



The Small Island Developing States (SIDS) Sustainable Energy Initiative - SIDS DOCK

BRIEFING NOTE

Background

SIDS DOCK is a SIDS–SIDS institutional mechanism established to facilitate the development of a sustainable energy economy within the small island developing states. SIDS DOCK development is being jointly coordinated by the Caribbean Community Climate Change Center (5Cs) and the Secretariat of the Pacific Regional Environment Programme (SPREP), with oversight from a Steering Committee comprised primarily of AOSIS Ambassadors to the United Nations and technical experts. The ultimate goal of SIDS DOCK is to increase energy efficiency by 25 percent (2005 baseline) and to generate a minimum of 50 percent of electric power from renewable sources and a 20-30 percent decrease in conventional transportation fuel use by 2033, some SIDS have announced more ambitious goals.

Collectively, all island states spend over USD 67 million each day for more than 900,000 barrels of oil (price of USD 75 per barrel), USD 90 million at USD 100 per barrel, USD 108 million at USD 125 per barrel, and USD 126 million at USD 140 per barrel. By providing SIDS with a mechanism to pursue sustainable energy, SIDS DOCK will make it easier for multilateral and bilateral organizations, private sector and donor countries to invest across multiple island states. SIDS DOCK will serve as a “*DOCKing station*” to increase SIDS access to international financing and technology, as well as a link to the European and USA carbon markets – within which the potential value of trading avoided GHG emissions is estimated to be between USD 100-400 billion, annually. The funds generated will help countries develop and implement long-term adaptation measures.

How SIDS DOCK will Work

SIDS DOCK has four principal functions:

1. Assisting SIDS with developing a sustainable energy sector, increasing energy efficiency and development of renewable energy resources;
2. Providing a vehicle for mobilizing financial and technical resources to catalyze clean economic growth;
3. Provide SIDS with a mechanism for connecting with the global carbon market and taking advantage of the resource transfer possibilities that will be afforded, and;
4. A mechanism to help SIDS generate the financial resources to invest in climate change adaptation.

Scientific evidence shows that small islands stand to suffer disproportionately from climate change impacts such as sea level rise and increased weather-related disasters, declining availability of freshwater and reduce availability of seafood. By developing their renewable energy sources and putting in place energy efficiency measures, the majority of SIDS have significant opportunities to reduce their overall fossil fuel consumption and thus improve their energy security, while at the same time promoting clean economic growth and lessening dependence on costly, imported petroleum fuels. SIDS are highly dependent on fossil fuels, and the majority spends in excess of 30 percent of their foreign exchange earnings, annually. Paradoxically, the vast renewable energy resources of SIDS remain undeveloped. For SIDS, converting renewable energy resources into economic benefits face a number of hurdles including limited availability of financial resources, institutional barriers including human capacity, and access to technology. Development of a sustainable energy sector in SIDS will, in addition to improving energy security and promoting economic growth, also bring about reductions in GHG emissions.

SIDS DOCK will be uniquely placed to work with private sector companies, universities and governments to facilitate research across a range of specific environmental settings, technologies and best practices. This will produce a cyclical effect, as the stabilization of clean energy infrastructures will attract increased private sector and foreign investment. Further, SIDS DOCK will also be able to make recommendations to AOSIS Member States on the optimal policy and legal framework necessary to encourage such investment. The associated assessments and research into policies, innovative approaches, and economic incentives will help to standardize and streamline the transition to a low carbon, highly efficient energy economy. SIDS DOCK will finance its operations through a combination of means including multi-lateral and bilateral grants, philanthropic support and income generation from selected endeavors.