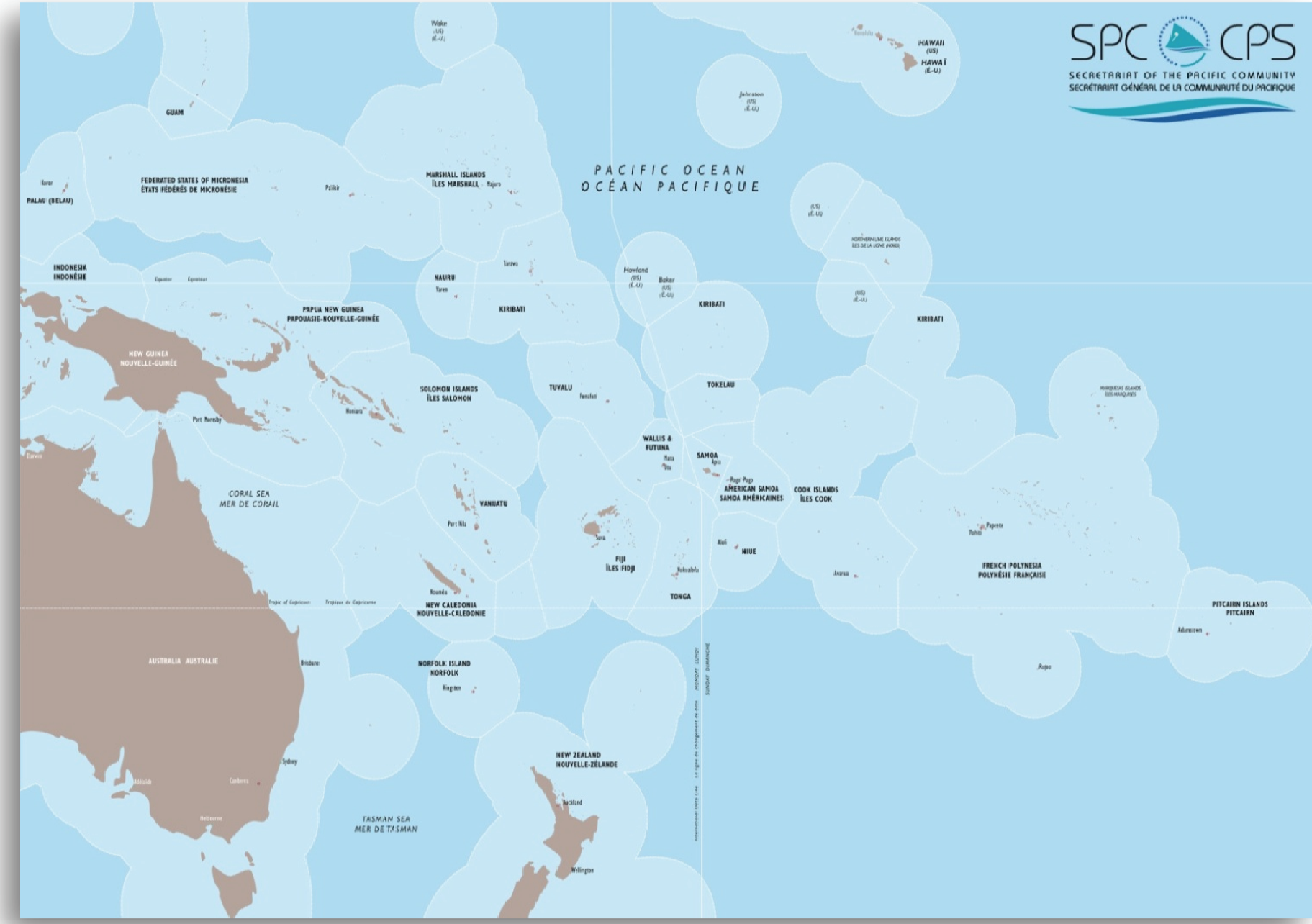
FRAMEWORK FOR ACTION ON TRANSPORT SERVICES

"Improved regional transport services enhance the social and economic well-being of the people by ensuring that all people have access to safe, secure and competitive transport services that are regular, reliable and affordable"



2011 - 2020

Improving the efficiency, effectiveness and sustainability of Pacific transport services


SPC CPS
SECRETARIAT OF THE PACIFIC COMMUNITY
SECRÉTARIAT GÉNÉRAL DE LA COMMUNAUTÉ DU PACIFIQUE
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Framework for Action on Transport Services 2010 – 2020

Improving the efficiency, effectiveness and sustainability of Pacific transport services

The Secretariat of the Pacific Community (SPC) led the development of the framework in collaboration with members, development partners, regional and national airlines/maritime companies, non-state actors and the private sector



Secretariat of the Pacific Community (SPC), 2011

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PREFACE

This *Framework for Action on Transport Services (FATS)* was formulated in response to calls from Pacific Forum Leaders for improved coordination and delivery of safe, secure and competitive regional transport services that were clearly articulated in their 2004 declaration entitled Forum Principles on Regional Transport Services (Appendix A).

At their ministerial meeting in Nuku'alofa, Tonga (May 2009) Pacific Ministers of Transport further recognised that internationally compliant transport services are imperative for economic growth and human development.

The Pacific Plan calls for a more coordinated approach in order to enhance economies of scale and effectiveness in addressing regional transport services. There is widespread agreement that the Secretariat of the Pacific Community (SPC), through its Economic Development Division (EDD), has a role in providing technical advice and developing human capacity in the sector in close collaboration with its members and other stakeholders.

Pacific Island countries and territories (PICTs), together with regional and international development partners, have developed this framework. Coordinated by SPC and underpinned by the Forum Principles on Regional Transport Services and the Pacific Plan, the framework is designed to provide guidance to PICTs to enhance their national efforts to achieve safe, secure and competitive transport services that are regular, reliable and affordable.

SCOPE

FATS is intended as a regional and national policy guide, but it was developed with the understanding that not all strategies and actions included will be relevant to all PICTs. It is a living document, and it will continue to be refined in the coming years as the Pacific region progresses in implementing transport safety and security initiatives at the regional and national levels driven by international obligations. Although a set timeframe has been applied, actions are both short and long-term. A review will be conducted after five years.

FATS includes guiding principles and identifies national and regional priorities and action themes to improve transport services. Although the delivery of transport services to PICTs involves many stakeholders, the coordination function at the regional level, which includes centralising coordination of external assistance for capacity development, capturing progress through monitoring, and aggregating information, is attributed to one lead agency – SPC.

The framework does not include sources of funding or detailed national plans and policies relating to this sector. It also does not impinge on the sovereign responsibility of national aid coordination or bilateral or multilateral partnership strategies that are negotiated directly with governments. It does, however, provide scope for greater coordination of regional initiatives and a reduction of duplicated efforts by multiple partners engaged in national transport development.

A separate *Transport Services Implementation Plan (TSIP)* has been developed focusing on tangible regional interventions that SPC and the Pacific Aviation Safety Office (PASO) can provide their members to facilitate the implementation of national policies and plans.

EXECUTIVE SUMMARY

Safe, reliable and sustainable transport depends on governments creating the right enabling environment for the private sector to operate services in an efficient and commercially viable manner, and providing effective safety oversight. Recent maritime accidents demonstrate failures in adhering to internationally accepted standards for safe and secure services, highlighting the need for more concerted efforts in this regard.

The provision of safe and secure regional transport services is affected by numerous geographical, socio-economic and technical factors, including population mobility, susceptibility to natural disasters and other effects of climate change, national policies and regulations, and international instruments. Additional factors include appropriate vessel/craft operation and maintenance, route profitability, existing petroleum supply (quality and quantity), level of infrastructure, technical capacity, proximity of maintenance facilities, as well as mandatory safety and security auditing services.

FATS aims to enhance the social and economic well-being of people in the Pacific by supporting the efforts of PICTs to work towards ensuring that all their people, at all times, have access to safe, secure and competitive air and sea transport services that are regular, reliable and affordable. The framework acknowledges that national transport policies and plans are the principal means for achieving improved transport services and promotes a 'whole-of-sector' approach, based on the concept of 'many partners, one team'. This approach recognises that numerous stakeholders contribute to improving transport services in the region and accepts them as equal partners.

The framework has seven guiding principles:

1. National-led solutions supported by regional initiatives compliant with international obligations
2. A coordinated whole-of-sector approach
3. The need for sustainable livelihoods, and recognition of climate change, culture, equity and gender issues
4. The importance of treating transport as an integrated sector
5. Evidence-based planning – the importance of transport sector statistics
6. Appropriate investment in human capital
7. Many partners, one team

These principles provide the parameters within which the relevance and appropriateness of regional initiatives should be assessed. They also inform how partners should work together and with PICTs.

This framework outlines seven themes for action to improve regional transport services. The themes embody the seven guiding principles described earlier.

1. Leadership, governance, coordination and partnerships
2. Capacity development, policy, planning and regulatory frameworks
3. Transport safety and security
4. Improved access

5. Environmental impact, technology and energy
6. Transport data, information and knowledge
7. Sustainability, monitoring and evaluation

Theme 1 – *Leadership, governance, coordination and partnerships* – recognises that strong leadership, good governance, effective multi-sectoral coordination and partnerships are necessary for safe, secure, regular, reliable and affordable Pacific regional transport services. This theme emphasises the importance of leadership and teamwork, and suggests ways in which stakeholders can achieve high level, cross-cutting support for well designed enabling environments for the provision of transport services.

Theme 2 – *Capacity development, policy, planning and regulatory frameworks* – recognises the importance of strengthened capacity in the public and private sectors, transport policy, and planning and harmonised regulatory frameworks to support coordinated and enhanced development of the Pacific transport sector. Strengthening of supportive policies and legislative frameworks, regulations and other legal and administrative tools is necessary for effective management of the region's transport sector.

Theme 3 – *Transport safety and security* – recognises that protection of life and property is the primary driver of international transport instruments and national obligations. There is an increasing demand for regulatory compliance, but the ability of PICTs to comply is constrained by limitations in their human and financial resources. Proper management of the safety and security aspects of transport services, supported by the necessary infrastructure, is crucial to achieving full international, regional and national compliance.

Theme 4 – *Improved access* – recognises that safe, secure, reliable and affordable transport services to rural, inland and outer islands is key for the promotion of economic and social development initiatives. Domestic transport services are vital for rural development, access to health and education services, trade, population movement, tourism and national economic development, thereby contributing towards the achievement of internationally agreed development goals, including the Millennium Development Goals (MDGs). The framework also acknowledges the importance of efficient and reliable routes, tariffs, fees and schedules, particularly for rural areas and remote islands.

Theme 5 –*Environmental impact, technology and energy* – recognises the importance of reducing the environmental impact and improving the efficiency of transport systems within the region. International instruments and standards combined with modern infrastructure can further mitigate environmental degradation and climate change.

Theme 6 – *Transport data, information and knowledge* – recognises the need for timely, accessible and accurate transport data and information as a basis for effective planning and decision-making in the transport sector. This framework proposes establishing a regional data repository, building a common set of transport service indicators (including the Pacific Infrastructure Performance Indicators supported by the Pacific Region Infrastructure Facility – PRIF) to enable current, reliable

and relevant transport data and statistics to be readily available to decision-makers in PICTs at government and industry level to inform decisions on long-term national transport strategies. Measures of transport service access could eventually feed into useful economic growth indicators for PICTs.

Theme 7 – *Sustainability, monitoring and evaluation* – recognises the importance of sustainable resourcing of transport systems supported by a comprehensive monitoring and evaluation (M&E) framework. International and regional commitments to aid effectiveness, which seek better alignment of development assistance (e.g. the Cairns Compact), provide the platform for a new approach to coordination in the transport sector. The principle of one implementation plan and one M&E matrix are the foundation for the whole-of-sector approach. To this end, sustainable transport systems will be supported by a results-based M&E matrix to measure achievements for safe, secure and affordable transport services in the region (internationally and domestically), with clear outcomes and milestones. The M&E matrix will be closely linked to relevant implementation plans designed to lead to long-term sustainable provision of regional transport services in the region.

PART 1: CONTEXT OF TRANSPORT IN THE PACIFIC ISLANDS

BACKGROUND

Transport services underpin all aspects of socio-economic development ranging from migration and agricultural and value-added trade to the provision of essential services in health and education as well as evacuation and disaster assistance relief. However, achieving economies of scale in transport service provision in PICTs is complicated by their small size; their geographical dispersion (and in some instances, remoteness); and the nature of their terrain, which in many instances is unsuited for the operation of conventional aircraft and maritime vessels.

The Pacific is a region where immense distances translate to high costs for goods, health and education services, and movement of people and cargo. National and regional policies need to acknowledge the cross-cutting nature of transportation services and their importance to sustainable economic and social development. Involvement of stakeholders outside the transport sector in achieving safe and secure transport services in the Pacific must be acknowledged and harnessed.

TRANSPORT SERVICES ARE A CRITICAL DEVELOPMENT ISSUE

Transport services have many links with social and economic development and must therefore be integrated into the development agenda. Economic growth in the Pacific requires that all sectors of society, especially vulnerable groups, enjoy safe and secure transport services that are regular, reliable and affordable. National and regional transport services are also critical for sustainable development and poverty alleviation in PICTs.

Productive sectors of the economy such as agriculture, fisheries, forestry, manufacturing, tourism and hospitality are dependent on efficient energy use and infrastructure development (including maritime and air services infrastructure). The Pacific can ill afford the economic, social and political costs resulting from the risk to life and property associated with non-compliance with internationally accepted transport safety and security standards.

The bulk of regional transport services, whether by air or sea, are operated by the private sector with some public sector ownership. As a key driver of economic growth, it is imperative that the transport sector continues to secure private sector participation.

As transport is also a key driver of sustainable development, leadership at the highest level, both nationally and regionally, is crucial to establishing policies and directions that will create the right enabling environment for improved regional transport services for PICTs in the long term. The long-standing issue of irregular transport continues to affect PICTs and thus dominates the agendas of the leaders of PICTs, particularly those that are small island states (SIS). Achieving a country's desired development level, with appropriate transport efficiencies, requires a more coordinated and comprehensive approach from government and partners. It is widely accepted that SIS face unique and significant challenges with regard to their vulnerability to natural disasters and adverse weather conditions which add to costs through the high insurance premiums faced by transport operators

and the increasing regulatory costs that impact the industry more generally. It could be argued that all of these (combined with sparse services along routes with low volumes, long distances, slower adoption of new technology, limited resources and general inefficiency) distort the market for SIS transport, impacting negatively on SIS economies.

In the market for transport services these challenges have translated into features which make it very difficult for high-quality, affordable services to be provided regularly and efficiently. SIS are characterised by small market economies which demand low volumes of imported cargo and usually generate very little outbound export cargo, resulting in high freight rates and irregular services. These high freight rates are compounded by the high cost of fuel, high port costs (generated by large infrastructure development and maintenance costs) and inadequate port facilities (which delay offloading processes).

CALL FOR ACTION

Improved regional transport services underpin the Pacific Plan vision of 'a region of peace, harmony, security and economic prosperity, so that all of its people can lead free and worthwhile lives….'
The Forum Principles on Regional Transport Services clearly articulate the transport sector's key priorities. Successive Forum Communiqués have called for solutions to improve transport services, including the provision of safe and secure international, regional and domestic air and maritime services that are frequent, reliable and affordable through the creation of enabling regulatory environments in PICTs.

Recent maritime accidents demonstrate failures in adhering to internationally accepted standards for safe and secure services, highlighting the need for more concerted efforts in this regard. The livelihoods of Pacific peoples depend on access to safe and secure transport. It is therefore imperative to work with a renewed sense of urgency to develop more comprehensive and permanent solutions to improve the safety and security standards of regional transport services in PICTs. Against this background, SPC has coordinated the development of this framework through active engagement with experts in transport services from PICTs, regional and international agencies, and bilateral and multilateral development partners.

DEVELOPMENT OF THE FRAMEWORK

FATS was prepared through technical consultation and regional meetings involving representatives from PICT governments, development partners, regional and national airlines/maritime companies, non-state actors and the private sector. These representatives came from: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Caledonia, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Wallis and Futuna. Regional partners included the Secretariat of the Pacific Community (including the recently merged Applied Geoscience and Technology Division – SOPAC), Pacific Aviation Safety Office (PASO), Pacific Islands Forum Secretariat (PIFS), Pacific Maritime Transport Alliance (PMTA), Pacific Islands Maritime Association (PacMA), Pacific International Maritime Law Association (PIMLA) and the Association of South Pacific Airlines (ASPA). International and multilateral agencies included the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Asian Development Bank (ADB),

Korea and member development partners Australia and New Zealand. The regional aviation and maritime associations provided useful mechanisms through which to coordinate discussion with many of the stakeholders.

MODEL FOR TRANSPORT SERVICES IN THE PACIFIC

Safe, secure, regular, reliable and affordable transport services for enhanced sustainable development in PICTs depend on many factors. These factors are in turn influenced by multiple sectors, groups and environments. To ensure regional transport services are improved, all PICT sectors and regional and international stakeholders need to work together. Figure 1 provides a conceptual model of regional transport services in the Pacific.

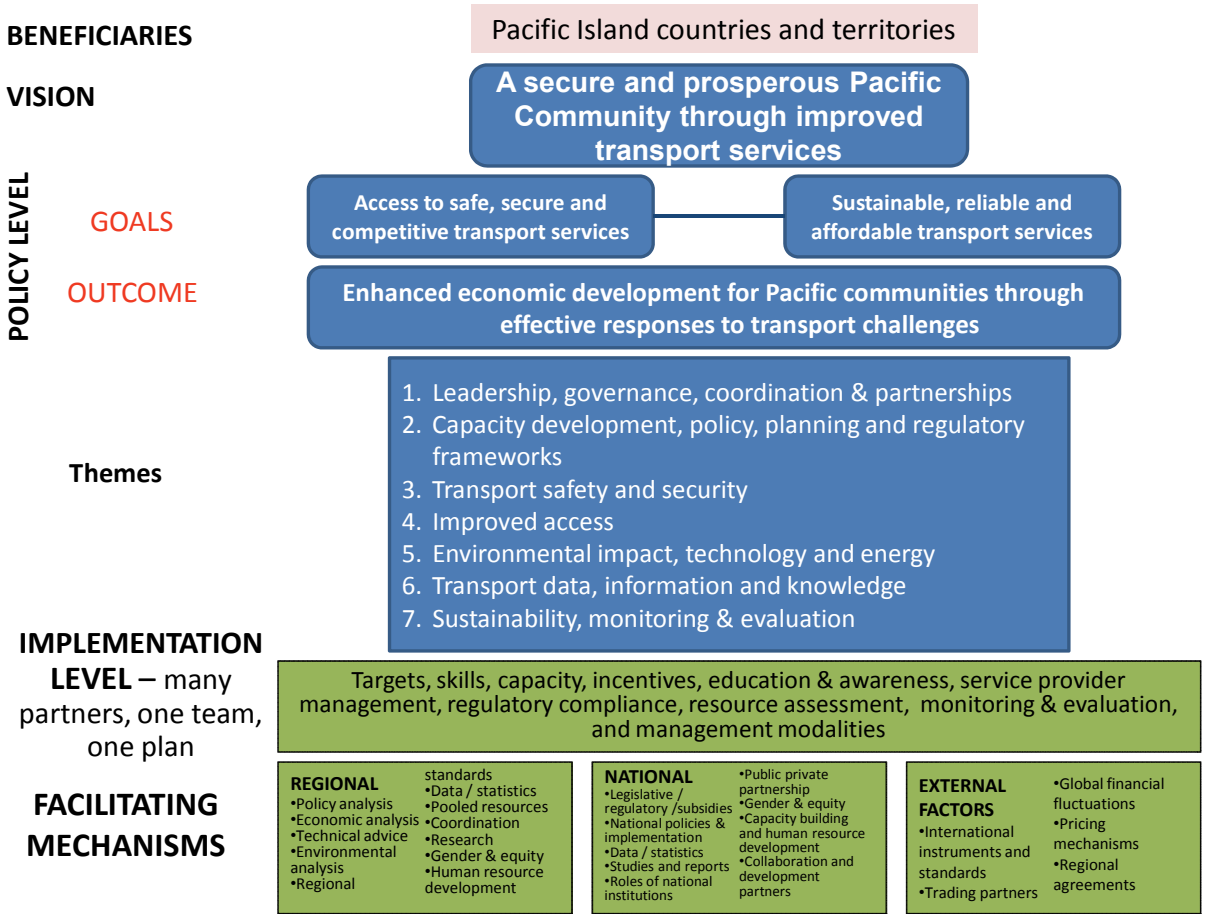


Figure 1: Conceptual model of transport services in the Pacific

FRAMEWORK FOR ACTION ON TRANSPORT SERVICES

VISION

A secure and prosperous Pacific Community through improved transport services

GOALS

i. Access to safe, secure and competitive transport services

ii. Sustainable, reliable and affordable transport services

OUTCOME

Enhanced economic development for Pacific communities through effective responses to transport challenges

GUIDING PRINCIPLES

1. National-led solutions supported by regional initiatives

To be effective and sustainable, transport solutions have to be enacted at the national level. This is an area, however, where strategic regional cooperation and, to some extent, regional coordination can add value to national-level solutions and development outcomes. There will be an appropriate balance between regional and in-country work to improve the understanding of issues, opportunities and constraints on delivery of improved domestic and international transport services. In-country efforts will be tailored to the needs of individual PICTs, with special attention paid to the needs of smaller island states. Where of practical use, studies of regional issues will be developed or commissioned and shared with PICTs.

2. Coordinated whole-of-sector approach

Within countries, ensuring safe and secure transport services that are regular, reliable and affordable requires a coordinated whole-of-sector approach. High-level policy support and the engagement of government sectors such as transport, finance, planning, environment, energy, information and communication technology (ICT), education and infrastructure are required. Industry stakeholders, including all those involved in the provision of air and sea transport services, also need to be engaged. In addition to being based on a whole-of-sector approach, transport plans should be time-bound, realistic, measurable and costed. The starting point for transport planning should be the demand for transport services. Regionally, a harmonised approach to establishing standards and regional transport service policies to facilitate trade and migration can only be achieved by integration that sacrifices a degree of sovereignty as opposed to mere cooperation. PICT domestic transport services can be enhanced through public-private partnerships and agreements between island nations, while regional cooperation can address challenges such as transport service policies, intra-regional trade and investment promotion, adaptation of international obligations and capacity building.

3. Need for sustainable livelihoods, and recognition of culture, equity and gender issues

Interventions must address inequities in rural and outer island access. They should also consider specific gender and cultural needs, and support efforts to alleviate poverty within and across countries and territories, based on facilitating access to safe, secure, adequate, reliable and affordable transport services at all times by all people to sustain their livelihoods.

4. The importance of treating transport as an integrated sector

A more strategic approach to categorising the components involved in providing transport services could provide greater clarity on inherent challenges and potential solutions. A major impediment to developing solutions is the way in which various aspects of transport are grouped together. Under a commodity chain pathway approach, these aspects of transport can be put into three categories: (i) transport modes – aircraft and ships that must abide by international obligations, regional standards and national laws; (ii) optimal performance criteria – fuel, routes and infrastructure; and (iii) transport service use – safety and security, operational efficiency, and supply that meets demand for regular, reliable and affordable services.

5. Evidence-based planning – the importance of transport statistics

Lack of transport statistics at all levels undermines effective planning by PICTs. Accurate, timely and accessible transport data and information are essential for effective decision-making on short and long-term investments in transport solutions. The emphasis will be on working closely with the private sector to improve the availability of timely and accurate transport data, with a view to achieving a 'win-win' solution. Expertise will be sought to assist in the collation and analysis of data, development of minimum transport indicators, and reporting of transport statistics and information to enhance evidence-based decision-making, particularly in areas such as the true cost of transport service (especially of fuels and infrastructure), transport carriage of persons and cargo, designs of locale-suitable transport modes and categories or areas of operation.

6. Appropriate investment in human capital

Effective planning and strategic management of the transport sector at national and regional levels require high-calibre technical expertise, with support from teams of dedicated staff with the appropriate level and mix of skills to deliver services to end-users. Investment is needed to build the capacity of people at various levels, both within and outside the transport sector, to plan, manage and implement national transport plans. The aim is to strengthen the human resource capacity of a range of public and private institutions, including academic and training establishments.

7. 'Many partners, one team'

There are many partners and stakeholders in the transport sector. All have excellent aims with objectives that are primarily aligned to national needs. It is intended that the 'many partners, one team' approach will be a collaborative response to national priority needs and plans based on one implementation plan. That is, all partners will need to work as one team to implement this framework. This regional arrangement will not affect bilateral and national-level arrangements.

NATIONAL AND REGIONAL RESPONSIBILITIES

All sectors and agencies play a role in moving towards improved transport services. Important partners include the private sector (the petroleum industry in each PICT, airlines, maritime companies, freight/logistics companies); planning and finance departments; civil society; regional and international agencies; and development/donor partners. The role of the private sector should also be recognised and defined within a clear and transparent regulatory framework that is developed with its input.

FATS differentiates between actions that are the responsibility of national governments and those that are the responsibility of regional organisations or the private sector. To achieve safe and secure transport services in the Pacific, many of the gains in the transport sector need to be made at the national level, under strong national leadership. Regional initiatives and interventions should help PICTs improve economies of scale in areas that individual countries and territories cannot effectively address, and should supplement, enhance and add value to national capacity.

Whenever practical, FATS will identify which types of issues should be addressed primarily at a regional (or multiple country) level, which ones are a national responsibility, and which ones are probably best addressed through a combination of national and regional approaches. PICTs vary greatly in size, resources and capacities, and therefore regional approaches – in line with the principles underpinning the Pacific Plan – must be flexible and capable of adapting to changing needs and priorities.

NATIONAL RESPONSIBILITIES

Below are examples of issues that should be addressed at the national level, noting that not all apply to all PICTs and that some PICTs may require regional support from time to time in addressing some areas.

1. Transport policies and implementation plans

PICTs are responsible for ensuring that transport is considered in national policies and plans and that transport policies/plans are harmonised with international obligations and mainstreamed into national development plans and budget processes. National transport policies and plans should contribute to gender equality and the empowerment of women by promoting equitable economic opportunities and employment for women and ensuring that they participate in governance mechanisms. Regional programmes can support development of policies and plans, but determination of specific national goals, integration into national budget processes, finalisation and endorsement by national authorities are all local responsibilities.

2. Resourcing of national transport sector institutions

Relevant institutions include government ministries/departments/offices as regulators, petroleum price monitoring authorities, airlines, transport owners and operators, transport logistics companies, and transport service providers. Ensuring adequate staffing levels and conditions for government staff and government-owned transport enterprises, and adequate resourcing of national institutions

for ongoing support of transport sector planning and implementation, are core national responsibilities.

3. Transport pricing, subsidies, legislation and regulation

Transport service pricing is a national responsibility, as is the regulation of transport services and enactment of appropriate legislation that complies with international requirements. National authorities should ensure that transport prices cover the true cost of services, whether entirely through charges to the user or through charges plus subsidies. Subsidies (including cross-subsidies) should be transparent and carefully targeted.

4. Transport data, information and knowledge

Collecting the data required for transport analyses and decisions, and making it available to analysts (within the constraints imposed by statistical regulations), are national responsibilities. PICTs should make resources available for the routine collection of data, including resourcing institutions that carry out this task. PICTs should also regularly inform the lead coordinating agency (or whichever regional mechanism is established) of the status of national initiatives such as project M&E results, and of pending legislative or regulatory changes. The preservation of traditional and institutional knowledge and ensuring a repository for this knowledge are also national responsibilities.

5. Transport studies and technical reports

Studies and technical reports prepared through regional assistance require PICT commitment to providing the necessary information on national experiences. PICTs are responsible for implementing M&E mechanisms to generate the data and information needed, which include a comprehensive social and gender analysis as well as poverty analysis.

6. Relationships between the government and private-sector transport service providers

The private sector plays a huge role in providing regional transport services for PICTs and must be involved in the planning and implementation of transport solutions in PICTs. Development and enforcement of legal frameworks aimed at improving delivery of transport services (e.g. arrangements for domestic services, franchising, code-sharing or quota agreements, supportive legislation and regulations) are national responsibilities.

7. Capacity building and human resource development

Each PICT is responsible for prioritising its human resource needs and for developing, retaining and maintaining national capacity in the transport sector. In this regard, succession planning is vital as is mentoring of younger professionals by senior, experienced staff. It is equally important to promote the participation of women and disadvantaged people in the transport sector as per international guidelines.

8. Priorities for technical assistance

PICTs are responsible for clearly prioritising transport assistance needs and keeping development partners informed of any changes in their priorities. PICTs also have a role in coordinating broader assistance (including investment) at the national level. A comprehensive and practical transport sector policy and plan will assist in prioritisation.

9. Collaboration with development partners

This regional arrangement will not affect bilateral and national-level arrangements. PICTs are accountable for the proper use of external assistance and for ensuring that commitments made to development partners are met to the best of their ability (such as sustainable operation and maintenance of transport facilities, effective project M&E, agreed levels of fees for end-users, and retention of trained staff for an agreed period of time).

REGIONAL RESPONSIBILITIES

Below are examples of the types of initiatives that could be coordinated/implemented at the regional level.

1. Economies of scale

Issues, opportunities and constraints for improving transport service arrangements at regional, subregional and, in some cases, national levels can be assessed. Assistance can be provided to individual PICTs or groups of PICTs to develop and implement improved arrangements such as transport service agreements, franchising or nexus port calling with relevant advice on institutional arrangements, procedures and bylaws.

2. Development and harmonisation of standards across the region

Assistance can be provided for developing regional or subregional technical standards for a range of transport topics, such as crew training; auditing; cargo handling, storage and logistics; and transport safety, security and efficiency (e.g. in maritime, aviation, ports and facility performance). Support can also be provided for developing business excellence models, implementing agreed standards, and evaluating and monitoring implementation of standards.

3. Regional leadership, strategic engagement and advocacy

Assistance can be provided for mobilising resources for the region and for individual PICTs to support implementation of regional and national transport polices and plans. Information on PICT national activities funded through bilateral processes could be regularly reported by SPC, PASO or other regional organisations and be part of the monitoring of priorities identified in this framework and national implementation plans. Advocacy of Pacific issues at the international level needs to be strengthened and could be promoted to a broader audience through regional representation by SPC and PASO at International Maritime Organization (IMO) and International Civil Aviation Organization (ICAO) assemblies respectively as well as through closer collaboration with Australia, New Zealand and the United States of America.

4. Capacity building/supplementation and skills transfer

Where practical, transport sector education and training can be provided at a subregional or multi-country level. This training should be supported regionally and should be at the approved and accepted regional or international standard for domestic and international operations. In general, finance should be made available for scholarships and other programmes to train Pacific Islanders at sub-degree and degree level in technical, management and policy aspects of transport.

5. *Policy analysis, research and development*

There should be regular dialogue with each PICT on national issues and priorities and regular progress reporting. Work at the regional level could provide practical analytical support to PICTs in a range of technical and policy areas such as: (a) the status of new and rapidly developing technologies (GIS tracking, Google Earth imagery, biofuel to diesel ratios) and their applicability to the region and to individual PICTs; (b) case studies on experiences with transport sector administration and management approaches (cooperative code-sharing transport arrangements, companies with best practice models like business excellence, and industry stakeholder consultation by regulators); (c) petroleum contracting and financing mechanisms for expanding bulk procurement efforts; and (d) the potential for environmental protection/climate change adaptation in the Pacific.

6. *Systems for data collection, analysis, reporting and information dissemination*

Suitable mechanisms (regional and national) for transport sector data and information collection, consolidation, validation and management can be developed as required to support effective decision-making. Data on new and emerging transport issues (search and rescue technologies, tariff pricing structures, intra-regional trade, air and sea port assets etc.), should be assessed, stored in a regional repository and made available in a useful form for policy-makers and prospective developers.

PART 2: THEMES FOR ACTION TO IMPROVE TRANSPORT SERVICES

The implementation of FATS will primarily occur at the national level, and its success will depend on the support and commitment of PICTs, development partners and other stakeholders. Seven themes for action have been established to assist PICTs in their national planning and implementation of efforts to achieve safe and secure transport in the Pacific, consistent with the national and regional responsibilities outlined in Part 1. The seven themes are:

1. Leadership, governance, coordination and partnerships
2. Capacity development, policy, planning and regulatory frameworks
3. Transport safety and security
4. Improved access
5. Environmental impact, technology and energy
6. Transport data, information and knowledge
7. Sustainability, monitoring and evaluation

Each theme is described in detail below with a rationale, expected outcome, long-term objective(s) and key priorities that will contribute to achieving the vision and goals of the framework.

This regional framework is designed to guide national policies and implementation plans. It acknowledges that the sovereignty of PICTs is paramount and does not override the decisions of countries and territories

THEME 1: LEADERSHIP, GOVERNANCE, COORDINATION AND PARTNERSHIPS

Expected outcome: Strong leadership, good governance, effective multi-sectoral coordination and partnerships for safe, secure, regular, reliable and affordable Pacific regional transport services

1.1 Rationale

Coordination, leadership and governance among PICTs, regional agencies and development partners/donors and stakeholders have been identified by both Pacific Transport Ministers and Forum Leaders as areas requiring improvement. Transport services and infrastructure costs are likely to grow as a percentage of both imports and exports, so the delivery of transport services will remain a key concern and a priority area for governments and development partners. Effective coordination and integration within CROP (Council of Regional Organisations in the Pacific) and non-CROP agencies, and with development agencies and NSAs (non-state actors) are necessary to ensure a collaborative approach to transport sector support and more effective use of private and government investments, including grants and loan finance. This coordination requires strong leadership at the national and regional levels.

Forum Leaders have resolved that the regional and donor oversight function for delivery of transport services by multiple stakeholders to PICTs should be strengthened and reported through one lead coordinating agency, in conjunction with other regional agencies, and addressed by one regional

framework and implementation plan. The different aspects of transport services (e.g. fuel supply, infrastructure development, trade, tariff pricing, route determination and appropriate technology/design of craft imported) are interconnected, so issues should be addressed in a unified manner, rather than being treated separately.

1.2 Long-term objective

High level, cross-cutting support for well designed enabling environments for the provision of transport services with attention to economic regulation.

1.3 Key priorities

i. Commitment to strong leadership and good governance
ii. Regional and subregional coordination where appropriate
iii. Commitment of development partners to transport sector development
iv. Strategic engagement with international organisations
v. Better delivery of services by existing regional organisations
vi. Coordinated approaches to issues of market access and liberalisation of service provision

THEME 2: CAPACITY DEVELOPMENT, POLICY, PLANNING AND REGULATORY FRAMEWORKS

Expected outcome: Strengthened capacity in public and private sectors and harmonised transport policy, planning and regulatory frameworks to support coordinated and enhanced development of the pacific transport sector

2.1 Rationale

Investment in human capital in the Pacific in all areas, including policy-makers, legislators and skilled and professional sectoral personnel, is central to achieving improved transport services. To improve the management, policy-making and operational efficiency of transport-related ministries, government bodies and private enterprises, key personnel need to develop a better understanding of issues facing the sector and develop skills to address them. Staff of transport departments and ministries, training institutions, public and private sector transport owners and operators, and users of transport services need to be provided with short courses, technical workshops and on-the-job training as well as training of trainers or general awareness. Capacity development will always be required due to high staff turnover in PICTs.

To ensure greater safety and security of personnel and property, particularly at the aircraft/ship-to-shore interface, key cargo and air or sea port operations personnel need to be equipped with the necessary knowledge and systems. Training and technical capacity building specific to groups such as maritime and aviation port security officers, port inspectors, auditors, surveyors, pilots and crew is vital. Such training and capacity building should also cover broad topics such as management, monitoring and record-keeping, freight forwarding, crowd control, environmental impact, border security requirements and occupational health and safety plus insurance.

Most PICT transport policies and plans do not consider the role of the private sector in improving transport regulations. As reviews of national development planning take place (along with strengthening of public expenditure management, accountability and monitoring), some national transport policies and plans may need to be amended. There is also a regional role with regard to analysing needs regarding PICT capacity, coordination of external assistance and aggregation of information on training.

2.2 Long-term objectives

Enhancement of supportive policies and legislative frameworks, regulations and other legal and administrative tools necessary for effective management of the region's transport sector.

2.3 Key priorities

i. Coordination of partners to establish and advocate international, regional and national regulatory standards for all states
ii. Development and establishment of sustainable national policies, implementation plans and M&E matrices
iii. Regulations, legislation and other administrative and legal tools that meet international standards
iv. Improved sustainable capacity development of national transport sector personnel taking into account the gender dimension in selection, establishment, delivery, regulation and maintenance of transport services

THEME 3: TRANSPORT SAFETY AND SECURITY

Expected outcome: Improved safety and security of regional transport services

Aviation and maritime regulatory compliance needs to be further enhanced and established processes should not be circumvented. PICTs should have appropriate domestic legislation reflecting international conventions and agreements. Aircraft and ships should be properly registered, certified and maintained to ensure their air and sea worthiness.

Given the importance of customs to the operation of the transport sector in trade and travel issues, it is vital that cooperation at the regional level continue between SPC and the Oceania Customs Organisation (OCO). It is recognised globally that the streamlining of regulatory processes as well as seaport and airport infrastructure to enhance customs clearance of cargo can positively impact upon the competitiveness of domestic exporters. In addition, PICTs may require domestic provisions that reflect international standards to counter terrorism threats to civil aviation and maritime transport.

3.1 AVIATION

3.1.1 Rationale

Regulation of the civil aviation sector is essential to promote safety and security and to comply with international obligations. It is imperative that regional aviation safety and security oversight policy be appropriate and internationally compliant. Aviation safety and security oversight remains the mandate of PASO and the recently signed memorandum of understanding between SPC and PASO will result in closer collaboration.

Safety

States that are signatories to international conventions on aviation safety are required to comply with international standards and recommended practices, in addition to their local legislative requirements.

The issues that must be addressed to comply with international safety obligations include: primary and secondary legislation, CAA organisational setup, personnel licensing, flight operations, airworthiness, air navigation services, aircraft accidents and serious incident investigations, aerodromes and ground aids, dangerous goods, environmental issues and aviation security.

Security

A heightened focus on the achievement of aviation security outcomes has developed since September 2001, and recent events have highlighted the constantly evolving nature of threats to civil aviation operations. The strengthening of regional partnerships is imperative to ensuring the development of a layered approach to aviation security.

Aviation security requirements are primarily focused on: screening of passengers and baggage, controlling access to airports and aircraft, in-flight security (including access to the flight deck), the application of security measures to cargo, catering and aircraft stores, checking backgrounds of airport staff and management and response to acts of unlawful interference. Recently, this has expanded to include security related provisions of facilitation requirements, such as the use of machine readable passports, the introduction of biometric technology into travel documents and border management procedures inclusive of customs and quarantine.

3.1.2 Long-term objective

Safe and secure aviation transportation that is internationally compliant (ICAO convention and protocols including Annexes and Standards and Recommended Practices – SARPs), and supported by the necessary infrastructure, legislative framework and regulatory oversight.

3.1.3 Key priorities

i. Ongoing support and collaboration with PASO, for the delivery of sustainable, high-quality safety and security focused regulatory advice to members
ii. Strengthened engagement of regional partners in aviation safety
iii. Full compliance with international criteria on aviation safety and security

iv. Data-driven initiatives that promote aviation safety and security standards with enhanced collaboration among industry stakeholders
v. Improved international and domestic airport infrastructure and systems
vi. Improved search and rescue systems with linkages to maritime industry

3.2 MARITIME

3.2.1 Rationale

The safety and security of all ships navigating the vast Pacific Ocean are indispensable for maritime transportation and trade within the region. Maritime authorities and designated regulatory entities have a vital role to play in transport safety and security, not only with the development of frameworks but more importantly with enforcement of national requirements as well as the implementation of flag and port state responsibilities that are in line with international criteria. Ports and infrastructure providers need to embrace a business outlook, with operation and service strategies that are designed to adhere to legislation as well as to encourage improved performance. A commercial approach will tend to refine efficiencies and increase regular usage.

Republic of the Marshall Islands is the only Pacific member of the International Labour Organization (ILO) to ratify ILO's Maritime Labour Convention 2006. Ratification and implementation of the convention by ILO's other Pacific member states (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tuvalu and Vanuatu) will further improve safety, governance, productivity and seafarer rights in the Pacific maritime sector. The convention is likely to enter into force internationally during 2011–2012. Compliance with the convention will need to be secured through formalised inspection and certification procedures and supervision of conditions on ships. This initiative was agreed to by Pacific ministers responsible for labour at an ILO High Level Tripartite Meeting in Port Vila in February 2010[1] and further endorsed by representatives of workers, employers and government at an ILO Pacific regional promotional and educational workshop held in Nadi in November 2010. ILO will continue to provide technical assistance to promote the effective application of the Maritime Labour Convention across the Pacific.

Safety

International shipping is generally well regulated and is less of a concern to governments than domestic or inter-island shipping. There are an estimated 2,100 domestic ships providing services at various levels in PICTs. The safety of passengers and crew must be a priority for governments, considering the high dependency of Pacific Islanders on inter-island shipping services for transportation and livelihoods.

In order to address the problems currently facing the Pacific domestic shipping sector, more detailed information is required on individual vessels such as type of vessel, year built, previous and current owners, engine power, length, tonnage, etc. This information will be useful in providing technical advice based on realistic analyses.

[1] See the *Port Vila Statement on Decent Work* and the *Pacific Action Plan for Decent Work*, which it incorporates.

Ship-shore interface safety is another area that requires more awareness within PICTs, particularly for domestic ports. It includes: the safe operation and maintenance of shore-based infrastructure like cranes; navigation and berthing channels; the correct use of personal protective equipment; communications links and protocols; passenger and cargo transfer procedures; safety information and guidelines for passenger and cargo storage, loading and discharge; and operational policies for movement of small commercial craft into and out of domestic ports.

Security

Compliance with the various international treaties and codes poses significant challenges for PICTs. Maritime security audits are ongoing and efforts by agencies to multitask Pacific patrol boats when undertaking patrolling for inter-agency objectives and outcomes are believed to enhance border security. Trade and economic security as it pertains to maritime services is a consideration that requires further scrutiny and inter-agency cooperation.

Regulators and port service providers collaborate to ensure that the administration and implementation of transport security measures are compliant with international requirements and balance national commitments with reasonable associated costs. By applying the intent of international instruments such as the International Ship and Port Facility Security Code within the bounds of identified risks and threats, PICTs continue to develop innovative solutions that facilitate international trade in a secure environment.

3.2.2 Long-term objective

An increased level of investment in maritime infrastructure and security with continuous improvement in safe ship and ship-shore management principles inclusive of regulatory and enforcement procedures

3.2.3 Key priorities

i. Safety and security assessments, IMO member state audit scheme – IMSAS, gap analyses and applied mitigation options
ii. Adoption of emerging technologies and international best practice such as business excellence principles for all players in the maritime supply chain, e.g. safe ship management, standard operating procedures etc.
iii. Strengthened linkage with OCO and regional border security agencies
iv. Ports and maritime compliance audits track continuous improvement in verifying port and ship safety and security
v. Search and rescue systems integrated and functional with mass rescue operations
vi. Regional seafarer certificate printing system and database fully utilised
vii. Best practice training of personnel in the maritime industries (including emerging technologies such as vessel monitoring systems)

THEME 4: IMPROVED ACCESS

Expected outcome: Safe, secure, reliable and affordable transport services for all, including rural, inland and outer island locations, to promote economic and social development initiatives

4.1 Rationale

In contrast to international transport services, domestic operations in many PICTs can be irregular and unreliable at best. Where rural and outer island routes have sparse services with low volumes that are unprofitable to operate commercially, interventions need to be designed to offer support for public services while maintaining private sector efficiency. Given the importance of domestic transport serving rural areas, inland areas (along rivers in larger PICTs) and outer islands and providing vital links for rural development and access to social services contributing towards the achievement of internationally agreed development goals including MDGs, such opportunities should be developed as fully and quickly as possible.

Ensuring a conducive environment for the provision of adequate, efficient and reliable domestic transport services is one of the most difficult and perplexing challenges facing PICTs. In many cases, services of the quality expected by residents of remote islands are not commercially viable. Nevertheless, delivery of these services is a political, social and economic imperative. Coastal, inter-island and inland transport services are generally operated by government or by very small, independent transport companies. Service schedules are frequently poorly maintained, and it is not uncommon for services to be suspended for many months.

4.2 Long-term objective

Sustainable, reliable, regular, efficient, safe, secure and affordable domestic transport services for all PICTs.

4.3 Key priorities

i. Technical assistance to identify appropriate and sustainable market-based solutions to encourage improved transport services, particularly in small and remote communities
ii. Development and improvement of infrastructure necessary to support transportation servicing small, remote communities
iii. Innovative forward thinking, planning, research and development
iv. Promotion of compliance with national biosecurity and cargo safety requirements

THEME 5: ENVIRONMENTAL IMPACT, TECHNOLOGY AND ENERGY

Expected outcome: Optimal use of transport taking into account all cross-cutting sectors, particularly environment, technology and energy

Support to PICTs will respect and protect the region's biodiversity and natural ecosystems. Any advice on transport investments should consider climate change issues such as adaptation,

mitigation practices to reduce greenhouse gas (GHG) emissions, and where possible, the Clean Development Mechanism (CDM) or other carbon credit/carbon offset mechanisms. The social, economic and environmental impacts of all proposals or initiatives should be considered.

5.1 AVIATION

5.1.1 Rationale

ICAO, through its Committee on Aviation Environmental Protection (CAEP), has conducted work relating to aviation emissions for several decades. ICAO efforts (Resolution 17/2) on reducing GHG emissions include various measures such as promulgating standards, publishing guidance documents, encouraging technology improvements and pursuing market-based measures. Aircraft have become more efficient, quieter and cleaner since the advent of commercial aviation. ICAO's standards and recommended practices have been key to this success. Reduction in emissions can be achieved by shortening flight times and hence fuel consumption through improvements to the air traffic management systems (green departures and approaches). Such improvements have the potential to provide more direct routings for aircraft, as well as reducing the time spent in holding patterns waiting to land or queuing while waiting to depart.

The aviation sector globally has more recently moved towards market-based measures as a policy tool to achieve environmental goals at a lower cost and in a more flexible manner than via traditional command and control regulatory measures. ICAO has developed guidance material on the use of emissions trading for aviation. This document (ICAO Doc. 9885) supports the incorporation of international aviation emissions into states' emissions trading schemes, consistent with the United Nations Framework Convention on Climate Change (UNFCCC) process. It focuses on aviation-specific issues, identifies options and offers potential solutions. ICAO's CAEP developed a template to facilitate voluntary agreements and collects information for the purpose of information sharing among stakeholders. ICAO is developing a harmonised, per-passenger emissions methodology, and provides guidance on calculation methods and reference tools. Aviation can advance the use of sustainable alternative fuels. Aviation actors are willing to make the investments to make the switch to these fuels. The Pacific will have to comply with international instruments and obligations to continue optimal use of regional aviation services.

5.1.2 Long-term objective

Reduced environmental impact and improved efficiency of aviation systems within the region.

5.1.3 Key priorities

i. Incorporation and adoption of international instruments and obligations into national policies and laws
ii. Compliance with international standards, policies and emissions measures
iii. Implementation and maintenance of enhanced air traffic management systems and improved flight routing

5.2 MARITIME

5.2.1 Rationale

The international maritime industry is firmly committed to playing its part in reducing emissions of carbon dioxide and GHG. Improved port sustainability and environmental stewardship result from reducing emissions through newer port equipment, enabling ships to power down in port (greener ports), as well as offering facilities for disposal of ships' waste. However, these require huge capital investments, which may not be feasible for PICTs due to low volumes of ships and cargo.

Efficiencies in the use of port equipment; infrastructure development, rehabilitation and maintenance; and port performance and turnaround time for ships can all be improved through expanding strategies to incorporate environmental impact, technology and energy. In the Pacific, non-compliance with international maritime conventions, codes or standards is not an option. International instruments must be fully and completely implemented in both letter and spirit through national enforcement.

5.2.2 Long-term objective

Reduced emissions through a combination of technological and operational improvements, including in ports and port infrastructure, for all vessels that operate throughout the Pacific

5.2.3 Key priorities

i. Enabling national policies and laws
ii. Compliance with international standards, policies and emissions measures
iii. Efficient use in ports and ships of green technology suitable for purpose, area of operation and port rotation

THEME 6: TRANSPORT DATA, INFORMATION AND KNOWLEDGE

Expected outcome: Timely, accessible and accurate transport data and information as a basis for effective planning and decision-making in the transport sector

6.1 Rationale

Transport sector planning and development within PICTs and the region generally lacks the benefit of access to current and reliable transport data and information. Where possible, all transport data and statistics from PICTs should be collated through a regional repository like SPC or national statistics offices and entered into a centralised database by PICT staff at sector level to facilitate timeliness and eliminate both duplication of effort and risks of inaccuracies. There is also a need for standardisation of data so that attributes are aligned to national reporting expectations, either in electronic form or in hard copy templates.

Collection of and access to current and updated transport data and information are important for the main urban and semi-urban areas but also for rural and remote communities where demand is often

not well understood or assessed. SPC has been collecting maritime data and information in the form of historical vessel movement and cargo throughput, but the data supply from PICTs has been unreliable to the extent that large gaps prevent comparative analyses. It is important for the transport sector to make better use of available technology to develop and utilise effective systems for recording, storing and extracting data, information and knowledge. A regional system of integrated online portals for data currently stored on SPC servers could also provide national and regional decision-makers with a reliable source of information.

Traditional and professional knowledge is currently being captured by SPC from its staff and a well-defined repository could provide similar services for PICTs. However, this will require PICTs to continue the improvement of ICT literacy in government departments and among national private transport stakeholders.

6.2 Long-term objective

Current, reliable and relevant transport data and statistics readily available to decision-makers in PICTs at government and industry level to support informed decisions on long-term national transport strategies.

6.3 Key priorities

i. Improved national capacity to collect and record data including social indicators and sex disaggregated data
ii. Secure storage of transport data and information at national and regional levels
iii. Regular provision of national data and information to regional repository
iv. Collation of and access to transport data and information
v. Timely interpretation and analyses of transport data and information

THEME 7: SUSTAINABILITY, MONITORING AND EVALUATION

Expected outcome: Sustainable resourcing of transport systems supported by a comprehensive monitoring and evaluation framework

7.1 Rationale

PICTs are highly dependent on overseas assistance in the form of grants and low interest loans for their transport sector infrastructure investment. Private and government investment in transport services is limited, going most often toward fossil fuel storage and distribution and occasionally toward intra-regional service providers. Investments in government-owned facilities often fail to deliver the expected services sustainably for various reasons. Financing and sourcing of funding for infrastructure rehabilitation and development continues to be a major challenge to PICTs. The mechanisms to measure cross-subsidies (e.g. from urban to rural transport consumers) and other subsidies (e.g. for airline operation or shipping fuel to remote areas) need to be developed. In the future, individual projects, both urban and rural, will require more robust M&E frameworks.

At the regional level, transport advisory services to PICTs from regional agencies are also highly dependent on grant aid from development agencies, with some limited services financed by core funding. At the national level, concessional and donor funding continue to play a major role in transport infrastructure. The transition to a more safe and secure transport sector will continue to require external assistance, but there should be a high level of private investment and financial self-sufficiency in the services provided by regional agencies.

From a trade perspective, transport services are a prime consideration because trade is extremely sensitive to them – in terms of cost, reliability and timeliness when there are perishable commodities or deadlines to meet contracts, etc. With competing budgetary interests, the challenge is to find the appropriate level of funding and commitment for transport services including infrastructure – with due consideration given to project scale, maintenance costs and load (current and future). There is also potential for regional analyses to explore alternative commodities to make shipping to SIS more feasible or to cover shipping costs. Technical advice continues to be needed on appropriate placement and size of infrastructure as well as appropriate and effective monitoring of code-sharing, subsidy or franchise schemes.

7.2 Long-term objective

A sustainable transport system supported by a results-based M&E framework to measure achievements for safe, secure and affordable transport services in the region (internationally and domestically), with clear outcomes and milestones.

7.3 Key priorities

i. Sustainable financial planning (budgetary processes) at national and regional levels
ii. Provision of technical assistance to support the development of national implementation plans
iii. Development of an M&E template to encourage improved sustainability, monitoring and evaluation at the regional and national level
iv. Standardised and harmonised M&E indicators for national and regional plans

PART 3: LINKING THE FRAMEWORK TO THE IMPLEMENTATION PLAN

The long-term objectives and priorities identified within each thematic area of this framework apply to the Pacific region and their implementation requires both national and regional commitment. This framework will be supported by a regional implementation plan (Transport Services Implementation Plan –TSIP) comprising specific activities under each theme that SPC and PASO will conduct in order to support and augment national level activities.

The sovereignty of PICTs is paramount. National policies and plans provide the principal means for achieving safe and secure transport services in each country. The regional implementation plan will support those areas of national plans in which it can add value to the national development agenda in the transport sector.

The regional implementation plan will link directly to the long-term objectives and key priorities identified for each of the seven themes of this framework. To enable the impact and effectiveness of regional responses to be measured, TSIP will include set targets and milestones for specific regional strategies for each theme.

The implementation plan will focus only on regional interventions, which are aimed principally at supplementing capacity and providing support to national governments and stakeholders in implementing their own policies and plans. The desired outcome is a strengthening of both national and regional contributions to improving the region's transport services.

APPENDIX A

FORUM PRINCIPLES ON REGIONAL TRANSPORT SERVICES

APIA, SAMOA 6 AUGUST 2004

Recognising that:

- the provision and maintenance of regular, reliable and competitive air and maritime services is crucial to Forum Island Countries;
- changes in the transport sector, including an increasingly competitive market and new international safety and security requirements, have significant implications for aviation and maritime services in the Pacific region; and
- Forum Island Countries have limited technical capacity;

Pacific Island Forum Leaders declare the following principles as central to improving the efficiency, effectiveness and sustainability of air and maritime services:

(1) Adherence to principles of good governance is crucial to the viability and sustainability of transport services. This includes, but is not limited to:

  (a) accountability and transparency in financial management, strategic planning, investment decisions, awarding contracts, and board appointments;

  (b) clear lines of responsibility for shareholders, boards and management; and

  (c) accessing and acting upon professional advice, including in relation to decisions on infrastructure.

(2) Transport services should, wherever possible, be run on a sustainable commercial basis.

  (a) Where appropriate, this should include corporatisation and/or privatisation of government-owned services;

  (b) Where transport entities remain in government ownership and are required to perform commercial activities, such entities should be adequately capitalised;

  (c) Service levels should reflect demand and price should reflect the cost of delivery;

  (d) Where subsidies are judged to be necessary to fulfil declared social obligations, these should be open and transparent; and

  (e) Where appropriate, legislated monopolies should be removed with a view to increasing competition.

(3) A central responsibility of government in the transport sector should be in establishing and administering regulatory systems.

(4) Increased efforts should be made to implement regional or sub-regional solutions to problems in the transport sector through, for example:

  (a) strategic alliances;

(b) liberalisation of the economic regulatory environment;

(c) agreement by FICs to regional cabotage, where FICs could benefit from more services and greater competition;

(d) coordinated approaches to safety and security issues;

(e) better coordinated airline schedules; and

(f) training and capacity building.

(5) Forum member countries need to comply with internationally accepted standards on aviation and maritime security.

(6) Donor support should be provided to Forum Island Countries to assist the implementation of transport sector reforms, conditional on a demonstrated commitment to good governance and economically sustainable solutions.