

PACIFIC SIDS HIGH-LEVEL DIALOGUE ON CLIMATE CHANGE

Introduction

Faced with the existential threat of a rapidly warming world and a rapidly narrowing window to hold global average temperature to 1.5 C, Heads of Government and Ministers of the Pacific Small Island Development States convened in Suva, Fiji for a High-Level Dialogue on Climate Change from 21-22 August 2023. Hosted by the Honourable Sitiveni Rabuka, Prime Minister of the Republic of Fiji, participants included Hon. PM Tonga, Deputy Prime Minister of Fiji, Ministers from Cook Islands, Niue, Palau, Republic of the Marshall Islands, Tuvalu and observing Ministers from Australia and New Zealand. Other PSIDS member countries including FSM, New Caledonia, Papua New Guinea Samoa, Solomon Islands and Vanuatu were represented at Senior Officials level. Invited stakeholders included representatives of UN agencies, international financial institutions, development agencies, non-governmental organizations and others.

With the aim of collectively identifying and advancing the most urgent needs of the Pacific SIDS at the highest political level, the Dialogue also provided a platform to discuss the vision and strategy for COP28 and beyond. By engaging directly with key regional partners and organizations, the Dialogue connected regional needs and priorities with those in a position to directly assist with implementation of the Paris Agreement and strengthen domestic capacity for climate action and support.

Over the two days of the Dialogue, a strong call for a unified Pacific voice emerged and echoed. Participants agreed on the urgent need to move past talking and tokenism, and toward the articulation of a clear call to action which amplifies Pacific voices and advocates for Pacific priorities on the global stage.

Summary of proceedings

The Secretary General of the Pacific Islands Forum Mr. Henry Puna provided the opening remarks followed by the keynote address from the Prime Minister of Fiji, Honorable Sitiveni Rabuka with special remarks from the COP 28 Director General and Special Representative for the President-Designate Ambassador Majid Al Suwaidi. The UNFCCC Director of Transparency Mr. Donald Cooper completed the opening session by setting the scene and laying out the objectives for the dialogue.

Throughout the opening, speakers emphasized the need for greater accountability through multilateralism; moving beyond tokenism toward on-the-ground action with real results; alignment of all policies and priorities with maintaining the 1.5C temperature goal; fast tracking of Just Transition measures; enabling faster and simplified access to climate finance; and empowering inclusive and people-centered multi-stakeholder climate action. Dialogue participants were encouraged to articulate Pacific needs and priorities, and to use all opportunities to advocate for a strong response from global partners.

In the subsequent thematic sessions, under the theme of the **Blue Pacific**, Ministers and High-Level Delegates (HLDs), identified regional needs, gaps and challenges and emphasized the need to enhance transformational and locally led Pacific adaptation efforts. The challenges of implementing effective and timely adaptation responses are further compounded by high-costs and hurdles in accessing resources. It is crystal clear that adaptation cannot be further delayed, and an inclusive approach must be maintained at all stages to ensure that outcomes correspond to needs. Simplifying access to grant-based finance and forming effective public-private partnerships that foster innovative approaches and attract additional resources are critical to bolstering effective adaptation responses. The importance of investing in effective early warning systems, as well as strengthening capacities and accelerating the availability of fit-for-purpose technologies was also highlighted.

Focusing on the need to **build strong and resilient Pacific communities**, speakers assessed the current Loss and Damage processes and state of play. Pacific expectations for the Transitional Committee to set up the Loss and Damage Fund highlighted the need to shift away from project-based and moving towards programmatic approaches, prioritize the vulnerable through access to specialized SIDS grants, use of more demand-and-needs driven national approaches, and be flexible to accept a wide variety of sources. Innovative financial sources like taxing fossil fuel economies and options to address climate mobility, such as freedom of movement across borders, were raised as possible means to enhance resilience. In addition, Pacific-led initiatives to uphold the rule of law through the International Tribunal of the Law of the Sea and the International Court of Justice on climate obligations and legal consequences were provided as examples to inspire future action. Challenges remain, however, for those outside the region to reconcile the scale of resources needed for the Pacific with the small

population sizes in our islands. Moreover, funding for Loss and Damage should be seen as investment in development, stability, social protection and long-term economic growth.

The **transition to a clean energy future** noted both opportunities and challenges, as well as a potential role for new technologies, such as ocean-based carbon removal. The Port Vila Call for a Just Transition to a Fossil Fuel Free Pacific was highlighted as a means to catalyze movement away from fossil fuel reliance, alongside efforts to ensure more ambitious future NDCs addressing the root causes of climate change and provide an adequate level of support to transition to cleaner and renewable energy. Opportunities to foster private sector engagement to support renewable energy mandates were raised; however, relevant regulatory mechanisms will need to be in place to complement this partnership.

On **enabling access and securing support for climate action**, experts noted that the \$100 billion goal, a key pillar of the Paris Agreement, has still not been achieved. Further delays, financing gaps and deficits mean that adaptation needs are not being met in a timely and effective manner. Access to dedicated sources, including the Green Climate Fund have not manifested at the level, nor within the timeframes, expected. At both national and regional levels, Pacific SIDS agreed to engage more effectively with multilateral funding governance mechanisms with a view to increasing their responsiveness to Pacific needs and context. Creative ways to address the challenges that the region faces including exploring regional approaches and regional funding mechanisms and creating incentives to unlock financing opportunities from all sources including private investments were also highlighted.

Discussions on **monitoring progress, ensuring accountability, and pursuing ambitious global climate action** provided an update on the Global Stocktake and how robust climate data and information underpin accountability and increase pressure for ambitious global climate action. Although the first GST is expected to highlight how the world is off track to meet the goals of the Paris Agreement, the format and scope of the outcome remains unclear, jeopardizing a critical opportunity to ensure the next round of NDCs are drastically improved (e.g. by including all GHG emissions as part of an economy-wide target, accompanied by robust information on tracking and indicators to drive greater accountability). As PSIDS contribute the least to global warming, the GST is a central mechanism to hold the higher emitters who are not reporting to account.

In the closing session, high-level participants reiterated the critical importance of allocating time and space for further dialogue among PSIDS and supporting stakeholders; strengthening and unifying a Pacific voice; and outlining a clear and immediate call to action for COP28.

Amplifying Pacific voices

Reflecting on the thematic discussions, the Pacific Climate Champions shared a vision of the key issues and considerations to take forward:

On Loss and Damage: Recognizing the existential threats posed by climate impacts, Pacific Island Countries advocate for concrete measures in COP28 outcomes, including specific language endorsing the PSIDS Loss and Damage (L&D) fund proposal. Collaborative efforts, combined with deeper planning on L&D solutions, increased availability and access to climate data and stronger early warning systems, as well as and meaningful engagement with partners in science and civil society, are encouraged to ensure actionable and just outcomes.

On Mitigation: Affirming the urgency of mitigating climate change, the Pacific Island Countries commit to advancing the Glasgow Climate Pact's fossil fuel phase-out language, with an emphasis on achieving the peaking of emissions by 2025. These commitments, supported by bold methane reduction targets, constitute integral steps toward global emissions reduction and align with COP28's pivotal aspirations.

On Adaptation: Amid escalating climate impacts, the Pacific Island Countries underscore their joint resolve to address pressing adaptation challenges. Emphasizing robust means of implementation and an increased commitment to past pledges, nations strive to formulate comprehensive adaptation strategies that safeguard communities and ecosystems, reflecting a united front against climate vulnerabilities.

On Climate Finance: To reinforcing the role of climate finance in realizing climate goals, the PSIDS asserted the strong need for concerted action to mobilize substantial financial resources by harmonizing available funding mechanisms with the ambition of their Nationally Determined Contributions (NDCs). The call for a dedicated SIDS funding window within the Green Climate Fund (GCF) further enhances prospects for effective financial support, aligned with the unique needs of PSIDS.

On the Ocean-Climate Nexus: Envisioning the ocean as integral to their economies and livelihoods, Pacific Island Countries advocate for robust measures encompassing ocean preservation, sustainable management of marine resources, and blue economy development. Enhanced international cooperation, innovative technological solutions, and heightened climate finance are sought to ensure the ocean's enduring vitality and resilience.

On Gender and Social Inclusion: Pacific Island Countries reiterate their commitment to inclusive decision-making, pledging to actively engage marginalized groups, women, youth, and the elderly in climate action. Cultural values, traditional knowledge, and gender equality are championed, reflecting a resolute determination to weave social inclusion into climate policy formulation and implementation.

On Just Transition: Championing a seamless transition toward a low-carbon economy, Pacific Island Countries underscore the importance of just transition plans, accompanied by concrete investment strategies and realistic fossil fuel phase-out timelines. By establishing an Energy Commissioner's office and marshaling essential resources, nations aim to foster a transformative shift while attending to the social and economic dimensions of this critical journey.

On the Global Stocktake (GST): In pursuit of the Paris Agreement's goals, the Pacific Island Countries affirm their commitment to a forward-looking Global Stocktake (GST) outcome, advocating for heightened transparency and ambition in Nationally Determined Contributions (NDCs) to accelerate collective climate action. The GST, a mechanism for 'course correction', is envisioned as instrumental in assessing progress toward the 1.5-degree target.

Opportunities and entry points

Looking toward and beyond COP28, the Dialogue noted various opportunities and entry points to amplify Pacific voices, including:

- **Short-term (2023):**
 - Forum Foreign Affairs Ministers meeting - (15 September 2023)
 - UN General Assembly – High-level debate (19-29 September 2023)
 - SDG Summit - (18-19 September 2023)
 - Climate Ambition Summit - (20 September 2023)
 - Pre-COP (11-13 October 2023)
 - Pacific Islands Forum Leaders meeting – (Cook Islands, 9 November 2023)
 - Asia-Pacific Climate Week - (Malaysia 13-17 November 2023)
- **Medium-term (2024-2026)**
 - Thematic Conferences in 2024
 - COP29 Preparations
 - Inter-linkages of Regional Dialogues & Conferences (E.g. Fisheries, Oceans, Environment)
 - Interlinkages with international legal initiatives (E.g. The International Court of Justice)
- **Longer-term**
 - Climate Actions under the 2050 Implementation Plan
 - COP31 – Joint bid with Australia

The way forward – outcome statement

Pacific Ministers and Senior Officials (HLDs) convened in Suva and engaged in a high-level dialogue from the 21-22nd of August 2023 to reflect upon the status of resilience-building efforts in the Pacific Region ahead of upcoming high-level political engagements in the lead up to COP28 in Dubai.

Briefings provided by negotiators and technical experts provided the basis for roundtable discussions across a range of key thematic areas.

Through dialogue HLDs built consensus on a number of key political and technical considerations and placed political priority on a set of issues which were considered to have high importance in relation to the decisions, positioning, and advocacy required in the lead up to COP28.

A. Responding to the outcomes of the Global Stocktake

Recognizing the Paris Agreement mandate to conduct a Global Stocktake in 2023 and the process to fulfil this obligation to date, HLDs emphasized a shared view on

- The concerning lack of global progress to reduce emissions;
- The major shortfall in financing deployed to support adaptation and mitigation efforts, and ongoing challenges accessing and managing a fragmented array of climate financing arrangements;
- The imperative that financing for loss and damage be scaled up to address the impacts resulting from these issues.

In response to these factors HLDs:

- Agreed that the Global Stocktake, its outcomes, and the political response to the outcomes, will frame and shape the overall decision and associated decisions taken at COP28.
- Expressed concern on progress across all key areas of the Paris Agreement and reiterated the need for the Global Stocktake process to prompt a decision or set of decisions designed to facilitate ‘course correction’.
- Strongly emphasised that ‘course correction’ must be enabled by both a political declaration demonstrating commitment to scale up collective efforts as well as an ‘action plan’ or ‘roadmap’ to guide implementation efforts, underpinned by a technical annex.
- Underscored the importance of working collaboratively, across groups and constituencies to build consensus on key measures to address the outcomes of the Global Stocktake.

B. Securing a Pathway to Fossil Fuel Phase Out

Recognizing the regrettable failure to secure political commitment to phase out fossil fuels at COP26 and lack of progress made on mitigation at COP27, HLDs

- Emphasized the urgent need to champion a reinvigorated call for the phase-out of fossil fuels at COP28, starting with a moratorium on the issue of new extractive licenses, noting the recent IPCC science, and incompatibility of fossil fuels with the 1.5c degree temperature goal.
- Agreed that a decision on fossil fuel phase-out must be associated with agreement on key milestones and targets to help guide an equitable and just transition to renewable energy. HLDs noted the importance of including clear directives in relation to fossil fuel subsidies, coal, oil, and gas.
- Recommended that all political opportunities at the regional and international level be utilised to ensure that the outcome of COP28 provides a strong political directive, including a Work Programme under the Paris Agreement to further enhance ambition designed to align global mitigation efforts with the 1.5c temperature goal.

C. Climate Finance

Recognizing the critical role of climate finance in achieving the Pacific's climate change goals, HLDs underscored the need to take urgent action to mobilise adequate financial resources to support resilience building, adaptation, and address loss and damage, recognizing that innovative sources of finance will be essential to meet the scale of billions of USD per year needed in the region. They further emphasized the need for financing to be predictable, mobilized with urgency and in the form of grants.

HLDs reflected on the need to reconcile existing financing shortfalls with the ambition reflected in PSIDS' revised and enhanced Nationally Determined Contributions (NDCs) as well as National Adaptation and Development Plans. Ministers underscored the need to align all domestic and international financial flows with low carbon resilient development.

Ministers reflected on the unique circumstances and vulnerabilities of PSIDS and the value of scaling up financing through regional and programmatic approaches, ensuring that financing aligns with both National and Regional needs.

Ministers called for the establishment of a dedicated SIDS funding window with regional access within the Green Climate Fund (GCF) and other financing modalities, that utilise and strengthen existing national systems to better address SIDS unique circumstances and needs.

D. Operationalizing the Fund and Funding Arrangements for Addressing Loss and Damage

Recognizing the positions set by Pacific Negotiators at SB58 and the articulation of shared priorities in relation to the purpose and function of the fund established through the decision taken at COP27, Ministers emphasized the importance of ensuring the new fund be designed in a way that ensures its operations can be dynamic and responsive to differing needs and circumstances. To do so, Ministers

- Acknowledged the link between the continued expansion of fossil fuel extraction and use and the worsening economic and non-economic loss and damage suffered in the Pacific resulting from the intensification of sudden and slow onset climate events.
- Lamented the lack of finance historically and currently available and accessible to Pacific stakeholders to support efforts to minimise and address loss and damage.
- Underscored the importance of ensuring that financing for loss and damage is new and additional and is not derived from the reallocation of existing funds.
- Called for an independent and differentiated fund established as an operating entity under the financial mechanism of the Convention (UNFCCC) and the Paris Agreement.
- Reiterated the importance of ensuring the fund is enabled, through its governance and design to respond to nationally determined priorities.
- Emphasized the importance of ensuring the fund, its structure, governance, and processes are designed to support and utilize national systems and noted the existence of existing funds, initiatives, and priorities that it must be positioned to address and support.
- Agreed that the fund must seek to incentivize the development of long-term programmatic approaches for addressing localized loss and damage priorities and in so doing reduce the potential for reliance on third parties while minimizing the potential for funds to be eroded through high transaction costs.
- Reiterated the importance of ensuring the fund does not place undue burden on recipients by avoiding access processes that involve heavy administrative requirements.
- Noted the limitation of public financing and the need to ensure the legal design and structure of the fund does not pre-determine the future of the fund, its ability to attract resources from a range of sources, and its ability to evolve and grow with time.

The Suva Grand Pacific Call to Action

Recognizing the existential threat posed by climate change on the Pacific region and the insufficient action taken globally to avert, minimize and address the impacts of climate change on vulnerable Pacific Island countries and the major shortfall in progress to keeping global average temperature rises below 1.5 degrees Celsius, Pacific Climate Change Ministers:

- Call for a Global Stocktake process that results in an ambitious and robust plan that provides the ‘course correction’ necessary to address the ambition and implementation gaps across all pillars of the Paris Agreement, informed by the best available science and the principle of equity.
- Call on all Nations, developed and developing to take urgent action to accelerate mitigation efforts that will limit the temperature increase to below 1.5°C above pre-industrial levels.
- Call for a Regional Declaration to elevate a strong Pacific voice on phasing out fossil fuels, including the elimination of fossil fuel subsidies in combination with a moratorium on issuing new licenses for fossil fuel exploration and production;
- Call for a Just Transition towards a low-carbon future through dramatically scaling up the deployment of suitable Renewable Energy and Energy Efficient Technologies across all sectors
- Call for increased and additional climate financing for adaptation, to be mobilised through regional funding windows and disbursed through national systems, noting the significant rise in adaptation and compliance costs;
- Call for all forms of climate finance including those for mitigation, adaptation and loss and damage to better respond to the needs and priorities, including for ocean-centric initiatives that embrace cutting edge technologies to help restore our ecosystems noting the special circumstances of PSIDS;
- Call for the use of the Pacific Resilience Facility (PRF) as a means of mobilising direct financial assistance that is grant-based to meet regional and community resilience building needs.
- Call on all Parties at COP28 to provide strong guidance for the operationalization of the Loss and Damage funding arrangements established at COP27, to be established as an operating entity under the financial mechanisms of the Convention (UNFCCC) and the Paris Agreement.