

FOSSIL FUEL PHASE-OUT - TOWARDS A JUST TRANSITION IN PSIDS



Discussion Paper

Former Ambassador Ngedikes Olai Uludong, Former AOSIS Chief Negotiator
Dr Sindra Sharma-Khushal

Table of Contents

Executive Summary	3
Context	5
Climate diplomacy and fossil fuel phaseout	5
Geopolitics	6
Colonialism, tensions and dynamics	7
Tensions in the Pacific	8
SIDS Chairmanship dynamics	8
Group of 77	9
Cultural Heritage of Efficiency	9
Climate Change	10
Climate Finance	11
Debt	11
Fossil Fuel Use in PSIDS	12
Sectors	13
Calls for Fossil Fuel Phase-out and Just and Equitable Transition by PSIDS	13
Fossil Fuel Phaseout - towards just transition in PSIDS	15
Mitigating Harm in the Just Transition to Renewables	17
Elements to Consider in a Roadmap for Fossil Fuel Phaseout - A Just and Rights Based Transition in the PSIDS:	18
Questions for consideration	20
Key Policy Asks	20
Strengthening Multilateral Cooperation	20
PICAN Policy Asks	22

Executive Summary

Climate change is the greatest geopolitical and national security-threat to the region. The impact of climate change on Pacific communities is profound, yet the resilience of these communities remains undiminished. However, what we are witnessing now is not just variability, but an accelerated climate change primarily driven by human activities. This change, marked by its rapid pace over recent decades, is outstripping the natural adaptability of these communities. Increasingly, Pacific islanders face irreversible losses due to the compounded effects of severe climatic events. The root cause of the climate crisis is fossil fuels. The synthesis report of the first Global Stocktake has reaffirmed the urgency for a coordinated, multilateral effort to rapidly phase out fossil fuel production is critical, aligning with the Paris Climate Change Agreement's goals.

Pacific Small Island Developing States (PSIDS) are leading voices in climate diplomacy, advocating for stringent climate treaties and a commitment to a 1.5°C temperature goal. Their commitment to transitioning to 100% renewable energy systems hinges on the availability of affordable financing.

Economic and Geopolitical Dynamics

PSIDS face significant economic and geopolitical challenges, heavily burdened by their reliance on imported fossil fuels. This reliance consumes up to 30% of their gross national income, undermining sustainable development and exposing them to global market volatilities. Transitioning to renewable energy is seen as a key strategy to regain economic and energy sovereignty, enabling investment in infrastructure, healthcare, education, and economic diversification. The narrow economic bases of these states, largely dependent on limited sectors like fishing and tourism, amplify their vulnerability to external economic pressures.

The strategic locations of PSIDS have drawn the attention of global powers such as China and the United States, creating a complex regional dynamic. Rich in natural resources, the Pacific region is a focal point of international competition. Despite perceptions of being geopolitical pawns, PSIDS have skillfully navigated these dynamics, using their strategic positions to their advantage in international negotiations, balancing external influences against national interests.

Just and Equitable Transition

As the global community, particularly in the context of COP28, intensifies its call for renewable energy, a nuanced and integrated approach is essential. The transition to 100% renewable energy, while crucial for environmental sustainability, carries the risk of harmful mineral extraction practices. It's vital that the mining and processing of these minerals adhere to strict environmental standards to avoid damaging fragile ecosystems.

The concept of a Just Transition extends beyond simply substituting fossil fuels with renewables. It represents a comprehensive vision that includes enhancing self-reliance, fostering economic diversification, and ensuring energy and food security. This approach necessitates a multifaceted strategy, incorporating South-South partnerships to facilitate the transition.

Importantly, the transition must be approached as an integrated whole, combining the scale-up of renewable energy, improvements in efficiency, and the crucial aspect of fossil fuel phase-out. The phase-out of fossil fuels is a critical component of this strategy, requiring careful planning to manage the economic and social impacts, particularly in regions heavily dependent on fossil fuel industries. This phase-out needs to be coupled with robust financial support and investment in renewable technologies to ensure a balanced and effective transition.

These interdependent elements of scaling up renewables, enhancing efficiency, phasing out fossil fuels, and significantly scaled financial support should not be considered in isolation. A holistic approach is necessary to ensure the transition is not only environmentally sound but also socially equitable and economically sustainable. This strategy aligns with the UNFCCC precautionary and no harm principles, emphasising a transition that is

mindful of the complex dynamics between different aspects and committed to a future that is sustainable, equitable, and free from unintended harm.

Climate Diplomacy and Strategic Imperatives

PSIDS play a pivotal role in global climate policy, with the Alliance of Small Island States (AOSIS) advocating for their interests. As the world grapples with the urgent need for climate action, Pacific Island Forum Leaders have always contextualised Climate Change as a security issue for the region. The 52nd Pacific Islands Forum Leaders Meeting (PIFLM52)¹ held in November 2023, under the theme “Our Voices, Our Choices, Our Pacific Way: Promote, Partner, Prosper,” marked a significant milestone in the Pacific Small Island Developing States' (PSIDS) journey towards a just and equitable transition away from fossil fuels. This meeting underscored the commitment of the Pacific leaders to implement the Paris Agreement and act on the findings of the IPCC’s 6th Assessment Report, which offers the most comprehensive assessment of climate change science to date. Leaders recognized the need for a fossil fuel-free Pacific, committed to transitioning from coal, oil, and gas in energy systems, called for enhanced climate finance and support; and the establishment of a Regional Energy Commissioner.

The PIF family can emerge as trailblazers, towards a just and equitable transition away from fossil fuel dependency. With support of civil society, academia, faith-based, international organisations, and the global community, we can collectively ensure a sustainable future, where no one is left behind.

Strategic Imperatives:

1. **End new exploration and production:** A global moratorium on all new exploration and development of new oil, gas, and coal reserves is needed to prevent the expansion of already unburnable fossil fuel inventories, to protect workers, communities, and investments from becoming stranded, and to avoid locking the world into catastrophic and irreversible climate disruption.
2. **Phase out existing stockpiles and production of fossil fuels:** Phasing out fossil fuel production in line with the 1.5°C climate goal will require regulation of the fossil fuel supply, including placing limits on extraction, removing subsidies for production, dismantling unnecessary infrastructure, and shifting support to safer and more sustainable alternatives. The Africa Group of Negotiators' proposal advocating for an accelerated fossil fuel phase-out by developed countries, including a complete halt to new fossil fuel production projects by 2030 is in alignment with the analysis on the phaseout pathways for fossil fuel production within Paris-compliant carbon budgets. PSIDS support for this proposal would be prudent. It is imperative to ensure that the 28th Conference of the Parties (COP28) outcome document includes strong, unambiguous language mandating a swift fossil fuel phase-out.
3. **Accelerate the implementation of real solutions and ensure a just transition for every worker, community, and country:** The scale of the challenge demands urgent collective action. A just and equitable transition calls for a clear path and a proactive plan to enable economic diversification and deployment of renewable energy and energy efficiency. The PSIDS are well placed to help catalyse the launch of a new multilateral effort for the coordinated phase-out of fossil fuel production.
4. **Decide and implement a comprehensive energy transition package:** The energy transition package must be treated as a whole, encompassing the scale-up of renewables, efficiency improvements, fossil fuel phase-out, and financial support.
5. **Historical fossil fuel producers to recognize and remedy the impact of their past and ongoing contributions to climate change:** Particularly in terms of the losses and damages incurred by nations least responsible for the climate crisis.

¹ Pacific Island Forum Secretariat (November 2023) 52nd Forum Leaders Communiqué

Context

The world is on course to significantly overshoot the goals of the Paris Climate Change Agreement. According to the Intergovernmental Panel on Climate Change (IPCC), global greenhouse gas emissions must be cut in half over the next decade in order to limit the rise in global average temperature to less than 2°C, or more ambitiously, to less than 1.5°C. However, during this same time frame, the fossil fuel industry plans to produce fossil fuels that would far outstrip the carbon budgets associated with these two goals.

While the Paris Agreement requires all countries to take steps to reduce their domestic emissions, it does nothing to constrain the market forces and short-term financial incentives that continue to drive expansion of the world's fossil fuel infrastructure, which risks locking the world into a high-emissions trajectory. Averting this risk urgently demands a coordinated, multilateral effort to rapidly phase out fossil fuel production in a manner that is fair and equitable for all countries.

This “supply side” approach to climate action, considered politically unrealistic during the negotiation of the Paris Agreement, is now backed by a growing body of scientific, economic literature, and jurisdictions, and most recently synthesised by UN Environment in their 2022 Production Gap Report. Many civil society groups around the world have already embraced the call to phase out fossil fuels. One of the next critical steps is to move the discussion from actions in the street into the halls and negotiating rooms of the United Nations.

Climate diplomacy and fossil fuel phaseout

The Pacific Small Island Developing States (PSIDS)² have long been important leaders in climate diplomacy. Their strong advocacy for a new climate treaty was vital to the launch of a new round of negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) that eventually led to the Paris Agreement. And their tireless efforts and insistence to enshrine a 1.5°C temperature goal in the treaty has transformed the climate discourse ever since.

Many of the PSIDS have committed to move to 100% renewable energy systems if affordable financing options are made available to them. This includes by 2025: Samoa; by 2030: Fiji, Solomon Islands, Tuvalu, and Vanuatu; by 2032: Palau; by 2035: Tonga; by 2050: Papua New Guinea, Marshall Islands

Among the most vulnerable to the negative impacts of climate change, many of the PSIDS have a very strong interest in phasing out the production and combustion of fossil fuels. Most are not fossil fuel producers, however, that fact in no way diminishes their need for a just global transition. The Pacific SIDS are stark examples of how reliance on fossil fuels can distort a country's balance of trade and undermine sustainable development efforts.

PSIDS have narrow economic bases and only a few sources of foreign exchange, dominated by fishing licences, remittances, foreign aid, and in some cases, tourism. Fossil fuels constitute a very large tax on their economic development. Upwards of 30% of their gross national income is spent on the importation of fossil fuel, primarily for electricity generation and transport. The heavy reliance of PSIDS on imported fossil fuels also leaves them highly vulnerable to global fluctuations in price and regional disruptions in supply chains. A rapid transition to renewable energy would not only bring climate co-benefits, but could also restore some measure of economic and energy sovereignty to these countries, unlocking financial resources that could be better spent on upgrading outdated infrastructure, improving public services such as healthcare and education, and cultivating a more diverse economy.

² The Pacific group of SIDS includes Fiji, Tonga, Papua New Guinea, Solomon Islands, Vanuatu, Kiribati, Federated States of Micronesia, Marshall Islands, Nauru, Tuvalu, Palau, Samoa, Cook Islands and Niue.

Perhaps surprisingly, there have been few rigorous analyses of the macroeconomic benefits of a renewable energy transition in Pacific SIDS and the necessary policy environments and financial resources necessary to realise them. Therefore, a just transition for PSIDS consists of two elements, one global and one local:

- At the global level, PSIDS require a rapid phase out of fossil fuels in line with the Paris Agreement temperature goal of 1.5°C in order to avoid the most devastating consequences of climate change.
- At the local level, PSIDS require a rapid transition to renewable energy in order to foster their sustainable economic development and lift living standards. Providing the economic evidence base for such a transition in PSIDS will enable them to match their international climate advocacy with climate action on the ground.

Geopolitics

PSIDS are diverse, each with its own unique cultural and historical background and colonial power dynamics. While this diversity can be a source of strength, it can also lead to varying regional interests and priorities, making regional cooperation more complex. As big ocean states, PSIDS are scattered across a vast ocean, and their strategic location holds significant geopolitical importance.

The region is increasingly of importance for China and the US and NATO sentinel states, in maintaining security and influence in this strategically important area³. Their proximity to major shipping lanes and potential resource-rich seabeds has attracted the attention of major powers seeking to expand their influence and access new markets. The Pacific Ocean is abundant in natural resources, including fish, minerals, and potential oil and gas reserves. Consequently, competition among major powers, such as China, the United States, Australia, Japan and New Zealand, for access to these resources can influence the geopolitical dynamics in the region.

China's growing economic and diplomatic engagement in the region through infrastructure projects, aid, and trade has raised concerns among traditional Western powers, leading to increased efforts by countries such as the United States, Japan, Australia, and New Zealand to counterbalance China's influence.

However, these islands are not just pawns in the geopolitical contest but active players with their own national interests. They have become more cautious in dealing with external players and are adept at leveraging the situation for their benefit. This is exemplified by their reluctance to enter into broad cooperation agreements with China on security matters, an area of growing sensitivity amid the big-power competition. Pacific leaders have reiterated that climate change, not the geostrategic contest, is the region's biggest threat. Despite setbacks, China continues to make gains in the region through bilateral agreements on various sectors like infrastructure, disaster relief, and agriculture. However, China's influence is constrained by its dominant government-to-government approach and limited engagement with non-government actors⁴.

PSIDS are extremely vulnerable to external shocks:

- The impact of COVID-19 on the economies of the Pacific island region was severe, with Pacific economies contracting by 5.4% between 2019 and 2021⁵. Everything is put at risk during such a crisis - including food, energy, and job security. For instance, as tourism collapsed, in Fiji by July 2020 115,000 workers, approximately one-third of Fiji's total workforce, had either had their hours reduced or had lost their jobs entirely⁶. This was further compounded by the twin tropical cyclones that made landfall in Fiji in the midst of the pandemic. The IMF reported that Fiji's debt-to-GDP ratio 'jumped 32

³ Noam Chomsky Interview (2022). [Putin, Ukraine, China, and Nuclear War | Lex Fridman Podcast #316](#)

⁴ Zhang, D., & O'Keefe, M. (2022, July 9). [Pacific Islands benefit from geostrategic competition](#). East Asia Forum.

⁵ Howes, S., & Liu, H. (2022). [The Pacific: emerging from COVID. slowly](#). Development Policy Centre.

⁶ Bright, P., & Abbott, D. (2021). [The Economic Impact of COVID-19 in Pacific Island Countries and Territories](#). In COVID-19 Pandemic, Geospatial Information, and Community Resilience (pp. 335-346). CRC Press.

percentage points to 81 percent' in the financial year 2020-2021⁷. Pre-pandemic debt-levels have yet to be achieved. The impact on citizens on the ground is multifaceted including increased rates of poverty⁸, increased rates of gender-based violence and increased prejudice against LGBTQ+ communities⁹.

- In these big ocean states, the Russian invasion of Ukraine has increased the cost of food and fuel significantly in maritime transport and shipping whilst increasing tension over Taiwan makes Pacific Islands vulnerable to military threats. Palau for instance will see shipping re-routed through its maritime jurisdiction if war were to occur between China and Taiwan¹⁰.

Colonialism, tensions and dynamics

Structure matters in the Pacific and it is important to consider colonialism in how it has shaped the Pacific political space. The influence of the various foreign powers that have helped shape the enabling environment that led to the climate crisis we are in, is the inescapable backdrop for the work ahead towards a just transition away from fossil fuel dependency. Only a century ago did the independence movement take place in the Pacific. The footprints of colonialism determine factors such as economy, infrastructure, institutions, population distribution, information, knowledge skills and technological advancements.

Pacific SIDS have smaller economies that tend to lower their coping capacities to a greater extent than those with bigger economies. PSIDS lack the means to establish coping mechanisms that could assist in a just transition away from fossil fuels often vulnerable to the colonial past.

PSIDS countries over the course of a century have undergone some form of independence movement. The Pacific rise to seek freedom from their colonisers were primarily driven by their strategic location with large ocean spaces and for economic opportunities. The United States for strategic purposes entered into a compact of free association with the Republic of Marshall Islands, Republic of Palau and the Federated States of Micronesia. This free association status would be in the area of economy, health, infrastructure, education, people to people exchange and for military purposes. The Republic of Kiribati and the Republic of Nauru belong to the Micronesia group: Kiribati gained its independence from the British but maintained its membership to the Commonwealth of Nations. Nauru gained its sovereign status away from Australia and became a Republic.

In the Polynesian region, the Cook Islands and Niue have a similar free association status with New Zealand, however, the difference is their citizenship status. Cook Islands and Niue hold New Zealand Citizenship whereas the US relations with the three FAS countries, retain their self governing bodies and can opt for national or dual citizenships. Migration to the United States from the Micronesia countries is a right under their respective compact agreements and this includes joining the US military. Western Samoa gained its independence from New Zealand and had achieved self-governing status, which gave them the opportunity to later join the Commonwealth of Nations. For Tonga, as they gained their independence and sovereignty, they retained their relationship with the United Kingdom and till today hold a monarchy system and are referred to as the Kingdom of Tonga. Tuvalu gained its independence from the United Kingdom and became an independent nation under the Commonwealth of Nations.

In the melanesian group of countries within the PSIDS, Vanuatu gained its independence from both the United Kingdom of Great Britain and France, joining the Commonwealth of Nations. Solomon Islands became independent from the United Kingdom of Great Britain and like its melanesian brother, joined the Commonwealth of Nations. Papua New Guinea achieved freedom from the United Kingdom of Great Britain

⁷ IMF (2021). [Republic of Fiji: 2021 Article IV Consultation-Press Release, Staff Report, and Statement by the Executive Director for the Republic of Fiji](#)

⁸ World Bank. (2021). [Poverty & Equity Brief - Fiji](#)

⁹ Asia Pacific Centre for the Responsibility to Protect (2022). [Atrocity Crimes Risk Assessment Series - Fiji November 2022](#)

¹⁰ Baruah, D., & Labh, N. (2023) [Understanding the Indo-Pacific: The Island Way](#). Carnegie Endowment for International Peace.

and independently became a commonwealth. The Republic of Fiji gained its independence from the British becoming a sovereign state. Fiji has rejoined the Commonwealth as a full member.

Tensions in the Pacific

The Pacific region with its vast ocean space has since attracted new foreign players that are beginning to change the geopolitical game. China is being seen as an important player in the economic buildup of the Pacific in terms of opportunities in the private sector, trade, infrastructure, communication, technology and security of the region. The world's biggest economies have realised the value of the Pacific and in the 21st century, independence and sovereignty are being challenged in bilateral, regional and international settings. China has picked interest from the United States, Australia, New Zealand, Japan, France and the European Union.

A number of Pacific Island Nations have established ties with Taiwan. Bigger developing countries like India, Saudi Arabia, South Korea and UAE are beginning to enter the region, in most instances garnering votes for particular UN seats.

SIDS Chairmanship dynamics

Small Island developing states (SIDS) are extremely vulnerable to the impacts of climate variability and change given their size, geography and economic base. These countries are among the smallest emitters of greenhouse gases (GHGs) but are likely to experience the greatest negative impact from climate change. Because of limited finance and available human capacity, these countries struggle to make their case and get fair representation on the world stage. A country's ability to represent and negotiate is crucial to the successful prosecution of their positions in international fora.

The climate change negotiations are conducted through negotiating groups. These various groups make the negotiations more efficient as it allows for the formulation and articulation of common positions for groups of member states, instead of on an individual member State basis.

AOSIS (SIDS): The Alliance of Small Island States (AOSIS) was formed in 1990 during the Second World Climate Conference to represent the interests of low-lying and small island countries that are particularly vulnerable to sea-level rise. AOSIS is the primary negotiating group for most AOSIS members at the UNFCCC and is made up of 39 member states and 5 observer states. AOSIS speaks for roughly 20% of UN member states and has a strong voice at the climate change negotiations. AOSIS includes states from the African Group, ALBA, LDCs, LMDCs and the Coalition of Rainforest Nations.

AOSIS members share a number of common characteristics that drive the Group's common positions at the climate negotiations. Some of the characteristics include: Susceptibility to sea level rise and natural hazards such as typhoons, droughts, tsunamis and volcanic eruptions; Importance of tourism to the economy; limited freshwater and other natural resources; remoteness; and small aggregate emissions.

An important fact at the heart of AOSIS positions is that some member states face an existential threat from climate change. Generally, AOSIS has pushed for strong mitigation efforts by all parties with developed countries taking the lead and developing countries taking action independently and with support from developed countries. AOSIS frequently associates itself with the statements of Africa and LDCs.

AOSIS has negotiated dedicated Small Island Developing State seats on various UNFCCC Boards and Committees. The Chair of AOSIS is responsible for putting forward Group candidates for these positions.

AOSIS is chaired by a member State and the Chair rotates every few years amongst a regional rotation: PSIDS, AIMS and Caribbean regions. The Chair speaks on behalf of the Group at formal UNFCCC meetings. Statements and positions are negotiated with the Group during AOSIS plenaries and preparatory meetings. AOSIS operates on the basis of unanimous consent, which occasionally limits the ability of the Group to

develop more evolved and elaborate positions. AOSIS also makes common group submissions to the UNFCCC. These are typically negotiated via email.

Group of 77

The Group of 77 (G77) was formed on 15 June 1964, UNCTAD, Geneva. Although the G77 has increased to 134 countries, the original name remains. Palau and Tuvalu are the only AOSIS UN member states that are also not members of G77.

In the climate change negotiations developing countries articulate common positions through the G-77 and China. AOSIS, the African Group, LDCs, LMDCs, AILAC, ALBA, BASIC and the Coalition for Rainforest Nations all negotiate through the G-77 and China. The positions of the Group are typically not as evolved as those of its various sub-groups, as the G-77 and China is the largest and most diverse of the negotiating groups and works on unanimous consensus which allows for any member to prevent the Group from adopting a position. The diversity of national positions in the Group serves to moderate and limit common positions.

Cultural Heritage of Efficiency

‘It is truly frightening to think that our oceans will turn against us...we have been sustained by the ocean for two millennia. It has been bountiful and continues to yield to us its bounty. We have learned that this harmony may be interrupted by the actions of nations very distant from our shores. I hope that the appeal of the peoples of the Pacific can help convince the industrialized nations to discontinue their profligate contamination of the atmosphere.’

H.E. Amata Kabua

(Welcome address at the Intergovernmental Meeting on Climatic Change and Sea Level Rise in the SPREP Region – 17 July 1989. Majuro)

The fabric of PSIDS cultures is uniquely woven into the land and the seas. For thousands of years, the Pacific peoples have been adapting to the constraints of their limited land resources and their livelihoods have been dominated by the sea. The resilience of the Pacific peoples were built on traditional skills in navigation tools, fishing and subsistence agricultural farming. This lifestyle has been vital to their livelihood and has resulted in highly adaptive systems of sustainable land use, marine resource management and in their food production systems.

The Pacific people have continued to maximise potential use of their environment and developed complex social systems with little emphasis on permanent (social) structures. All societies are fundamentally adaptive and there have been many situations in the past where societies have adapted to changes in climate and to other similar risks. However, projected effects of climate change will undoubtedly push Pacific societies’ coping capacity to their limits. Traditional skills are virtually nonexistent in today’s societies in the region, but evidence of a challenging environment has not ceased to persist.

To some extent, there has been a revival in application of traditional knowledge and tools in the area of conservation. The “take only what you need and nothing more” has since transcended to apply to the notion of conserving what you can use. At grassroot levels, traditional knowledge holders in the Pacific have contributed sustainable and innovative solutions to modern environmental challenges. In some PSIDS even until today, Pacific women have been known as energy auditors within their communities and households. The women are household caretakers and often ensure the use of minimal lighting to save cost of the increase of electricity usage. And in marine transport, initiative’s such as the Hokulea voyage have advocated for the marine transport industry to look into powering marine vessels using wind and return to traditional navigation of using wind, stars and the environment for guidance.

There are many examples of sustainable practices to be found in cultural heritage and traditional knowledge systems of the Pacific. In Fiji the traditional architectural practices in the construction of household “bures” would enable the regulation of ambient temperatures, keeping the dwelling cool in hot weather and retaining heat in colder months. The light, natural materials, sourced from their local environments are also less hazardous during cyclones¹¹. The lifestyles and livelihoods of the people and the stability of the society’s economies were heavily reliant on the sustainability of the environment. Reducing the impact of extreme climate change is a great challenge to the social well-being and livelihood of the Pacific communities. The Pacific peoples recognize the need to strengthen efforts to assess the effects of climate change and identify applicable and realistic mitigation measures that are fit for purpose to each of their national circumstances to deal with these anticipated changes.

Climate Change

Climate change is the greatest geopolitical and national security-threat to the region and is recognised as such by all PSIDS¹². At 1.5°C of warming, extreme sea level events that previously occurred once in 100 years could happen every year by the end of the century; 90.6%¹³ reefs will suffer intolerable thermal stress; and every region will face increasing changes across their ecosystems. Climate change is a threat multiplier, at 1.5°C level, the survival limits of PSIDS are close to being met, at every increment thereafter the viability of some island ecosystems will no longer be possible. For a 1.5°C trajectory with no or limited overshoot the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment round¹⁴ has shown that global GHG emissions will need to peak between 2020 and at the latest before 2025. This demands policies and intervention on all GHG emissions, with the immediate need to phase out all fossil fuels. The report significantly acknowledges that rich countries have higher responsibilities¹⁵, and those who have contributed the least to climate change are the most vulnerable. Pacific SIDS are considered to be amongst the most vulnerable to the cascading and compounding impacts of a warmer world.

The impact of climate change on Pacific communities is profound, yet the resilience of these communities remains undiminished. Historically, Pacific islanders have adapted to climate variability – the natural ebbs and flows of weather patterns – with knowledge and resilience passed down through generations. This traditional adaptability has enabled them to read, respond to, and live in harmony with these environmental changes.

However, what we are witnessing now is not just variability, but an accelerated climate change primarily driven by human activities. This change, marked by its rapid pace over recent decades, is outstripping the natural adaptability of these communities. Increasingly, Pacific islanders face irreversible losses due to the compounded effects of severe climatic events. The narrow window between successive tropical cyclones and typhoons, for instance, leaves little time for recovery, devastating crops, displacing entire communities, and interrupting education.

Moreover, the thermal expansion of our oceans signifies more than just the loss of land; it represents the erosion of invaluable cultural and ecological heritage, traditions, and practices. This ongoing crisis underscores the urgent need for effective and immediate action to mitigate the impacts of human-induced climate change and support the resilience of Pacific communities.

¹¹ Currenti, R., Pearce, T., Salabogi, T., Vuli, L., Salabogi, K., Doran, B., ... & Ford, J. (2019). [Adaptation to climate change in an interior pacific island village: a case study of Nawairuku, Ra, Fiji](#). *Human Ecology*, 47, 65-80.

¹² Pacific Island Forum Secretariat (2023) [Pacific Security Outlook Report 2022 -2023](#)

¹³ Dixon, A. M., Forster, P. M., Heron, S. F., Stoner, A. M., & Beger, M. (2022). [Future loss of local-scale thermal refugia in coral reef ecosystems](#). *PLoS Climate*, 1(2)

¹⁴ IPCC (2023). [AR6 Synthesis Report: Climate Change 2023](#).

¹⁵ North America and Europe account for around 40% of cumulated emission since 1850

There are significant ramifications to the inalienable rights of Pacific citizens in the continued expansion, exploration and combustion of fossil fuels. In 2023, with extensive diplomacy of Vanuatu and PSIDS, the United Nations General Assembly adopted by consensus a resolution seeking an advisory opinion from the International Court of Justice on the obligations of states, under international law, towards current and future generations in protecting their rights from the adverse impacts of climate change. Climate change is a matter of intergenerational equity and justice for current and future generations and the legal clarity that an advisory opinion can provide can enable citizens and states to more effectively employ legal levers in ensuring a climate safe future.

Climate Finance

Island nations face significant challenges in accessing climate and development finance due to their lack of economies of scale and the large investments required for development. They often struggle to compete with larger countries like China and India for multilateral development finance due to their limited administrative capacity. The process to access climate funds is lengthy, often taking up to 45 months for accreditation and an additional 12 to 24 months for project approval. This delay is detrimental as islands face immediate climate impacts. Only a small fraction of bilateral and multilateral funding is delivered to Small Island Developing States. As their economies grow, SIDS often reach high- or middle-income status, which disqualifies them from certain development assistance, despite their continued vulnerability and economic constraints¹⁶.

Despite the recognition of their particular vulnerability in the UNFCCC, and the disproportionate costs that they bear, PSIDS face an increasing climate finance gap, with the average additional annual spending needs estimated at 6.5 to 9 percent of GDP. Their annual estimated climate-adaptation finance needs significantly exceed that which has been received. Their annual estimated climate-adaptation financing needs for PSIDS has been estimated at around \$1 billion annually. The GCF is the main climate finance provider in the region, its lifetime approvals for PSIDS are under half of estimated annual needs, whilst disbursements are a quarter of the annual needs¹⁷.

To address the difficulty of access to climate finance, the Pacific Islands Forum Secretariat (PIFS) developed the Pacific Resilience Fund (PRF)¹⁸. The PRF is a regional financing facility established to support Pacific communities who are exposed and vulnerable to the effects of climate change. The PRF provides accessible small-scale to larger grants of US\$ 50,000-200,000, for community-level projects focused on disaster and climate risk preparedness. It aims to provide Pacific people with accessible, quick and efficient climate finance through national government systems. Importantly, the facility will deliver full-grant financing, thereby not leaving Pacific countries in debt. The PRF was approved for implementation at the Forum Economic Ministers Meeting in August 2023, moving on to the 52nd Pacific Island Forum Leaders Meeting in Cook Islands in November of 2023 for formal approval and adoption.

Debt

The average debt-to-GDP ratio for Pacific states has risen from approximately 36% in the period 2015-2019 to 50% in 2020-2021. The COVID-19 pandemic increased the external financial dependence of Pacific Island economies, as many island economies depended on foreign relief funds to make it through intact. Additional borrowing, while cushioning the economic impact of the pandemic, inevitably resulted in higher debt-to-GDP ratios.

At present, climate finance stands at risk of further exacerbating the external debt situation in PSIDS. The annual debt servicing burden of small island economies averages 5.3% of their GDP, for which they rely on their

¹⁶ Baruah, D., & Labh, N. (2023) Understanding the Indo-Pacific: The Island Way. Carnegie Endowment for International Peace.

¹⁷ IMF (2021). [Unlocking Access to Climate Finance for Pacific Island Countries](#)

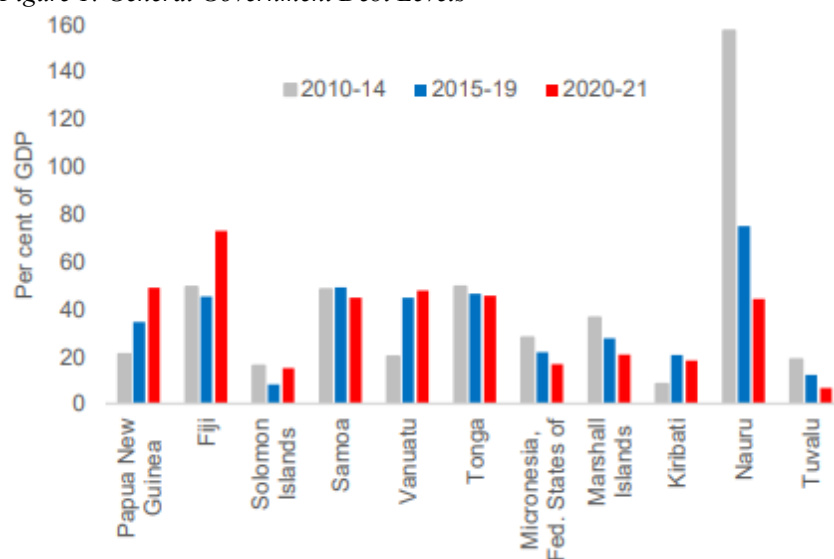
¹⁸ PIFS (2021). [The Pacific Resilience Fund](#)

export earnings. Debt servicing on average amounts to approximately 15% of their export revenues, with some countries like Papua New Guinea spending as much as a quarter of their export revenues to service external debt. The COVID-19 pandemic demonstrated the vulnerability of small island economies to global economic shocks. Innovative financing solutions must be explored to support vulnerable small island economies at the frontline of climate change, to strengthen their resilience as the economic burden of the climate crisis inevitably worsens. Climate finance in the form of loans rather than grants increases the debt burden of small island economies that are accelerating necessary climate mitigation and adaptation measures, and facing increasing climate related loss and damage.

To strengthen the ability of PSIDS to meet the increasing costs of the climate crisis, there needs to be concerted international efforts to limit their debt servicing costs through a combination of debt relief, forbearance and debt swaps. Furthermore, establishing and operationalizing a dedicated debt relief mechanism for small island economies which takes into account their extreme vulnerability to economic and climate shocks, can ensure long-term debt sustainability and foster investments in sustainable development in Pacific small island economies.

Access to innovative climate financing solutions that shift the debt burden away from low-emitting island nations will support the ongoing efforts of PSIDS towards realising a just transition to renewable energy development in the Pacific region, without increasing the external debt of countries trying to deliver on the Paris Agreement goal of achieving a 1.5C world. Basing climate finance instead on the polluter pays principle will shift the financial debt burden onto developed countries and major emitters that have substantially contributed to the causes of climate change, facilitating a more equitable development pathway for the Pacific region.

Figure 1: General Government Debt Levels¹⁹



Fossil Fuel Use in PSIDS²⁰

PSIDS primarily derive their energy from fossil fuel sources, with all except Papua New Guinea relying on imported diesel fuel for energy needs. This reliance on fossil fuels contributes to climate change and poses economic challenges for PSIDS, such as the aforementioned exposure to oil price shocks and trade deficits.

Transitioning to renewable energy will reduce the need for oil imports, thus improving the trade balance, reducing inflationary pressures, and providing a more affordable means to power local industry. Several Pacific

¹⁹ UNESCAP (2022). [Ensuring Public Debt Sustainability in the Pacific Small Island Developing States](#)

²⁰ Source unless otherwise stated: Unpublished Pacific Research Memo

Island nations have set targets for transitioning to renewable energy and reducing emissions, often conditional on receiving international assistance. For example:

- The Solomon Islands can further reduce its emissions by 27% by 2025 and 45% by 2030 with international assistance. The country can add another 45.8 MW of renewable energy capacity by 2030. The Cook Islands could reduce emissions from electricity generation by a further 43%, totalling an 81% emissions reduction by 2030 (relative to 2006) if external support is received. Kiribati will be in a position to reduce emissions by 61.8% by 2030 if appropriate international assistance is provided. The goal for Kiribati is a 60% reduction in fossil fuels by 2025: 40% to be achieved through deployment of renewable energy and 20% through improvements in energy efficiency. Tuvalu aims to meet electricity sector objectives by generating electricity using renewable energy in all nine islands. Options include solar PV with battery storage, wind, and ocean tidal energy conversion.

There are various funding initiatives and projects in place to support these transitions. For instance, the Tina River Hydropower Project in the Solomon Islands aims to change power generation in the capital city of Honiara. The South Tarawa Renewable Energy Project in Kiribati will directly increase the share of renewable energy serving the capital.

Sectors²¹

Transportation: Fossil fuels are required for both land and maritime transportation across PSIDS. For instance, in the Federated States of Micronesia, fishing vessels rely on fossil fuel energy provided by the FSM to refuel while in national waters. Similarly, in Tonga, sectors like maritime activities and land transport rely on fossil fuel.

Agriculture: Agricultural activities require fossil fuels for transportation and machinery stimulation. For instance, in Vanuatu, agriculture contributes 23% to GDP and 60% of the population is engaged in the sector for subsistence use or for the local economy.

Services: The services sector, including wholesale and retail trade; transport; accommodation and food services; information and communication; financial services; professional, scientific, and technical activities; public administration and defence; education; health services and the arts, also rely on fossil fuels. For instance:

- The economy of Palau consists of tourism and other services such as trade, subsistence agriculture, and fishing. The service sector dominates Palau's economy, contributing to nearly 81% of GDP
- There is a strong tourism industry in Fiji, accounting for roughly 24% of GDP. The tourism sector relies on land, air, and maritime transportation along with electricity provided to resorts and hotels.
- In Vanuatu, services, in particular tourism, account for 67% of the GDP and represent the most important source of income, together with real estate and wholesale and retail trade.
- The economy of the Cook Islands is largely dependent on tourism and agriculture. The tourism sector relies on imported fossil fuels.

Calls for Fossil Fuel Phase-out and Just and Equitable Transition by PSIDS

The Port Vila Call to Action for a Just Transition to a Fossil Fuel Free Pacific²² set a clear signal. The leaders from the Kingdom of Tonga, the Republic of Fiji, Niue, the Solomon Islands, Tuvalu, and the Republic of Vanuatu demanded an end to the development and expansion of fossil fuel industries, the adoption of renewable energy, and increased financial support for a just transition. They also emphasised the importance of

²¹ Source unless otherwise stated: Unpublished Pacific Research Memo

²² [Port Vila Call for a Just Transition to a Fossil Fuel Free Pacific](#) (2023)

strengthening legal obligations to phase out fossil fuels and protect the environment. To facilitate these efforts, they agreed to establish a Pacific Energy Commissioner for a Fossil Fuel Free Pacific.

The Efate Statement - Accelerating decarbonisation in the Blue Pacific²³ further strengthened the Call to Action. The Statement was adopted by Ministers of Energy and Transport from the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Nauru, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis and Futuna, Australia, New Zealand, Palau, Tokelau and United Kingdom. The statement can be condensed to the following core elements:

- **Calls on all PIFS leaders to consider endorsing elements of the Port Vila Call to Action:** To prioritise a people-centred approach to achieving a Just and Equitable Transition towards a Fossil Fuel Free Pacific, enabling and implementing the Port Vila Call to Action. Pursuing a unified, urgent, strong, and regional position to phase out fossil fuels,
- Acknowledging that this will need to occur in a nationally determined way.
 - **Finance:** Calling for the principles of polluters pay and climate justice to be upheld in urgently delivering finance for just transition. Calling for the mobilisation of new, additional, scaled-up, timely, predictable, grant-based, flexible, fit-for-purpose and accessible finance, technology and capacity to accelerate decarbonization in the Blue Pacific. Calling for urgent mobilisation of additional funding for various energy programs and initiatives. It also acknowledges the work done to catalyse private sector participation and investment in the energy sector.
 - **Regional Collaboration and Partnerships:** The statement emphasises the importance of strong leadership and genuine, inclusive partnerships in securing energy security, decarbonization of energy systems, and addressing supply chain issues, rising fuel costs, and knowledge gaps. It calls for enhanced implementation of all Pacific Regional Energy and Transport Ministers' Meeting outcomes.
 - **Capacity Building and Planning:** Calling for the prioritisation of capacity building and training in areas like public-private partnerships, energy efficiency, and data management whilst also emphasising the development and use of enhanced and tailored energy planning frameworks and capacity expansion tools for net-zero outcomes.
 - **Gender Mainstreaming:** The statement requests for promoting gender diversity in the energy sector and endorses the establishment of the Pacific Energy Gender Initiative (PEGI) Regional Steering Committee.
 - **Innovative Technologies to Accelerate Decarbonisation:** Recognising the decarbonization potential of emerging technologies like ocean energies, green hydrogen, geothermal, bioenergy, waste-to-energy, and electrical vehicles. Calling for further analysis and enhanced development in the region.
 - **Maritime Transport Sector:** Committing to mobilising resources for a safe, resilient, green, clean, digital, gender-just maritime transport for the Blue Pacific. It also calls for a conducive environment to access climate finances and implement transformative programs in the maritime sector.
 - **Energy Sector:** Reaffirming the importance of a clear pathway for energy security and decarbonization of energy systems including electricity, transportation and clean cooking. Calling on donors, private sector and other development partners to further examine emerging technologies and mobilise sufficient funding for the implementation of clean energy. It calls for the development of an ocean readiness programme, to open up pathways for the rollout of ocean renewable energy technologies in the future. Furthermore it calls for the development of the necessary policies to facilitate a transition to electric transportation.

BOGA and The Fossil Fuel Non-Proliferation Treaty: Several PSIDS are also members of the Beyond Oil and Gas Alliance (BOGA) (Tuvalu and Vanuatu as core members and Fiji as a Friend of BOGA). BOGA and the

²³ [Efate Outcome Statement](#) (2023)

Fossil Fuel Non-Proliferation Treaty (FFNPT) are two initiatives aimed at accelerating the global transition away from fossil fuels in accordance with the Paris Agreement's objectives.

Launched by Denmark and Costa Rica, BOGA is a diplomatic alliance comprising 14 members, both national and subnational, dedicated to halting oil and gas exploration and reducing their production. For nations to commit to BOGA, they must legally, or through governmental declaration, commit to ending new oil and gas exploration.

On the other hand, the Fossil Fuel Non-Proliferation Treaty, championed by a global network of cities, parliamentarians, and scientists, proposes an international legal framework for managing the transition away from fossil fuels and ensuring a globally equitable shift. Endorsements from the President of Vanuatu and the Foreign Minister of Tuvalu have highlighted the need for such a treaty although it is important to note that this can be a very lengthy and diplomatically heavy process.

6PAC Initiative: 6 Pacific states (Originally RMI, Solomon Islands, Vanuatu, Fiji, Tuvalu, Tonga and Kiribati later joined by Vanuatu, Papua New Guinea and Samoa) looked to advance the strongest possible ambition leading into the International Maritime Organisation's (IMO) Revised Strategy for reducing GHG emissions from ships. The vision proposed by 6PAC was for a clear commitment to an equitable transition and full decarbonization no later than 2050. 6PAC introduced equitable, just and fair transition in the levels of ambition - standing strong on interim targets to be 1.5C aligned (37% by 2030 and 96% by 2040, reaching 100% no later than 2050). They also proposed a universal GHG levy, ring marking revenues to support climate adaptation and response efforts in vulnerable countries, and the remainder for research development and deployment (RD&D) of new technologies and fuels. In July 2023 IMO adopted its Revised Strategy which was not the strong vision of 6PAC but would have been weaker without their leadership. Importantly we do not have the agreed basket of measures which will undergo a Comprehensive Impact Assessment first on various options in the basket with the view to then enter into force by 2028.

Fossil Fuel Phaseout - towards just transition in PSIDS²⁴

The International Energy Agency (IEA) defines a Just Transition Strategy as a commitment to accompany the labour transition and economic reactivation of the areas affected by the closure of thermal power plants²⁵.

PSIDS are at a critical juncture in their development trajectory. The transition away from fossil fuels, while challenging, is a necessary step towards a sustainable and resilient future. This transition, however, involves significant upfront costs, particularly for sectors like tourism and maritime industry that heavily rely on fossil fuels. Yet, it also presents opportunities for long-term economic benefits, improved energy security, and resilience against global oil price fluctuations. It's important to note that these transitions require significant international support, strong political leadership, and changes in policy and infrastructure.

The geopolitics of the region, shaped by colonial histories and the influence of major powers, also plays a significant role in the transition process. The PSIDS are caught in a complex web of international relations, with countries like the US, China, Australia, Japan, New Zealand and the EU vying for influence. This geopolitical dynamic, coupled with the cultural complexities of the region, adds another layer of complexity to the transition process. However, the PSIDS are not passive actors in this process. They are actively championing the transition away from fossil fuels and working towards improving their ways of life. As Ambassador Olai Uludong expressed: "Instead of being vulnerable I would rather be resilient." The meaning of resilience in the Pacific is deep culturally - Just Transition is about resilience.

²⁴ Source unless otherwise stated: Unpublished Pacific Research Memo

²⁵ IEA (2021). [Just Transition Strategy](#)

The current climate crisis, the ongoing pandemic, and geopolitical tensions such as the Russia-Ukraine War present additional challenges for the Pacific. These crises have policy response implications and have set back progress on Sustainable Development Goals. However, the PSIDS are not deterred. They are actively seeking solutions and are advocating for a Just Transition that respects their unique cultural, economic, and geopolitical contexts.

Fossil Fuel Dependence and Economic Impact: Many PSIDS rely on imported fossil fuels for energy, which makes them vulnerable to global oil price fluctuations. This directly impacts the cost of electricity and other services, and can negatively affect sectors like tourism and maritime industry. For instance, in Tonga, any increase in oil prices has a negative impact on the economy because the country is heavily reliant on imported energy. Similarly, Nauru is heavily dependent on imported fossil fuel for power generation and transport and vulnerable to any fluctuations in fossil fuel prices. Whilst in the Federated States of Micronesia (FSM), fishing vessels rely on fossil fuel energy provided by the FSM to refuel while in national waters.

Transition Costs and Initiatives: Transitioning to renewable energy sources involves significant costs, but it also presents opportunities for economic growth and resilience. For instance:

- The **South Tarawa Renewable Energy Project in Kiribati**, which involves \$8.0 million in finance from the Asian Development Bank (ADB) and \$5.7 million in co-financing, will directly increase the share of renewable energy serving the capital.
- Similarly, the **Majuro Power Network Strengthening Project in the Marshall Islands**, involving \$2 million in finance from the ADB, is installing an advanced metering infrastructure that will allow for more efficient power management, decreased network losses, reduced diesel fuel consumption, and improved revenue collection.
- Recently **Palau inaugurated its first utility-scale solar and battery energy storage** facility which has the potential to generate around 20% of Palau's power needs, reducing dependence on diesel generators. The facility which has been financed through a AUS\$25.7mn loan and AUS\$5.7mn grant from the Australian Infrastructure Financing Facility for the Pacific (AIFFP) and is expected to support up to 150 local jobs during peak construction²⁶.
- **The Pacific Women in Power Program**²⁷ launched at the 5th Pacific Regional Energy and Transport Ministers Meeting in May 2023 is another promising initiative looking to build a gender diverse workforce in the Pacific. The objective of the program is to enhance women's employment and economic empowerment across various Pacific Island energy institutions including ministries, utilities and the private sector. It has been estimated that if employment rates for women matched that of men in the Pacific, this would increase per capita GDP by an estimated 22%.

Potential Savings: If these nations were to generate all their energy needs from locally produced renewable energy, this would have a positive impact on the balance of payments and could even tip the scale towards a profit rather than a loss each year. For example, the FSM presently imports petroleum fuels for electricity generation and transportation, an annual expenditure of US\$30-40 million or about 10-15% of GDP. These fuels are responsible for almost 80% of the FSM's carbon dioxide emissions. For sectors like the maritime industry the Pacific is innovating to deliver significant energy efficiency savings through initiatives such the Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific) pilot project, which saw the installation of a solar system on a landing craft in Vanuatu built in 1979 named the 'Tiwi Trader'. The ship operator had reduced 58% of GHG emissions in just 3 months and was projected to save 32% (AUS\$48,000) annually in operating costs.²⁸

²⁶ AIFFP (2023). [Palau Solar Plant Investment](#)

²⁷ PPA (May, 2023). [Pacific Women in Power Program launched to increase women's participation in the energy sector](#)

²⁸ MTCC-Pacific (2019). [Pilot Project 1: Uptake Of Ship Energy Efficient Technology Report](#)

Mitigating Harm in the Just Transition to Renewables²⁹

The minerals required for renewable energy technologies include copper, cobalt, nickel, lithium, rare earth elements, and manganese, among others. These minerals are essential for the production of solar panels, wind turbines, energy storage systems, and electric vehicle batteries. New Caledonia has the fourth largest nickel deposits in the world³⁰ – a key component in lithium-ion batteries powering electric vehicles and stabilising renewable-heavy grids. Similarly, there are vast untapped copper reserves in Papua New Guinea and Fiji, along with significant deep-sea cobalt resources in the Pacific³¹.

As PSIDS do possess significant potential for hosting mineral resources in their land and marine ecosystems, however, the methods to extract these minerals, both on land and at sea, pose significant threats to human and indigenous rights, marine biodiversity, ecosystems, and the livelihoods and cultures of PSIDS communities. It becomes a moral imperative to avert irreversible damages from these extractive practices. Historic examples like in Nauru and the phosphate mining boom³² serves as a poignant reminder of the long-lasting impacts of resource extraction.

The accelerated uptake of renewables must be approached with caution and adherence to the principles of equity and justice. We cannot continue to make the same mistakes of the past by swapping one extractive practice for another which could cause significant, devastating and irreversible impacts to marine biodiversity, ecosystems and societies of PSIDS.

The extraction processes involved in deep-sea mining can have severe and long-lasting impacts on marine ecosystems, including the destruction of fragile habitats, the disruption of deep-sea biodiversity, and the release of toxic chemicals and sediments into the water column. These activities can harm vulnerable species, such as deep-sea corals, and disturb critical feeding and breeding grounds for marine life. The health of PSIDS ecosystems is intricately connected to the well-being of local communities who rely on the ocean for sustenance, livelihoods, and cultural practices. Disruption or degradation of marine resources through deep-sea mining can lead to the loss of biodiversity, decline in fish stocks, and reduced food security, exacerbating existing vulnerabilities in these island nations.

Recent advances³³ in EV battery technology are leading to a shift away from batteries reliant on cobalt, nickel, and manganese. This technological evolution reduces the need for deep-sea mining of these metals, which is neither economically advantageous nor environmentally sustainable. In fact, the ongoing efforts to mine these metals in deep-sea environments do not primarily benefit manufacturers or consumers but rather the specific enterprises geared towards deep-sea mining. This change in technology and market dynamics offers a unique opportunity where conservation efforts align with both corporate and consumer interests, negating the need for compromises typically expected in environmental protection.

Therefore, to ensure a just transition to renewable energy, it is crucial to apply principles that mitigate the potential harm associated with deep-sea mining. There is a need for certification with no-go areas and a strong decision making process that must implement significant precautionary measures to prioritise the protection of marine ecosystems and their unique biodiversity whilst protecting ecosystems. This includes comprehensive environmental impact assessments, monitoring programs, and robust regulations to prevent irreversible damage³⁴. Additionally, the principle of intergenerational equity should be upheld, recognizing that the decisions

²⁹Lodge, M. (2017). [The International Seabed Authority and Deep Seabed Mining](#). Nos. 1 & 2 Volume LIV, Our Ocean, Our World.

³⁰ Sarrailh J.M. & Ayrault, N. (nd) [Rehabilitation of nickel mining sites in New Caledonia](#)

³¹ Bainton, N & Skrzypek, E (2022) [Pacific nations are extraordinarily rich in critical minerals. But mining them may take a terrible toll](#)

³² Ali, S (2016) [The new rise of Nauru: can the island bounce back from its mining boom and bust?](#)

³³ Everett, J., Kammen, D., & Rowland, S. (2023). [Next Generation EV Batteries Eliminate the Need for Deep Sea Mining](#). Blue Climate Initiative

³⁴ The IUCN can offer precedents in its legal frameworks for Marine Protected Areas

made today will have profound implications for future generations. PSIDS and the international community should promote inclusive decision-making processes that involve the participation of local communities, indigenous peoples, and other stakeholders, ensuring their voices are heard and their rights respected. Moreover, scientific research and technology should be employed to develop alternative, less harmful methods of mineral extraction that minimise environmental impacts. Only through a careful and science-backed approach can we safeguard the delicate balance of these vulnerable ecosystems and promote sustainable development in PSIDS.

If there was a broad call for renewable energy at COP28 this would need to be approached with caution for several nuanced reasons. First, the shift to 100% renewable energy, while environmentally beneficial and critical for our sustainable energy future, can lead to destructive extraction of critical minerals. The mining and processing of these resources must be done within environmental limits, and the boundaries of sustainable extraction must be carefully factored in to avoid irreparable harm to ecosystems. Second, the concept of Just Transition extends beyond merely replacing fossil fuels with renewable energy. It encompasses a broader vision of enhancing self-reliance, fostering economic diversification, and prioritising energy and food security. This requires a multifaceted approach that includes fostering South-South partnerships to aid in the transition. It is essential to recognize that a just transition is not solely about energy; it is about creating a holistic and sustainable shift that takes into consideration social, economic, and environmental factors.

The complexity of these issues demands a careful and well-thought-out strategy, to ensure that the transition is both sustainable, equitable and does not harm. Renewable energy calls would also need to adhere to the principles of the UNFCCC³⁵ - and specifically the precautionary principle and no harm principle. Lastly, careful consideration of these extractive processes and its impact on Indigenous rights and territories must be deeply considered. A Just Transition mandates the respect and implementation of the rights detailed in the UN Declaration on the Rights of Indigenous Peoples, especially the right to Free, Prior, and Informed Consent. It is essential that governments and companies in the green economy engage with Indigenous communities in a manner that is respectful and responsible, acknowledging their significant role in this global shift.

Another factor to consider in facilitating a just transition in PSIDS is how to ensure the safe disposal of electric waste, especially for atoll island nations with limited land-mass. Environmental and health effects of battery leakage has significant implications for the wellbeing of Pacific people; for instance, it has been shown that prenatal infants and newborn babies are ingesting heavy metals from breast milk³⁶

The PSIDS position on the Biodiversity Beyond National Jurisdiction (BBNJ)³⁷ agreement should complement their stance on the just transition to renewable energy sources and the challenges posed by deep-sea mining. The PSIDS supported the notion that the new implementing agreement (IA) under the United Nations Convention on the Law of the Sea should create a comprehensive global regime to enhance the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction. PSIDS advocated for an integrated approach to conserving marine resources and managing maritime activities, highlighting the need for an international legally binding instrument to conserve and sustainably use marine biological diversity. This perspective is critical when considering the environmental impacts of deep-sea mining for minerals essential for renewable energy technologies. For PSIDS, advocating for cautious, equitable, and just strategies in the renewable energy transition, emphasising the need for robust environmental safeguards, inclusive decision-making, and scientific research to minimise ecological damage would align with their broader vision for protecting marine biodiversity beyond national jurisdiction, underscoring their commitment to preserving ocean health and the well-being of their communities for future generations.

³⁵ UNFCCC [Article 3 Principles](#)

³⁶ Diarra, I., & Prasad, S. (2021). [The current state of heavy metal pollution in Pacific Island Countries: a review](#). Applied Spectroscopy Reviews, 56(1), 27-51.

³⁷ [PSIDS Submission BBNJ \(2016\)](#)

Elements to Consider in a Roadmap for Fossil Fuel Phaseout - A Just and Rights Based Transition in the PSIDS:

The 52nd Pacific Islands Forum Leaders Meeting (PIFLM52) held in November 2023, under the theme “Our Voices, Our Choices, Our Pacific Way: Promote, Partner, Prosper,” marked a significant milestone in the Pacific Small Island Developing States' (PSIDS) journey towards a just and equitable transition away from fossil fuels. This meeting underscored the commitment of the Pacific leaders to implement the Paris Agreement and act on the findings of the IPCC’s 6th Assessment Report, which offers the most comprehensive assessment of climate change science to date.

Key outcomes³⁸ from the PIFLM52 relevant to the fossil fuel phaseout include:

Aspiration for a Just and Equitable Transition: Leaders recognized the need for a fossil fuel-free Pacific, acknowledging that the transition path varies across nations and is not immediate.

Commitment to Transition Away from Fossil Fuels: The leaders committed to transitioning from coal, oil, and gas in energy systems, aligning with the IPCC pathways to limit global temperature rises to 1.5°C above pre industrial levels. This includes a near-term peak in fossil fuel consumption.

Call for Enhanced Climate Finance and Support: There was a strong call to development partners for increased climate finance, technology, and capacity building to support decarbonization efforts in the Blue Pacific.

Establishment of a Regional Energy Commissioner: The leaders agreed to establish a regional Energy Commissioner for a Just Transition to a Fossil Fuel Free Pacific following the Review of the Regional Architecture.

In light of these developments, the roadmap for a fossil fuel phaseout in the PSIDS must emphasise a managed and coordinated approach. PSIDS are positioned as first movers in the global transition towards sustainable, fossil fuel-free futures. This transition, underpinned by the principles of climate justice and polluter-pays, would be contingent on adequate, new and additional climate finance. At home the just transition must be inclusive and in partnership with civil society as key implementers and enablers.

Guided by the 2050 Strategy for the Blue Pacific where the wellbeing of communities is Continent - elements to consider in a fossil fuel phase out - just transition pathway may include:

1. **Strengthening Regional Cooperation and Alliances** - Continue to collaborate and strengthen regional alliances PIFS, the Pacific Community (SPC), the Pacific Regional Environment Programme (SPREP), the Pacific Blue Shipping Partnership (PBSP) and 6PAC, global alliances like the Clean lighting coalition, Beyond Oil and Gas Alliance (BOGA), Power Past Coal Alliance (PPCA), Fossil Fuel Non-Proliferation Treaty (FFNPT) to collectively advocate for a global, just, and equitable phase-out of coal, oil, and gas. By working together in unity at the regional level and on the international stage, pushing for stronger commitments from major emitters and developed countries. This collaboration should be from the grassroots level to the regional and international organisations and alliances to maximise impact.
2. **Accelerating Renewable Energy Development through a human rights based approach:** Scaling up renewable energy projects, such as solar and wind power, to reduce dependence on fossil fuels. Governments can encourage private investment in renewable energy through incentives, subsidies, and regulatory frameworks that promote clean energy adoption. Additionally, creating a Regional Clean Energy Market can facilitate the sharing and trading of renewable energy resources among the Pacific nations, enhancing energy security and affordability. The Pacific's potential for mineral resources to support renewable energy technologies presents an opportunity but also a challenge. Deep-sea mining

³⁸ Pacific Island Forum Secretariat (2023) [Fifty-Second Pacific Islands Forum Forum Communiqué](#)

and mineral extraction must be approached cautiously, considering the potential environmental and social impacts. Any mining activities should adhere to strict environmental standards and prioritise the rights and well-being of local communities. Moreover, the revenue generated from mineral resources should be used to further support the just transition and sustainable development in the region. Technical solutions cannot be seen outside of the complex tensions to human rights of individuals. These cannot remake the mistakes of the past. The genuine public participation and engagement of civil society and affected communities is key to enabling a transition that is just and respects human rights.

3. **Building Resilience and Adaptation:** Just transition efforts must also address the impacts of climate change that are already affecting the Pacific region. Investing in climate resilience and adaptation measures is crucial to protect vulnerable communities and ecosystems. This includes implementing climate-safe infrastructure, promoting equitable, sustainable land and water management practices, and supporting community-led initiatives that enhance resilience to climate-related challenges. False solutions and techno fixes can be detrimental and mal-adaptive. Solutions need to be locally led, community driven.
4. **Including Affected Communities and Workers:** Ensuring that no one is left behind by investing in programs that support communities and workers affected by the shift away from fossil fuels. An inclusive, community driven process that respects the local contexts and needs is essential to ensure a truly just and equitable transition. On technical capability this may include providing retraining and reskilling opportunities to enable workers to participate in the clean energy economy, establishing social safety nets, and creating new job opportunities in renewable energy sectors. It would also require democratic and inclusive decision making, enabling communities and workers a seat at the decision making table. Civil society should have a seat at the table and are critical in ensuring a just transition that delivers on the needs of communities.
5. **International Support and Climate Financing:** Continue to advocate for substantial international cooperation and support. Developed countries and international organisations urgently need to fulfil their commitments under climate financing mechanisms to assist the Pacific in its transition efforts without increasing debt burden. This support should be directed not only towards renewable energy development but also towards climate adaptation, resilience-building, and capacity-building programs. PSIDS can use international levers and processes such as those provided by international law to ensure polluters are held accountable and contribute their fair share to the transition needs of PSIDS. The climate finance gap is significant for PSIDS, estimated at an average of 6.5 to 9% GDP annually³⁹.
6. **Building Blue Green Economies:** Engaging in sectoral comprehensive impact assessments to ensure sectoral transitions away from fossil fuels minimise harm and enabling agile blue/green futures. Local civil society can enable such impact assessments.
7. **Promoting Energy Efficiency:** Alongside scaling up renewable energy, the Pacific Island nations should prioritise energy efficiency measures to reduce overall energy consumption. This can include implementing energy efficiency standards for buildings and appliances, promoting public transportation, and raising awareness about energy-saving practices among the population.
8. **Raising Awareness and Engagement:** Public awareness and engagement in partnership with civil society are crucial for the success of the just equitable transition. Public engagement can foster support for renewable energy projects and create a sense of ownership among the population.
9. **Advocacy for Policy Changes:** To facilitate the just transition, continue to advocate for policy changes at the national and international levels. This includes pushing for stronger environmental regulations, carbon pricing mechanisms, and measures that encourage divestment from fossil fuels and investment in renewable energy. Governments can also incentivize green technologies and innovation through policy frameworks and their bilateral partnerships.

Questions for consideration

As we delve into discussions around renewable energy and its implications for PSIDS, several key questions emerge that warrant thoughtful consideration:

³⁹ IMF (2021). [Unlocking Access to Climate Finance for Pacific Island Countries](#)

- Is it necessary to establish a global goal for renewable energy, particularly for SIDS? If so, how should this goal be structured to effectively address the unique needs and circumstances of these regions? Should PSIDS set their own specific renewable energy goals, derived from their NDCs and tailored to their regional aspirations?
- Which sectors should be at the forefront in the transition to sustainable practices? We need to explore the roles of energy, transport, tourism, health, and food security in driving a just and equitable transition.
- What are the anticipated opportunity costs associated with this transition? It's crucial to understand the effects on individuals working in these sectors, particularly on marginalised groups.
- In what capacity can and should civil society participate in this transformational journey?
- What level of international support is essential, and how will we finance the sector-by-sector transition?
- Finally, what would an ideal, successful model of a circular green or blue economy look like, especially in the context of these island nations?

Such discussions held in an inclusive manner are necessary in shaping a sustainable and resilient future for the PSIDS, ensuring that their journey towards a just and equitable phaseout of fossil fuels is both inclusive and effective.

Key Policy Asks

Strengthening Multilateral Cooperation

The Paris Agreement will continue to play an important role, but it must be complemented with specific measures to address fossil fuels directly. Countries can use their nationally- determined contributions (NDCs) and long-term strategies communicated under the Paris Agreement to define supply-side targets, identify measures to phase-out production, and communicate finance, technology and capacity needed and available. However, the Paris Agreement does not provide a framework capable of addressing the specific challenges inherent in a transition away from fossil fuels at the scale and speed required to avoid overshooting its 1.5°C and 2°C temperature goals.

Enhanced international cooperation is required to:

- **End new exploration and production:** A global moratorium on all new exploration and development of new oil, gas, and coal reserves is needed to prevent the expansion of already unburnable fossil fuel inventories, to protect workers, communities, and investments from becoming stranded, and to avoid locking the world into catastrophic and irreversible climate disruption.
- **Phase out existing stockpiles and production of fossil fuels:** Phasing out fossil fuel production in line with the 1.5°C climate goal will require regulation of the fossil fuel supply, including placing limits on extraction, removing subsidies for production, dismantling unnecessary infrastructure, and shifting support to safer and more sustainable alternatives. The Africa Group of Negotiators' proposal advocating for an accelerated fossil fuel phase-out by developed countries, including a complete halt to new fossil fuel production projects by 2030 is in alignment with the analysis on the phaseout pathways for fossil fuel production within Paris-compliant carbon budgets⁴⁰. PSIDS support for this proposal would be prudent. It is imperative to ensure that the 28th Conference of the Parties (COP28) outcome document includes strong, unambiguous language mandating a swift fossil fuel phase-out.
- **Accelerate the implementation of real solutions and ensure a just transition for every worker, community, and country:** The scale of the challenge demands urgent collective action. An equitable and just transition calls for a clear path and a proactive plan to enable economic diversification and deployment of renewable energy and other reliable, cost-effective energy efficiency solutions. The PSIDS are well placed to help catalyse the launch of a new multilateral effort for the coordinated

⁴⁰ Calverley, D., & Anderson, K. (2022). [Phaseout Pathways for Fossil Fuel Production Within Paris-compliant Carbon Budgets](#)

phase-out of fossil fuel production. As established leaders on climate change at both the United Nations and the UNFCCC, the PSIDS have strong relationships with progressive countries throughout the developing and developed world.

- **Decide and implement a comprehensive energy transition package:** The energy transition package must be treated as a whole, encompassing the scale-up of renewables, efficiency improvements, fossil fuel phase-out, and financial support. These elements are interdependent and should not be considered separately. We urge key parties to firmly advocate for the inclusion of the energy transition in the formal outcomes of the COP, beyond mere voluntary commitments.
- **Historical fossil fuel producers to recognize and remedy the impact of their past and ongoing contributions to climate change, particularly in terms of the losses and damages incurred by nations least responsible for the climate crisis:** Following the decision at COP27 to establish a Loss and Damage fund, we now face the critical task of determining its administrative structure. Developing countries are advocating for a newly created, L&D-specific entity for this purpose. The resolution of this administrative question is key to advancing discussions and the effective functioning of the fund. Furthermore, it's essential that the Fund and its Funding Arrangement deliver new, additional, and grant-based finance to all developing countries. The capitalization of this Fund should adhere to the principles of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC) and the polluter-pays principle, as outlined in the UNFCCC and the Paris Agreement. This approach ensures an equitable distribution of responsibilities, focusing on assisting those who have contributed the least to the problem yet bear the brunt of its consequences.