



The GTI Observatory

Manifesto of Gran Canaria

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Small island communities are among the most vulnerable to external shocks, due to their dependence on fossil fuels, as well as the necessity to import food and water and export waste. Their capacity to deal with increasingly complex challenges is often limited and depends on external technical and financial assistance.

Islands' structural disadvantages are now compounded by an unprecedented global polycrisis. Multiple, simultaneous, and interconnected crises, including accelerating climate change, the energy crisis, supply chain disruptions, rising debt costs, and the pandemic, are tightening the room for intervention.

In particular, islands are disproportionately affected by the worst effects of climate change, such as sea level rise, extreme weather events, and droughts, which already caused many of them to suffer extensive loss and damage. For such reasons, islands are also at the forefront of the struggle to mitigate and adapt to a changing climate.

Although awareness as to the benefits of renewable energy is increasing worldwide, particularly in regard to its role in ensuring power supply security and energy systems' resilience, the share of renewables in islands' electricity mix generally remains low, contributing to making power generation expensive and insecure. Similarly, the deployment of innovative sustainable solutions across all sectors of the island economy faces significant barriers.

The current context demands that governments raise ambition and increase commitments to protect islands, advancing their resilience and self-sufficiency. Islands crucially need stronger representation on global stages and key international forums to join their voices into a single, louder one.

2023 is a pivotal year, as COP28 marks the first Global Stocktake, a comprehensive assessment of the progress made in achieving the goals of the Paris Agreement and of the gaps to be filled. Furthermore, the loss & damage fund agreed upon at COP27 is detailed, structured, and implemented during the year. The GTI Observatory has already issued a recommendation for such an instrument to be dedicated with priority to SIDS and islands in general.

In order to achieve net zero by 2050 and adapt to the long-lasting effects of climate change, islands need massive investments in physical assets and innovation. The potential opportunities are vast, yet mobilizing capital for renewable infrastructure and green innovation requires major regulatory and policy reforms. The GTI Observatory Report 2022 and the Observatory Summit of February 2023 focused particularly on islands' policy and financing challenges.

The GTI Observatory Manifesto of Gran Canaria addresses the need and urgency for a programmatic transition agenda for islands, identifying key priorities and setting forth recommendations in an action-oriented, multistakeholder approach. The objective of the following priority actions is to outline an ideal island model, with 100% renewable energy at its core, to boost islands' self-sufficiency and sustainability. Besides, as laboratories of innovation, islands can pave the sustainability path for the mainland.

5 priority actions to accelerate islands' sustainability and self-sufficiency

- 1. Accelerate the deployment of renewables and storage systems through streamlined permitting, improved market conditions, and increased social acceptance, to achieve energy security and enhance resilience while reducing costs**

Islands should exploit all renewable sources available, with the objective of establishing a diversified mix. Renewable energy deployment must be coupled with the most suitable energy storage solutions according to the system's needs, to maximize the integration of

variable renewables and ensure grid stability and flexibility. System integration is a high priority for islands to incorporate renewables, distributed generation, energy storage, demand response, and maximize self-consumption. The energy transition can create new flourishing economies and unlock significant savings.

This requires different sets of actions:

- a. Streamline permitting and authorization procedures for installation and connection to the grid, including quick identification of suitable land and seabed and set up of one-stop shops for permits;
- b. Improve market conditions for large and small-scale RES projects, including implementation of clear and transparent auctions, guaranteed PPAs, reasonable tariffs, and easier-to-obtain and better-targeted incentives and tax breaks;
- c. Increase social acceptance with powerful and focused campaigns to raise awareness about the benefits of renewable energy (such as job creation, higher gender equality, improved health, and others), as well as effective involvement of local stakeholders in decisions and planning;
- d. Implement (or effectively transpose) regulation of energy communities and collective self-consumption, starting from net-metering.

2. Acknowledge and empower the synergies of renewables and clean technologies with other sectors beyond energy, to decarbonize the whole economy and improve water and food security

Through RES, islands should exploit the energy nexus with water, agriculture, waste, mobility, tourism, and more sectors, deploying the most innovative technologies in an integrated sustainability approach. This can lead, among others, to lower servicing costs, more secure and higher-quality water and food supply, and improved environmental conditions. At the same time, energy efficiency actions should be enhanced across all sectors. Further cost reductions can be obtained through the optimization of the innovation process, by sustaining R&D and pilot projects, sharing knowledge, and replicating best practices.

3. Upgrade and modernize island infrastructures to allow for higher penetration of renewables and innovative clean technologies

Islands' power grids need to be able to sustain broader electrification, higher flexibility, and decentralization of electricity generation, especially in the case of non-interconnected islands. Digitalization of the network, exploitation of the broad range of energy storage solutions available, including residential/small-scale and hybrid energy storage systems, and integration of EV charging infrastructure can maximize self-consumption and reduce grid stress while paving the way to smart grids and clean transportation. Furthermore, the water distribution grids also need extension and upgrade to minimize losses and reach more consumers and users, as well as to exploit the potential of innovative desalination and treatment technologies. The same concepts can be applied to the whole island infrastructure, such as upgrading roads to make them safer and opening dedicated paths to cycle and walk.

4. Unlock finance by creating enabling investing environments through increased transparency and security of regulatory frameworks, and improved market design

To accelerate deployment of renewables and innovative sustainable solutions, islands need broader access to finance. However, several significant barriers often discourage investors, including complex bureaucracy and uncertain legislative and regulatory frameworks. Projects should be evaluated as a whole, considering the entire process, from feasibility studies to design, from planning to financing, from implementation to management and operation, in order to properly assess and mitigate barriers and bottlenecks. Small islands often lack scale to make investments attractive. This can be mitigated by merging multiple projects across locations/regions or different islands to increase scale and engage single investors. Effectively employing long-term market mechanisms such as auctions, power purchase agreements (PPAs), contracts for difference (CfDs), and Feed-in tariffs, can provide higher transparency, reduce risks, and

result in increased project bankability, hence attracting more investors. Through public-private partnerships, resources can be pooled, and risk shared, especially in the case of innovative and small-scale projects. It is also time to end all subsidies to fossil fuels and reallocate available funds to incentivize islands' clean energy transition.

5. Stimulate and support behavioural transitions towards a paradigm shift in living and experiencing the islands

All the above requires behavioural changes both of tourists and residents to assume new approaches to waste management, transportation, and food, water, and energy consumption, and ultimately reduce the overall human footprint on islands. Increased involvement of the local populations, improved communication and awareness-raising campaigns, and collaboration of diverse stakeholders are crucial. Tourism needs to become more sustainable and inclusive of the local communities, developing innovative multisectoral business models and capitalizing on, empowering, and protecting islands' unique natural and historical heritage. Besides growing island economies, such transitions will ultimately lead to better environmental/health conditions and social integration.



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