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## **Information note to ACP Group on the Joint Pacific-EU Initiative on Climate Change, Oct. 2010**

As a follow up of the oral information provided to the ACP Group on 25<sup>th</sup> May 2010 on initial discussions between Commission Services and the Pacific Islands Forum Secretariat, this note provides an update on the outcome of these initial discussions and presents the "Joint Pacific-EU Initiative on Climate Change" more in detail.

The main objective of the Joint Initiative is to encourage, and assist as appropriate, EU Member States and other international climate change partners to meet the expectation that a fair share of international climate change funding goes to Pacific countries, through more effective and coordinated delivery methods.

Pacific Countries are among the most vulnerable in the world to climate change impact, which represents an existential threat in many cases. From this perspective, Pacific countries need and will expect that international partners will support climate change adaptation efforts in the Region.

There is a risk that Pacific Countries will not be adequately considered when decisions are taken on geographical allocation of international climate change funds to developing countries.

The Commission and the Pacific Forum Secretariat agreed to engage in the Joint Initiative to raise international awareness on the Pacific, to demonstrate the strategic importance for the EU to engage with the Pacific on climate change as a key partner in the international debate, beyond the "donor-recipient" relation, and also to reinforce Pacific Countries' capacity to absorb efficiently international funding. Beyond funding issues, the Joint Initiative, which also focuses on stronger political dialogue, could also facilitate better coordination and preparation for international negotiations.

Australia and New Zealand, as well as Pacific Islands Countries, have been informed and support this Initiative, which was discussed and well received by Pacific Islands Forum Leaders in their last annual meeting (Vanuatu, August 2010).

In order to formalise this Initiative and spell out its main objectives, the Commission and the Forum Secretariat prepared the attached draft Memorandum of Understanding. Its signature is expected to take place soon in a suitable international event, perhaps the European Development Days. This signature will be an occasion to attract international attention on the ability of the EU-Pacific partnership to respond to climate change challenges in the Region, as a key issue for its future.

The Memorandum of Understanding constitutes a broad framework to facilitate coordination of international efforts on climate change on the Pacific by the Pacific. It refers to Regional organisations' ongoing work on possible options to coordinate international funding on climate change, in a way that accommodates specific funding and visibility requirements from bilateral and multilateral partners, by putting in place channels for different types of contributions as well as delivery and disbursement modalities.

In order to deliver on the objectives of the Memorandum of Understanding, it is foreseen (see attached MoU section 3) that partners will jointly develop a plan of action, with agreed outcomes and detailed activities to structure cooperation on climate change between the Pacific Countries and its international partners. Partners will also jointly determine a set of performance indicators to assess the effectiveness of the Joint Initiative and refine it as appropriate over time.

Commission services would like to invite EU Member States in the ACP Working Party:

- to sensitize capitals on the need to ensure that a fair share of bilateral climate change funding is allocated to Pacific Countries,
- to mobilise the relevant services in capitals to provide technical guidance to develop, together with the Commission, the EU input into the plan of action that will deliver on the objectives of the Joint Initiative,
- to transmit to the Commission, for coordination purposes, all relevant information in this respect, including current and envisaged climate change related funding to Pacific Countries or Regional Organisations, an outline of the conditions under which their bilateral climate change funding could be allocated to Pacific Countries, as well as their preferences to ensure EU coordination and complementarity in this context

In this perspective, Commission services envisage undertaking informal bilateral contacts with interested EU Member States at technical level in the coming weeks, in view of preparing together an initial EU input to the implementation of the Joint Initiative.

This informal contacts could lead to an informal "development – climate" experts meeting hosted by the Commission in Brussels mid December 2010 with the participation of interested Member States, to shape the EU input into a joint plan of action to support Pacific responses to address climate change challenges in the Region.

**ANNEX**  
**MEMORANDUM of UNDERSTANDING (MoU)**  
**between the Pacific Islands Forum Secretariat and the European Commission**  
**on a**  
**JOINT INITIATIVE**  
**to address climate change in the Pacific**

**BACKGROUND**

The Pacific Islands Forum Secretariat (Forum Secretariat or PIFS) and the European Commission Joint Initiative on climate change (the Joint Initiative) is intended to enhance and take forward the partnership between the Pacific ACP (PACP) countries and the European Commission, building on the 2008 Joint Declaration on Climate Change and recognising that:

- The Global Climate Change Alliance (GCCA) provides a platform for dialogue and exchange as well as practical cooperation in support of the international negotiations on an ambitious post-2012 climate change agreement and of effective measures at national and regional level. Through the Joint Initiative, the GCCA will further complement and strengthen the Pacific's regional mechanisms for fostering political dialogue and cooperation on climate change;
- There is a need for new and additional resources for action on climate change to help implement the Pacific Islands Framework for Action in Climate Change (PIFACC) at national, regional and international levels with particular attention to the following immediate priorities:
  - to support PACP country-identified adaptation programmes;
  - to improve conservation and management of natural resources and ecosystems;
  - to support PACP countries to introduce and maintain renewable energy and energy efficiency measures;
  - to assist the development of regional, national and local expertise for research and development on climate change;
  - to build PACP countries' capacities to undertake mitigation of and adaptation to global climate change impacts; and
  - to ensure the sound and efficient management of such new and additional resources.

## **1. OBJECTIVES, SCOPE AND GUIDING PRINCIPLES**

### **1.1. Objectives**

The objectives of the Joint Initiative are to:

- facilitate a common understanding and joint responses to climate change challenges in the Pacific, as well as more coordinated positions in view of ongoing and future negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) wherever possible; and
- facilitate the progress towards the agreed strategic priority of adaptation to climate change and pursue sustainable development strategies using both direct national and regional approaches.

### **1.2. Scope**

- (1) To build stronger political dialogue on climate change.
- (2) To contribute to making Pacific-European Union (EU) cooperation on climate change more effective.
- (3) To mobilise and support the effective coordination of international efforts on climate change around the Pacific.

### **1.3. Guiding Principles**

- (1) *Maximise impacts at national levels* – the combined impact of national and regional initiatives need to be seen in each PACP country with measurable levels of success.
- (2) *Enhanced regional coordination* – regionally delivered services on climate change need to add value to national level development outcomes and are to be coordinated through one common framework in line with the principles of the Cairns Compact on Strengthening Development Coordination in the Pacific (Cairns Compact).
- (3) *Role of Pacific Regional Organisations* – This MoU acknowledges:
  - the central role of the Forum Secretariat as the political Secretariat for Forum Leaders as well as the Regional Authorising Officer for EU funding under the Cotonou Agreement;
  - the important role played by other organisations of the Council of Regional Organisations of the Pacific (CROP), and in particular the CROP High Level Sub-Committee on Climate Change consisting of CROP Executives which was established in June 2010 with the objective of providing a high-level coordinating mechanism to strengthen and improve the coordination of all CROP activities in relation to climate change, to raise the profile of climate change ownership in the region as well as effectively projecting the regions' situation to the rest of the world.

## **2. AREAS FOR COOPERATION**

### **2.1. Stronger political dialogue**

Through the Joint Initiative the Forum Secretariat and the European Commission will seek:

- to prepare the ground for international negotiations by a better mutual understanding and, where possible, a bridging of positions between the EU and the Pacific Islands Forum members; and
- wherever possible, to build common policy approaches on climate-change-related issues of mutual concern.

### **2.2. More effective cooperation between the Pacific and the European Union**

The Joint Initiative is intended to:

- support efforts to reduce risks resulting from climate-change-related natural disasters and to adapt to climate change in the region, aiming in particular at increasing local capacities in such areas;
- support, where appropriate, mitigation efforts and strengthen efforts to implement appropriate sustainable climate change adaptation programmes in agriculture, environment, fisheries, forestry, human health, human settlements planning, education, water supply and sanitation, infrastructure and climate change statistics and indicators, to safeguard and enhance food security, ecosystem resilience and use of ecosystems to ensure a sustainable livelihood at national and regional levels;
- address the special needs of Pacific small islands developing States, and low-lying atoll islands of larger PACP countries;
- strengthen regional capacities in the area of renewable energy and energy efficiency;
- strengthen the voice of civil society and their active participation in addressing climate change issues;
- address climate change in a comprehensive and strategic manner and also with respect to security and potential conflicts linked to natural disasters and climate change;
- strengthen research cooperation and technological development on climate change and
- strengthen research and development and capacity building efforts to build human capital in PACP countries to address and sustain climate change programmes in the Pacific.

In order to support PACP countries in their efforts to address this wide range of challenges, the Forum Secretariat and the European Commission will promote efforts at country level to shape comprehensive national responses, reflected in climate change resilient strategies and budgets, which will in turn progressively create the conditions for the use of budget support as the most effective aid modality.

The Forum Secretariat and the European Commission will also support regional efforts to shape a new regional mechanism with the objective of facilitating, employing and harmonising donor assistance in the area of climate change and reducing the administrative burden and other constraints PACP countries are experiencing with accessing and utilising climate change international funding, in line with the work being undertaken to implement the Cairns Compact.

To that extent, the Joint Initiative will:

- facilitate PACP countries' access to international climate change funds but also provide a channel for international partners' contributions facilitating the provision and use of new and additional resources; and
- support the shaping of comprehensive national climate change resilient strategies and budgets, beyond the existing National Adaptation Programmes of Action (NAPAs) and the National Action Plans (NAPs) of PACP countries, and to complement, where appropriate, mitigation efforts.

The European Commission will:

- assist PACP countries in their efforts to accelerate eligibility for EU budget support;
- support capacity building within the region to accelerate climate change integration into national strategies and budgets and to identify sectors for strategic climate change action at country level;
- coordinate with the European Investment Bank in order to facilitate access to financial support from this institution towards eligible projects;
- explore innovative ways of financing climate change and facilitating aid delivery, and consider ways and means to support a regional mechanism if established;

To complement past and ongoing cooperation on climate change financed by the European Development Fund (EDF), amounts already allocated to the Pacific region by the EU under the GCCA in 2009 (€ 8 million) and 2010 (€ 11.4 million) will pave the way to the Joint Initiative.

### **2.3. Increased international support**

The European Commission is actively working towards implementing the outcomes of the 15<sup>th</sup> Conference of Parties to the UNFCCC (with respect to increase financial flows, as pledged in the Copenhagen Accord) and is keen to ensure that the EU's assistance is well coordinated with that of other donor countries to provide assistance to exposed and vulnerable communities in Pacific islands countries in their efforts at the international level to secure and access acceptable and sustainable global funding for climate change impacts and for adaptation.

Swift supply by the EU of 'fast start' financial assistance to developing countries is essential to addressing the urgent need in recipient countries' capacity development to address climate change. In this context, the Commission will engage with EU Member States to identify suitable options for them to contribute to the Joint Initiative.

### **3. MONITORING MECHANISMS**

The Forum Secretariat and the European Commission agree to:

- develop a plan for action to deliver on the objectives of this Joint Initiative;
- include climate change strategic policy matters in the agenda of their regular high level meetings ;
- nominate focal points for the Joint Initiative within the EU Delegation for the Pacific and within the Forum Secretariat and relevant CROP organizations; and
- jointly determine a set of measurable success indicators, comprising both coverage and outcome indicators against which the success of this initiative can be measured

This MoU does not create rights or obligations in international public law.

Done at

FOR THE EUROPEAN COMMISSION

FOR THE FORUM SECRETARIAT