



Concept Note

Energy and Transport Ministerial Roundtable

Wednesday 10th May 2023 | Port Vila, Vanuatu

Purpose

The purpose of these Ministerial roundtable discussions is to generate a transparent and meaningful dialogue on the status of fossil fuel reliance in the energy and transport sectors in the Pacific with the goal of actioning a just transition from fossil fuel reliance and understanding and addressing systemic barriers towards accessing and mobilizing climate financing for the energy and maritime transport sectors.

Background

The Blue Pacific region, spanning 42 million square kilometres and heavily dependent on maritime transport, faces specific challenges in reducing emissions and increasing energy efficiency due to the long distances between islands, the high cost of imported fuel, and limited access to capital for investment in new vessels and clean technologies.

36% of the region's population lacks access to electricity and as much as 64% lacks access to regular energy supply. Overall, access to energy in the region is a significant challenge due to remote geography, cost, dispersed populations, and limited infrastructure. Increasing universal access to electricity and safe and reliable transport services is an urgent priority.

However, existing energy and transport services in the region still rely heavily on fossil fuel consumption. At present, 80% of electricity generation and almost 100% of transportation in the region are powered by fossil fuels. Our region is still heavily reliant on these fossil fuel-dependent technologies.

The dependence on fossil fuels is costly, particularly due to the high volatility in global prices, and supplies can be interrupted by extreme climate events and geopolitical crises. In contrast, distributed renewable energy systems can be more resilient to environmental impacts and less distorting to a country's balance of trade. Consequently, Ministers and Leaders have called for an urgent transition towards more sustainable and relevant energy and maritime transport approaches.

While progress has been made in some countries in the Pacific, adequate finance to cover the significant, up-front costs has not been available to most. In addition, achieving very high levels of renewable energy capacity tends to be even more costly, requiring expensive energy storage solutions.

Approach

This Ministerial Roundtable will explore two key topics and promote discussion between Ministers and across Member states. The discussions will be chaired by Vanuatu, and facilitated by a moderator selected by the Ministerial Taskforce to ensure all countries are able to fully engage and discuss



experiences and challenges, as well as the financial and capacity building requirements for enabling a just transition energy transition in the Pacific.

Each topic will be introduced by expert contributors to outline the reality in the region with technical teams also present as observers to respond to questions as required by the Ministers.

This roundtable is designed to provide space for engagement between countries and Ministers. Observers will be present to support Ministers questions on specific areas as needed. Please note these roundtables will be followed by a closed Ministerial Dialogue. Partners will be provided with space to respond to the dialogue in a dedicated partner dialogue immediately after the closed session.

Session 1: Ministerial dialogue on a just transition away from fossil fuels in the Pacific

This theme will explore the current commitments on a just transition following the 2nd Pacific ministerial dialogue on pathways for the global just transition away from fossil fuels in Port Vila in March 2023 and the *Port Vila Call for a Just Transition to a Fossil Fuel Free Pacific*¹.

Suggested guiding questions for the discussions:

- What is the current regional commitment and progress on a just transition?
- What are the policy tools at our disposal, regionally and internationally, to help accelerate the transition?
- What are the main barriers to achieving existing commitments and accelerating a just energy transition in the Pacific?
- What key moments throughout 2023 and beyond can present opportunities for advancing these initiatives?

Session 2: Ministerial Dialogue on unlocking climate financing to drive the transition.

This theme will explore the current limitations, emerging innovations, and the possibility of scaling best-practice approaches to support the necessary transition towards a more renewable and sustainable energy and maritime transport sector.

Suggested guiding questions for the discussions:

- How can the region ensure that climate finance is aligned with their national priorities and strategies?
- What financing mechanisms and approaches are available, and how can these be effectively leveraged?
- How can the private sector be engaged in climate change financing for the energy and maritime transport sector, and what are the incentives needed?

¹ <https://tinyurl.com/45b9je3k>