

THE PACIFIC COMMUNITY

FIFTH PACIFIC REGIONAL ENERGY AND TRANSPORT MINISTERS' MEETING

Port Vila, Vanuatu, 8 – 12 May 2023

TI 04: GREEN PACIFIC PORTS INITIATIVE AND GREEN CLIMATE FUND

[Submitted by Pacific Community]

Purpose

1. The purpose of this paper is to provide information and update on the status of a proposed green Pacific ports sub-regional project for the Green Climate Fund (GCF).
2. SPC is partnering with United Nations Industrial Development Organisation (UNIDO) to develop a Green Climate Fund (GCF) project to advance the green ports concept in the Pacific region. The objective is to contribute to climate change mitigation by reducing emissions from ports as well as climate change adaptation to improve the resilience of ports by upgrading infrastructure, equipment, operations, and policies. The approach is for three or four countries from the region to propose a sub-regional project to foster green and resilient ports in the Pacific.

Background

3. SPC Climate Finance Unit is supporting SPC's fourteen eligible Member countries in developing GCF and Adaptation Fund projects in the Pacific region. SPC is accredited to the GCF for grant projects up to US\$50,000,000. These projects must remain under category B environmental and social risks (i.e., activities with potential limited adverse environmental and/or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures).
4. Since 2010, SPC has been exploring options to reduce the environmental impact of the maritime transport sector. The regionally adopted *Framework for Action on Transport Services 2011–2020* has the long-term objective of “reduced emissions through a combination of technological and operational improvements, including in ports and port infrastructure, for all vessels that operate throughout the Pacific”. However, the key priorities for action are restricted to complying with international measures and use of green technologies in relation to ports.
5. The Fourth Pacific Regional Energy and Transport Ministers' Meeting (September 2019) adopted the *Pacific Ports 2030–2050 Vision* that will integrate objectives, measures and targets for Resilient, Green and Clean Pacific Ports and require a multi-country, multi-partner approach. This vision includes two initiatives that are significant in the context of the proposed project:
 - A. *Resilient Ports* – aims to adapt port development and strengthen preparedness, response and recovery to climate change and disasters, implement processes to support economic development, achieve port operational efficiency, and compliance with international standards and best practices; and
 - B. *Green Ports* – aiming to contribute to low-carbon development by reducing the carbon footprint of Pacific ports, increasing its energy efficiency and incentivising green shipping.
6. To date, no significant activities in SIDS' ports have been undertaken under the Resilient Ports initiative. Under the Green Pacific Ports initiative, activities have been trialled since 2016 in three ports in Fiji, Solomon Islands and Tonga¹. These activities have included energy audits and initial guidance on energy management in the port facilities. The Solomon Islands Port Authority reported an overall energy savings of 8% amounting to 15 tonnes of GHG emission reduction

¹ Fiji Ports Corporation Limited (FPCL), Solomon Islands Ports Authority (SIPA) and Port Authority Tonga (PAT)

with new investments in solar power to supply perimeter lighting for both Honiara and Noro ports, and to provide electricity to all refrigerated containers and newly invested yard-handling equipment.

7. The proposed GCF project intends to build on the Pacific Blue Shipping Partnership (2020–2030) and the Clydebank Declaration for green shipping corridors (2021) to enable a paradigm shift for SIDS on green and resilient ports. The scope of the project would be as follows:
- Component 1 : enabling policy and regulatory framework for green, resilient ports;
 - Component 2 : climate-proofing of critical services to reduce interruptions caused by extreme climate events; and
 - Component 3 : financing & capacity building support for sustaining and scaling-up infrastructure services.

Current status

8. Over the past two years, the project idea has been discussed with several Pacific Island countries. However, project development is currently on hold pending confirmation of interest from the various countries' GCF National Designated Authorities (NDAs). As of now, interest has been confirmed by:
- (i) PNG Department of Transport,
 - (ii) RMI Ministry of Transportation, Communications, and Information Technology,
 - (iii) Solomon Islands Ministry of Infrastructure Development, and
 - (iv) Fiji Ministry of Commerce, Trade, Tourism and Transport and Fiji NDA.

Issues

9. Two issues need to be considered concerning access to climate finance.
- ***SPC's accreditation scope:*** SPC is not accredited for loans, equities, or guarantees. Projects for which SPC can be the Accredited Entity must be grant-based. This means that they will mainly relate to adaptation to climate change rather than mitigation of GHG emissions (for which loans are seen as the most sustainable option for GCF). However, SPC can be an Executing Entity, supporting the on-the-ground management of the project through its technical expertise. For this regional Green Port project, UNIDO would be the Accredited Entity and SPC GEM would be the Executing Entity.
 - ***Climate rationale:*** A GCF project is not a sustainable development project. It should always directly tackle a climate change-related issue. It can either be a mitigation project through the reduction of GHG emissions (renewable energy access, energy efficiency, low emission transport, forestry and land use) or an adaptation project through increased resilience to climate change impacts (health, food and water security, infrastructure, ecosystems and ecosystem services), or a cross-cutting one. However, if addressing a climate change issue is not the core of the project, then the project will not be eligible to GCF and countries should look for another donor.
10. **Regional Green Port project:** Several follow-up emails have been sent to GCF NDAs but until the project has been identified as a priority for countries in their GCF pipelines, SPC and UNIDO cannot start the development of the concept note and Project Preparation Facility application. Indeed, country ownership and endorsement from the NDA office are key requirements for any GCF project to be developed.

Recommendations

11. Transport Ministers are invited to:

- a. **note** that Pacific countries interested in participating in a regional Green Pacific Port project should reach out to SPC through their GCF NDA (usually the Ministry of Finance or Ministry of Environment); and
- b. **note** that once the project has been identified as a priority for the country, SPC and UNIDO will be able to start the development of the concept note.

Date: 17 April 2023