

**PLENARY ADDRESS: CHALLENGES TO BUILDING CLIMATE RESILIENT  
GREEN BLUE PACIFIC ECONOMIES  
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Honourable Sopoaga Tuvalu PM

Interim Secretary General Yauvoli (PIDF)

His Excellency General Thanasak Patimapragorn (Deputy PM of Thailand)

Secretary-General Sharma (Commonwealth)

Honourable Ministers

CROP Colleagues

Other distinguished guests

Ladies and gentlemen

Ni Sa Bula vinaka. Bonjour tout le monde and Good morning.

In response to the request to discuss challenges to building climate resilient blue green economies in the Pacific, I want to focus on 2 broad areas – a 1.5 degrees Celsius line in the sand and the pressing challenges within our region.

As we know, we're at a critical juncture in terms of the global response to climate change. All eyes are on the upcoming negotiations at the United Nations Climate Change Conference in Paris to finalise a global agreement on climate change.

The COP 21 decision is the single biggest challenge to blue green economies in the Pacific and globally this year. A binding agreement is essential. The biggest emitters need to agree to timely reductions of harmful greenhouse gas emissions in an open and transparent way. Some of the contributions from around the world have been encouraging, others less so.

If COP 21 fails to deliver meaningful emissions reductions, it will only exacerbate the climate crisis here in the Pacific threatening lives and livelihoods – and this is a fundamental message the world needs to hear.

What's clear is that the outcomes in Paris will, to a large extent, determine the fate of many Pacific Island countries and territories over the course of this century – affecting the development aspirations of all 22 Pacific Island states, with no exceptions.

Changes in temperature and rainfall patterns are expected to have widespread negative effects on planting seasons and the sustainability of some crops, as well as the availability of water for drinking and for crops. Many of you will have heard me say that the Pacific face two crises; NCDs (diabetes and heart disease) and climate change.

The changing climate also presents a range of complex challenges for health, tourism, fisheries and other livelihoods. Ocean acidification is a real threat for our region with major implications for the marine ecosystem and communities.

This is despite the negligible overall contribution of Pacific people to global greenhouse gas emissions.

To be realistic, keeping below 1.5 degrees will be difficult unless the world goes on a 'war footing' of sorts and dedicates large sums of money to mitigation efforts. Emissions cuts in the order of 65-80% by 2030 and 80-90% by 2040 (from current levels) are needed if we are to have a slight chance of keeping below 1.5C, assuming favourable climate sensitivity. In short, the world needs to stop using fossil fuels altogether in a few years, arrest deforestation and reduce methane emissions, if we are to have a chance.

On the upside, Pacific Leaders have taken strong leadership on climate change in advocating for effective global action to reduce GHG emissions. Leading up to Paris, there will be several more statements from the region – including the Polynesian Leaders Statement (Polynesia Against Climate Threats; PACT or Taputaputea Declaration), a Pacific Island Forum Leaders Statement and of course the Suva Declaration expected from this summit. It is important that our message is united, strong and consistent even if there are several of them.

We must continue to push for the global community to do the right thing. We must also act together if we are to make an impact at the global level.

### **From Romance to Reality**

For our part, we must move from dreams to reality.

Within our region, there are several important challenges in transitioning from traditional (brown) economies, heavily reliant on fossil fuels, to climate resilient blue green economies. Green growth, or low carbon development, improves economic and social performance at national, sub-national, community, enterprise and other levels, while at the same time reducing harmful emissions and vulnerability and increasing resilience.

Fiji produced its “Green Growth Framework” in June 2015. And I commend them for this vision. The Fiji Framework provides a good outline of the challenges for blue green economies in the region. The Framework is ‘a tool to accelerate integrated and inclusive sustainable development which will inspire action at all levels, to strengthen environmental resilience, drive social improvement and reduce poverty. Enhance economic growth and build capacity to withstand and manage the anticipated adverse effects of climate change’.

The Pacific is united by the ocean like no other region on Earth. For our Large Ocean States, the green economy is essentially a blue economy. French Polynesia now has a dedicated minister responsible for the blue economy and investment promotion – as the territory looks to its marine environment to create new opportunities for growth.

However, such examples are exceptions. There are romantic notions of green blue economies, of setting about minimising the trade-off between economic development and the environment, and creating “green jobs” – but we’re a long way from reality.

Within the region, we have major challenges to blue green economies becoming the predominant model. Let me turn to energy as an example.

The irony is that even though we have low GHG emissions in global terms, we are the most-oil dependent region in the world. Every year, we import more than a billion litres of oil at a total cost of more than 800 million US dollars. The Pacific Islands’ fossil fuel industry is valued at around 6 billion US dollars per annum. It is a commodity that is

mostly consumed for our power generation (25%) and transport (75%) yet is our second largest area of expenditure after food.. This is why the gaps left by departing global oil companies are rapidly filled by new players. Imagine a renewable energy sector worth 6 billion dollars and what could be done. Imagine what would happen if we spend 800M annually on renewables rather than using that money to import fossil fuel? But this is the challenge we have, how do we transition to blue green economies with this level of fossil fuel dependency?

In 2011, renewable energy accounted for 26% of the power generation in all Pacific Islands grids, 97% of which came from hydropower. Seventeen of the region's 22 power utilities still rely on petroleum fuel to meet 98% of electricity demand.

Transport, where the majority of the region's fuel imports is concentrated, is 100% dependent on petroleum products.

In 2013, Pacific Leaders took the historic decision and adopted the Majuro Declaration on Climate Leadership, including specific national targets for renewable energy. Generally, some progress has been made but most nations remain well below these targets.

Currently, apart from Tokelau, only Fiji, PNG, Samoa and Vanuatu have significant shares of renewable energy as part of the total electricity supply (60%, 66%, 37% and 15% respectively). A lot more investment is needed if these targets are to be achieved. We must urgently find alternatives to fossil fuels and significantly increase energy efficiency at all levels.

Pacific Island countries are highly susceptible to increases in food and energy prices and instability in global financial markets. Fuel prices directly impact electricity tariffs, the cost of goods and have a high multiplier effect on all aspects of our cost of living in the Pacific.

Production, transport and service delivery costs, for example, are higher in the Pacific than in any other area. The challenges of isolation, size and small populations make balancing economic, social and environmental development even more challenging. It is difficult to achieve economies of scale given our geographic, economic and social environments.

Given the significant economic weight of petroleum in our region's current and future energy supply mix, SPC provides a petroleum advisory service to assist countries and territories to achieve fair prices for their petroleum supplies and ensure that fuel quality is consistent with international standards.

Through our advisory service, SPC provides International fuel pricing briefs on a monthly and quarterly basis. Inter-regional fuel price comparisons are carried out and published every quarter in the Pacific Fuel Price Monitor.

The Pacific has huge potential to embrace clean energy alternatives, arguably more so than any other region of the world – given our abundance of sunshine, sufficient rainfall to support hydropower, plus wind, wave, tidal and geothermal potential.

Significantly, our region will soon have a Pacific Centre for Renewable Energy and Energy Efficiency that will support efforts to accelerate the adoption of feasible renewable energy and energy efficiency technologies. In particular it will focus on building capacity and awareness in the region, as well as on business and investment promotion. Pacific Ministers for Energy and Transport agreed to establish the centre – a first for the Pacific – and I'm delighted to say that SPC will host it, working with other CROP agencies. The Pacific Centre will become part of a global network of regional Sustainable Energy for All Centres of Excellence.

Furthermore, favourable weather conditions allow for more trees to be planted in some Pacific locations, to act as carbon sinks. Papua New Guinea has the third largest rainforest in the world. The Pacific Ocean itself is a natural sink for the absorption of carbon dioxide.

In terms of total systems preparedness for promoting and sustaining blue green economies, there are other significant challenges for the Pacific region. These include:

- Limited access to capital for investment, for infrastructure cleaner technology options, and so on;
- A human resources and skills mix mismatch with the requirements of blue green economies;
- Regulatory and policy frameworks that are under- developed, and

- The infrastructure needed to support blue green economies. For example, 70% of Pacific people lack access to grid electricity.

### **Human Resource Requirements**

Human resource development is fundamental to ensuring that sufficient capacity and suitable skills are available. Priority skills include data analysis, science and technology, research and development, computer sciences and related fields. Currently, we do not have adequate numbers of graduates in these areas and the Pacific is known for its preference for the arts over science. We should consider an analysis of the profiles of graduates alongside the skills requirements to sustain blue green economies in our region.

### **Policies and practices**

Consideration of climate change impacts in long-term planning and policies is another area needing attention.

Planning and decision-making must incorporate multi-sectoral analyses including scientific, social and economic assessments, and cultural and traditional knowledge and practices, to ensure the long-term viability of adaptation initiatives.

Strengthening our ability to address climate variability and natural disasters will prepare us for dealing with the longer term impacts of climate change.

Green economy policies challenge decision-makers to look beyond short-term revenues and focus on environmental sustainability and people's livelihoods in the long term.

There's considerable scope for green economic policies in the context of conserving natural capital, improving resource efficiency and providing opportunities for poverty reduction through sustainable growth and decreased vulnerability to variability in resource prices. Here in the Pacific, there's strong potential to improve resource efficiency, minimize environmental impact and boost economic growth in agriculture, forestry; fisheries and tourism sectors, as well as energy.

### **The Pacific Community (SPC) response to Climate Change**

Pacific Island countries and territories account for less than 1% of global CO2 emissions.

Regardless, PICTs are working with SPC, PIFS, SPREP and other regional and international partners to develop their capacity to prepare for, plan and adapt to climate change and its impacts. The Strategy for Climate and Disaster Resilient Development in the Pacific is one important example which involves merging aspects of the climate change and disaster risk agendas in support of resilient development.

As the region's principle scientific and technical development organisation, SPC has the largest portfolio of climate change and disaster risk management projects in the region.

Appropriate adaptation mechanisms can be further developed when we understand the science and apply our observations and traditional knowledge.

For example, the Global Climate Change Alliance: Pacific Small Island States project – that's funded by the EU and implemented by SPC – is working with nine small Pacific Island countries to build resilience in the areas of food and water security, health and coastal protection valued at 4.64 million Euros, and benefitting 146,285 people (50.2 % of the combined populations of Cook Islands, FSM, Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga, Tuvalu).

SPC's Centre for Pacific Crops and Trees has a climate ready collection of crop species, made possible with funding from the Australian Government. The collection is stored here in Suva. It's based on years of research and cultivation of tissue culture. For example, our scientists worked with researchers and other officials in Palau to identify three salt tolerant species of taro. These were incorporated in breeding programmes to produce other, more resilient taro lines, and are now available for distribution to other atolls facing similar salt intrusion issues to Palau.

Niue now has the infrastructure and skills to construct their own high density polyethylene tanks through a partnership with SPC, the EU, SPREP, UNDP-GEF, and AusAID. This contributes to their climate change adaptation and disaster readiness, and also their roadmap for sustainable development.

Our teams have been working with the government and coastal communities in Tonga to test combinations of hard and soft coastal engineering measures which will "buy time" in the face of rising sea levels.

A now well-equipped and trained Environmental Health Surveillance Unit in Kiribati - in combination with the community based solar disinfection programme, is reducing diarrhoeal outbreaks in Kiribati.

Given the big ocean that we live in, marine transport will remain a key focus of SPC's work. That will not change anytime soon. In 2014, Ministers encouraged a shift towards higher quality fuels and the need to investigate alternative sources of energy to support the shipping industry. Together with PRIF and the Pacific Power Association, we have just completed a study to look at the feasibility of using the cleaner liquefied natural gas and liquefied petroleum gas for power generation and in shipping too.

### **The financing challenge**

Small islands everywhere are on the frontlines of having to adapt and become climate resilient. The Pacific islands must continue to call for a significant reduction in the rate of global greenhouse gas emissions to prevent further long term change.

The region will do its best to cope. But the need for additional financial and technical assistance to be able to respond urgently and sufficiently to the social, economic and security impacts of climate change for all Pacific Small Island Developing States, in particular low-lying atolls, remains another major challenge. The financial and technical support of wealthier nations is essential for small island nations.

Accessing to international global finance mechanisms such as the Green Climate Fund will support implementation of the major work that has to be undertaken to build a climate resilient green blue economy. Developing private-public partnerships to explore investment opportunities is another avenue.

I know we will hear more on this in the coming days, not least around the leadership and partnerships needed to build climate resilient green blue Pacific economies.

By year end I hope the big questions will be around translating the new global agreement into practical action.

Vinaka vakalevu, merci and thank you.

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