Australian Government

Submission to the first Technical Dialogue of the Global Stocktake

1 April 2022

Australia welcomes the opportunity to provide input in advance of the first Technical Dialogue of the Global Stocktake. We value the Global Stocktake as a vital part of the Paris Agreement mechanism to increase ambition over time and achieve the Agreement's collective goals.

We look forward to engaging in the Technical Dialogue to assess collective progress towards achieving the goals of the Paris Agreement, including those listed under Article 2.1 of the Agreement and the global goal on adaptation established by Article 7.1. We also look forward to considering related issues, including the social and economic consequences and impacts of response measures, as well as averting, minimising and addressing loss and damage.

In its assessment of collective progress, the Global Stocktake considers information relating to the implementation and achievement of Parties' nationally determined contributions. Australia considers that the Technical Dialogues should pay appropriate attention to the implementation of commitments to ensure we accurately understand the collective progress made against the Paris Agreement's goals. Emphasis on implementation as well as commitments will allow participants and observers of the Global Stocktake to benefit from lessons learnt in implementing climate policies.

Ambitious commitments properly implemented can incentivise progress not only in terms of the domestic economy, but globally. In other words, attention to implementation allows us to highlight how collective progress towards our goals can be made.

A global stocktake that includes discussion of lessons learnt from implementation would also assist parties in the development of policies, implementation of commitments and in developing ambitious post-2030 Nationally Determined Contributions.

In this regard, Australia is pleased to share its experiences in implementation that supports collective progress. We would be happy to have the opportunity to provide more details during the Technical Dialogue.

Low Emissions Technology Partnerships

Getting low emissions technologies to cost parity with existing, higher-emitting approaches will be critical in order for the world to achieve the 'rapid and far reaching' transitions called for in the IPCC's 2018 *Special Report on Global Warming of 1.5 °C*. Deployment and scale will be some of the most important factors in determining the speed of adoption of these technologies.

To make collective progress towards mitigation goals through development and deployment of low emissions technologies requires cooperation across jurisdictions.

Australia has committed $AU 565.8 million to support international partnerships on low emissions technologies. Cooperation with strategic and trade partners will advance development of low emissions technologies, create new economic and employment opportunities, strengthen international research and industry connections, and ultimately, reduce global emissions.

So far, the Australian Government has established partnerships with Germany, Singapore, Japan, the Republic of Korea, the United Kingdom and India. Each partnership focuses on technology areas where international collaboration can leverage respective strengths and priorities to accelerate technology development and deployment.

As an example, the Australia-Germany Hydrogen Accord advances cooperation to accelerate development of a hydrogen industry. The Accord includes three major initiatives: establishing the German-Australian Hydrogen Innovation and Technology Incubator, with Australia and Germany respectively contributing up to $50 million and €50 million to the initiative; exploring options to facilitate trade of hydrogen produced from renewables from Australia to Germany; and facilitating industry-industry cooperation in Australian hydrogen hubs. The Accord builds on respective strengths, with Australia looking to be a major hydrogen exporter and Germany holding expertise in hydrogen technology and planning to import significant quantities of hydrogen in the future.

Our international partnerships on low emissions technology are advancing and supporting the goals of Australia's Technology Investment Roadmap. The Roadmap is an investment strategy to accelerate the development and commercialisation of new and emerging low emissions technologies. It has identified six priority technologies and set economic stretch goals for each. These stretch goals represent ambitious, but realistic, targets at which priority low emissions technologies are expected to reach cost parity with existing high emissions alternatives. Accelerating uptake of these technologies will contribute to emissions reductions both here in Australia, and globally. Australia's priority technologies, and their associated economic stretch goals, are:

- Clean hydrogen — production under $AU 2 per kilogram
- Ultra low-cost solar – solar electricity generation at $AU 15 per MWh
- Low emissions materials — steel production under $700 per tonne and aluminium under $AU 2,200 per tonne
- Energy storage — electricity from storage for firming under $AU 100 per MWh
- Carbon capture and storage (CO2 compression, hub transport and storage) – under $AU 20 per tonne of CO_2
- Soil carbon measurement – under $AU 3 per hectare per year.

These targets, and dates when they may be met, have been included in Australia's NDC updated in 2021.[1] Australia will track progress against these goals through annual Low Emissions Technology Statements. The Technology Investment Roadmap and annual statements form a key part of Australia's long term emissions reduction strategy. Under a Technology Investment Roadmap-aligned scenario, Australia will reduce emissions by up to 35% by 2030.

The Roadmap will guide at least $AU 21 billion of Australian Government investment in low emissions technologies over the decade to 2030, which is expected to drive more than $AU 84 billion in total public and private investment over the same period. This approach will create new economic

[1]https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Australia%20First/Australia%20NDC%20recommunication%20FINAL.PDF

opportunities, expand low emissions industries, help Australia export low emissions technology and energy solutions to the world, contributing to reducing global emissions.

Indo-Pacific Carbon Offsets Scheme

International carbon markets are an important tool for supporting the transition to a low carbon global economy, including by attracting private sector investment to low emissions technologies. IETA's 2019 study "The Economic Potential of Article 6 of the Paris Agreement and Implementation Challenges" estimated that international trade under Article 6 of the Paris Agreement could reduce the cost of implementing countries' NDCs by around $US 250 billion per year in 2030, with re-investment of these savings resulting in 5 gigatonnes of additional abatement per year in 2030.[2]

Australia has committed $AU 104 million to establish an Indo-Pacific Carbon Offsets Scheme (IPCOS) aimed at generating high-integrity carbon offsets that incentivise mitigation activity across our region. IPCOS will help to boost private and public investment in climate action and practical projects in the Indo-Pacific, as well as enhance the ability of partners to meet and report against their Nationally Determined Contributions.

Fiji and Papua New Guinea signed agreements to become Australia's first international scheme partners at COP26 in Glasgow.

Projects like IPCOS also contribute to our collective progress in aligning financial flows with low greenhouse gas emissions and climate resilient development as set out in Article 2.1 of the Paris Agreement by boosting host countries' ability to access to financial flows.

Adaptation

Australia is on working with international partners, particularly in the Indo-Pacific region, to address climate impacts. Through engagement and learning, we have developed significant technical adaptation expertise that we actively share in our region to contribute to collective progress on the global goal on adaptation.

This includes taking practical and scientifically informed adaptation action that focusses on social inclusion, empowering the most vulnerable, including women, youth, indigenous and those with disabilities.

Over 70 per cent of Australia's bilateral and regional climate finance to date, has been focused on climate adaptation. For example, our Climate and Oceans Support Program in the Pacific is supporting the 14 Pacific Island Meteorological Services to monitor, analyse and communicate information about climate and oceans, while our $2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFP) is funding the design and delivery of key climate resilient infrastructure.

Australia also released our first Adaptation Communication at COP26 and view it as an important contribution to the Global Stocktake. It steps out our domestic and international efforts to date on climate adaptation, outlining our practical action and sharing lessons and experiences. We look forward to sharing our lessons in more detail in the upcoming technical workshops.

We acknowledge the importance of assessing adaptation progress as part of the Global Stocktake. Under the Glasgow-Sharm el-Sheikh work programme on the global goal for adaptation, Australia is

[2] https://www.ieta.org/resources/International_WG/Article6/CLPC_A6%20report_no%20crops.pdf

preparing inputs and working collaboratively to ensure approaches to assessing adaptation progress reflect good practice and are country-driven and context-specific.

We have also signed up to the Champions Group on Adaptation Finance where we are focussing on the quality of adaptation to advance collective action, and look forward to sharing our experience and expertise.

Australia is also contributing to collective progress towards averting, minimising and addressing Loss and Damage. Australia is engaging with partners to identify areas for future action, to improve access to finance, technology and capacity building, and to enhance the effectiveness, quality and impact of our investments. We support efforts to enhance the alignment of the humanitarian and development systems of the UN, in order to achieve better outcomes for vulnerable people. Our work has a focus on enhancing regional approaches, and raising the profile of gender and social inclusion in our climate programs.

Finance flows for low emissions, climate resilient development

Making financial flows consistent with low emissions, climate resilient development is a crucial element of supporting collective progress towards the Paris Agreement goals. Climate finance is critical also to supporting developing countries to address climate change. Article 9.3 of the Paris Agreement speaks to the collective global effort required on climate finance while underscoring the important role played by public finance.

Since the 2009 establishment of the collective USD 100bn goal, developed countries have remained committed to providing and mobilising climate finance. The annual OECD reports on Climate Finance Provided and Mobilised by Developed Countries for Developing Countries reflects a consistent increase in climate finance since 2013. These annual OECD reports also demonstrate a doubling of adaptation finance provided by developed countries and a 150 per cent increase in public multilateral funding. The most recent OECD report released in October 2021 show countries are projected to reach this goal in 2023.

A global transition to a low-emissions, climate-resilient global economy will require trillions of dollars, which cannot be delivered through public finance alone. It requires action by all countries and finance providers both public and private, to mobilise and align finance flows with low-emissions, climate-resilient development. The Paris Agreement recognizes this reality and reflects this in Article 2.1c as one of the three long term goals. Article 2.1c reflects the full scale of the financing effort that is required to address climate change by 'making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development'. The UNFCCC Standing Committee on Finance (SCF) Biennial Assessment (BA) on Climate Finance Flows presents information related to Article 2.1c and the 2020 BA (covering 2017-2018) includes for the first time a dedicated chapter on mapping available information related to Article 2.1c.

As part of the Glasgow outcome, the SCF was mandated to undertake further work on mapping the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement with a view to providing input for consideration by COP27.

Australia is rapidly scaling up our climate finance commitments to contribute toward the collective effort, doubling our total climate finance contribution from $AU 1 billion over 2015-2020 to $AU 2 billion (2021-2025). This includes a strong focus on the Pacific region, with $AU 700 million in support of our Pacific neighbours to strengthen resilience to climate impacts and help deploy renewable energy infrastructure.

In recognition of the essential role private sector plays, Australia is also looking at deploying new and innovative ways to mobilise private investment. Initiatives such as the $AU 140 million Australian Climate Finance Partnership (ACFP) are directly working to catalyse significant private investment into adaptation and mitigation solutions across our region. ACFP's initial $US 10 million investment in a Southeast Asia sustainable forestry fund will help mobilise a total fund size of $US 300 million and directly contribute to biodiversity, climate and livelihood outcomes associated with the fund's activities.