



FIFTH PACIFIC REGIONAL ENERGY AND TRANSPORT MINISTERS' MEETING



ANNEXE II RESOLUTION OF ENERGY OFFICIALS

(Port Vila, Vanuatu, 11 May 2023)

Preamble

1. With the global recovery from COVID-19 and the continued vulnerability of PICTs to fossil fuel reliance and climate change, the Pacific Community (SPC), in partnership with the Government of Vanuatu, organised parallel meetings of Energy and Transport Officials in Port Vila, Vanuatu on 9th May 2023 as part of the Fifth Pacific Regional Energy and Transport Ministers' Meeting (PRETMM), on the theme of **Accelerating Decarbonization in the Blue Pacific**. The meeting for Energy Officials was attended by representatives of ministries or departments of energy, heads of energy departments or other delegates from Members of the SPC, including the following Pacific Island Countries and Territories (PICTs): Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Caledonia, New Zealand, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United Kingdom and Vanuatu. Representatives of regional and non-governmental organisations, development partners and private sectors also attended.
2. The meeting expressed its great appreciation to the Government and People of Vanuatu, the Governments of Australia and New Zealand as major donors of the 5th PRETMM, and the SPC for the excellent organisation of the meeting. Additionally, the financial contribution of the International Renewable Energy Agency (IRENA) and the World Bank is acknowledged. Mrs Eslie Garaebiti, Director General for the Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Energy, Environment and National Disaster Management Office (MoCC) in Vanuatu was elected as Chair of the Energy Officials Meeting.
3. The substantive agenda items reflected an all-inclusive partnership with a total of fifteen (15) energy papers (6 information papers and 9 discussion papers) prepared by multilateral, regional and national energy stakeholders¹ and aligned to the FESRIP priority areas. These papers were circulated to Energy Officials of PICTs in the month prior to this meeting. The Chair introduced the objectives and recommendations proposed for each paper and subsequently solicited discussions and resolutions.

Resolutions on Agenda Items

4. The meeting considered the following papers and resolved as follows;

¹ [Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP), University of the South Pacific (USP), Pacific Power Association (PPA), Pacific Islands Development Forum (PIDF), World Bank, Asian Development Bank (ADB), International Renewable Energy Agency (IRENA), University of New South Wales (UNSW), Loughborough University, Climate Finance Access Network (CFAN), Private Financing Advisory Network (PFAN), CAMCO, Global Green Growth Institute (GGGI), United Nations Industrial Development Organisation (UNIDO), Australia's Department of Climate Change, Energy, the Environment and Water (DCCEEW), SIDS DOCK, Office of the Pacific Energy Regulators Alliance (OPERA), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Vanuatu's Department of Energy, Envisory Ltd and Pacific Region Infrastructure Facility (PRIF)]



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E1 – Progress on the Implementation of the 4th PRETMM Outcome Statement and the Status of the Region's Energy Sector

The meeting was informed on the progress of the high priority areas identified during the Fourth Pacific Regional Energy and Transport Ministers Meeting held in 2019 and provided an update on the current status of the energy sector of island member countries and territories. Below is a brief status report on the high priority areas.

(A) Climate Change and coordinated efforts to reduce GHG emissions

The meeting supported the Pacific Leaders' reconfirmation that climate change remains the single greatest existential threat facing the Blue Pacific, underscoring the urgency to limit global warming to 1.5 degrees through rapid, deep and sustained reductions in greenhouse gas emissions. Leaders emphasised the need for a clear pathway for energy security and urgent requirement for decarbonisation of the energy sector towards renewable energy; and the need to address supply chains issues and rising costs of food. The NDC Hub through GIZ, SPREP, SPC, GGGI, UNDP and IRENA are implementing country NDC requests specific to the 14 PICs national priorities and NDC commitments. PICs have revised their NDCs and energy roadmaps and have also accelerated the adoption and enforcement of energy sector laws in the last three years.

(B) Regional Vehicle for Accelerated Progress

The meeting noted the new Framework for Energy Security and Resilience in the Pacific (FESRIP): 2021 – 2030 was endorsed by Pacific Leaders in August 2021 and launched at COP 27 in November 2022. Through the FESRIP, Leaders have envisioned a future where Pacific people have universal access to secure, robust, sustainable, and affordable electricity, transport, fuel and household energy services. Developed by the Pacific Community, in collaboration with PIFS, SPREP, USP, PPA, PRIF, UNDP, IRENA and the Pacific Island Countries and Territories (PICTs), the FESRIP is a vehicle for accelerated progress on the Sustainable Development Goals (SDGs), the SAMOA Pathway, the 2050 Strategy for the Blue Pacific Continent, Nationally Determined Contributions (NDCs) and respective country energy roadmaps.

(C) Private Sector Targeted initiatives

The meeting noted that the Leaders have recognised the need for strengthening public-private partnerships to leverage greater opportunities in priority areas including energy security. The Office of the Pacific Energy Regulator Alliance (OPERA) has been established and hosted by SPC in its Suva office and ADB has allocated USD 600,000 in grant to support OPERA priority activities in 2022 – 2023. Since 2019, development partners have coordinated their efforts in promoting private sector investment and supporting the installation of renewable energy technologies. Studies have been undertaken in Kiribati (solar PV), Pitcairn Community (solar hybrid PV), Nauru (ocean energy potential), and Tuvalu (biogas). Through PCREEE, support has been provided to the establishment of Sustainable Energy Industry Associations, convening of Energy Investment Forums and technical assistance on sustainable energy business start-ups and entrepreneurship. A Regional E-mobility Policy and Program has been prepared and rolled out in 2021. PIDF and Fiji support United Nations Systems Staff College (UNSSC) established a sub-regional office in Suva in 2019 to identify opportunities for South-South cooperation among Pacific SIDS.

(D) Maintaining the Momentum

The meeting noted the region's capacity building has continued to move towards more officially accredited /industry recognised qualifications constructed around a "competency" and "skill-set" approach. The EU PACTVET Project had delivered the remaining activities on Sustainable Energy in early



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2021. There is still a need for on-going support. For instance, PCREEE supported Tonga to get its National Certificate on Sustainable Energy Levels 1 & 2 adopted in 2020 and started delivering to students in 2022 whilst developing Levels 3 & 4. A training of trainers was also supported in PNG. The support and active participation of professional industry groups such as the Sustainable Energy Industry Association of the Pacific Islands (SEIAPI) and the Pacific Regional Federation for Resilience Professionals (PRFRP) in the development and accreditation of regional qualifications is crucial. With the support and assistance of the Pacific Appliance Labelling and Standards (PALS) programme, Kiribati, Samoa, Tonga and Vanuatu have got their Energy (Management) Act and the MEPSL legislations passed by Parliament.

(E) Sustainability of Regional Energy Service Delivery

The meeting noted that the regional energy programme, hosted by SPC, continued to rely mostly on project funding. The areas of energy data management, petroleum, energy efficiency and capacity building need urgent support and strengthening. On energy data management, SPC has developed a proposal with the World Bank based on the PRDR strategy 2018-2023 and is awaiting the next steps to securing the World Bank's support and approval of the proposal. Ongoing data collection and policy advisory have been provided to countries from SPC, GGGI, IRENA, NDC Hub and UNESCAP. Note the PRIF and SPC collaboration in compiling the 2018-2019 Pacific Infrastructure Performance Indicators (PIPIs) that was published in 2021. Ongoing efforts are being pursued by SPC to secure funding for petroleum advisory services and ongoing assistance from Hale & Twomey (Envisory) in supporting Pacific Islands Petroleum Regulators in the region. Through SPC and SPREP as Accredited Entities of the Green Climate Fund (GCF), a number of proposals and concept note have been developed with the countries and submitted to GCF.

Energy Officials:

- i. **Reaffirm** the critical importance of the Leaders' call for a clear pathway for energy security and the urgent need for decarbonisation of energy in the space of electricity, transportation and clean cooking; and the need to address supply chain issues, rising costs of fuel and knowledge gaps.
- ii. **Call** for enhanced implementation of the PRETMM outcomes in close collaboration amongst PICTs and development partners with a particular focus on public-private partnerships, urgent funding support for PacTVET and PALS, strengthen energy data management and petroleum advisory and achieving national targets and international commitments.

E2 – Progress of Energy Projects Implemented by SPC

The meeting discussed and noted the update provided by SPC regarding the implementation of its energy projects / programmes. The following projects had been / are currently implemented by SPC between 2019 and 2023:

(A) Waste-to-Energy

The meeting noted the implementation of the Pacific Adoption of Waste-to-Energy Solutions (PAWES) Project by SPC and SPREP and the funding support of EUR 2.8 million from the European Union through the Organisation of African, Caribbean and Pacific States' (OACPS) Research and Innovation Programme. The objective of the project is to enhance solid waste management and energy security in five Pacific Island Countries (PICs): Marshall Islands, Papua New Guinea, Solomon Islands, Samoa, and Tuvalu.



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(B) Renewable Energy and Energy Efficiency

The meeting recognised the funding support (11.625m EUR) from the EU for the implementation of component 2 of the EU EDF 11 FSM Sustainable Energy and Accompanying Measure (SEAM) Project with the specific objective to increase access to renewable electricity and support private sector investment in energy efficiency (EE) and renewable energy (RE) in the FSM. The project strengthens the institutional, governance and capacity of the energy administration in FSM including creating or strengthening the necessary enabling environment to encourage participation of the private sector players in the areas of EE and RE and increasing access to electrification.

(C) Clean Cooking

The meeting highlighted the implementation of the project “Transforming Local Communities through Domestic Biogas System in Funafuti, Tuvalu”, with funding support of 100,000 USD from the US government. This project will install 20 Domestic Biogas Systems (DBS) in Funafuti as well as the wider use of the biogas technology and circular economy in Tuvalu.

(D) Gender Mainstreaming

The meeting noted the funding support of the Canadian Trade and Investment Facility for Development (CTIF) for the development of the Pacific Energy and Gender Strategic Action Plan (PEGSAP) 2020-2030. The PGSAP was officially launched at the inaugural Pacific Women in Energy Conference in 2022 in which the Pacific Energy Gender Initiative (PEGI) Regional Steering Committee was formed to oversee its implementation of the PGSAP, with SPC as the Secretariat.

(E) Private Sector & Entrepreneurship

The meeting noted that PCREEE has begun rolling out the regional e-mobility Programme with various awareness, legal assistance, and national and training workshops on e-mobility. The following assistance has been / will be provided by PCREEE to PICs: (i) supporting new energy business start-ups and improve business opportunities to members of national industry associations, (ii) convening energy investment forums to raise awareness to the investment opportunities in renewable energy and energy efficiency, (iii) conducting training workshops on mini-grid systems, and (iv) is ready to roll out the Solar Technology and Application Resource Centre (STAR-C) programme.

(F) Climate change and resilience

The meeting noted the implementation of the Pacific Adaptation to Climate Change and Resilience (PacRES) Project with a total funding of Euro 12million from the EU. Implemented by SPREP, SPC, USP and PIFS, the project focuses on implementing activities that are directly relevant to the implementation of national climate change adaptation and mitigation priorities, NDCs and other elements of the Paris Agreement relevant to the Pacific Islands region.

(G) Capacity Building

The meeting noted the successful completion of the EU-Pacific Technical and Vocational Education and Training on Sustainable energy and Climate Change Adaptation (European Union PacTVET) Project in March 2021. Implemented by SPC and USP, the project objective was to enhance Pacific regional and national capacity and technical expertise to respond to climate change adaptation and sustainable energy challenges. Without ongoing funding support, the continuity of efforts at the national and regional level are uncertain.



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Energy Officials:

- i. **Highly appreciate** the continued efforts of SPC and development partners in improving energy security in the Pacific and acknowledge the collaborative efforts by countries and development partners, including reviving the PEG Network, and the development and implementation of the Pacific Energy Gender Strategic Action Plan (PEGSAP) 2020-2030.
- ii. **Call on** financing institutions, development partners and PICTs to dramatically upscale the resources mobilized for energy security actions, including by pooling together resources, continue implementation of PGSAP, waste-to-energy and clean cooking, investing in and promoting private sector engagement in energy efficiency and conservation.

E3 – Pacific Women in Power Program

The meeting noted and emphasised the following: (i) the Pacific Power Association's (PPA) mission to support its members to promote and advance gender equality within a diverse and motivated workforce, (ii) Across the Pacific, expanding and modernizing the energy sector is vital since the limited availability of energy constrains human and economic development, (iii) Women's low representation in the utility workforce is closely linked to their low representation in STEM fields and managerial positions, (iv) Culturally embedded perceptions of women's role in the labour market and family, significantly limit women's economic opportunities across the Pacific region, and (v) Increasing women's employment in the energy sector is good for the sector and for economic development overall for the Pacific.

The meeting noted the World Bank's Pacific Women in Power (PWIP) Program development objective is to enhance women's employment and economic empowerment across various Pacific Island energy institutions which are in Small Island Developing States (SIDS) to build a strong, diverse workforce in the energy sector.

To continue the momentum in trying to address the gender imbalance in the energy sector, the PWIP Program will work very closely with PPA, SPC, PEGI Regional Steering Committee, power utilities, energy ministries, educational and financial institutions, private sector businesses, and other key Pacific stakeholders to implement the PGSAP and other gender initiatives. It is critical for the success of the program to ensure relevant stakeholders to program activities actively participate and are supported by leadership and management.

Energy Officials:

- i. **Endorse** the establishment of the Pacific Energy Gender Initiative (PEGI) Regional Steering Committee to spearhead the implementation of the PGSAP, supported by nationally led and other regional energy gender initiatives.
- ii. **Support** collaboration with the World Bank's PWIP and agree to jointly pursue the goal of a more gender diverse labor force in identifying potential priority interventions to promote women's employment in the energy sector.
- iii. **Agree** to request peer Energy Ministers to serve as champions to promote this program through their respective ministries' collaboration with the WB, PPA, SPC, other development



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partners and relevant stakeholders to address the challenges and maximize benefits of gender equality in the Pacific energy sector.

E4 – Strengthening Partnerships for the Implementation of the Framework for Energy Security and Resilience in the Pacific

The meeting noted SPC's effort in collaboration with PIFS, SPREP, USP, PPA, PRIF, and UNDP in developing the Framework for Energy Security and Resilience in the Pacific (FESRIP) 2021-2030. The Heads of SPC, PIFS, USP, SPREP and PPA have signed the FESRIP demonstrating their commitment to jointly own and implement the framework, prior to the Pacific Islands Forum Leaders' endorsement in August 2021. The goal of the FESRIP is to enable universal access to secure, robust, sustainable and affordable electricity, transport fuel and household energy services that are resilient to climate change and natural disasters, and are increasingly supplied by renewable resources, with improved energy efficiency, and upgraded energy infrastructure and improved technologies.

The meeting highlighted that since the beginning of the joint effort for the implementation of the FESRIP in 2021, SPC has attracted the following partnerships and funding: (i) ADB is funding OPERA mainly in capacity building, technical studies and information sharing, (ii) the EU-OACPS funded Pacific Adoption of Waste to Energy Solution Project currently implemented by SPC and SPREP, (iii) the US Government funding for the Tuvalu Biogas Project, (iv) a Gender Adviser has been engaged through Australia's RedR to coordinate and spearhead the implementation of the PEGSAP, (v) financial assistance provided by the Austrian Development Agency in support of PCREEE's work on electric mobility, renewable energy mini-grids and support to the tsunami recovery effort in Tonga, (vi) New Zealand MFAT's funding for energy through the SPC Climate Change Flagship, and (vii) Australia's Department of Climate Change, Energy, the Environment and Water (DCCEE) is the main donor partner of the 5th PRETMM.

The meeting supported the Pacific Leaders vision for a clear pathway for energy security and urgent requirement for decarbonisation of the energy sector towards renewable energy during the 51st Pacific Islands Forum Leaders Meeting that was held in Suva, Fiji in July 2022. Enhancing partnerships is critical to the successful implementation of the FESRIP. The assistance of partners and donors are necessary in ensuring the implementation of the FESRIP is adequately resourced which, in turn will contribute to the region's collective effort to transition away from fossil fuel and an energy secure Pacific.

Energy Officials:

- i. **Highly appreciate** the collaborative work to prepare, fund and implement the FESRIP 2021-2030 by a range of partners and **call on** SPC, relevant CROP agencies and other development partners to dramatically upscale support to further implement the framework and the region's collective efforts towards a just, sustainable and decarbonised energy sector.

E5 – Strengthening private sector financing and participation in energy transition in the Pacific

The meeting highlighted the progress with the establishment of the CAMCO-led "Transforming Island Development through Energy and Sustainability" ("TIDES") - a special blended finance platform for the Pacific aimed at providing flexible financing to local renewable energy developers, and the available advisory and capacity building services through the Climate Finance Access Network (CFAN) and the Private Financing Advisory Network (PFAN). It noted the establishment of the TIDES and continuation of CFAN and PFAN work in the Pacific as well as building capacity in the PICTs to attract and mobilize private finance.



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The meeting noted the lack of availability of evidence-based bankable projects and programs, innovative financing facilities and instruments, and limited finance expertise in the PICTs is a major barrier to the energy transition. To address these challenges, CAMCO, CFAN, PCREEE and PFAN are working to develop pipelines of investment-ready energy projects and introduce a market building facility to support capacity building in the region to enable continued sustainable development of the renewables sector.

The meeting noted that based on its successful experiences in Africa, CAMCO is developing the TIDES financing platform to support the implementation of a stable, sustainable and prosperous Pacific Region. TIDES is aligned with the priorities of the FESRIP and has recently signed a MoU with SPC to collaborate to promote renewable energy and energy efficiency solutions for the sustainable development of the PICTs. 13. CAMCO is currently in the process of completing the fundraising process with a target first close of 1st quarter 2023.

The meeting noted PFAN's current pipeline of projects in the region as well as GGGI/CFAN's extensive project pipeline at different stages of development in the region.

Energy Officials:

- i. **Acknowledge** the work done to catalyze private sector participation and investment in the energy sector by partners such as SPC, CAMCO, PFAN, CFAN, GGGI and others and call for more efforts and initiatives to enable private sector engagement, prioritizing local businesses and entrepreneurship.

E6 – Energy Resilience in the Pacific

The meeting noted the World Bank financing in the energy sector has focused on facilitating green, resilient, and inclusive development in the PICs. It has financed projects to help expand the level and quality of electricity access, switch fossil fuels-based to renewable energy-based power generation, strengthen implementation capacity, and more recently develop investment plans to enhance power sector climate resilience. The World Bank has active energy portfolio in FSM, PNG, Republic of Marshall Islands (RMI), Solomon Islands, and Tuvalu. Other World Bank funded initiatives include: (i) collaboration with the Pacific Power Association (PPA) through the Sustainable Energy Industry Development Project (SEIDP) has resulted in several successful initiatives; (ii) several key assessments to prepare PICs' sustainable and resilient energy futures; and (iii) advancing the conceptualization of the Pacific Regional Data Repository (PRDR) that underpins the energy transition in PICs.

The meeting acknowledged that the World Bank regional program will fund several investments, technical assistance activities, and capacity building grouped under four component objectives: (i) accelerate transition to renewable power generation, (ii) enhance power sector resilience to climate change and natural hazards, (iii) achieve last-mile electrification and boost productive uses of electricity, and (iv) strengthen country and regional capacities. The PRDR will be integral to the proposed regional approach to inform the policy and regulatory measures and investments.

Energy Officials:

- i. **Call for** enhanced collaboration between World Bank and PICTs with a focus on regional Energy Resilience Programme and the inclusion of the PRDR.



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- ii. **Strongly encourage** PICTs Energy and Finance Ministers to collaboratively define and submit concrete financing proposal for renewable energy, just transition and climate resilience in order to activate the World Bank regional energy programme.

E7 – Renewable Energy and Rural Electrification in the Pacific

The meeting appreciated the work being done by the Global Green Growth Institute in the Pacific in Renewable Energy (RE), Energy Efficiency (EE) and Rural Electrification. In the Pacific, GGGI has five member countries: Fiji, Kiribati, Papua New Guinea, Tonga, and Vanuatu with offices and operations in each country. In addition, GGGI also has activities with partner countries: the Cook Islands, Palau, Marshall Islands, Nauru, Samoa, Solomon Islands and Tuvalu through our regional programs and provides capacity building and knowledge sharing activities to all 14 Pacific Island Countries.

The meeting noted the numerous initiatives that have been accomplished / ongoing in the last 4 years under the following GGGI work thematic areas: (i) Policy support work; (ii) green investment mobilization for the energy sector; and (iii) capacity building and rural electrification support.

Energy Officials:

- i. **Highly appreciate** the ongoing support from GGGI to Pacific Island Countries in the energy sector on policy development, green investment mobilization and capacity building for RE, EE, rural electrification and in catalyzing private sector participation to support the energy transition in the region.
- ii. **Call on** PICs to continue to develop and update energy sector policies and legislation, including for rural electrification, RE and EE to enable greater private sector investment in RE and EE initiatives.

E8 – Planning Framework and Tools to Support Regional Net Zero Energy Transition

The meeting highlighted the need for the development of improved planning frameworks and tools to support regional net zero energy transition through higher penetrations of variable renewable energy (VRE) in PICT utility grids, widespread electrification of transport and other suitable sectors, and the use of renewable derived fuels for energy uses that are not amenable to electrification.

The meeting noted that deployment of VRE presents important opportunities for PICTs, but also grid integration challenges related to renewable energy variability, geographic isolation from load centres, limited capacity and flexibility of existing power plants and grid infrastructure, and the complex systems required to operate, control and monitor the power system with new flexible resources. Successful transition from fossil fuels to diversified VRE and other renewable sources will therefore require careful planning and detailed assessment of reliability, flexibility, adaptive capacity, and grid stability and investments in appropriate technology deployment.

The meeting noted that there are currently only limited regional efforts to support the development of, and data and capacity to use, forward-looking planning frameworks and tools, including Capacity Expansion Modelling (CEM) software, by PICT utilities and other regional stakeholders. Despite significant capacity building efforts including those supported by the World Bank and facilitated by PPA, grid integration of VRE is technically complex and there is still a lack of capacity and technical expertise



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in planning and modelling for the transition to clean and renewable energy sectors. Most of this work currently is being undertaken by consultants within project timeframes, presenting barriers to local capacity development.

The meeting emphasized the need to identify current approaches to planning and modelling for capacity expansion in the region, and assess the software tools currently available in the market to highlight which tools might be best suited for PICTs to undertake strategic planning and scenario modelling for increasing renewable penetrations while incorporating widespread electrification efforts.

Energy Officials:

- i. **Call for** PICTS, SPC, PCREEE, PPA and other partners to be further supported to develop and use enhanced and tailored energy planning frameworks and capacity expansion tools for net zero outcomes, with a focus on future demand assessments, universal energy access, transitioning fossil fuel dependent sectors, hydrogen energy sources, meeting 100% renewable targets, electrifying road transport/household/commercial uses, securing island grids with high variable renewable penetrations, expanding distributed microgrids, jurisdictional planning and expanding solar home systems for remote communities.

E9 – Fuelling the Pacific Through Green Hydrogen

The meeting highlighted current developments on green hydrogen globally and in the Small Islands Developing States (SIDS), as well as its challenges, advantages, and opportunities. In 2050, hydrogen and its derivatives might account for 12% of final energy use and 10% of carbon dioxide (CO₂) emissions reductions in a net zero emission world. Ensuring a low-carbon, clean hydrogen supply is essential for many countries, especially those with hard-to-abate sectors like chemical and metals. Hydrogen can further contribute to decarbonize international shipping and potentially long-haul aviation and be utilized as a seasonal storage option. Key derivatives to achieve these goals are likely to include green ammonia and methanol.

The meeting emphasised that Green hydrogen remains a high priority on the global energy policy agenda. Project announcements and offtake agreements aiming to kick-start international hydrogen trade, accelerated in 2022 and are expected to increase further in 2023. The majority of project announcements involve governments and companies in future demand centres without sufficient hydrogen production potential to meet possible demands, such as Europe and East Asia. However, countries with major renewable energy potential are also exploring opportunities to produce renewable hydrogen and derivatives for domestic energy intensive industry development but also for potential export.

The meeting noted that the Asia-Pacific region has also gained significant momentum in hydrogen developments. Two players in proximity to the Pacific SIDS are committed to play an important role in the future international hydrogen supply chains: Australia and Japan.

Energy Officials:

- i. **Call for** a dramatic deepening of decarbonisation efforts in PICTS through the recognition of potential contribution of green hydrogen and its derivatives.



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- ii. **Recommend** to further examine the potential role of green hydrogen in the region and expected timeframe with a view to developing a Pacific regional green hydrogen strategy.

E10 – Call for Ocean Energy Action – Powering the Green and Blue Economy Aspirations of the Pacific

The meeting highlighted the mid-term and long-term opportunities of ocean renewable energy in the context of the blue and green economy aspirations of Small Island Developing States (SIDS) in the Pacific and provides a number of recommendations on ways forward. The blue economy concept includes emerging SIDS-appropriate ocean energy technologies (OETs) as sustainable nature-based solution, which can simultaneously provide energy services to coastal communities and contribute to the decarbonization of the expanding blue industry. Ocean energy includes an array of renewable energy technologies using non-living marine resources (e.g., wave, tidal range/stream, ocean thermal energy conversion, salinity gradients, seawater air conditioning, marine algae and bioenergy) or marine/coastal space (e.g., offshore wind, floating PV, hybrids through co-location, pumped seawater hydropower).

The meeting noted that there are hundreds of different OETs devices which are at different stages of development ranging from R&D to prototyping, demonstration, pre-commercial and industrial roll-out. Large-scale tidal range projects have been deployed commercially in several countries (e.g. France, Canada, China, Russia and South Korea). Tidal stream technology has reached maturity, further R&D and large demonstration projects for wave and other technologies such as OTEC are required. Generally, it is expected, that the OETs will move up to technology readiness level and become commercial within the next decade.

The meeting noted that SIDS DOCK and UNIDO launched the Global Ocean Energy Alliance (GLOEA) for SIDS during various events at the COP26 in 2021 and the UN Ocean Conference in 2022. The initiative is being supported by various Prime Ministers from the Pacific, Caribbean and Africa. The GLOEA is intended to build a bridge between the industry and research players which need to test new solutions in various climates and contexts, and the interest of SIDS to get access to technology and expertise, as well as with investors, project developers and government for the implementation of projects.

Energy Officials:

- i. **Agree** for SPC/PCREEE, UNIDO and SIDS DOCK to develop an ocean readiness programme preparing the PICTs for future ocean renewable energy technologies, which aims to mitigate barriers and brings latest innovations to the Pacific, including cooperation with the Global Ocean Energy Alliance (GLOEA) and other centers of the Global Network of Regional Sustainable Energy Centers (GN-SEC), to attract investment from donors, private sector and other financing instruments.

E11 – Update on the Establishment and Operations of OPERA

The meeting recalled the Energy Ministers decision in 2019 whereby SPC and ADB were directed to establish the Office of the Pacific Energy Regulators Alliance (OPERA) and formulate a sustainable financing mechanism for OPERA. Consequently, it was agreed between SPC and all OPERA members, under a signed Memorandum of Understanding (MoU), that OPERA would be hosted by SPC. ADB approved the provision of 600,000 USD to fund OPERA activities and five Experts.



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THE meeting highlighted the following OPERA activities that have been accomplished in the last two years: (i) Solomon Power Ltd and Kiribati's Ministry of Infrastructure and Sustainable Energy (MISE) have joined OPERA as full members, (ii) OPERA annual meeting and training was held in Fiji in October 2022, (iii) OPERA has signed a MoU with the Energy for Growth Hub, (iv) conducting country PPA Watch scoring for some OPERA members, (v) Solomon Islands country report has been completed, (vi) a number of virtual training workshops were conducted in 2022-2023.

The meeting noted the current ADB funding for OPERA will lapse in December 2023. This brings to the fore the need for a sustainable funding mechanism for OPERA in the next 5 years and beyond. ADB has indicated the possibility of additional funding for OPERA and this funding gap is among the priority areas for the next 3-5 years that have been discussed with other donors and partners.

Energy Officials:

- i. **Acknowledge** the critical role of independent electricity / energy regulators and OPERA in collaboration with PICT governments in accelerating the decarbonisation of the Blue Pacific.
- ii. **Recognise** ADB's funding and SPC support to OPERA and requested that they and other donors continue supporting OPERA and strongly encourage non-OPERA members to join the alliance.

E12 – Development and Implementation of the Regional E-Mobility Policy and Program

The meeting was informed on the development and implementation of the regional e-mobility policy and programme and seeks support for the early adoption of e-mobility policies, standards and roadmaps. Following the ministers' decision in 2019 whereby SPC's PCREEE, UNIDO, and SIDS Dock were directed to develop a regional electric mobility (e-mobility) policy and a regional e-mobility program, a comprehensive process was undertaken in the development of a regional e-mobility program in 2020.

The meeting acknowledged the funding support from UNIDO, Norway, Austria and United Kingdom allowing PCREEE to roll out the e-mobility program in 2021 notably in the following areas: (i) Policy and Regulation, (ii) Knowledge Management, (iii) Qualification / Certification, and (iv) Promotion of investment, entrepreneurship and innovation.

The meeting noted that it will take a few years to establish sound standards and implement effective legal and regulatory reforms that will have a real impact on industry practices and consumer behaviour when it comes to major technology changes. Additionally, there are newly arising risks associated with the adoption of electric vehicles, so there needs to be some form of management to set minimum standards and technical requirements to protect the nascent market from inferior products and unsafe practices. The meeting was also informed of the need to look into battery waste handling approaches for the region.

Energy Officials:

- i. **Encourage** SPC, PCREEE, UNIDO, PRIF, GGGI, UK and interested partners to accelerate the roll out of the regional e-mobility programme including through enhanced actions of the EV Working Group, and increased funding support.
- ii. **Call on** PICTS to prioritize the adoption and implementation of EV policies, standards and roadmaps.



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E13 – Experiences from Enforcing the Minimum Energy Performance Standard and Labelling MEPSL in Vanuatu

The meeting highlighted the experiences of enforcing the Minimum Energy Performance Standards and Labelling (MEPSL) program in Vanuatu. The Vanuatu Energy Policy Framework and the National Energy Roadmap (NERM) have highlighted that energy efficiency and conservation is one of its key strategic areas that should be promoted and implemented in order to have efficient supply and use of energy.

The meeting noted that Vanuatu, through SPC's assistance, developed and endorsed the Energy Efficiency of Electrical Appliances, Equipment and Lighting Products Act No.24 of 2016. The Act was enacted and implemented from September 2017 to help regulate and promote energy efficiency of appliances in Vanuatu by: (i) prohibiting the importation of inefficient electrical products into Vanuatu, and (ii) establishing a registry database for imported MEPSL products. The regulated products under the Act are refrigerators, freezers, air conditioners, lightings, televisions and clothes washers.

The meeting noted the total estimated number of units per product type imported between 2017 – February 2023 are: (i) Refrigerators: 2,080 units, (ii) Air conditioners: 1,900 units; (iii) Lamps: 1,800 units; (iv) Televisions: 3 units, and (v) clothes Washers: 11 units. The total amount of revenue generated from permits since 2017 is approximately 2,881,850 VT.

The meeting noted the request from Solomon Islands to support review their MEPSL Act on handling disposal goods seized through the programme.

Energy Officials:

- i. **Note** the excellent progress made by Vanuatu in the enforcement of MEPSL through the Energy Efficiency of Electrical Appliances, Equipment and Lighting Products Act No.24 of 2016.
- ii. **Reiterate** the 4th PRETMM call on PICTs to embark on appliance labelling and standards as one of the means to meeting their Nationally Determined Contributions and call on partners to support EE initiatives in the region including tax incentives for the importation of EE appliances.

E14A – Petroleum Pricing in the Pacific

The meeting recalled the 2019 Ministers statement recognising the need to strengthen the regional petroleum advisory service at SPC to better serve the needs of PICTs and called on development partners to immediately assess and support the delivery of this regional petroleum advisory service. Due to funding constraints, this service has yet to be restored.

The meeting noted that as a result of the gap in petroleum advisory services, Hale & Twomey Ltd conducted the first regional petroleum pricing and procurement conference in 2016 in Wellington New Zealand. To date, Hale & Twomey has completed three face-to-face Petroleum Pricing and Procurement workshops, four webinars and published nine regional fuels market reports. These activities were supported by petroleum regulators in the Pacific. However, due to funding constraints, Hale & Twomey had to work around its commitments to provide these services to its clients.

The meeting noted that the Pacific Islands Petroleum Regulators (PIPR) need support to receive training and capacity building, and to establish a forum for sharing information with energy regulators in the region.



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Energy Officials:

- i. **Call on** development partners to further support the critical work of the Petroleum Pricing Regulators forum, with a focus on guidance and exchange of fuel price templates, verification, regulation and other petroleum related experiences.
- ii. **Encourage** OPERA to consolidate energy regulations in the PICTS and expand its objectives and mandate to include petroleum regulations and for PIPR to become OPERA members in the future.

E14B – Stocktake of Fossil Fuel Subsidies in the Pacific

The meeting highlighted the results of a recent study on Fossil Fuel subsidies among the thirteen Pacific Island Countries (PICs) which are PRIF members, and recommended next steps for data collection, reporting and monitoring. Fossil Fuels are a significant national expense in the Pacific Islands region. Prior to COVID-19, fuel imports were between 4% to 13% of GDP for PICs. Many countries have policies subsidizing fossil fuels; however these policies can be expensive, not very effective at helping the poor, and delay the transition to renewables.

The meeting recalled the 2017 Ministers decision encouraging reviews of fossil fuel subsidies, including tax and excise policies; agreement to provide assistance and national data for SPC to carry out research and technical assistance regarding fossil fuel subsidies; and directing SPC to conduct further investigations and assess the value of a regional commitment by the Pacific to declare itself as a region free of fossil fuel subsidies. Following these directions from Ministers, the stock-take of fossil fuel subsidies study has been undertaken by the PRIF in 2022-2023 in collaboration with the Pacific Community.

The meeting noted the study identified 68 potential subsidies, of which 33 were quantified. The most common subsidies quantified were revenue forgone from exemptions provided in tax and excise policy, and undertaxed externalities. Many of these measures are not obviously intended to be subsidies (e.g. VAT exemptions on inputs), but consistent with international best practice, they have been identified in the study to promote understanding and evaluation of fossil fuel policy. Direct transfers and support through electricity tariffs are also common but the fossil fuel component of these subsidies is challenging to consistently identify and quantify.

The meeting noted the 33 subsidies quantified had a total value of USD 42 million (excl. externalities) or USD 436 million (incl. externalities) in 2019 across the thirteen countries in the study (including countries for which only partial data was available). On a share of GDP basis, this is equivalent to 0.4% of GDP (excl. externalities) or 4% of GDP (incl. externalities) in 2019. This is likely to be an underestimate of the value of subsidies across the region, given the extent of unquantified direct support to utilities and through electricity tariffs.

The meeting emphasised that more work is needed to ensure that disaggregated budget and tariff data will be readily available for SDG reporting on this indicator, in time for the national reporting required for Phase 3 of SDG reporting on this indicator by 2025.

Energy Officials:



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- i. **Note** the concern with the use of fossil fuel subsidies in PICTS, and that their continued use compromises PICTS ability to achieve a Just Transition towards a Fossil Fuel Free Pacific.
- ii. **Call on** all PICTS to review the effectiveness of fossil fuel subsidy with the view to phase out, supported by strengthened monitoring, information collection and reporting on SDG indicator 12.c.1 by 2025.

Endorsed by the Pacific Energy Ministers in Port Vila, Vanuatu on 11th May, 2023.