Shipping Partnership (PBSP)]

**Purpose**

1. The purpose of this paper is to seek Transport Officials' endorsement of the recommendations below, associated with the ongoing work of seven (7) Pacific countries<sup>1</sup> through the Pacific Blue Shipping Partnership (PBSP).

**Background**

2. The PBSP has been established by a coalition of Pacific countries for the purpose of coordinating action to accelerate development of a high-quality, resilient and 100% carbon-free maritime transport sector by 2050, including a 40% reduction of greenhouse gas emissions from domestic shipping by 2030 as a multi-country contribution to the goals of the Paris Agreement.

**Current status**

3. PBSP Member Countries have agreed to shared priorities for investment in the maritime transport sector, without prejudice to existing national priorities, programs and initiatives, and to review and endorse implementation plans to achieve the joint vision of the Partnership.
4. PBSP Member Countries also call on international development partners—including multilateral development banks, bilateral partners, regional organisations, the private sector, and other organisations—to participate in the development of a large-scale innovative, no regrets finance modalities and blended finance modalities for the Partnership, including principles-based, country-owned and country-driven coordination of support for national action plans for sustainable low carbon development of maritime transport, recognized as appropriate in Nationally Determined Contributions to implementation of the Paris Agreement.
5. PBSP Member Countries have agreed that their initial shared priorities are for development of a high-quality, resilient and 100% carbon-free maritime transport sector, including but not limited to:
  - a. **Policy and planning** - securing financial and technical support for the development of a strategic regional implementation framework and multi-sector, multi-stakeholder national implementation frameworks;
  - b. **Infrastructure** - securing financial and technical support for strategic assessments of port and outer island facilities and land-based infrastructure necessary to support the transition to a carbon-free maritime transport sector, including renewable energy and operational port design, investment into facilities for building and repair low and zero-emission vessels, and support for capital investment in infrastructure;
  - c. **Vessels** - accelerated investment for new vessels and retrofitting programs across all vessel types, replacement of two-stroke engines with four-stroke, electric and other energy efficient alternatives, and improved supply chain access for vessel maintenance and repairs;
  - d. **Innovation** - coordinated investment in accelerated testing, piloting and monitoring of new approaches, technologies and business models, building on all relevant existing initiatives, including development of local innovation networks for small-to-medium scale enterprises;

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<sup>1</sup> The PBSP Member countries are Fiji, Kiribati, Republic of the Marshall Islands, Solomon Islands, Tonga, Tuvalu and Vanuatu.

- e. **Data** - securing financial, technical support for enhancement of data collection, compilation and analysis (on an open-licensed basis) to inform policy and investment decisions;
  - f. **Capacity building** - establishment of long-term partnerships that strengthen the capacity of Member Countries to develop maritime manufacturing and maintenance industries for low and zero-emission maritime transport, train and retain maritime professionals, and provide multi-scale financial services and investment planning for the maritime sector; and
  - g. **International development cooperation** - adherence of all international projects, programs and investments (including upstream sectors such as energy and maritime services) in PBSP Member Countries to the following principles for development cooperation. Such activities must-
    - utilise prior consultation with relevant Member Countries and ensure alignment of scope and activities with national development priorities, and with the shared priorities for PBSP Member Countries,
    - undertake due diligence to minimise in-country duplication of resources and efforts across the activities of international projects and programs,
    - include direct and appropriately funded participation of local people and institutions from relevant PBSP Member Countries, and
    - participate as appropriate in PBSP governance and consultation mechanisms to maintain close coordination with PBSP Member Countries and reduce capacity demands for in-country stakeholders.
6. PBSP Member Countries have commenced work to establish a formal implementation and governance framework for the Partnership, including a biennial Ministerial meeting and annual senior official meeting, supported by a dedicated Secretariat.

## Issues

7. The Joint Vision and Shared Priorities outlined above are informed by the common understanding of PBSP Member Countries on the following.
- a. *A low-carbon transformation of domestic shipping in Pacific countries is technologically achievable:* a combination of maritime sector investments (including improved maintenance, logistics and routing management, vessel retrofits and motor switching, and low-carbon energy infrastructure) can achieve a 40% reduction of sector GHG emissions by 2030, allowing sufficient time for long-term zero-carbon options (including electrification and use of sustainable electro-fuels) to be piloted and brought to scale.
  - b. *The large-scale investment required to achieve the 2030 and 2050 objectives of the PBSP has the potential to unlock significant development co-benefits—for local livelihoods, enterprise development, trade and access to services—provided that investments are carefully planned and aligned with relevant national and regional development priorities.*
  - c. *Better coordination of existing activities of development partners, guided by strategic country roadmaps aligned with the ambition of the PBSP, will be a key enabler of progress:* Multi-sector national transition roadmaps and strategic planning for the domestic maritime sector in PBSP Member Countries, combined with strategic coordination between international development partners in line with country-defined priorities and principles, will enable a shift away from ad hoc projects towards strategic programs that will lead to systemic and structural transformation to deliver the long-term ambition of the PBSP.

**Recommendations**

8. PBSP Member Countries will provide annual updates as part of the Energy and Transport Ministerial meetings convened annually by SPC. Member Countries welcome dialogue with all interested parties in the spirit of partnership, acknowledging the rich Pacific maritime heritage, bonds and friendship, and cultural ties among its peoples, and traditional knowledge as a foundation for our aspirations and ambitions to achieve sustainable low-carbon development of the maritime transport sector. PBSP Member Countries encourage interested parties to reach out to the PBSP interim secretariat for further information or potential regional engagement opportunities.
9. Transport Ministers are invited to:
  - a. **recognise** the need for ambition by all Pacific countries to develop roadmaps, and secure investment for, a transition to a high-quality, resilient and 100% carbon-free maritime transport sector;
  - b. **call** on international development partners to increase their coordination and ambition concerning the Pacific maritime transport sector, aligned to country-defined priorities and principles; and
  - c. **agree** to receive annual updates from PBSP Member Countries on the progress of the Partnership at future Ministerial meetings.

*17 April 2023*