Statement of Singapore, 5 June 2023

In session forum workshop on Activity 2. "Identifying country-driven strategies and best practices on just transition of the workforce and creation of decent work and quality jobs and on economic diversification and transformation focusing on challenges and opportunities from the implementation of low greenhouse gas emission policies and strategies towards the achievement of sustainable development

1 Good afternoon. Thank you Madam Moderator, Vice-Chair (SBI) and the Secretariat for the organisation of this Forum. My comments are organised in three sections

(i) First, the energy transition and diversification challenges faced by Singapore as an alternative-energy disadvantaged small island city state;

(ii) Second, how we are continually seeking to overcome our constraints to raise our climate ambition in support of the objectives of the UNFCCC and the Paris Agreement; and

(iii) Third, eight enablers or good practices (by no means exhaustive) that can and are necessary support transition at the domestic and international levels.

National circumstances and energy transition and diversification challenges

2 The starting point for the conversation on the challenges and opportunities associated with the implementation of low greenhouse gas emission policies and strategies must take cue from what the UNFCCC and the Paris Agreement say on Parties' national circumstances. Let me flag three aspects relating to Singapore's national circumstances:

(i) First, Singapore is a small low-lying island city-state of about 730 square km – around the size of Lake Geneva. Climate change is an existential threat for Singapore.

(ii) Second, per the terms of Convention Article 4:10, Singapore is an "Alternative Energy Disadvantaged" country. We do not have any indigenous energy sources. Given our geography, we do not have much renewable energy potential as well. We import for all our energy needs.

(iii) Third, we account for only 0.1% of global emissions.

3 Notwithstanding our national circumstances and challenges, Singapore has taken important steps to contribute to the global efforts to address climate change. We have submitted an addendum to our Long term Low Emission Development Strategy (LEDS) in the lead up to COP27 to raise our climate ambition to achieve net-zero emissions by 2050. Our updated NDC seeks to peak our emissions before 2030 and reduce it to 60MT CO2e in 2030. The NDC and LEDS are ambitious commitments for Singapore, a country that has limited

potential for alternative energy sources. With this enhanced ambition, we have further aligned our long-term emissions trajectory with the Paris Agreement's temperature goal. Singapore's decisive shift to net zero will require significant transformation in all aspects of daily life, economy, and society. There will be costs to bear and trade-offs to be made. In response measures parlance, there will be economic and social impacts. At the same time, it will reposition Singapore and bring about a cleaner, greener world for our future generations.

Addressing constraints to support UNFCCC efforts

4 Singapore Energy Transition leverages on 4 "switches":

(i) First, natural gas. Around 95% of Singapore's electricity is generated using imported natural gas. We continue to enhance the efficiency of our power generation plants.

(ii) Second, solar. Among the various alternative energy options, only solar has the potential for wide deployment in Singapore. However, we have to overcome challenges such as land constraints and intermittency. Singapore's population density of about 7,485 persons per km2 is one of the highest in the world. To maintain grid reliability, we are deploying Energy Storage System to address solar intermittency and enhance grid resilience.

(iii) Third, regional power grid. We have announced plans to import up to 4GW of electricity by 2035 from renewable energy sources from our neighboring countries. However, not all are ready to export renewable energy to us. We also have to upgrade our regional energy grids, which will take time.

(iv) Fourth, we are taking significant steps to study emerging energy technologies such as hydrogen and CCUS as potential longer-term options to reduce carbon emissions. However, there are limitations and trade-offs to consider such as infrastructure improvements and the higher costs of the emerging technologies.

5 In addition to the four switches, we have also

(i) Raised our domestic carbon tax progressively from the current S$5 per tonne to around S$50 to S$80 per tonne by 2030. The economic case for carbon pricing is clear. Carbon tax provides a strong price signal and impetus for businesses and individuals to reduce their carbon footprint in line with our national climate goals.

(ii) Launched a comprehensive Singapore Green Plan 2030. This is a collective whole-of-nation effort to achieve our sustainability and climate goals. The Green Plan is a living plan covering five pillars[1] such as Energy Reset and Green Economy. These will continue to evolve as technology develops. We will review our strategies over time.

[1] The five pillars of the Green Plan are: City in Nature, Energy Reset, Sustainable Living, Green Economy, Resilient Future.

(iii) Continued to promote energy efficiency measures. Energy efficiency is a core carbon emissions mitigation strategy for us[2]. This will require our households and businesses to be more energy-conscious and make adjustments to their daily activities, choices and processes.

Enablers and good practices to support transition at the domestic and international levels

6 Even as we are undertaking the various energy transition measures at significant cost to us, it is imperative that there are enablers or good practices at the domestic and international levels to cushion the attendant economic and social impacts. Let me flag a non-exhaustive list of eight enablers and good practices.

(i) First, Parties must reaffirm the role of multilateralism and international cooperation based on the United Nations, and the UNFCCC[3]. Multilateral solutions based on international cooperation and consensus are the best and most effective way for governments to tackle the transboundary or global nature of climate change.

(ii) Second, the need for all Parties to take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, in line with Article, paragraphs 8 and 10 of the Convention[4].

(iii) Third, Parties must cooperate to promote a supportive and open international economic system as required by the Convention[5]. Such a system is a necessary condition for sustained economic growth and development in all Parties, enabling Parties to better address the problems of climate change. Additionally, Parties' mitigation measures must not constitute a means of arbitrary nor unjustifiable discrimination nor a disguised restriction on international trade.

(iv) Fourth Parties must remove existing barriers and refrain from raising new barriers to the trade, and investment in energy efficiency tools, renewable energy options, low emission strategies (hydrogen, CCUS) and regional energy grids. In addition, Parties with ample renewable energy must facilitate the export of these to Parties which lack them[6].

[2] The G7 Climate, Energy and Environment Ministers' Communiqué issued in Sapporo (Japan), 16 Apr 2023 highlighted the role of energy efficiency as the "first fuel" as a key pillar in the global energy transition towards net-zero GHG emissions in 2050. The G7 also emphasized "the value of energy efficiency and energy savings across all sectors in enhancing energy security, access and affordability; reducing GHG emissions and mitigating environmental impacts; and creating economic growth and reducing energy poverty".

[3] Chapeau of Glasgow Climate Pact (GCP) and the Sharm El-Sheikh Implementation Plan (SHIP).

[4] UNFCCC Article 4, paragraphs 8 and 10; GCP, para 49.

[5] UNFCCC Article 3, paragraph 5.

[6] 23/CMA.4, para 23 (b) – "Parties to identify barriers domestic and non-domestic and ways in which the international community could facilitate sustainable economic development of all Parties".

(v) Fifth, pursuant to Article 6 of the Paris Agreement, Parties should allow for the use of high environmental-integrity carbon credits traded internationally through a well-regulated, transparent, and open trading platform. Countries meeting their NDCs through access to such carbon credits, in combination of domestic measures, should not have their exports subject to trade restrictions by their trading partners.

(vi) Sixth, with regard to carbon pricing schemes, Parties must accommodate the reality that partner countries' carbon tax might not be identical in terms of quantum of the tax nor the modality of its implementation. This is necessary to avoid imposing additional penalties and disincentives for climate action. Companies should not be taxed twice for the same unit of emissions.

(vii) Seventh, Parties need to continually reskill and upskill workers so that they are able to take advantage of the opportunities in the green economy.

(viii) Eighth, Parties must implement the KCI's recommendations on Madrid COP25 Workplan Activities 2, 3, 4, 5 and 11, and lessons learned and best practices from analysis and assessment of positive and negative impacts of the implementation of response measures which were adopted at COP27[7].

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[7] SHIP, paragraph 31 and 23/CMA.4, paragraphs 3, 4, 5,