

Financing a Just Maritime Transition for Pacific SIDS

Mobilizing Climate Finance for Green Electrification and Shipping Decarbonization

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Beyond Green, Sustainable Future

- 2024

- 30+ Young Professionals

- Climate Diplomacy Academy

- Green Bond Simulation (GBS)

- Cooperative Research Project (British Embassy Seoul)
- 2025

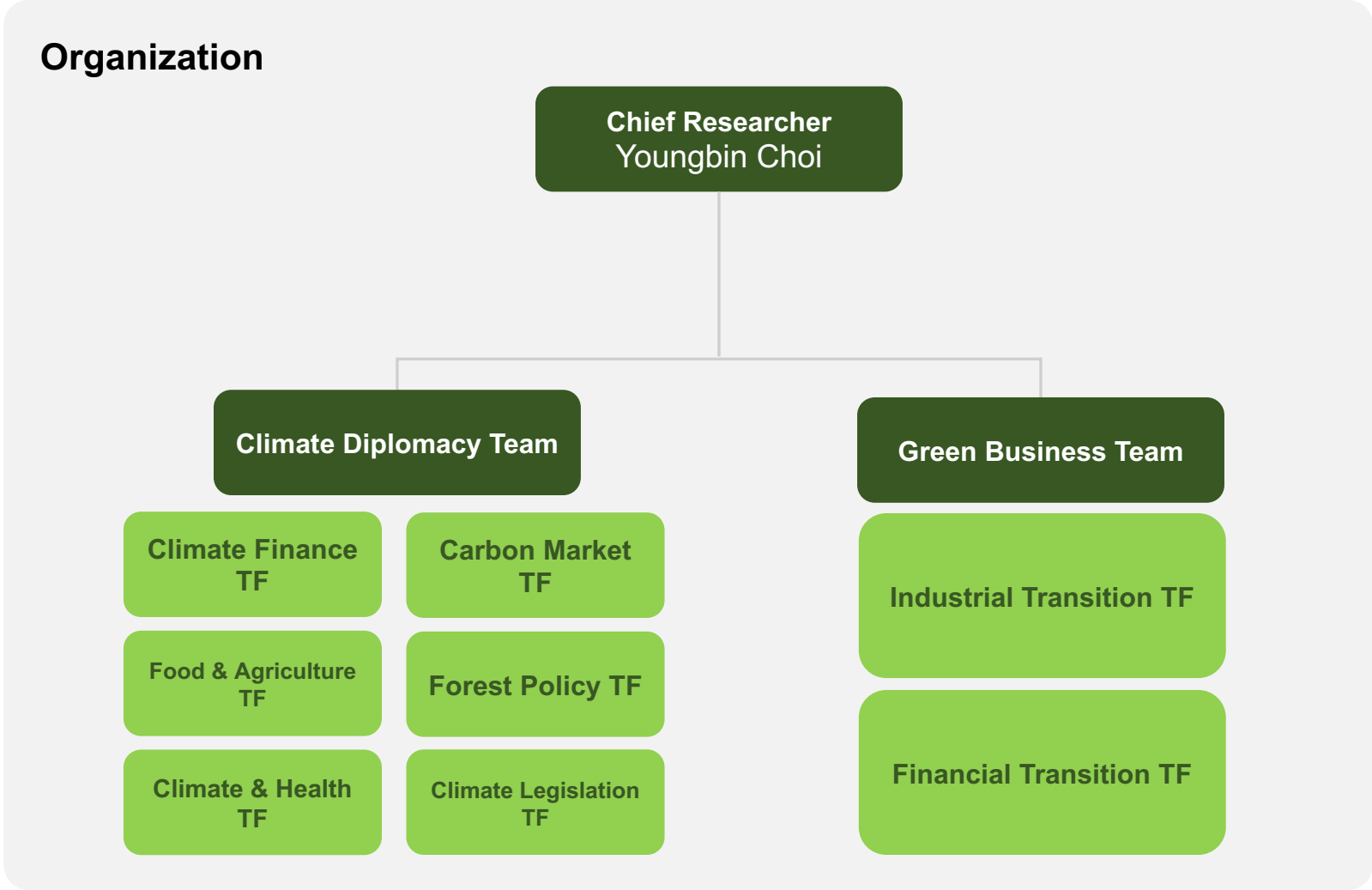
- 50+ Young Professionals

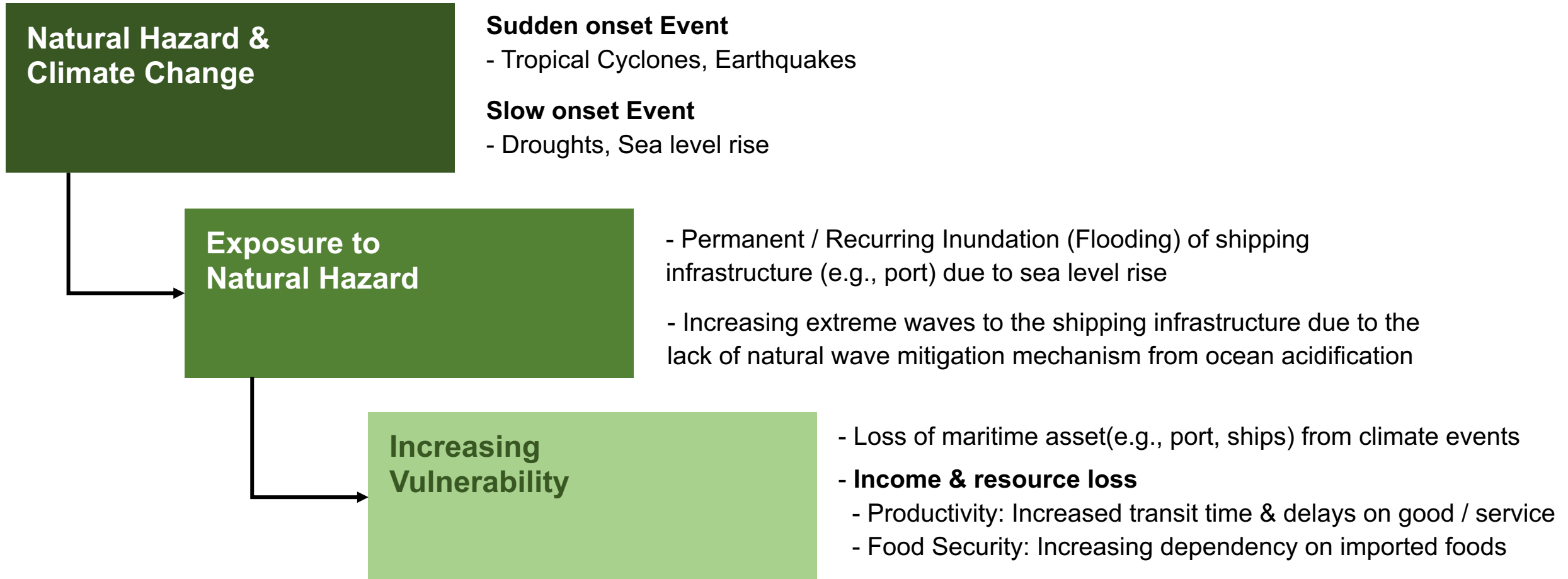
- Climate Policy Academy

- Cooperative Research Project (Embassy of Belgium)

- Cooperative Research Project (British Embassy Seoul)
- 2026

- 70+ Young Professionals





Source: By Author, referring to World Bank (2017), *Climate and Disaster Resilient Transport in SIDS*, p. 10, Figure 1.1., United Nations (2020), *CLIMATE CHANGE IMPACTS AND ADAPTATION FOR COASTAL TRANSPORT INFRASTRUCTURE: A COMPILATION OF POLICIES AND PRACTICES*, P.5., Wairiu, M., Nuttall, P., Sahib, M., Irvin, A., Iese, V., Stewart, J., & Glees, E. (2025). *Potential impacts of IMO GHG reduction measures on Pacific food security (Working Paper 004)*. Micronesian Center for Sustainable Transport. P.2.

Structural Constraints & Demands for minimizing vulnerability : Balancing of decarbonization and affordability



Structural Constraints

Geographic dispersion

- ➔ Increasing transportation costs
Fragmented connectivity

Economic vulnerability

- ➔ Increasing debt burden (e.g., Repayment)
Increasing investment risk for private sector

Lack of capacity & finance

- ➔ Shortages of skilled manpower
Hindering the decarbonized development



Demands of Pacific SIDS

Strengthening affordable connectivity

Minimizing the debt burden

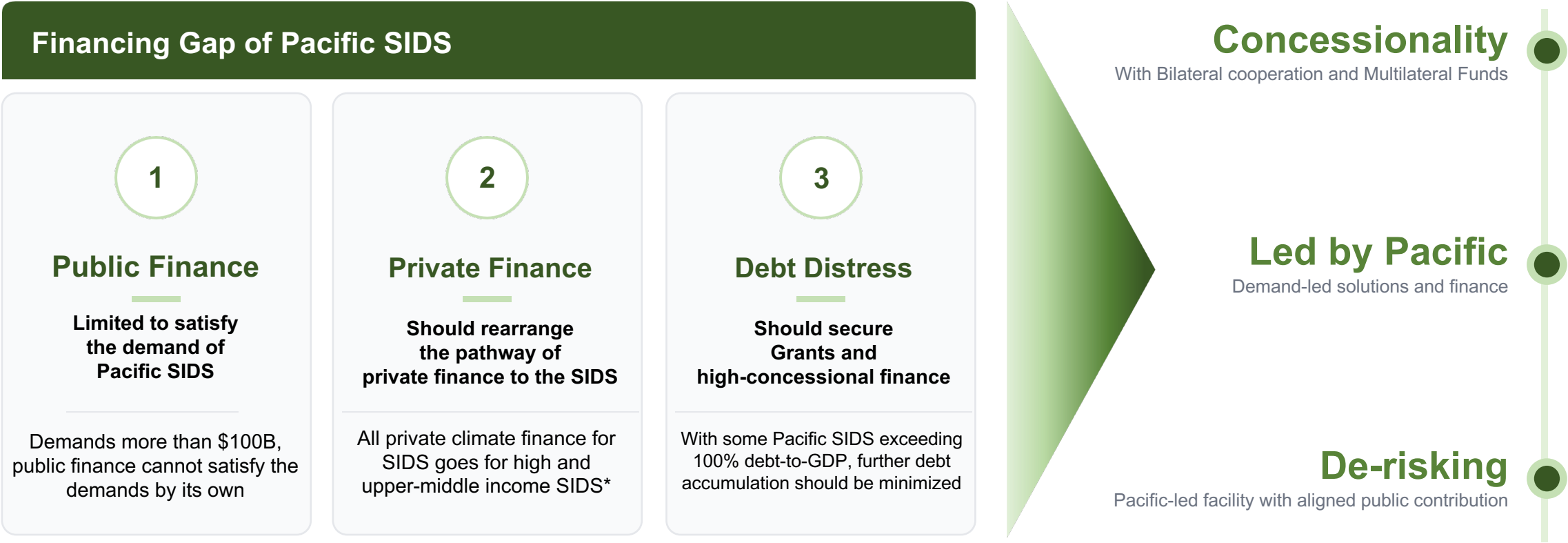
Accessibility on finance and capacity building



How to make a balance between decarbonization and affordability?

Source: By Author, referring to United Nations Economic and Social Commission for Asia and the Pacific. (2024). *The 2024 Asia-Pacific Dialogue on Sustainable Maritime Connectivity: Conclusions*. P.2.,

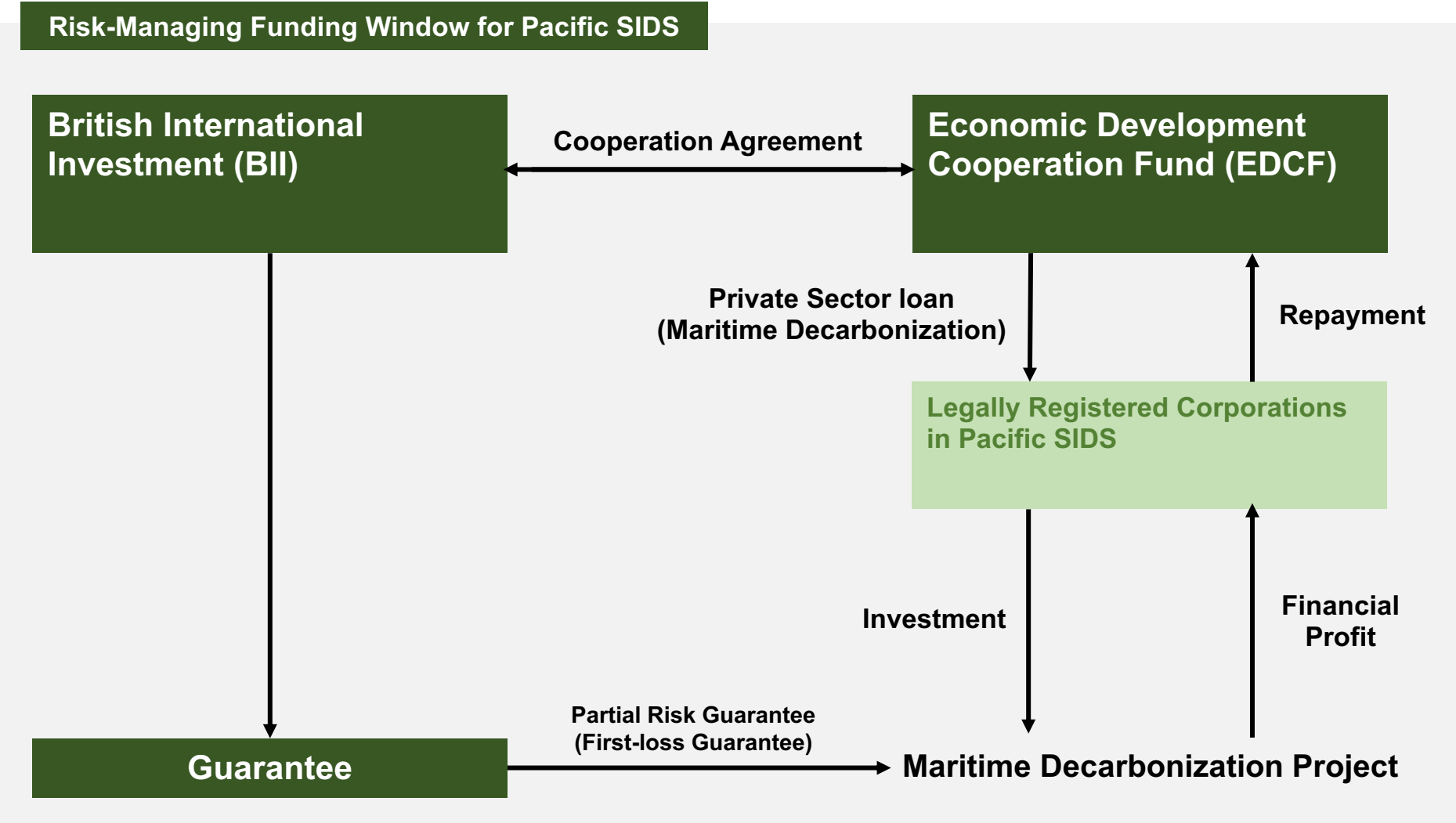
By Pacific, With International Society: Leveraging Funding Window for Pacific SIDS



Source: By Author, referring to Climate Policy Initiative (2024). *Global Landscape of Climate Finance 2024: Insights for COP29*. P.2.,

GBSI Solution development for bridging the financing gap

: EDCF - BII Funding Window for Pacific SIDS



Concessionality



Partially secured

High concessional but still "Loan"

Led by Pacific



Partially led

Financing by External Stakeholders,
Doing by Pacific Stakeholders

De-risking



Effective

Tranche-based structure
with first-loss guarantee

How to make ‘Led by Pacific, Doing by Pacific’ initiative?

| **Pacific Blue Shipping Partnership (PBSP)**

Pacific-led, owned, and managed partnership
for maritime decarbonization

Specified on maritime decarbonization of Pacific SIDS
Whole-of-field approach: From Technology, To Capacity Building

But Needs to be scaling-up based on current experience (e.g., Juran Ae)

| **Pacific Resilience Facility (PRF)**

Pacific-led, owned, and managed
regional climate and disaster resilience financing

100% Grant-based financing for increasing climate resilience
Concrete Financing model with secured pledge for PRF

But Needs to adopt ‘Cross-cutting’ approach on maritime decarbonization

Source: By Author, referring to De Beukelaer, C., J.Taukäve, M.Sahib, et al. 2026. “Sailing Through Time: Building Pacific Maritime Resilience.” Global Policy1–12. <https://doi.org/10.1111/1758-5899.70135>,
Pacific Resilience Facility, Pacific Islands Forum (2025), CAPITALISATION MEMORANDUM BOOKLET



Source: By Author, referring to Green Climate Fund. (2016, November 24). FP036: Pacific Islands renewable energy investment program (Funding proposal)., Global Green Growth Institute. (n.d.). Pacific nations launch sustainable maritime transport program. <https://gggi.org/pacific-nations-launch-sustainable-maritime-transport-program/>, Pacific Islands Forum. (2025). Pacific resilience facility capitalisation memorandum booklet. Pacific Resilience Facility.

GBSI Special Roundtable on Climate Finance : Financing the Just Maritime Transition

Shipping decarbonization: How to finance to catalyze it?

- | Analyzing structural barriers & Breakthrough solutions
- | Insights on shipping decarbonization: Finance, Policy, and support

Financing the Just Maritime Transition: Blended Finance for Pacific

- | Strengthening access on climate finance & ensuring concessionality
- | Potential cooperation between Korea and Pacific: Public & Private

April 2026

Policy Dialogue with stakeholders

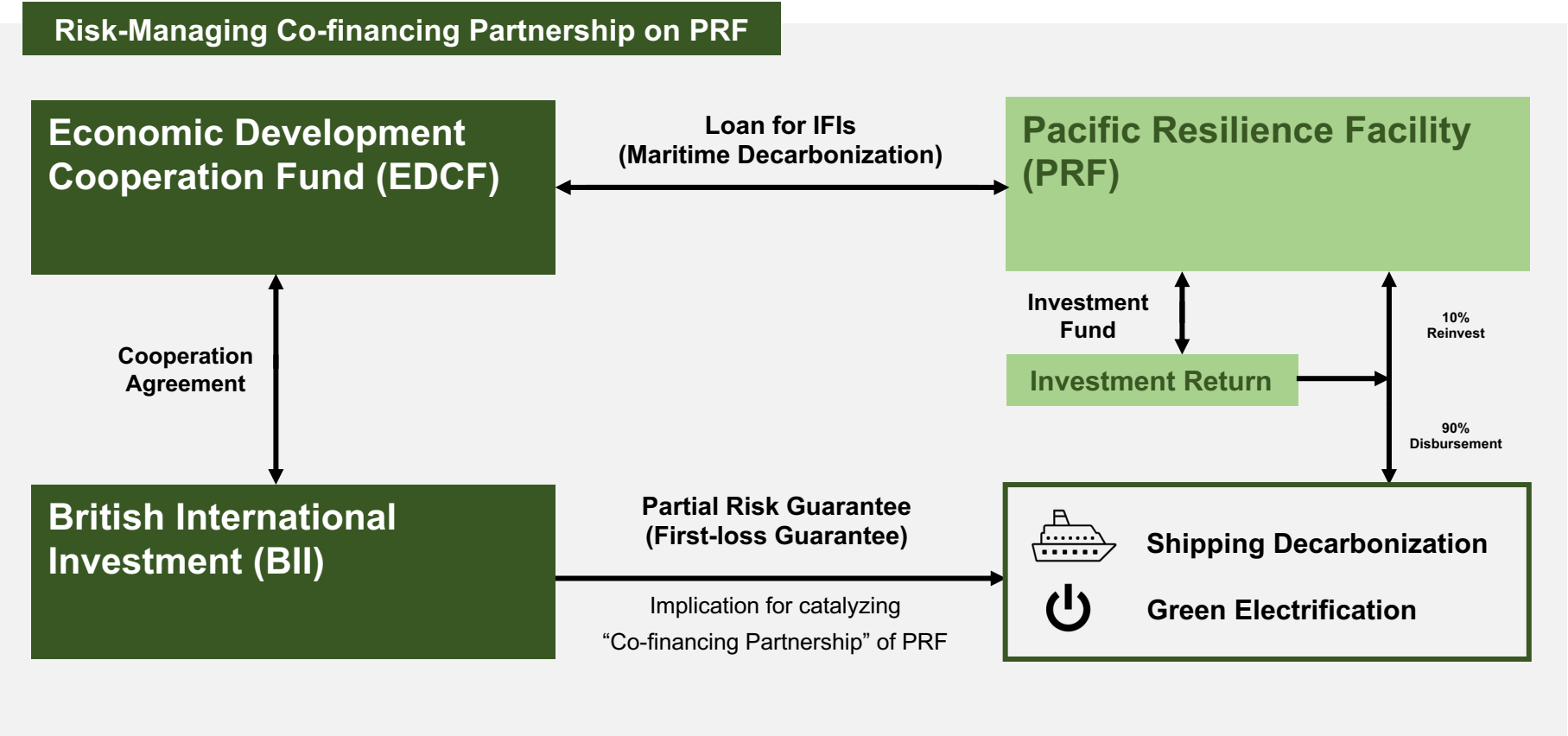
May-July 2026

Model Conference of Parties
(MCOP) – Youth engagement

November 2026

COP31 Engagement

(CONFIDENTIAL) GBSI Solution development for bridging the financing gap : EDCF - BII Funding Window for Pacific SIDS



- Major Issue**
- Interest rate setting for Loan for IFIs (국제금융기구에 대한 차관, 대외경제협력기금 운용관리규정 제14조, 제41조 및 동 규정 별표 1)
 - Decision of interest rate is based on the OECD DAC Classification on Income / ODA Availability, and the classifications of Pacific SIDS are different by each nation's status. => How to set interest rate (e.g., Average? Lowest?)



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