

THE PACIFIC COMMUNITY

FIFTH PACIFIC REGIONAL ENERGY AND TRANSPORT MINISTERS' MEETING

Port Vila, Vanuatu, 8 – 12 May 2023

TD 01: PROGRESS OF THE MARITIME TRANSPORT SECTOR WITH THE 2019 PRIORITIES

[Submitted by the Pacific Community (SPC)]

Purpose

1. The purpose of this paper is to update the Transport Ministers on the progress made by the Pacific Islands Countries and Territories (PICTs) and Partners in the implementation of the maritime transport sector priorities that were agreed upon during the fourth Pacific Regional Energy and Transport Ministers' Meeting (4th PRETMM), and to provide recommendations for ensuring sustainable development in the Pacific maritime sector.
2. To outline the disparities between country priorities in areas and the funding and project commitments being progressed in key areas such as maritime safety and gender equity-based work.

Background

3. The 4th PRETMM agreed on the following priorities for implementation in relation to the transport sector.
 - Priority 1: A Community-Based Approach to Safety-for-All at sea in the Pacific.
 - Priority 2: Strengthening the Pacific MoU on Flag State Implementation.
 - Priority 3: Safety of Navigation in the Pacific.
 - Priority 4: Low Carbon Maritime Development in the Pacific.
 - Priority 5: Pacific Ports 2030 – 2050: A Vision of Resilient, Green and Clean Ports in the Pacific.
 - Priority 6: Maritime Capacity Development in the Pacific.
 - Priority 7: Gender Equality in Maritime.
 - Priority 8: Marine Pollution.
 - Priority 9: Collaboration and Coordination in the Pacific.
4. The 5th PRETMM was twice postponed due to Covid-19 and during that period, the Pacific Community (SPC) organised two (2) regional virtual meetings in 2021¹ and 2022², specifically to assess the progress made by PICTs and Partners.
5. More recently, the IMO First Knowledge Partnership Workshop held in Suva Fiji, from 28 – 31 March 2023³, brought together Partners, CROPs, and PICTs, to discuss and share updates on some of the projects and activities they are implementing in the region.

¹ *Regional Heads of Maritime Meeting (virtual): 09 – 11 November 2021.*

Joined by PICTs – Australia, Cook Is, Fiji, Kiribati, New Zealand, Niue, Palau, PNG, Samoa, Solomon Is, Tokelau, Tonga and Vanuatu / Partners and Associations – PIMC, DFAT, GIZ, IMO, IALA, LINZ, MNZ, UNESCAP, SPC.

² *Regional Maritime Transport Officials Meeting (virtual): 15, 16 and 18 November 2022.*

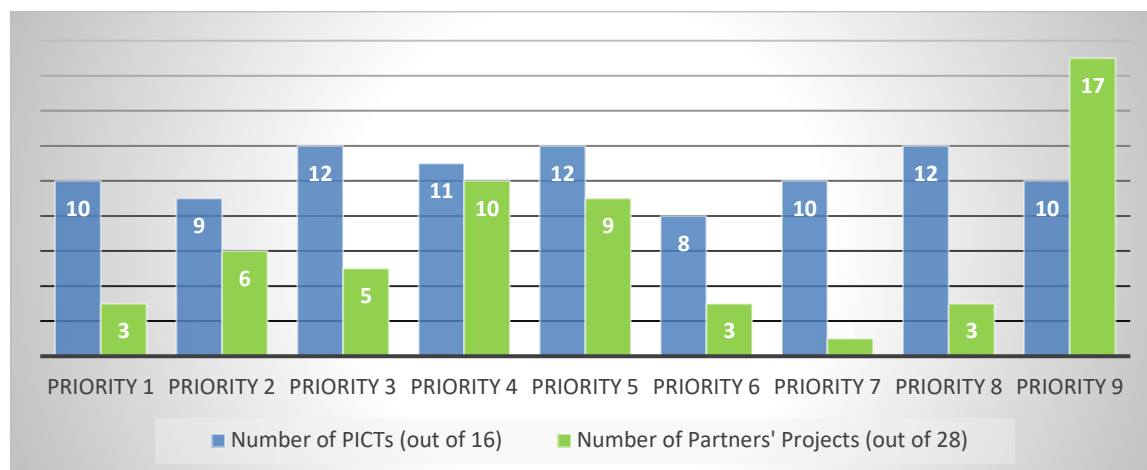
Joined by PICTs – Australia, Cook Is, Fiji, FSM, New Zealand, Niue, Palau, PNG, RMI, Samoa, Solomon Is, Tokelau, Tonga, Tuvalu and Vanuatu / Partners – ADB, AMSA, APHOMSA, EU, GIZ, GGGI, IALA, IMO, LINZ, MNZ, MCST, PCREEE, PRIF, SWPHC, UNESCAP, World Bank and SPC.

³ *IMO First Knowledge Partnership Workshop: 28 – 31 March 2023.*

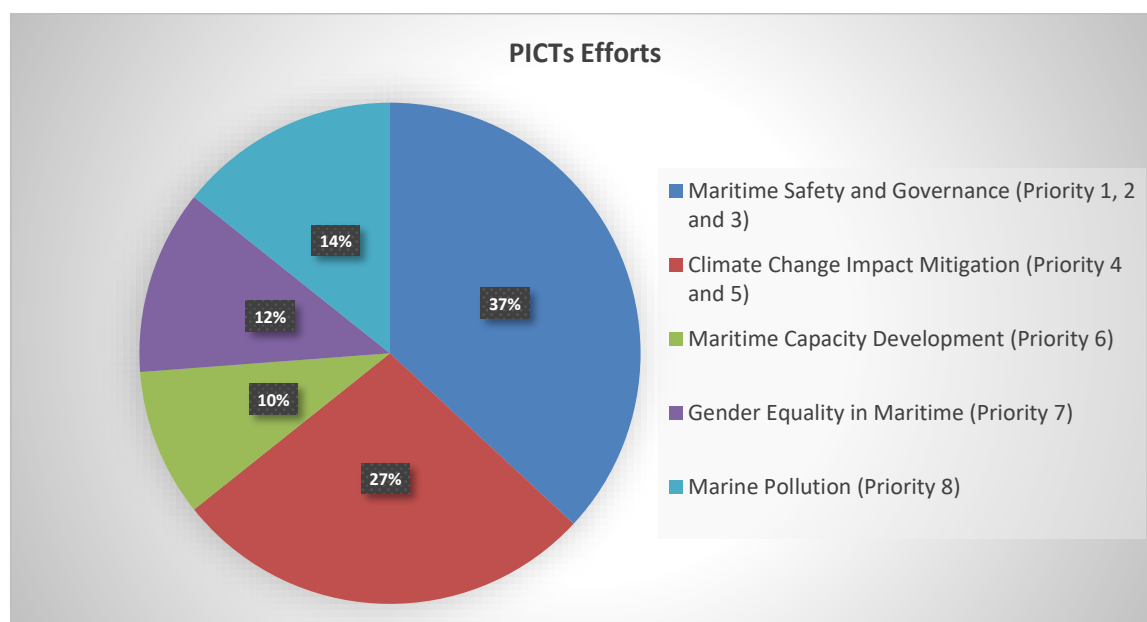
Attended by PICTs – Cook Is, Fiji, Kiribati, RMI, Nauru, PNG, Samoa, Solomon Is, Tonga, Tuvalu and Vanuatu / Partners – Australia, EU Delegation Fiji, Republic of Korea, World Bank, UNESCAP, KOICA, JICA, USP, IMO, SPC.

Current status

6. Progress updates against the 2019 Priorities were collected from sixteen (16) PICTs⁴ and fifteen (15) partners⁵ including regional and sub-regional bodies who have furnished their updates during the regional meetings in 2021, 2022 and 2023 respectively. The updates from partners and other institutions indicated a total of twenty-eight (28) projects operating in the region.
7. The overall analysis of the contribution of PICTs efforts and Partners' projects against the 2019 Priorities is shown in the graph below.

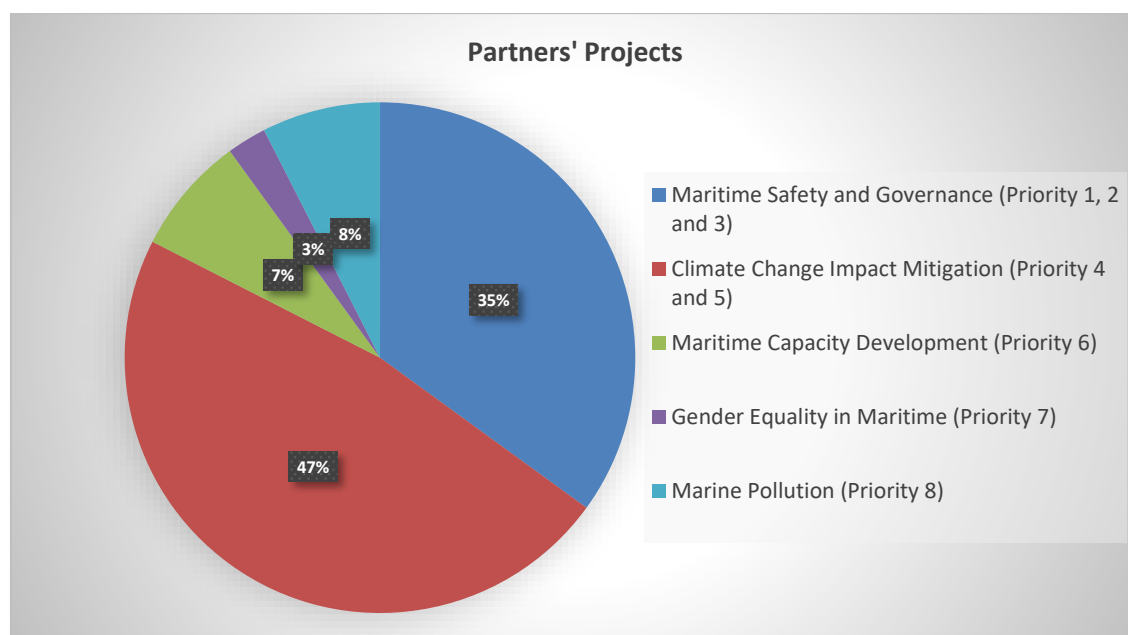


8. The following evaluation is done by re-grouping the Priorities under 5 different categories with similar priorities grouped together under five common categories, as listed below;
- | | | | |
|-------|----------------------------------|---|-----------------------|
| (i) | Maritime Safety and Governance | - | Priorities 1, 2 and 3 |
| (ii) | Climate Change Impact Mitigation | - | Priorities 4 and 5 |
| (iii) | Maritime Capacity Development | - | Priority 6 |
| (iv) | Gender Equality in Maritime | - | Priority 7 |
| (v) | Marine Pollution | - | Priority 8 |



⁴ Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, and Wallis and Futuna.

⁵ IMO, UNESCAP, SPC, SPREP, USP, MFAT, AMSA, MNZ, GIZ, JICA, MCST, PBSP, CPSC, WB, ADB.



9. After assessing PICTs initiatives against projects and Partner commitments, significant work has been progressed however it is noted that country priority areas are at times out of step with the commitments and projects at regional and international levels. Most notable are areas such as:
- gender equity in maritime, whereby countries have prioritised this work considerably however only one project has dedicated funding to support the delivery of the Regional Strategy for Pacific Women in Maritime.
 - maritime safety, whereby funding and capability support of this key priority has diminished considerably in recent years.
10. It can also be deduced from the above chart, that there is a relatively good balance in PICTs efforts to implement the 2019 priorities, while most of the Partners are prioritising Climate Change Impact Mitigation.

Issues and actions

11. While striving to implement these priorities, PICTs also faced significant challenges that delayed their progress in some areas, including the following:
- a. **COVID-19 pandemic** – The closure of international borders in response to the COVID-19 pandemic which began in March 2020 and continued until the end of 2022 has greatly affected most countries and partners in that some of their planned activities had to be postponed or cancelled, and have shifted their priorities to respond to covid-induced challenges, etc.
 - b. **Competing priorities** – Due to competing priorities, some countries have received more government attention and support for their non-maritime sector initiatives, resulting in a lack of progress for the maritime sector. As with the impact of the COVID-19 pandemic, PICTs or partners even shifted some priorities resulting in the further neglect of maritime sector priorities.
 - c. **Insufficient financial resources** – Insufficient funding for competent authorities/maritime administrations has limited their capacity to implement priorities, particularly in capital-intensive that are not covered in their recurrent budgets. Similarly, many ship operators

struggle to finance maintenance activities and acquire appropriate equipment, leading to difficulties in following recognized safe practices.

- d. **Staff turnover** –Competent authorities and maritime administrations often face challenges with staff turnover, which can result in the loss of experienced personnel who have training and capacity building. New and inexperienced staff must be trained to the same level as their predecessors, but this takes time.
 - e. **Training facilities and resources** – Due to the lack of appropriate training resources and experts, seafarers struggle to revalidate their certificates or upgrade their qualifications. Therefore, some shipping companies find it difficult to get qualified local seafarers to meet the safe manning requirements. Some of these officers/crews are issued dispensations that only last for a limited period.
 - f. **Substandard vessels** - Most of the vessels in the region are second-hand and expensive to maintain. Some are unfit for purpose but have been modified so that they can accommodate passengers and/or cargoes. An example of these are second-hand fishing vessels that are generally unsafe to carry passengers/cargoes which tend to be not fit and safe in most cases.
 - g. **Passenger overloading** - The practice of overloading vessels with passengers is a common practice during peak seasons such as school and Christmas holidays, national general elections, etc. This practice compromises safety as ship owners/operators, crew, and passengers prioritize capacity over safety. Ships' masters sometimes fail to exercise their overriding authority and may be influenced by ship owners to undertake unsafe practices, thereby posing significant safety risks.
 - h. **Safe operation of ships and pollution prevention** – While some countries participating in the Pacific Islands Domestic Ship Safety (PIDSS) program have made satisfactory progress, a few shipping companies need to do more efforts to ensure effective implementation of Safety Management System (SMS) both on board and at shore-office. Further trainings including internal Auditors training are necessary to enable them to conduct internal audits on their own to assess how they have implemented their SMS and to identify areas for continuous improvement of their system.
 - i. **Safety equipment and servicing facilities** – Due to the absence of local safety equipment suppliers and servicing facilities in some PICTs, ship operators have to seek these services from abroad which normally incurs high costs. In addition, inadequate funding makes it difficult for local ship operators to afford these services. This presents a challenge for shipping companies in their efforts to effectively implement their SMS, as they may not be able to replace expired safety equipment or perform timely maintenance schedules as required.
 - j. **Legal capacity**– International instruments do not become binding until they are incorporated into domestic law by statute. However, some PICTs face challenges in domesticating the large number of international instruments and their amendments due to limited legal capacity and resources. Additionally, there is often a lack of clarity in the roles and responsibilities between different agencies, which can lead to delays in the development of new regulations. For instance, administrative agencies and implementing agencies may not have clear demarcations of responsibilities, further complicating the process.
 - k. **Collaboration and coordination** – There is still a need to understand the processes and protocols around collaboration and coordination with other countries or partners. Some PICTs do not have a dedicated budget for attending regional and international meetings, and there is also a need to build capacity among members so they can contribute to the meetings and make the most of their attendance.
12. The following strategic actions are proposed to address the issues and challenges to help PICTs achieve full implementation of the 2019 priorities.
- a. **Prioritizing maritime safety sector issues** – The Pacific Ocean is a defining aspect of our heritage and future, with the maritime sector serving as the backbone of the livelihoods for

island communities and our people. As stewards of the Blue Pacific Continent, it is imperative for Governments and Partners to prioritize and provide adequate attention and support to the maritime sector. The Blue Pacific continent is made up of small island countries located in the world's largest body of water - the Pacific Ocean, which provides the backbone for the livelihoods for the island communities and people. This is our heritage; therefore, it should be given more attention and support by Governments and Partners, as stewards of this valuable resource.

- b. **Strengthening the Pacific MoU for Flag State Implementation** – The Pacific MoU has been signed by eleven (11) countries, and the remaining countries are encouraged to become members in order to participate in relevant activities and introduce a “concentrated safety programme” to improve vessel safety. Outreach to communities is necessary to educate the public on maritime safety and their rights to travel on safe and secure vessels. Partners are also encouraged to support to the Pacific MoU to ensure its objectives are met effectively.
- c. **Strengthening the Pacific MoU on recognition of training and certification (STCW)** – Only three (3) countries have signed this MoU. More countries are encouraged to become members of this MoU which recognizes training and certification of seafarers for service on board vessels registered in the Pacific Island countries. Partners are encouraged to support this initiative, providing resources such as personnel, experts, and training modules for seafarers in the region.
1. **Safety Management System of domestic shipping and other regional safety programmes** – Continued support is needed to implement the Pacific Islands Domestic Ship Safety (PIDSS) programme and other relevant safety programmes in the region. It is essential to adopt and implement Safety Management Systems (SMS) integrated with Ship Energy Efficient Management Plans (SEEMP) on domestic vessels and companies. Such safety initiatives must be treated as long-term investments rather than short-term, given several other relevant capacity building activities to follow considering the unique economic geography and challenges of the Pacific region that defines its maritime transport system.
- d. **Decarbonization of shipping and the maritime sector** – PICTs and Partners need to develop and participate in new projects and initiatives, or support existing ones aimed at reducing greenhouse gas (GHG) emissions from shipping and the maritime sector. The development and implementation of national maritime decarbonization strategies or plans is crucial to reduce greenhouse gas (GHG) emissions from the shipping and maritime sector in PICTs. This will contribute to efforts by PICTs to achieve their Nationally Determined Contributions (NDCs) and mitigate against the impacts of climate change.
- e. **Legal assistance for maritime policy and law** – The lack of in-house capacity for maritime policy and legal advisory and drafting work is a critical issue for most PICTs. This creates an urgent need for regional and international partners to provide support for the development and implementation of maritime policies and laws. It is essential that PICTs legal staff are provided with financial support for attachment programmes, trainings, and workshops to build capacity. This is necessary to enable them to effectively engage in the development and implementation of maritime policies and laws that will help to ensure the safety and security of their maritime activities. Therefore, we call on partners to prioritize their assistance and support to PICTs in this area to help address this pressing issue.
- f. **Dedicated prioritization of gender equity funding in the maritime sector** – significant momentum and progress has been achieved to drive and implement the Regional Strategy for Pacific Women in Maritime (2020-2024) however this has been done without dedicated funding and without dedicated project resourcing. To date, the strategy is at 29% implementation however country efforts and prioritization outstrip funding opportunities to drive gender equity mainstreaming in sustainable manners in the sector with the overall approach relying on the Pacific Community (SPC), the Pacific Women in Maritime Association (PacWIMA) and state women in maritime associations to drive dedicated work with partners such as IMO.

Recommendations

13. Transport Ministers are invited to:

- a. **urge** that Partners, and international stakeholders accelerate and scale up funding access for improved maritime safety initiatives as a key priority, to ensure a sustainable and safe maritime transport sector for all users in the Blue Pacific.
- b. **urge** PICTs, CROPs, and partners to prioritise and accelerate gender equity-based approaches that enhance access for women and girls in the maritime sector, while ensuring progress towards this goal.
- c. **urge** PICTs, CROPs, and Partners to intensify efforts to address endemic obstacles such as limited financial resources, insufficient legal capacity, inadequate access to training and expertise, staff turnover, poor safety standards, and pollution prevention, which threaten progress against priorities for the Pacific maritime sector.
- d. **endorse** the strategic actions on the implementation of the Pacific MoU for Flag State Implementation, the Pacific MoU on recognition of training and certification (STCW), domestic Safety Management Systems, and associated legal assistance for maritime policy and law.
- e. **encourage** Partners to embed maritime safety, marine pollution, gender equality, legal capacity, and climate change mitigation issues in their regional projects for PICTs, recognising the critical role of the maritime sector in the sustainable development of the Blue Pacific.

Date: 24 April 2023