

## **OUTCOME DOCUMENT**

### **High Level Panel discussion**

### **“Climate resilient transport infrastructure for sustainable trade, tourism and development in SIDS”**

**10 December 2019**

**UNFCCC COP 25 Madrid**

## Background

Seaports and coastal airports are critical infrastructure assets that serve as catalysts of trade, economic growth and development. For Small Island Developing States (SIDS), coastal transport assets are lifelines for external trade, food and energy security - and tourism, a key driver of economic development and prosperity - as well as in the context of DRR. At the same time, SIDS suffer from “double exposure” to external economic and environmental shocks. While SIDS already face high exposure to natural disasters, compelling scientific studies project that climate change will increase the hydro-meteorological hazards for the coastal transport infrastructure of SIDS, with potentially significant socio-economic consequences (IPCC, 2014; IPCC, 2018; IPCC 2019).

Because of SIDS’ heavy reliance on maritime and air transport infrastructure, climate-related damage, delays and disruption that affects transportation assets—with knock-on effects for services and operations throughout supply chains—may lead to devastating economic impacts, exacerbating existing challenges and causing substantial economic and trade-related losses. This can significantly impact livelihoods, economic, social, and environmental assets, and adversely affect the overall sustainable development prospects of these vulnerable nations. Therefore, enhanced climate resilience and adaptation for critical transport infrastructure is a matter of strategic socio-economic importance and will be key in achieving progress on many of the Sustainable Development Goals (SDGs). While trade is dependent on well-functioning transport infrastructure, it can also play a key role in creating a more resilient system – one that is able to resist or adapt to the impacts of environmental and economic shocks, including climate change.

In view of the strategic importance of ports and coastal airports for SIDS in the face of climate change, UNCTAD and UNEP organized a High Level Panel discussion on “*Climate resilient transport infrastructure for sustainable trade, tourism and development in SIDS*” at the twenty-fifth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP25 UNFCCC) <sup>1</sup> on 10 December 2019 in Madrid, Spain. The event benefited from the support of Germany and was held in partnership with the OECS Commission, Commonwealth Secretariat, UNFCCC and ISO. The discussion was informed by a [concept note](#) prepared by UNCTAD and UNEP on climate resilient transport infrastructure for sustainable trade, tourism and development in SIDS.

The panelists were [Inger Andersen](#), Executive Director, UNEP (opening); [Hon Simon Stiehl](#), Minister for Climate Resilience, the Environment, Forestry, Fisheries, Disaster Management & Information, Grenada; the Rt Hon [Patricia Scotland QC](#), Secretary-General, Commonwealth Secretariat; [Ambassador Peter Thomson](#), Fiji, UN Secretary-General's Special Envoy for the Ocean; and [Isabelle Durant](#), Deputy Secretary-General, UNCTAD. The session was moderated by [Dr Koko Warner](#), Manager, Impacts, Vulnerability and Risk, UNFCCC Secretariat. A summary of each speaker’s intervention is included in Annex 1.

## Main Outcomes

The High Level Panel discussion provided a unique opportunity to highlight the important nexus between climate change, transport, trade, and tourism. To this end, panelists focused on the critical need for SIDS to build climate resilience in order to safeguard key coastal transport infrastructure vital to trade and tourism,

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<sup>1</sup> The video recording of the event is available on the UNFCCC website: <https://attend-emea.broadcast.skype.com/en-US/2a6c12ad-406a-4f33-b686-f78ff5822208/c91895e8-d265-4130-a4fc-bd34f1023e46/player?cid=xhjnaaka43sv623pubdtrwd46orm7joekmseabmojnrecshyjcug&rid=EMEA>

including through ecosystem approaches to adaptation. Panelists also highlighted access to finance, technology solutions and capacity building as key issues where greater support by the international community is required to accelerate resilience building.

The discussion provided an opportunity to learn about country experiences, particularly in relation to Grenada's goal of making Saint George's the first climate resilient and climate smart city in the region. As the High Level Panel took place at the "Blue COP", the nexus between climate change and oceans was further highlighted in the context of coastal transport infrastructure. All panelists stressed the urgent need for action and reiterated the commitment of their respective organizations/governments to advocate for and support SIDS, as well as to harness synergies in the context of intergovernmental processes and meetings.

Some of the main messages that emerged as part of the discussions are as follows:

- a) The High Level Panel discussion was important and timely given the scale of the climate emergency and the existential threat it poses to SIDS;
- b) Global climate change mitigation ambitions need to be raised; the world needs to cut global greenhouse gas (GHG) emissions by 7.6% every year for the next decade to meet the 1.5°C Paris Agreement target, according to UNEP's 2019 Emissions Gap Report. For SIDS, limiting global warming to 1.5 °C is to "stay alive";
- c) GHG emissions are driving ocean deoxygenation, acidification and warming. Ocean warming is leading to sea level rise (SLR), which is slated to become more extreme, as well as increasing coral bleaching and reef degradation;
- d) Trade, tourism, and the supporting transport infrastructure are of pivotal importance to SIDS. Low-lying SIDS' coastal transport infrastructure is particularly vulnerable to extreme weather events that are likely to be exacerbated by climate change. It is imperative that the provision of adequate support is accelerated to build the climate resilience of SIDS' key coastal transport infrastructure assets, such as ports and coastal airports, which are critical facilitators of trade and tourism;
- e) UNCTAD's assessment of climate change impacts on coastal transport infrastructure in select Caribbean SIDS (<https://SIDSport-ClimateAdapt.unctad.org>), which helped inform the IPCC's 2018 and 2019 reports, sheds real light on the risks of coastal flooding and potential operational disruptions from as early as the 2030s. The International Maritime Organisation (IMO) thanked UNCTAD for its important [work on climate change impacts and adaptation for coastal transport infrastructure](#), which is key for shipping, and pointed not only to the environmental importance of the matter but also to the economic implications of building resilience.
- f) The shipping sector will need to adapt to face the new realities imposed by climate change and sea level rise. Existing port (containerised) infrastructure was not built to withstand the reality of higher levels of global warming. Airports in SIDS, too, are often on or just above sea level and some are already experiencing challenges in the form of flooding and erosion (Jamaica, Saint Lucia and Grenada, for example);
- g) SIDS are demonstrating leadership in tackling climate change but need assistance. The financial, technology and capacity gaps SIDS face need to be addressed as a matter of urgency. In terms of

finance, measures such as special climate bonds for SIDS, debt relief and other preventative types of measures (e.g. taxation) could contribute to successful climate financing;

- h) Trade is an important tool to help build resilience and support climate mitigation and adaptation. Trade can enhance preparedness for, and response and recovery from natural hazards. It can specifically promote interconnectivity, diversify production, enhance productivity and add value to exports. Trade can perform as a "shock-absorber" for natural disasters, by allowing shocks in one location covered by imports from other unaffected places. But at the same time, trade is dependent on well-functioning transport infrastructure assets;
- i) Ecosystem-based approaches to climate adaptation can enhance the resilience of coastal transport infrastructure. For example, restoring coral reefs can improve natural defence systems that protect pristine beaches as well as port infrastructure from waves and storms. However, coral reefs are also under threat from climate change. International financial support is required to help SIDS to identify and implement nature-based solutions;
- j) The experience of Grenada provides an example for safeguarding the economic and social value of a highly vulnerable coastal city and its coastal infrastructure. Grenada is undertaking an ambitious project, with technical support from New York University and financial support from the GCF, to transform Saint George's into the "first climate resilient/climate start city in the Caribbean region". The project aims to build climate resilience and generate economic opportunities through deploying both engineering solutions as well as eco-based adaptation strategies;
- k) Improving the resilience of SIDS to climate change can provide major opportunities in terms of overall national sustainable development, and demonstrate as well as create opportunities for knowledge sharing;
- l) Enhanced multilateral cooperation and international solidarity with SIDS is essential due to the urgency to safeguard the viability of SIDS in the face of the climate crisis.

## Charting a Way Forward

Some key considerations for the way forward to enhance the resilience of coastal transport infrastructure for sustainable trade, tourism and development in SIDS include the following:

- a) Strengthening cooperation among decision-makers, public and private sector stakeholders and the science community;
- b) Given that important knowledge gaps still exist, detailed risk/vulnerability assessments of coastal transport infrastructure in SIDS under climate change are necessary to inform policies/plans for efficient and timely adaptation responses;
- c) Mainstreaming climate change considerations into coastal transport infrastructure planning and development and ensuring policy coherence among transport, trade, tourism and overall sustainable development planning and decision-making processes can accelerate effective resilience building;
- d) Integrating coastal transport resilience-related aspects into relevant Party communications under the UNFCCC should be considered, in particular with a view to ongoing efforts on National Adaptation Plans and the next round of NDC submission (2020);

- e) As trade has the potential to drive solutions to climate change and resilience building, the following should be considered as part of any future strategy:
- Supporting SIDS in aligning objectives, defining the right policy mix and developing trade policies that mutually support economic and environmental goals. For example, trade can help promote diversified production, including into green sectors, enhance productivity, and scale up clean technologies that support climate mitigation and adaptation.
  - Helping to ensure different multilateral agreements (including the Sendai Framework, Paris Agreement, WTO Agreements), work hand-in-hand to enable trade connectivity when it is most needed.
  - Exploring how development assistance, such as Aid for Trade (which constitutes roughly 30% of total overseas development assistance) can be better harnessed to support climate resilience and adaptation efforts in SIDS.
- f) Multifaceted approaches to adaptation and resilience building for coastal infrastructure assets will be required to ensure the sustainable transport, trade, tourism and development prospects of SIDS under a changing climate, including the following:
- Innovative and mixed adaptation responses (regulation, management and technical measures) will be needed, including ‘soft’ and ‘hard’ adaptation measures.
  - Ecosystem-based approaches to adaptation and action to protect and promote ecosystem services are important elements in any future strategy to address the climate change challenge that SIDS face. Investing in protecting and restoring ecosystems and other nature-based solutions can be lower cost and more effective in delivering services than traditional “grey” infrastructure.
  - In light of the importance of the tourism industry in SIDS, beach nourishment schemes and inventory of beach replenishment deposits and their sustainability should be ensured as a matter of priority.
- g) Legal/regulatory and policy approaches have an important role to play in creating the right enabling environment, in addition to standards, guidance, and methodological tools for organizations and facilities;
- h) Accelerating capacity building, fostering technology uptake and eliminating obstacles to accessing adequate climate financial instruments is crucial to assist SIDS in their efforts to build resilience.

## Annex 1 - Summary of the Panel Discussion

**Relevant issues highlighted by Inger Andersen, Executive Director, UNEP, in her opening remarks include the following:**

- SIDS are especially vulnerable in the face of climate change and there is an urgency to act as small islands have been bearing the brunt of climate change-related impacts. Examples include Hurricane Maria (economic losses of approx. 224% of the GDP in Dominica) and ongoing relocations in Fiji. International solidarity is needed to assist SIDS in recovery efforts;
- The world needs to cut global emissions by 7.6% every year for the next decade to meet the 1.5°C Paris target, according to the 2019 Emissions Gap Report. G20 countries are responsible for 76% of global emissions, while SIDS account for less than 1% of global emissions.
- Trade has the potential to drive climate change but “smart trade” can drive solutions. *“Disaster preparedness has a trade dimension, response has a trade dimension and recovery has a trade dimension”*;
- Evidence suggests that open, competitive and well-governed markets successfully contribute to recovery efforts. A WTO study highlights how trade can contribute to accelerating recovery efforts in disaster-hit regions by acting as a “shock-absorber”. At the same time, trade depends on well-functioning transport infrastructure, which can be especially vulnerable to the impacts of climate change;
- International financial support is required to help SIDS identify and implement nature-based solutions (e.g. protection of coral reefs, mangroves, wetlands, coastal forests etc.) that act as natural buffers;
- With reference to UNEP’s partnership with the WTO, Inger Anderson noted: *“We are working on the establishment of a new joint platform for countries to share best practices, strengthening public private partnerships and catalyzing action at the nexus of environment”*. She also spoke of the positive work of the Friends Advancing Sustainable Trade (FAST) Group, being championed by Costa Rica and Canada, which is promoting an international trading system that is geared to environmental sustainability.

**Relevant issues highlighted by Hon Simon Stiell, Minister for Climate Resilience, the Environment, Forestry, Fisheries, Disaster Management & Information, Grenada, included the following:**

- Grenada has set itself the goal of transforming Saint George’s into the “first climate resilient/climate start city in the Caribbean region”. The highly vulnerable coastal city of Saint George’s has significant economic importance to Grenada:
  - The following assets have been identified as particularly vulnerable to SLR and extreme weather-related events: i) seaports and coastal airport; ii) Carenage harbour area; iii) nearby beach key for tourism; iv) Saint George’s University;
  - Both hard engineering and soft adaptation options are foreseen to enhance the resilience of the identified vulnerable assets. Further elements of the project include: i) hard engineering to build sea defence and a promenade in the Carenage harbour area to withstand extreme weather-related events and also work as an economic catalyst in the area, and thereby contribute to urban regeneration and tourism development; ii) interventions to protect the airport runway that is already threatened by erosion; iii) exploration of options to protect beach area through ecosystem-based adaptation options; iv) identification of vulnerable coastal communities;

- Project implementation, working in partnership with the Green Climate Fund (providing readiness support) and with a New York University (providing technical expertise), is a complex endeavour. For this project (budget of 350-500 million USD), Grenada is working with several financial institutions (e.g. GCF, IMF, World Bank and concessional loans). This pragmatic and holistic approach seems to be different from the traditional SIDS approach to climate financing and may actually offer some lessons to other countries.
- The special needs of SIDS include capacity building and access to finance. SIDS are demonstrating leadership and commitment in terms of climate change but urgently need assistance;
- Climate change adaptation and enhancing resilience may offer opportunities in terms of overall national development, with climate finance providing a window of opportunity to advance national development processes. Coupled together with technology the process may lead to economic resilience, and knowledge-based societies and industry.

**Relevant issues highlighted by Rt Hon Patricia Scotland QC, Secretary-General, Commonwealth Secretariat, included the following:**

- The Commonwealth in many ways represents “the voice of the small state” with 31 small States Members;
- Commonwealth Member States have been facing devastating weather-related threats recently (e.g. droughts, recurrent floods, landslides, bushfires etc.); there is almost no country untouched, not even non-SIDS (e.g. Australia). These extreme events represent not only environmental but also economic threats with small and vulnerable countries especially affected;
- Recent UNEP and IPCC reports highlight the alarming reality SIDS face. For SIDS 1.5 °C is “*to stay alive*”;
- UNCTAD’s assessment of climate change impacts on coastal transport infrastructure in Caribbean SIDS sheds a light on the important risks of coastal flooding and the potential operational disruptions;
- SIDS who are most vulnerable to climate change are in desperate need of financing to be able to translate their ambitious climate-related targets into action and to build resilience and capacity. Accessing climate financing and technical capacity are key challenges for island states in the process of climate adaptation and resiliency building. Many SIDS also face challenges in assessing climate finance due to the lack of capacity and the complexity of the international climate finance architecture;
- The High Level Panel discussion is not only extremely important but provides a timely opportunity to highlight the special capacity and financial needs of SIDS, which are facing an existential threats due to the adverse impacts of climate change;
- There are several climate change-related Commonwealth instruments/initiatives aimed at assisting SIDS, including: i) the ‘Commonwealth Climate Finance Access Hub’ that allows small and vulnerable Commonwealth member states to access climate financing to develop transformative projects (approx. 28.7 million USD has been already disbursed and 460 million USD are in the pipeline for projects on mitigation, adaptation and cross-cutting areas); ii) a ‘Disaster risk portal’: ongoing efforts to develop a portal dedicated to disaster risk reduction to allow centralised information-sharing on available financial instruments; and iii) the ‘Commonwealth Blue Charter’ with the objective to cooperate on ocean-related matters (agreement of all Commonwealth countries with currently 12 countries leading 9 action-oriented action groups, 38 countries are contributing);

- Commonwealth nations will strive to take ambitious action to enhance access to climate financing to improve the resilience of transport infrastructure, as it is matter a strategic economic and social importance and will be key in achieving progress on many of the SDGs; the Commonwealth Secretariat is committed to related causes of its Member States with regards to climate change;
- As SIDS are unable to act alone, enhancing multilateral cooperation and international solidarity is essential due to the urgency in the face of climate change.

**Relevant issues highlighted by Ambassador Peter Thomson, Fiji, UN Secretary-General's Special Envoy for the Ocean, included the following:**

- Recent reports, including by the IPCC and IUCN, highlight the urgency to act as also echoed by the alarming words of the UN Secretary General: *“we are knowingly destroying the life support systems of our planet and ecosystems”*;
- COP25 is the *“Blue COP”*. GHG emissions have a range of adverse effects on the ocean, in particular: i) deoxygenation; ii) acidification; iii) warming leading to, among others, SLR;
- In relation to SLR, no one should feel safe of the adverse impacts even if not in proximity of the coastline, especially as some recent scientific results reveal that earlier SLR projections may be underestimated;
- With regards to infrastructure in SIDS, seaports and coastal airports are especially vulnerable to climate change impacts due to the concentration of these assets near the coast on low-lying islands. Existing port (containerised) infrastructure is not built to withstand the predicted impacts of higher levels of global warming (e.g. 3-4 °C);
- Coral reefs play a key role as natural defence systems in relation to port infrastructure. However, coral reefs will be destroyed even under 2°C warming, let alone 3-4 °C warming, which is where the world is heading unless appropriate mitigation action is taken;
- Against this backdrop, the shipping sector needs to adapt to new realities. Pacific states are currently exploring electric vessel options to replace the out-dated fleet (mainly ferries) using bunker fuels. Some current shipping industry efforts seem to be actually ahead of relevant government climate change efforts. The IMO is looking at options, including a possible levy to be imposed to fund research and development initiatives to find alternative fuel options with a view to carbon neutrality.

**Relevant issues highlighted by Isabelle Durant, Deputy Secretary-General, UNCTAD, included the following:**

- SIDS are critically dependent on trade and transport. In the face of climate change, there is a clear and urgent need to build the resilience of international transport infrastructure assets, such as ports and airports, in SIDS and to provide support;
- UNCTAD remains committed to continuing its work on the important issue of climate change adaptation and resilience building for critical transport infrastructure in SIDS and to continue advocating for the special needs of SIDS, in collaboration with a broad range of partners;
- Some SIDS may be seen as models, providing examples to other countries in terms of their approach to trade, tourism and economic development; UNCTAD is assisting SIDS in their development efforts, including by providing essential data, methodologies, tools, research and analysis and advice;



- Special climate bonds for SIDS as further financial instruments might be developed. Debt relief might also contribute to financing infrastructure adaptation. In addition to existing channels, (e.g. GCF etc.), working on certain preventive types of measures that take account the specificities and vulnerabilities of SIDS may further contribute to successful climate financing (“two sides of the same coin”).
- The forthcoming UNCTAD conference will be convened in a Caribbean SIDS (Fifteenth session of the United Nations Conference on Trade and Development, 18 - 23 October 2020, Barbados) and will provide an important opportunity to spotlight the special situation of these vulnerable island nations.