



Session 3

Regional Cooperation for Accelerating Climate-Smart Trade and Sustainable Energy Transition

**Fifth Pacific Forum on Sustainable Development and
Capacity Building Workshop for Pacific SIDS**

**13.00 – 15.00 hrs, Suva, Fiji
Thursday, 25 November 2021**

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Introduction: Enhancing regional cooperation

Key issues

- Significant role and potential of regional cooperation and integration in supporting inclusive, resilient and sustainable development
- Catalyze regional financial cooperation to support and facilitate trade, transport, energy and ICT
- Harness significant cooperation opportunities for inclusive economic growth, reduce inequalities and poverty, foster social inclusion and address shared vulnerabilities, risks and challenges including climate change and pandemics
- Strengthen communication, cooperation and collaboration

GENUINE AND DURABLE
PARTNERSHIPS FOR
SMALL ISLAND
DEVELOPING STATES





1. Climate-smart trade

Effects of trade and investment on GHG emissions



Direct effect

- GHG emissions due to transportation & trade procedures



Scale effect

- GHG emissions due to increased economic activity



Regulatory effect

- Climate-related policies motivated by trade or investment objectives



Composition effect

- Production in more/less GHG-intensive locations

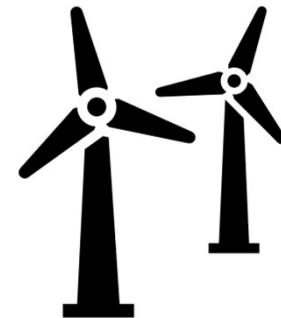
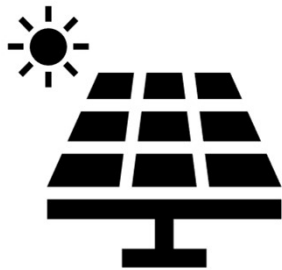


Technique effect

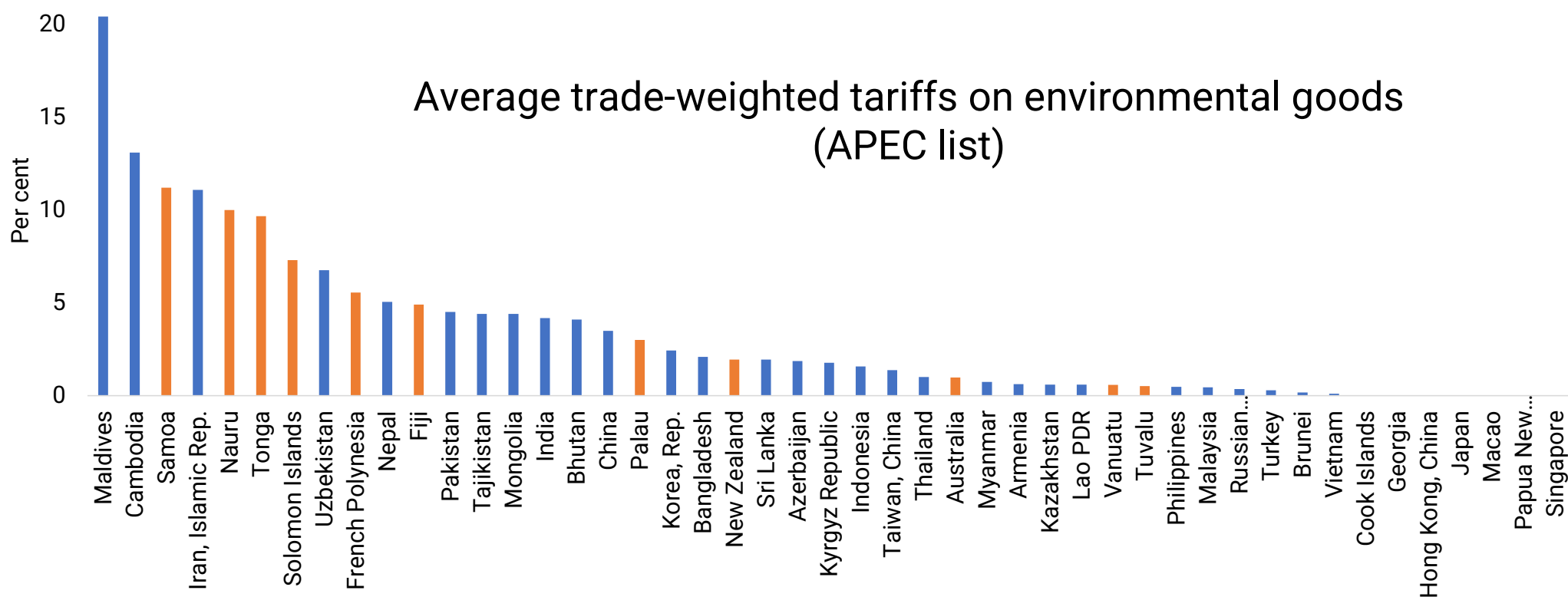
- Access to climate-smart products and technology

1. Liberalize trade in climate-smart and other environmental goods and services

“Average tariffs applied on carbon-intensive fossil fuels in Asia Pacific are lower than the tariffs applied on the environmental goods.”



1. Liberalize trade in climate-smart and other environmental goods and services



2. Adopt climate-smart non-tariff measures

“Asia-Pacific economies apply climate-related NTMs to only 6.2 per cent of their imports”

2. Adopt climate-smart non-tariff measures

| Imposing economy | Objective category | Description |
|-------------------|---------------------------------------|---|
| Australia | Emissions from machinery and vehicles | Requirement of application of fuel consumption labels and energy consumption labels to vehicles. |
| China | Energy efficiency, other | Technical requirement regarding the minimum allowable level of energy efficiency of self-ballasted fluorescent lamps has been specified. |
| Brunei Darussalam | Deforestation | Prohibition on felling certain tree. |
| New Zealand | Greenhouse gas emissions | ...The levy applies to a range of imported goods including fridges, freezers, heat pumps, air-conditioners, and refrigerated trailers. It is linked to the price of carbon and varies between items to reflect the amount of gas, the specified gas and its global warming potential. |
| Afghanistan | Greenhouse gas emissions | Chloro Fluoro Carbons (CFC) and Products containing CFC and certain halons and products containing them are banned from import to Afghanistan |

3. Accelerate trade digitalization

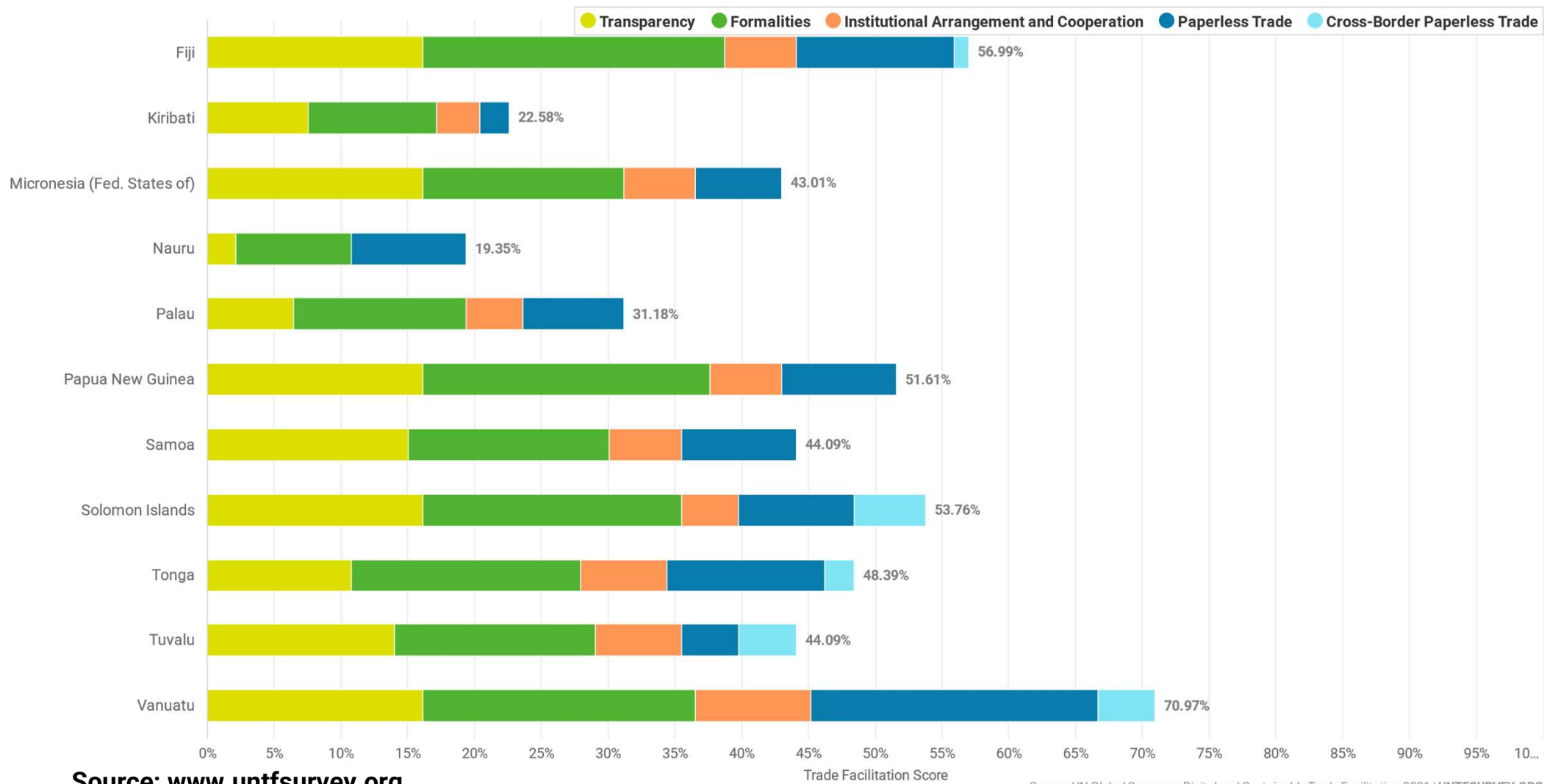


"Each single end-to-end trade transaction undertaken fully digitally could save emissions equivalent to planting 1.5 trees. For the whole of Asia-Pacific, this implies savings of about 13 million tons of CO2 annually, equivalent to the carbon absorbed by 400 million trees. "



Digital and Sustainable Trade Facilitation in Pacific Islands Developing Economies (2021)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021



Source: www.untfsurvey.org

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021 | UNTFSURVEY.ORG

The case of the Vanuatu electronic single window

■ ASYCUDA SPS Module (ASYSPS)

95% reduction in use of paper, 86%+ reduction in trips to the biosecurity officer

■ ASYCUDA Administration Selectivity

Before: 25,467 trips, after: 0 trips

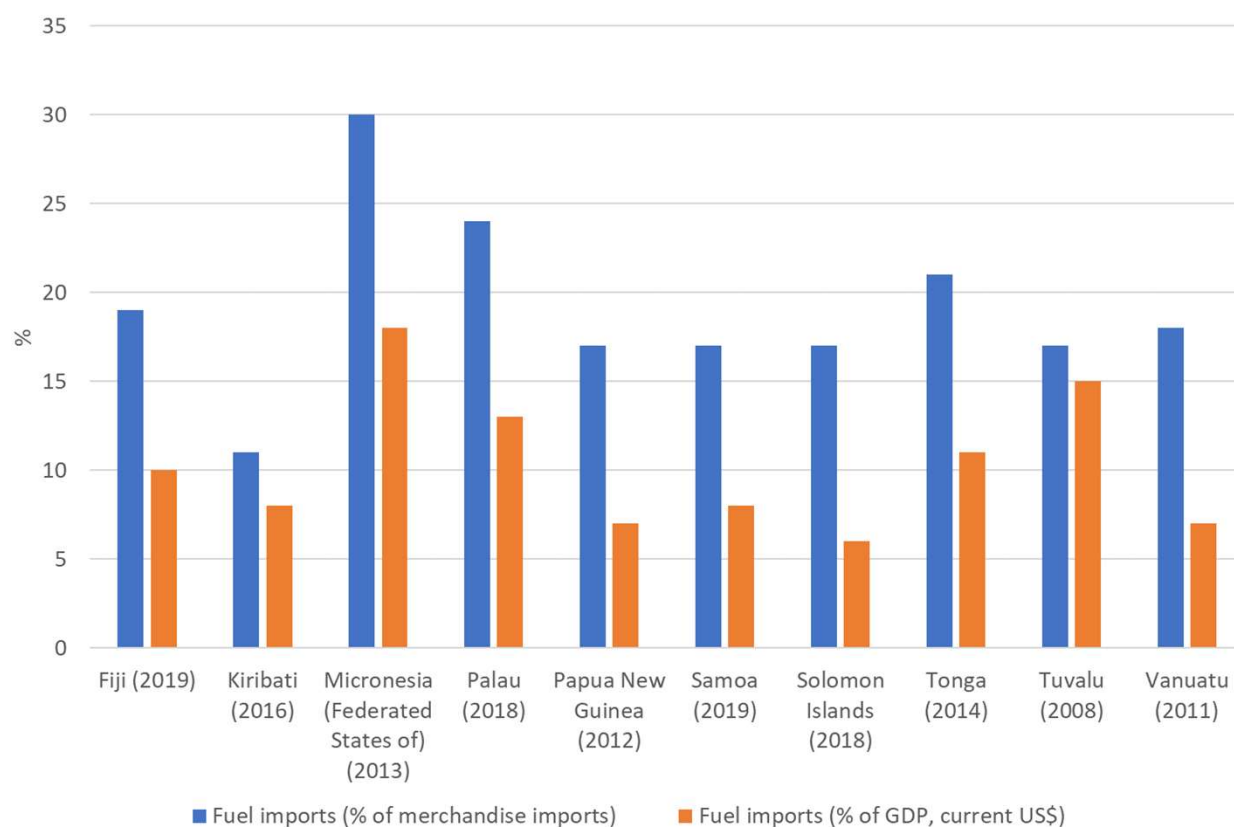




2. Sustainable energy transition

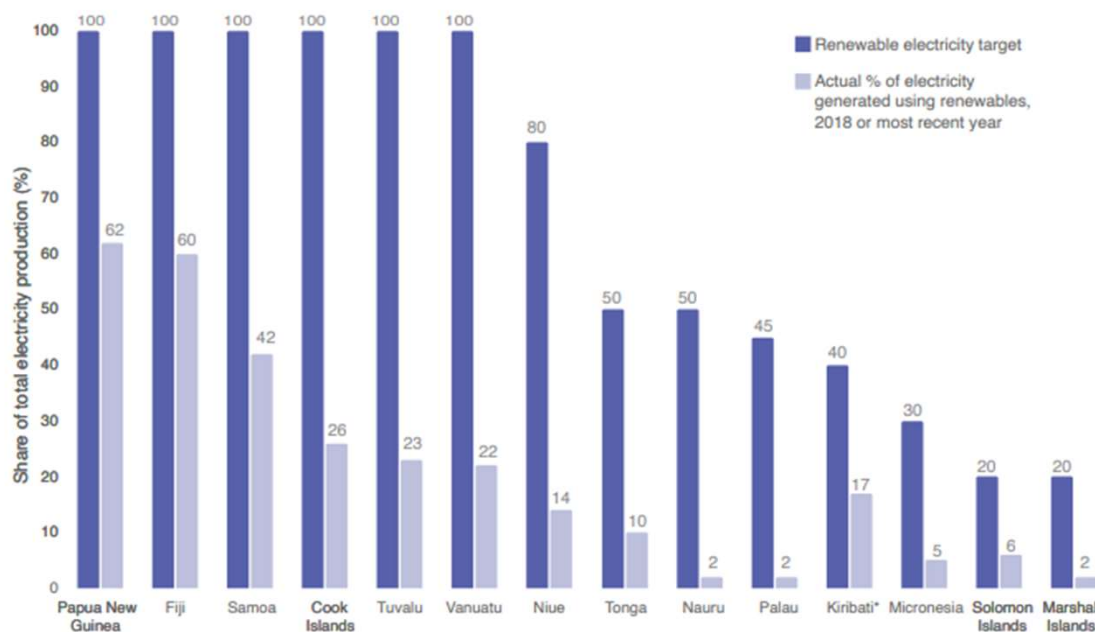
Energy in the Pacific: high import dependency

Fuel imports (% of merchandise import, %GDP)



Energy in the Pacific: share of RE in electricity production

Target and actual share of RE in electricity production



Source: Secretariat of the Pacific Regional Environment Programme

Notes: Kiribati's data are for solar only for South Tarawa only. Micronesia = Federated States of Micronesia

Sustainable energy transition in the Pacific

- **Drivers**

- The Pacific region has limited supply of domestic fossil fuel resources
- High reliance on imported fossil fuel makes the Pacific nations' energy systems susceptible to price and supply shocks – a threat to energy security
- High renewable energy resource potential – particularly wind and solar
- Fossil fuel-based power generation is no longer cost-competitive with renewables

- **Challenges**

- Low human and institutional capacity to undertake an integrated energy policy and planning
- Absence of enabling policy framework to support the achievement of SDG 7 targets as well as NDCs.
- Under utilization of regional cooperation to facilitate the needed energy transition



Building a resilient and secure energy future

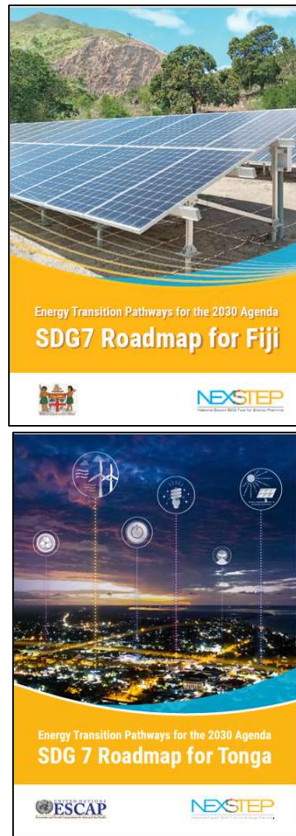
- **Align energy policies and plans with the 2030 Agenda for Sustainable Development and the Paris Agreement**
 - SDG 7 presents a framework for an integrated and secured energy future
- **Increase the use of indigenous energy sources e.g. solar PV and wind energy**
- **Reduce dependance on imported fossil fuel**
 - Not only focusing on power generation but consider the entire energy system, including the transport sector
- **Develop national and regional capacity to undertake integrated energy planning**
- **Leverage regional cooperation to facilitate the energy transition**



ESCAP's support in developing an integrated energy planning

Integrated energy policy and planning

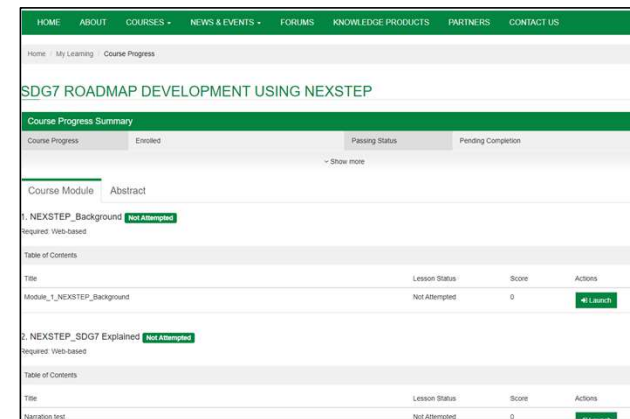
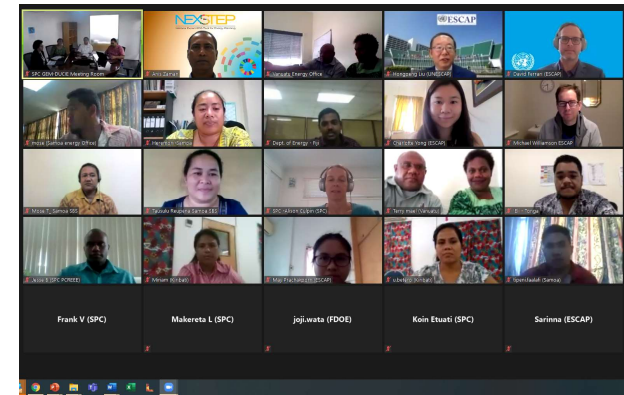
- ESCAP has been supporting countries in developing SDG 7 roadmaps
- Roadmap helps policy makers to identify technological options and policy measures to achieve SDG 7 and NDCs
 - Able to identify opportunities for NDC enhancement
 - Includes scenarios for COVID-19 recovery and Net Zero Carbon
- **SDG 7 roadmaps for Fiji and Tonga have been developed**
 - Both have contributed to national policy making
- **ESCAP would be supporting FSM and Kiribati in 2022.**



ESCAP's support in developing an integrated energy planning

Capacity building

- Capacity building is an integral part of the SDG 7 roadmap development process
- A two-day training offered to the Pacific community on integrated energy planning in collaboration with SPC
- An online training module has been developed on step-by-step process of developing an SDG 7 roadmap



Regional cooperation to accelerate sustainable energy transition in the Pacific

- **ESCAP contributed to the SAMOA Pathway agenda for the 3rd Energy and Transport Ministers meeting in 2019**
- **ESCAP has been collaborating with SPC and PPA to widen scope for support on energy transition in the Pacific**
- **Energy connectivity in the Pacific: coordination, cooperation, and harmonisation to form a sub-regional approach to sustainable energy development**



Energy connectivity in the Pacific

The approach:

- **Coordination: sharing data and information**
 - RE targets, planning tools, development experiences
- **Collaboration: partnering to improve development**
 - Joint procurement, common training and capacity building efforts
- **Harmonisation: developing regional standards that reflect national contexts**
 - Standard power purchase agreement (PPA) templates, harmonised grid codes

The opportunity:

- **Create larger markets RE, lower costs, improve power system operations, strengthen Pacific partnerships.**



ESCAP support for energy connectivity in the Pacific



- ESCAP is developing two virtual trainings aimed at Pacific policymakers and stakeholders working in the power sector
- **Training 1: Planning tools for integrating renewable energies into island grids**
 - Principles, best practices, and case studies on planning for and integrating large shares of renewable energy into island grid systems
- **Training 2: The potential role of low- and zero-carbon fuels, including hydrogen, in regional energy trade**
 - Electrification and Power-to-X in decarbonization strategies, including economics of alternative fuels, risks and opportunities, and relevant cost-benefit analysis methodologies





3. Moving forward

Moving forward : **Key action points**

- Cross-border paperless trade, including climate-smart trade strategies with a focus on supply-chain resilience
- The Framework Agreement on Facilitation of Cross-Border Paperless Trade
- Transboundary energy infrastructure and networks
- Clean energy solutions while supporting the delivery of SDG 7 roadmaps, energy transition in line with the Paris Agreement and Glasgow Climate Pact



Let us build and strengthen partnerships with **Global, Regional and Subregional organizations, institutions and initiatives**

ANNEX

Selected regional publications and knowledge products





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