



WORKING PAPER

ASSEMBLY — 40TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 20: No Country Left Behind Initiative

**UPDATE ON THE FEASIBILITY STUDY –
PACIFIC SMALL ISLAND DEVELOPING STATES (PSIDS) AVIATION NEEDS ANALYSIS**

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

The 39th Session of the Assembly supported a proposal that the Council conduct a feasibility study for the establishment of a Regional Sub-office to be located in the Pacific Region, in order to provide more direct support to the Pacific Island States. During its 210th Session, the Council endorsed an action plan to conduct an aviation needs analysis and noted that resources to fund this extra budgetary requirement were to be mobilized by ICAO. The study was initiated in March 2019. This paper provides an update on the Pacific Small Islands Developing States (PSIDS) Aviation Needs Analysis.

Action: The Assembly is invited to:

- a) note the information provided in this paper;
- b) express its appreciation to the States that have provided voluntary funds and in-kind support for the conduct of this study; and
- c) direct the Council to review the recommendations contained in the Report of the Study and to develop an implementation roadmap for the recommendations, as may be amended by the Council.

<i>Strategic Objectives:</i>	This working paper relates to the Strategic Objectives of Safety; Air Navigation Capacity and Efficiency; Security and Facilitation; and Economic Development of Air Transport.
<i>Financial implications:</i>	The activities referred to in this paper have been undertaken from the resources available 2017-2019 Regular Programme Budget and from extra budgetary contributions.
<i>References:</i>	A39-WP/218, Revision No. 1, Regional Sub-Office in the Pacific A39-WP/501, Report of the Executive Committee on Agenda Item 28 Resolution A39-23, <i>No Country Left Behind</i> (NCLB) Initiative Resolution A39-25, Aviation's contribution towards the United Nations 2030 Agenda for Sustainable Development

1. BACKGROUND

1.1 During the 39th Session of the ICAO Assembly, Cook Islands, Fiji, Kiribati, New Zealand, Papua-New Guinea, Samoa, Singapore, Tonga and Vanuatu presented A39-WP/218 recommending that ICAO, in close collaboration with Pacific Island States, examine the feasibility and consider undertaking further analysis on the merits of establishing a Regional Sub-office (RSO) for the Pacific Region. The Assembly supported that the Council consider the conduct of said feasibility study. During its 210th Session, the Council reviewed the 39th Assembly Resolutions and Decisions and tasked the Secretariat to undertake the study, with resources mobilized from voluntary contributions from States and International Organizations.

1.2 The Secretariat initially drafted the Terms of Reference (TOR) for the study, with the aim to determine the PSIDS' needs with respect to aviation safety, air navigation capacity and efficiency and aviation security. In order to ensure the involvement of the States concerned, the draft TORs underwent several consultations with the PSIDS, which included side-meetings held during the 54th Asia and Pacific Directors General of Civil Aviation Conference (7 to 11 August 2017, Ulaanbaatar, Mongolia); the First Asia Pacific Civil Aviation Ministerial Conference (31 January to 1 February 2018, Beijing, China); and the 55th Conference of Asia and Pacific Directors General of Civil Aviation (22 October 2018, Nadi, Fiji).

1.3 At the occasion of the Pacific Aviation Safety Office (PASO) Council Meeting (Auckland, New Zealand, 3 to 5 December 2018), the Asia and Pacific (APAC) Office provided updates to all States concerned on the envisaged team composition, work plan and funding mechanism for the PSIDS study. During this meeting, further aspects of the study were discussed and agreed upon, including Fiji's offer to host the study in Nadi and provide complimentary air tickets to the study team for some of their on-site visits to States. It was also agreed that arrangements would be made for some PSID representatives to participate in some on-site visits as observers, representing all PSIDS. In addition, the PSIDS provided consent for the study team to have access to previous study reports, and committed to facilitate meetings of the study team with the appropriate high officials (ministerial level) during their on-site visits to States.

2. SCOPE, PURPOSES, METHODOLOGY AND PRINCIPLES OF THE PSIDS STUDY

2.1 While Assembly Resolution A39-23 supported the conduct of a feasibility study for the establishment of an ICAO RSO, the inputs received by ICAO throughout the consultation phase indicated that the PSIDS sustainable development was hampered by a unique set of challenges. It was therefore considered necessary to undertake an inventory of needs with due consideration to PSIDS vulnerabilities and to assess how civil aviation could alleviate some of the PSIDS challenges and support their sustainable development. This also led to a broadening of the scope of the study to include the conduct of a comparative cost/benefit analysis of various forms of State regulatory oversight and assistance mechanisms, as well as the option of establishing an ICAO RSO. The study takes into consideration the applicable United Nations (UN) framework: the UN 2030 Agenda for Sustainable Development, the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway and the Sendai Framework for Disaster Risk Reduction 2015 – 2030¹. The final version of the TORs is at Appendix A to this paper.

¹ To download, please go to <https://www.unisdr.org/we/inform/publications/43291>.

2.2 The PSIDS study includes the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue², Palau, Papua New Guinea, Solomon Islands, Samoa, Tuvalu, Tonga and Vanuatu.

2.3 The key purposes of the study are to identify the current challenges and needs of the PSIDS with respect to civil aviation, and to identify potential options to help address these challenges. Within that framework and, considering the unique set of challenges faced by the PSIDS, the key objective is to enhance the capabilities of PSIDS in a strong and resilient manner, for the benefit of their sustainable development, as well as their resilience to climate-related hazards.

2.4 The study is built on the principle of a robust dialogue with all stakeholders, including the PSIDS, PASO and the Pacific Island Forum Secretariat (PIFS) – the inter-government organization under whose framework PASO was established. To that effect, the number of on-site visits to States was optimized within the time and budget constraints of the study, resulting in visits to 11 States, PASO and the PIFS. In addition, the few States without dedicated on-site visits were invited to meet with the study team leader (‘Senior Civil Aviation Advisor’) in order to provide their views and inputs to the team. The necessary amount of time was also allocated for analysis and report production work by the study team.

2.5 The study is structured around two phases: Phase 1, which consists of a ‘situational and capacity analysis’; and Phase 2, which consists of an ‘option analysis.’ Two consultation meetings were scheduled within the work plan towards the end of Phase 1 and the end of Phase 2, respectively, to present draft results to all concerned States and Organizations and receive their views and comments for consideration.

2.6 Phase 1 of the study consists of two tasks. The first task is a situation analysis of the current aviation environment in the PSIDS. It includes an analysis of the special situations and challenges faced by PSIDS related to aviation, as well as an analysis of the contributions of the civil aviation sector to sustainable development and to relief efforts following natural disasters. This task also includes a review of the status of aviation safety and security in the PSIDS, based on results from ICAO safety oversight and security audit programmes’ activities, as well as information related to accident rates.

2.7 The second task of Phase 1 is a capacity analysis. It includes an analysis of the existing air traffic volumes and levels of connectivity to and between PSIDS, and a review of the need to expand/improve existing routes and aviation infrastructure within PSIDS to meet the projected demand, based upon economic and air traffic forecasts.

2.8 Phase 2 consists in a comparative analysis, including a cost/benefit analysis, of different options to address the identified challenges and support States in their regulatory functions. The purpose of the comparative analysis is to assess various options and make recommendations based on the information gathered during Phase 1 of the study. The proposed options are cited as examples and the solution may consist in a combination of options, a phased approach towards some of the options, or options outside of those listed below:

- a) establish a Regional Cooperative Project to enhance safety, air navigation and security oversight capabilities within the Region;
- b) strengthen the PASO by improving its capacity and governance to perform a greater Regional Safety Oversight Organization (RSOOs) role;

² Non-Contracting State.

- c) form a Regional Safety and Security Oversight Authority for the PSIDS or a sub-set of the PSIDS; and
- d) establish an ICAO Regional Sub-Office (RSO) for the PSIDS.

3. RESOURCES USED FOR THE CONDUCT OF THE PSIDS STUDY AND VOLUNTARY CONTRIBUTIONS FROM STATES

3.1 To ensure impartiality, leadership and timeliness in the conduct of the PSIDS study, the Secretary General agreed to the assignment of a senior Secretariat Officer as the Senior Civil Aviation Advisor of the study. In addition, in order to allow effective and efficient access to relevant security-related information, an APAC Regional Officer, Security, was assigned to support the team for a four-week period.

3.2 The Secretariat reached out to Member States to support the cost of the study and/or provide in-kind contributions. These efforts resulted in the secondment of three highly qualified and experienced team members: a flight safety expert (seconded by Singapore – for a duration of 4 weeks), an aerodrome expert (seconded by the United States – for a duration of 4 weeks), and an air law expert (seconded by the United Kingdom). In addition, a qualified and experienced air transport expert was made available through the ICAO Programme for Aviation Volunteers (IPAV) mechanism for a duration of 2 weeks. With respect to financial and in-kind contributions to fund the study, ICAO is grateful to Australia, Chile, China, Fiji, Singapore, the United Kingdom and the United States for their support.

4. TIMELINES AND DELIVERABLES OF THE PSIDS STUDY

4.1 Phase 1 of the study is expected to be completed by 11 July 2019, and Phase 2, by the end of September. Before the study's completion, the draft report will be presented for comments to the PSIDS and the other concerned stakeholders during a meeting to be held in September 2019. While the results of the feasibility study could not be prepared in time for consideration by the Assembly, the Secretariat will present the final report to the 218th Session of Council. Close coordination between ICAO and all concerned stakeholders will be required in respect of the follow up and eventual implementation of the recommendations contained in the report. In addition, the recommendations may subsequently require the mobilization of resources and expansion of partnerships with Governments, the private sector and the relevant UN organizations.

5. CONCLUSION

5.1 ICAO is committed to actively listen to, and address, the PSIDS' views on the challenges they face with respect to civil aviation. The Secretariat has worked with numerous States and Organizations and has embedded the study within the applicable UN framework. This constitutes a concrete example of how ICAO can further contribute to achieving its objectives, as well as the UN SDGs, leaving no country behind and, in this particular case, no Region behind. The level of implementation of the study's recommendations will depend on the commitment of all concerned stakeholders. While this report was developed during the first phase of the analysis, the study has already started to yield benefits. It has increased the level of knowledge and understanding of the Secretariat on the situation and challenges faced by the PSIDS with respect to civil aviation. For the States and the Organizations in the PSIDS Region, the study has contributed to strengthening its liaison with ICAO and increasing ICAO's visibility at CAA and ministerial levels.

APPENDIX A
TERMS OF REFERENCE OF THE PACIFIC SMALL ISLAND DEVELOPING STATES
(PSIDS) AVIATION NEEDS ANALYSIS

1. INTRODUCTION

The international air transport sector today, directly and indirectly, supports the employment of 62.7 million people worldwide. It contributes 2.7 trillion dollars in global Gross Domestic Product (GDP), and moves over 4.1 billion people and over a third of world freight by value on 37 million flights each year. Air transport supports 28.8 million jobs and 626 billion dollars in GDP in Asia-Pacific. The air transport industry in Asia-Pacific directly generated an estimated 3.3 million jobs in 2014³.

The Pacific Small Islands Developing States (PSIDS) are a group of unique islands in the Asia Pacific region that share distinct sustainable development challenges. Small Island Developing States (SIDS) are usually characterized by a set of unique challenges, including limited resources, remoteness, susceptibility to natural disasters, vulnerability to external shocks, high dependence on international trade and fragile environments. Their socio-economic progress is hampered by high communication, infrastructure, energy and transportation costs, irregular international transport volumes, large reliance of their economies on their public sector due to their small size, and a narrow resource base depriving them of the benefits of economies of scale⁴.

In September 2015, Heads of State and Government adopted *Transforming our World: the 2030 Agenda for Sustainable Development*, including its 17 Sustainable Development Goals (SDGs) and 169 targets. The Agenda is a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide, ensuring that no one is left behind. The adoption of the 2030 Agenda was a landmark achievement, providing for a shared global vision toward sustainable development for all. The 2030 Agenda for Sustainable Development called for special attention to SIDS, as they face unique vulnerabilities in their sustainable development.

2. THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) AND ITS INTERLINKAGES WITH THE SDGS

Achieving the 2030 Agenda's SDGs will rely on advances in mobility, including air transport that is safe, secure, efficient, economically sustainable and environmentally responsible. While sustainable transport and aviation do not have a specific SDG, it has been widely recognized that both are essential enablers in the achievement of the 2030 Agenda for Sustainable Development. In 2017, the International Civil Aviation Organization (ICAO) completed a thorough analysis of how its 2017-2019 Business Plan supports the 2030 Agenda for Sustainable Development. Through this analysis, the Organization mapped direct linkages with 15 of the 17 SDGs.

³ <https://aviationbenefits.org/around-the-world/asia-pacific/>

⁴ <http://unohrlls.org/about-sids/>

ICAO's *No Country Left Behind* (NCLB) initiative focusses the efforts of the Organization to assist States in implementing ICAO Standards and Recommended Practices (SARPs). The main goal of this work is to help ensure that SARPs implementation is harmonized globally so that all States have access to the significant socio-economic benefits of safe and reliable air transport.

As part of its NCLB initiative, ICAO has a particular interest in supporting SIDS in achieving the SDGs by strengthening their civil aviation sectors. A strong civil aviation sector can promote and sustain social and economic progress through, for example, responsible tourism, which is one of the major economic drivers in SIDS. When tourism is managed with a strong focus on poverty alleviation, it can have a positive impact on reducing poverty levels through employment of local people in tourism enterprises, goods and services provided to tourists, or the running of small and community-based enterprises. The graduation of Cape Verde (2007), Maldives (2011), and Samoa (2014) from "least developed country" status was driven by the strong growth and performance of tourism⁵.

The 39th Session of the Assembly supported the conduct of a study to determine the current challenges and needs of the PSIDS in respect of aviation safety, air navigation and aviation security, as well as the identification of options to address these challenges. Among the options are the establishment of a regional sub-office in the Pacific Region. The Secretary General noted the need for resources to undertake such a study and called for the support of States to provide the required financial and in-kind human resources.

3. NEEDS ANALYSIS: SCOPE OF WORK

In line with the above, ICAO will carry out an *Aviation Needs Analysis in support of Aviation Safety, Air Navigation Capacity and Efficiency and Aviation Security*. Working directly with the PSIDS and other Pacific States and organisations, this needs analysis study will:

- a) **outline the aviation safety, air navigation and aviation security challenges** faced by the PSIDS, namely: the Cook Islands, Federated States of Micronesia, Fiji, Kiribati⁶, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Solomon Islands⁴, Samoa, Tuvalu⁴, Tonga and Vanuatu⁴; and
- b) **identify potential options** to be further explored that could address these challenges. ICAO will manage this work in close collaboration with the ICAO Regional Director, Asia and Pacific Region (APAC); Director, Air Navigation Bureau (ANB); Director, Air Transport Bureau (ATB); and Head, Strategic Planning, Coordination and Partnerships (SPCP).

The development of this needs analysis and subsequent assessment of options, as well as the eventual implementation of the recommendations, will require the mobilization of resources and expansion of partnerships with governments, private sector and the UN system.

The study will identify the unique circumstances that exist within the Pacific Region, taking into account the need to ensure aviation safety oversight. It will examine how aviation contributes to sustainable development of the PSIDS, in the context of the 2030 Agenda for Sustainable

⁵ <http://unctad14.org/en/pages/newsdetail.aspx?newsid=26>

⁶ Least Developed Country

Development; the SIDS Accelerated Modalities of Action (SAMOA) Pathway; and the Sendai Framework for Disaster Risk Reduction 2015–2030 (Sendai Framework). It is also expected that the initiative will build upon work already initiated by different partners, including the World Bank’s Pacific Aviation Investment Program (PAIP); the Pacific Aviation Safety Office (PASO); and the Asian Development Bank’s technical assistance report – *Institutional Strengthening for Aviation Regulation*.

The PSIDS will nominate at least two PSIDS representatives to be involved in the study.

4. **NEEDS ANALYSIS: METHODOLOGY OF WORK**

The project will be conducted in two phases.

Phase 1 will consist of a *situational and capacity analysis*; and **Phase 2** will be an *options analysis*.

Prior to the commencement of Phases 1 and 2, a Preliminary Coordination Meeting will be held at ICAO Headquarters. This will allow the Senior Civil Aviation Advisor, hereinafter referred to as “Senior Advisor”, to meet with members of the Secretariat prior to the commencement of the study, and to directly access data and Secretariat expertise available at Headquarters. It could also include engaging with Council members from the Asia Pacific region. This meeting will require 5 working days.

Phase 1: The situational and capacity analysis

The Senior Advisor will be based in the Pacific Region during Phase 1 and will use data acquired during the Preliminary Coordination Meeting at ICAO Headquarters. For part of Phase 1, the Senior Advisor will be supported by a project team, consisting of experts in safety and security oversight, air transport economics and airport management. The team members will be knowledgeable of, and have experience with, ICAO, civil aviation and Civil Aviation Authorities in the Pacific Island States, State Safety Oversight Systems, the ICAO Universal Safety Oversight Audit Programme (USOAP), the Universal Security Audit Programme (USAP), and the Regional Safety Oversight Audit Organizations (RSOOs). The supporting team will consist of experts seconded by Member States. The PSIDS will be consulted on the selection of the team. Experts at ICAO Headquarters and the APAC Office will support the analysis through regular scheduled teleconferences with the project team throughout the duration of the project.

This Phase will involve some on-site visits with PSIDS by the project team to help the identification of the challenges faced by PSIDS. The project team will consult with senior aviation officials in the PSIDS and other Pacific countries and organizations.

Phase 1 requires the completion of two major tasks, as follows:

Task 1of Phase 1: Situation Analysis

The first task of Phase 1 consists of a situation analysis of the current aviation environment in the PSIDS including:

- a) a summary of the importance of aviation to PSIDS economies and development;

- b) a summary of the special situations and challenges faced by PSIDS related to aviation, including an analysis of how the sector contributes to sustainable development and how civil aviation contributes to relief efforts following natural disasters. This task will also include development of an inventory of the aviation infrastructure vulnerabilities to commonly occurring natural disasters in the region.

The Team will identify the existence or maturity of aviation-specific development plans, such as civil aviation master plans, aerodrome master plans and national air navigation plans. The analysis will include a review of the coherence of national aviation plans with ICAO aviation global and regional plans. The team will also review the specific national aviation plans' linkages and prioritization within national development plans;

- c) a summary of the prevailing governance structures (including resources), economic, regulatory, technical and operational factors in the PSIDS related to aviation with a focus on how these are influencing the States' USOAP and USAP performance, including the availability and use of the services of PASO;
- d) a review of the status of aviation safety and security of the PSIDS, to include the results of the ICAO safety oversight and security audits and levels of effective implementation (EI), as well as accident and fatality rates within the PSIDS; and
- e) a summary of ongoing aviation safety and security technical assistance projects and programmes within the Pacific Region States financed by the World Bank, Asian Development Bank, Australia, New Zealand and other donors.

Task 2 of Phase 1: Capacity Analysis

The second task will begin with an analysis of the existing air traffic volumes and levels of connectivity to and between PSIDS. Based upon economic forecasts and air traffic forecasts, the study will project the need to expand/improve existing routes, as well as the aviation infrastructure within PSIDS, to meet the projected demand. A Training Needs Analysis will also be conducted for those PSIDS that have not had this assessment done yet, as an integral part of this analysis. Information concerning ongoing development work, including the PASO reform project, can provide useful inputs to the technical manpower resources and training needs for the region. The capacity analysis will include the following:

- a) the development of a clear problem definition to ensure that the underlying challenges and opportunities are identified and supported by evidence gathered in this Phase; and
- b) a narrative of the views, specific needs and experience of the States consulted during the missions.

Phase 2: Options analysis

In this phase the team will conduct a comparative analysis, including the costs and benefits of different options to address identified challenges, including alternative forms of State safety oversight support and assistance mechanisms.

The comparative analysis would consider the following alternatives and recommend the optimum solution based upon Phase 1 of the analysis. The proposed alternatives are cited as examples and the solution may consist of a combination of alternatives; or, phased approach towards the implementation of alternatives; or, may propose a solution outside of the options outlined below.

To ensure objectivity and transparency, viable solutions shall be assessed against criteria expressed in terms of desired outcomes. The criteria shall be agreed upon by all States involved in this needs analysis and ICAO.

1. Establishment of a Regional Cooperative Project to develop safety, air navigation and security oversight capabilities within the Region

This approach would build on the best practices drawn from Regional Cooperative Development of Operational Safety and Continuing Airworthiness Programmes (COSCAP) projects such as the *Sistema Regional de Cooperación para la Vigilancia de la Seguridad Operacional (SRVSOP)* in Latin America; the COSCAP South, South East and North Asia Projects; and the AFI Plan for Africa. Following this option, States in the Region would pool resources, both in terms of technical expertise and funding to support a Regional Project that would assist in the development of safety, air navigation and security oversight capabilities within the States of the Region. Participation by donor States and institutions in the project would be considered. The Project could be implemented by the APAC Regional Office, through the Technical Cooperation Bureau (TCB) or another entity, as appropriate.

2. Strengthening PASO by improving its capacity and governance to perform a greater RSOOs role

PASO's role could be strengthened and its governance arrangements improved. This approach would draw upon best practices in forming a regional safety oversight organization (e.g., the Caribbean Aviation Safety and Security Oversight System (CASSOS), and the East African Community Civil Aviation Safety and Security Oversight Agency (CASSOA)).

ICAO is working on a global strategy and action plan for the improvement of RSOOs and the establishment of a global system for the provision of safety oversight (Global Aviation Safety Oversight System (GASOS)). Possible synergies between the GASOS concept for the provision of safety oversight functions and the existing RSOOs will be explored.

Consideration should be given to further implementation either across the PSIDS, or with individual PSIDS, to implement the areas for improvement identified by the current gap analysis being undertaken under the PASO reform project.

3. **Formation of a Regional Safety and Security Oversight Authority**

This would draw upon some of the best practices of the European Aviation Safety Agency (EASA), but could empower a regional authority to work on behalf of the PSIDS for safety, air navigation and security oversight functions.

4. **Establishment of an ICAO Regional Sub-Office (RSO) for the PSIDS**

- Examine the role and functions of a possible SRO and its possible relationship with other APAC forums, such as PASO; the Pacific Islands Forum; the Asia Pacific Air Navigation Planning and Implementation Regional Group (APANPIRG); the Regional Aviation Safety Group Asia Pacific (RASG-APAC); and other aviation-related regional arrangements and treaties, such as the Pacific Islands Civil Aviation Safety and Security Treaty (PICASST).
- Identify options for the administrative structure and size of the proposed SRO, the financial requirement for establishing the Office and the recurring/running operational cost.
- Examine options for funding of the possible SRO, such as: (i) the proposed regional passenger levy under consideration from PASO; (ii) support from one or more individual Pacific Island States; (iii) World Bank or other donor funding; (iv) Donor State contributions; (v) funding from ICAO regular programme budget, etc.
- Carry out cost/benefit and impact analyses of appropriate locations for the SRO.
- In the event that the study supports the establishment of an ICAO SRO, develop an action plan to include the steps, such as obtaining the ICAO Council's approval, establishing all the relevant agreements with the Pacific Island States, inviting bids for hosting the SRO, sourcing the necessary operational funds, recruiting personnel, etc.

5. **DELIVERABLES**

- Preliminary Coordination Meeting at ICAO Headquarters and Updated Plan – within the first week after mobilization
- Phase 1, Tasks 1 and 2 Report – 12 weeks after mobilization
- Phase 2 and Draft Final Report – 14 weeks after mobilization
- Final Report – 2 weeks after receipt of comments on Draft Report

6. **DURATION OF STUDY:6 months**

7. REFERENCES

- UN 2030 Agenda for Sustainable Development
- Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway
- Programme of Action for the least Developed Countries for the Decade 2011-2020 – Istanbul Plan of Action (IpoA)
- Sendai Framework for Disaster Risk Reduction 2015–2030
- New Urban Agenda
- Concept Note (Feasibility Study for an ICAO Regional Sub-Office)
- A39-WP/494, *Report on Agenda Item 28 (No Country Left Behind Initiative)*
- Asia Development Bank reports
- World Bank Group reports
- Any other materials as determined relevant by the PSIDS

— END —