



PACIFIC, CLIMATE CHANGE AND SOEs

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WHAT DO PACIFIC SOEs DO?

Core public infrastructure services—airports, broadcasting, postal services, power, sanitation, seaports, telecommunication, and water

Other commercially oriented undertakings such as transport, banking, food processing, property development, tourism, agriculture, oil, and gas.

WHERE DOES CLIMATE CHANGE FIT INTO THE PICTURE?

ADAPTATION ISSUES

Fiscal constraints on government

Growing demand for services

Assets threatened

Rising fuel prices



HOW ARE SOEs RESPONDING?

Improved governance

- Professionalizing boards
- Commercial focus
- Control of tariff setting
- Clear, funded CSOs
- New sources of investment financing

Enhanced productivity

- O&M financed, even contracted out
- Green infrastructure upgrades – modern desal plants, renewable power, climate proofing

HOW TO FINANCE?

Self finance

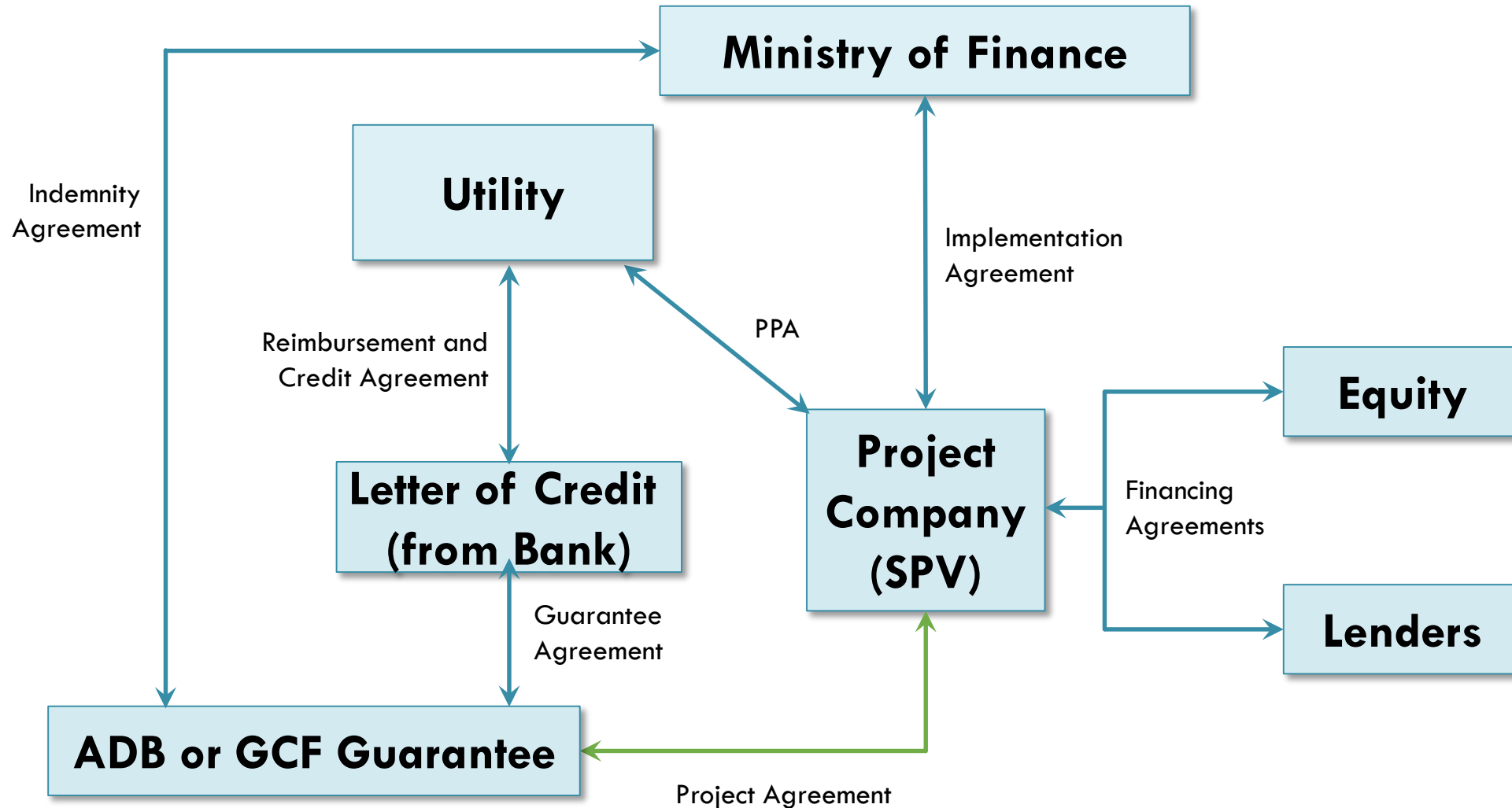
- Limited period of profitability
- Limited savings

Concessional borrowing/grants

- Constrained amounts
- Competing priorities
- Commercialization works against this



LEVERAGING PRIVATE INVOLVEMENT IN SOES





GREEN CLIMATE FUND FINANCING

- Almost \$280 million of the \$2.6 billion, i.e. 10%, approved in past 18 months has been for the Pacific.
- GCF Board approved 3 investments and 1 TA with ADB in the Pacific
 - Suva urban water MFF (GCF: \$31 million - \$254 million total)
 - Cook Islands renewable energy (GCF: \$12 million)
 - Nauru climate resilient port (GCF: \$26.9 million)
 - Energy Sector Reform and Sustainability TA (GCF: \$5 million)
- Accreditation Master Agreement (AMA) signed 17 September 2017
- First Funded Activity Agreement (FAA) expected to be signed within the month
- Issues: Grant vs. loan, uncertain approval, extra assessments upfront



SOEs GREEN INFRASTRUCTURE ELEMENTS

- Fiji Water Authority- move water intake upstream 49km to respond to increasing salinity
- Te Aponga (Energy Utility) - improve battery storage to allow new private sector and household investments in renewable generation
- (Proposed) South Tarawa Water Supply Project
 - Desalination plant to augment freshwater supplies
 - Energy generation
 - Water network rehabilitation
 - WASH



- Freshwater supply independent of rainfall, inundation events, water quality degradation
- Diversification of freshwater resources
- Elevation of infrastructure as required (sea level rise)
- GHG avoidance through solar PV (current grid = diesel generators)

THANK YOU

