



Australian Government

Submission on Elements for the Consideration of Outputs component of the first Global Stocktake

20 September 2023

This submission is a response to the invitation made by the SBSTA and the SBI to present views on elements for the consideration of outputs component of the first Global Stocktake. Australia welcomes the opportunity to provide our views and thanks the co-chairs for their preparation of the indicative draft structure of the CMA5 decision on the Global Stocktake, agreed to during the fifty-eighth session of the subsidiary bodies.¹ We request the Secretariat consider this submission alongside Australia's earlier submission on the Consideration of Outputs component of the first Global Stocktake (17 March 2023)² when preparing the Synthesis Report.

Summary reports from the technical dialogues to the first Global Stocktake revealed that while much progress has been made, we are not on track to achieve the Paris Agreement's goals, including to keep 1.5 degrees of warming within reach.³ The 'elements for the consideration of outputs' component of the Global Stocktake must therefore deliver a package of outcomes that lead to increasing ambition and action from all major economies, in light of their capabilities and nationally determined pathways. Australia stands ready to support the COP28 Presidency in delivering ambitious and concrete outcomes under the first Global Stocktake.

The submission is intended to clearly lay out the elements Australia expects to see in a Global Stocktake decision text. It is structured as follows: part one lays out Australia's views of the goals of the Paris Agreement, which we believe the decision on the Global Stocktake should be written to reflect. Part two is divided thematically in accordance with the informal note agreed to at the fifty-eighth meeting of the Subsidiary Bodies, with italicised text reflecting elements Australia wishes to prioritise in the decision to be agreed to at the twenty-eighth Conference of the Parties (COP28). This is not intended to be read as precise decision text but rather text illustrative of a particular concept we expect to see. We then substantiate our support for each of these elements beneath. For major sections critical to the achievement of the goals of the Paris Agreement – those being the sections on Mitigation, Adaptation, Financial Flows and Means of Implementation – we have structured our elements into backward- and forward-looking elements (named 'Priorities to date' and 'Priorities for action', respectively), to reflect the Global Stocktake's mandate to assess collective progress and inform future action.

¹ Available at <https://unfccc.int/documents/630104>.

² Australian Government, [Submission on the Consideration of Outputs component of the Global Stocktake \[PDF 320KB\]](#), United Nations Framework Convention on Climate Change (UNFCCC), 20 March 2023, accessed 11 September 2023.

³ [Summary report on the third meeting of the technical dialogue of the first global stocktake under the Paris Agreement](#), UNFCCC, 15 August 2023, accessed 1 September 2023; [Summary report on the second meeting of the technical dialogue of the first global stocktake under the Paris Agreement](#), UNFCCC, 31 March 2023, accessed 1 September 2023.

It should be noted that Australia considers the below elements to be part of a substantive package, and our position on elements should be considered collectively rather than in isolation.

1. Mandate for Elements for the Consideration of Outputs component

The Global Stocktake was established under Article 14 of the Paris Agreement for Parties to ‘assess the collective progress towards achieving the purpose of this agreement and its long-term goals ... considering mitigation, adaptation and the means of implementation and support’.⁴ Australia considers the goals of the Paris Agreement as those set out in Articles 2.1a-c and the global goal of adaptation, as set out below (emphasis added):⁵

- 2.1 a) *Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;*
- b) *Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and*
- c) *Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.*
- 7.1 *Parties hereby establish the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2.*

We therefore believe an outcome on the Global Stocktake should give primacy to the goals of the Paris Agreement as its key elements, with its outputs focusing on the associated mechanisms by which Parties progress these goals. This is consistent with the purpose of the Global Stocktake to:

‘... inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action.’⁶

Australia considers mitigation, adaptation and means of implementation and support as the thematic areas of action needed for Parties achieve the goals of the Paris Agreement, as set out in Article 2.1(a)-(c) and Article 7.1.

2. Elements for the decision

Australia considers that the structure appended to the conclusions of SBSTA58 item 8 / SBI58 item 7 is adequate to shape a decision by the CMA on the first Global Stocktake, noting our preference for parties to focus more directly on the Paris Agreement’s global goals, as outlined above. The sections below have therefore been labelled with reference to the structure agreed to by Parties and published in the informal note.⁷

⁴ Paris Agreement (Paris, 12 December 2015) [2016] UNTS 3156, Article 14.1.

⁵ Paris Agreement, Article 2.1(a)-(c) and 7.1.

⁶ Paris Agreement, Article 14.3.

⁷ Available at <https://unfccc.int/documents/630104>.

B) Context and Cross-cutting Considerations

We consider the following elements as significant cross-cutting considerations that should be included in the CMA decision on the first Global Stocktake. As these considerations inform the implementation of various articles of the Paris Agreement, we believe achieving consensus on these issues is an important aspect of advancing progress across the goals of the Paris Agreement.

i. Recognising the findings of the Intergovernmental Panel on Climate Change (IPCC) as the best available science, including its Sixth Assessment Report (AR6).

The Global Stocktake is mandated to undertake its activities ‘in light of equity and the best available science’.⁸ Australia is grateful for the inputs of the IPCC, including its AR6 Synthesis Report and related presentations provided by IPCC members as part of technical dialogue process. The Synthesis Report makes clear that to limit warming to 1.5 degrees, all countries will need to pursue deep, rapid and sustained emissions reductions in this critical decade.⁹ Australia joins the Chair of the IPCC, Hoesung Lee, in considering the AR6 Synthesis Report “a fundamental policy document for shaping climate action” and the world’s most comprehensive and robust assessment of climate change to date.¹⁰

Australia supports the incoming Presidency’s agenda for COP28, including their characterisation of the first Global Stocktake as an opportunity for course-correction, and ‘the turning point we need on climate action over this critical decade’.¹¹ Any credible approach to the first Global Stocktake must echo the findings of the IPCC’s AR6 Synthesis Report in identifying significant shortfalls in action and ambition and calling on Parties to bridge the gaps necessary to achieve the goals of the Paris Agreement, including to keep 1.5 degrees within reach.

ii. Equity has been considered by Parties in a cross-cutting manner throughout the Global Stocktake, and should enable strong action by Parties toward the achievement of the Paris goals, including the provision that Parties’ nationally determined contributions represent their highest possible ambition.

As indicated in our submission of 17 March 2023,¹² Australia considers equity to be a crucial issue in the Global Stocktake, noting that parties are at different stages of development, and enjoy the right to nationally determined development pathways. With these facts in mind, we continue to call for an approach to equity that takes into account the respective capabilities of Parties to the Paris Agreement as they exist in 2023, and acts as an enabler to the degree of ambition necessary to achieve the Paris goals.

iii. Welcoming the diverse experiences and perspectives of women and girls, children, youth, older persons, persons with disabilities, Indigenous Peoples, migrants, and others in vulnerable situations as critical inputs to securing ambitious, inclusive and equitable outcomes under the Global Stocktake.

⁸ Paris Agreement, Article 14.1.

⁹ IPCC, [Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#), IPCC, 2023, doi: 10.59327/IPCC/AR6-9789291691647.

¹⁰ IPCC, [‘IPCC meets to approve the final component of the Sixth Assessment Report’](#), IPCC Press Release, 13 March 2023, accessed 10 August 2023.

¹¹ [Message from the President-Designate of COP28/CMP18/CMA5, and UAE Special Envoy for Climate Change - COP 28 Vision \[PDF 23.85MB\]](#), UNFCCC, 13 July 2023, accessed 12 September 2023.

¹² See Australian Government, *Submission on the Consideration of Outputs component of the Global Stocktake*.

The inclusion of Indigenous science, knowledge and practices formed over many millennia is key to designing a sustainable future for all and achieving climate change solutions. Alongside Indigenous Peoples, women and girls, gender diverse people, children and youth, and people with disabilities are often disproportionately and negatively affected by the impacts of climate change. Prevailing inequalities may also limit their agency and ability to mobilise resources to shape decisions and influence policy. Enabling the full, equal and meaningful participation and leadership of people living in vulnerable situations requires their action and decision-making at all levels, and is therefore key to securing an inclusive and equitable outcome under the first Global Stocktake.

iv. Welcome the crucial inputs of non-party stakeholders, acknowledging that they will undertake much of the activity required to achieve the goals of the Paris Agreement.

The inputs of non-party stakeholders to the Global Stocktake have been invaluable to better understand progress towards the goals of the Paris Agreement, and particularly the actions needed to fill the gaps towards the fulfilment of those goals. The technical dialogues under the first Global Stocktake have highlighted that initiatives by non-Party stakeholders can strengthen efforts for systemic transformations, including by driving investment and economic activity towards climate-resilient development.

v. Recognising the interlinkages between climate change and other global environmental crises, including biodiversity loss, and encouraging climate action that pursues co-benefits for biodiversity, thereby accelerating the global response to these interlinked crises.

Australia emphasises that climate change and other global environmental crises, including biodiversity loss, are intrinsically linked. This is both in terms of the impacts of climate change on biodiversity, and the role of nature and ecosystems, including forests, the ocean and the cryosphere, and in climate mitigation and adaptation action. The connections between climate change and other global environmental priorities should be further explored, and holistic approaches to climate change action that can deliver co-benefits for biodiversity should be pursued to accelerate the global response to these interlinked crises.

C.1) Mitigation

Australia emphasises the urgency of the global climate crisis and the critical importance of holding the increase in the global average temperature to 2 degrees above pre-industrial levels and pursuing efforts to limit this to 1.5 degrees, recognising this would significantly reduce the risks and impacts of climate change.¹³ Global surface temperatures have already increased by 1.1 degrees,¹⁴ and the science is clear that every additional increment of a degree will intensify hazards, reduce feasible adaptation options, and increase the risk of loss and damage.

As made clear by the IPCC's AR6 and the technical dialogues of the first Global Stocktake, we are not on track to achieve these goals. The coming years will be crucial, and we must take every opportunity to accelerate our efforts and bridge gaps in both mitigation ambition and implementation. Foremost amongst the findings of the IPCC's AR6 Synthesis Report is the gap between commitments in Nationally Determined Contributions (NDCs) and pathways consistent with keeping 1.5 degrees within reach. The first Global Stocktake must provide the impetus to begin closing these gaps, while the opportunity provided by the Global Stocktake to 'course-correct' remains within reach.

¹³ Paris Agreement, Article 2.1(a).

¹⁴ IPCC, *Climate Change 2023: Synthesis Report*, p.42.

a) Progress to date

- i. ***Absolute global emissions have continued to grow over the past three decades, though in relative terms, the rate of emissions growth has slowed.***

Australia notes the findings from the first Technical Dialogue that ‘global emissions have continued to grow over the past three decades in absolute units, though in relative terms, the rate of emissions growth has slowed’.¹⁵ While we welcome the reduction in the growth rate of global emissions, the scale of the remaining effort required as shown in the technical dialogues makes it clear that Parties must set NDCs based on their *absolute* emissions reduction or limitation targets, with emissions or energy intensity targets considered complementary to Parties’ commitment to, and achievement of, their absolute targets.

- ii. ***While the Paris Agreement has successfully driven an uptick in Parties’ ambition, NDC commitments to date are not consistent with achieving its temperature goals.***

Compared to progress achieved under the United Nations Framework Convention on Climate Change, all Parties to the Paris Agreement have communicated NDCs that include mitigation targets and/or measures. A growing number of Parties have also communicated long-term low emissions development strategies.¹⁶ As shown in the second technical dialogue, however, increases in mitigation ambition and implementation still persist, and NDCs updated since COP26 ‘only partially offset emissions growth and are not yet in line with global modelled mitigation pathways’.¹⁷

b) Priorities for action

- i. ***All Parties’ 2035 NDCs should set ambitious absolute economy-wide emissions reduction or limitation targets, encompassing all greenhouse gases, with exceptions for Least Developed Countries and Small Island Developing States as appropriate.***

Including these elements in the first Global Stocktake will be critical for informing Parties’ 2035 NDCs to be communicated in 2025, and should guide Parties in their implementation of rapid and deep emissions reductions thereafter. As agreed under Article 4.3 of the Paris Agreement, NDCs should reflect Parties’ ‘highest possible ambition’ and ‘represent a progression’ beyond their current NDCs; the implementation of which will be necessary to keep 1.5 degrees within reach.

The IPCC’s AR6 Synthesis Report found that a 1.5-aligned pathway would require a reduction in global greenhouse gas emissions of 43 per cent by 2030 and 60 per cent by 2035 on 2019 levels, with limited or no overshoot (50 per cent probability).¹⁸ The CMA decision on the Global Stocktake must urge all parties to ensure their NDCs are consistent with a collective pathway to net zero by 2050, recognising that the 2025 NDC submission process is critical to global efforts to keep 1.5 degrees within reach.

Furthermore, a decision on the Global Stocktake should provide clear guidance to Parties to move towards economy-wide targets inclusive of all greenhouse gases, with exceptions for Least Developed Countries and Small Island Developing States. While developed country Parties have

¹⁵ [Summary report on the first meeting of the technical dialogue of the first global stocktake under the Paris Agreement \[PDF 2.7MB\]](#), UNFCCC, 10 October 2022, accessed 1 August 2023, paragraph 390.

¹⁶ [Synthesis report by the co-facilitators on the technical dialogue](#), UNFCCC, 8 September 2023, accessed 14 September 2023, paragraph 10.

¹⁷ *Summary report on the second meeting of the technical dialogue*, paragraph 34.

¹⁸ IPCC, *Climate Change 2023: Synthesis Report*, p.21.

taken the lead on this, 2035 NDCs are an opportunity for developing country Parties to operationalise their transition to economy-wide emissions reduction or limitation targets, in keeping with Article 4.4 of the Paris Agreement.

Finally, Australia notes that a sectoral focus is a useful approach to finding opportunities to raising ambition across the economy. Australia is developing six sectoral decarbonisation plans, which will feed into both Australia's Net Zero 2050 plan and also a strong 2035 emissions reduction target. These plans will cover all major components of the Australian economy for the Electricity and Energy; Industry; Resources; the Built Environment; Agriculture and Land; and Transport sectors. These plans will also be vital for the implementation of our future targets, as they will support investment in the decarbonisation of the Australian economy.

ii. *Encourage Parties who have not yet done so to increase the ambition of their 2030 NDCs, consistent with the call in 10-/CMA.3 and 1/CMA.4, and to align near-term mitigation targets with Parties' net zero emissions trajectories.*

As the summary report for the second Technical Dialogue notes, 'many Parties have set goals and communicated strategies aiming for net zero CO₂ or GHG emissions around or by 2050, yet in many cases near-term mitigation actions are not aligned with pathways to achieve these long-term targets.'¹⁹ It is essential that Parties close gaps in pre-2030 and pre-2050 ambition, with dwindling opportunities remaining to update 2030 NDCs and ensure their achievement. COP28 must provide this opportunity.

Australia has significantly increased the ambition of our 2030 NDC – from 26-28 per cent below 2005 levels, to 43 per cent below 2005 levels – recognising the need to urgently reduce emissions during this critical decade. Furthermore, this has been legislated as both a point target and emissions budget for 2021 to 2030, reflecting the IPCC's focus on the importance of pre-2030 emissions reductions to prevent exhaustion of the remaining carbon budget necessary to keep 1.5 degrees within reach.²⁰

iii. *Global emissions to peak as soon as possible and by 2025 at the latest, noting this will require ambitious and deep emissions reductions from all major economies.*

The Global Stocktake must provide clear and unambiguous guidance to all major economies to commit to peaking their greenhouse gas emissions as soon as possible to achieve a decline in global greenhouse gas emissions in the latter half of this decade, as agreed in Article 4.1 of the Paris Agreement. At the third Technical Dialogue, parties heard that peaking will need to occur 'between 2020 and at the latest before 2025' to retain a 50 per cent chance of limiting global warming to 1.5°C, with no or limited overshoot. Without absolute emissions reductions targets from all Parties, and especially major emitters, global greenhouse gas emissions are unlikely to peak. The decision on the first Global Stocktake must therefore refer to both peaking emissions and absolute reductions, if 1.5 degrees is to be kept within reach.

iv. *Call upon Parties to triple renewable energy capacity, double the rate of energy efficiency improvements and double green hydrogen production across sectors by 2030.*

Australia supports the UAE Presidency's call for a tripling of renewable energy capacity, a doubling in the rate of energy efficiency improvements and a doubling of low-carbon hydrogen production across sectors by 2030, including ramping up electrification, to enable the phase-down of fossil

¹⁹ Summary report on the second meeting of the technical dialogue, paragraph 34.

²⁰ IPCC, *Climate Change 2023: Synthesis Report*, p82.

fuels.²¹ Parties to the third Technical Dialogue welcomed the significant opportunities from scaling up renewables, including their cost competitive nature as the cheapest source of electricity, rapid deployment capabilities,²² and co-benefits, such as the creation of jobs and improvements to air quality and health.²³

To this effect, Australia is investing significantly to upgrade, expand and modernise Australia's energy system to unlock greater penetration of renewable energy and accelerate the decarbonisation of the grid. Australia has set a target to increase the portion of renewable energy in the grid to 82 per cent by 2030; a leap which will more than triple Australia's share of renewable energy in less than a decade. We are also developing a National Energy Performance Strategy to improve energy efficiency and accelerate electrification, and are taking swift action to support the growth of emerging clean energy industries, including low-carbon hydrogen and critical minerals.

v. *Commit to accelerate the phase-out of unabated fossil fuels including through a rapid acceleration in the deployment of renewable energy infrastructure.*

Technical dialogues to the first Global Stocktake impress upon Parties the need for 'systems transformations across all sectors and contexts, including scaling up renewable energy while phasing out unabated fossil fuels'.²⁴ Australia recognises the decarbonisation of energy systems presents political, economic and technical challenges and will require a whole-of-economy approach. Despite these challenges, we are committed to and recognise the significant opportunities that come with realising deep and sustained emissions reductions in our energy sector. This includes progressively replacing fossil fuels with renewable energy, reducing industrial and building emissions through energy efficiency and demand management and electrifying the transport sector. Australia is also working with our partners in the Indo-Pacific region to develop and execute their decarbonisation pathways, including by facilitating the roll out of significant renewable energy infrastructure.

vi. *Encourage Parties to consult with diverse groups in the development of their NDC, including Indigenous Peoples, youth, and women and girls.*

Indigenous knowledge, science and practices are crucial in meeting emission reduction goals, particularly given Indigenous Peoples manage 80 per cent of the world's remaining biodiversity. Consultation with women and youth when developing NDCs should also be encouraged, reflecting actions that ensure tackling climate change is well-aligned with promoting gender equality and intergenerational equity.

C.2) Adaptation

Rising greenhouse gas emissions is resulting in increasing climate impacts, underscoring the urgency for society and ecosystems to adapt. Australia recognises and advocates for effective adaptation progress and works domestically and in our region to advance strong adaptation outcomes. Australia also recognises the increased examples and evidence of maladaptation, resulting in increased climate risk. We urge the first Global Stocktake to be an opportunity to focus global attention on effective and transformative adaptation.

We have set out below Australia's priorities for elements we wish to see in the first Global Stocktake on adaptation. This approach would ensure the decision balances and assesses progress for all stages

²¹ *Message from the President-Designate of COP28/CMP18/CMA5, and UAE Special Envoy for Climate Change - COP 28 Vision*, p.3.

²² *Summary report on the third meeting of the technical dialogue*, paragraph 48.

²³ *Summary report on the third meeting of the technical dialogue*, paragraph 44.

²⁴ *Synthesis report by the co-facilitators on the technical dialogue*, paragraph 112.

of adaptation, allowing parties to communicate their own adaptation challenges through a common frame of reference.

a) Progress to Date

i. Acknowledge the progress of parties to develop adaptation plans, policies and programs.

The 2022 UNEP Adaptation Gap report highlighted that at least 84 per cent of Parties have at least one adaptation planning instrument (a plan, strategy, law or policy) in place; a finding which highlights the broad global support for developing adaptation plans, policies and programs responsive to local contexts.²⁵ Australia submitted our Adaptation Communication prior to COP26 and is developing a National Adaptation Plan, to be delivered in late 2024, that will be informed by our National Climate Risk Assessment.

ii. Acknowledge with concern the insufficient extent of adaptation action.

The UNEP 2022 Adaptation Gap Report found that adaptation planning, financing and implementation are not keeping pace with increasing climate risks.²⁶ This finding underscores the importance of the Global Stocktake being an opportunity for increased recognition and focus on Parties developing and implementing adaptation plans.

iii. Parties acknowledge with concern the increasing examples and evidence of maladaptation.

Despite the positive progress in developing and implementing adaptation plans, policies and programs, the IPCC's AR6 concluded with high confidence that maladaptation exists in various sectors and region, particularly affecting Indigenous Peoples, marginalised and vulnerable groups. Maladaptation is often a result of sector and/or risks being treated in isolation and for short-term gains.²⁷ These outcomes emphasise the importance of adaptation policies and planning being flexible, multi-sectoral, inclusive, and long-term. Where possible, adaptation plans, policies and programs should be developed with Indigenous Peoples whose livelihoods are likely to be impacted by their implementation.

iv. Recognise increased progress in the strengthening of Early Warning Systems and emphasise the need for increased coverage.

Early Warning Systems have proved to be an effective adaptation practice for saving lives and reducing the vulnerability of communities (IPCC AR6).²⁸ The success of Early Warning Systems underpins the importance and significance of the "Early Warnings for All" (EW4A) initiative. The EW4A initiative is co-led by the World Meteorological Organization and the United Nations Office for Disaster Risk Reduction. The Global Commission on Adaptation highlights that only 24 hours' notice of an impending hazardous event can reduce damage by 30 percent and investing US\$800 million in Early Warning Systems in developing countries would prevent losses of US\$3 to US\$16 billion annually.²⁹

²⁵ UNEP, '[Adaptation Gap Report 2022](#)', UNEP, 2022., Accessed 14 September 2023, p.XIII

²⁶ UNEP, 'Adaptation Gap Report 2022', p.XIII.

²⁷ IPCC, '[Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)', IPCC, 2023, Accessed 14 September 2023, p.27

²⁸ IPCC, 'Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change', p.1293.

²⁹ WMO, '[Early Warnings For All Initiative](#)', WMO, 2023, Accessed 14 September 2023.

Australia continues to strengthen the Pacific's access to hydrological and meteorological early warning systems through the Climate and Oceans Support Program.

b) Priorities for Action

- I. Encourage parties to prepare and implement inclusive and informed adaptation plans and policies that are long-term and address all sectors, according to the 'adaptation policy cycle'.***

The evidence is clear that adaptation plans that are inclusive, long-term and address all sectors holistically create more resilient societies and ecosystems. However, despite the clear progress and evidence, the IPCC AR6 concludes with high confidence that adaptation gaps exist between current levels of adaptation and levels needed to respond to the impacts of climate change.³⁰ The report states that adaptation is often focused on planning rather than implementation. Australia supports parties formulating their adaptation plans according to the four-step adaptation policy cycle (Risk Assessment, Planning, Implementation, and Monitoring and Evaluation) The Global Stocktake has the opportunity, and responsibility, to increase attention and focus on developing and implementing adaptation plans and policies.

- i. Urge all parties to consider and embed enabling conditions into adaptation plans, policies and programs.***

The success of adaptation action is reliant on appropriate enabling conditions, for example, good governance, inclusivity, finance and an engaged private sector.³¹ The Global Stocktake is an opportunity to take stock of adaptation progress that is limited by weak enabling environments and promote the importance of understanding and implementing enabling conditions.

- ii. Urge parties to develop and implement adaptation practices that have co-benefits and synergies with mitigation.***

Measures that respond to both the urgency to mitigate climate change and adapt to its existing impacts will reduce the economic costs of climate change. Based on the priorities identified by climate risk assessments, Parties should identify practices, including nature-based solutions and transforming agricultural practices, that achieve positive adaptation and mitigation outcomes.

- iii. Encourage all parties to prioritise transformational adaptation action in plans, policies and programs.***

The increasing intensity and frequency of impacts caused by climate change underscore the need for transformational adaptation action. The IPCC WGII report found that transformational adaptation shifts fundamental attributes of a system and moves beyond primarily technological strategies and towards behavioural, institutional and governance conditions for effective and long-term adaptation.³²

- iv. [Placeholder to acknowledge conclusions from the Global Goal on Adaptation.]***

³⁰ IPCC, 'Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change', p.35.

³¹ IPCC, 'Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change', p.29.

³² IPCC, 'Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change', p.2444.

Australia supports outcomes from the Global Goal on Adaptation being reflected in the COP28 decision on the Global Stocktake, noting this will provide an important avenue for future Global Stocktakes to assess progress with regards Article 7.1 of the Paris Agreement.

C.3, Alt. 4) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development

To keep a 1.5 aligned future within reach, we must rapidly accelerate ambition, action and cooperation to unlock and mobilise the trillions necessary to achieve Article 2.1c of the Paris Agreement. It is Australia's view that delivering on Article 2.1c, the long-term goal of *making financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development*, is a necessary means of achieving Article 2.1a and 2.1b and ensuring that our actions to deliver the ambition of the Paris Agreement also strengthen and ensure delivery of the broader Sustainable Development Goals.

Achieving the long-term ambition in Article 2.1c will require enhanced action from all countries; a whole of global economy system transformation and full and active engagement from all sectors and actors. The first Global Stocktake is a vital juncture to assess the progress made towards this goal and to outline key activities to course correct in this critical decade.

a) Progress to date

i. There is a significant upwards trend in climate aligned investments.

While finance discussions under the Paris Agreement have lacked a concentrated focus on Article 2.1c, this has not been a barrier to progress in the global economy, with public and private sector actors already taking steps to accelerate the alignment of financial flows with low emission and climate resilient development.

The percentage of global GDP covered by net zero targets has rapidly expanded, rising from 16% in 2019 to over 90% in 2023.³³ By 2025, Bloomberg projects that one third of assets under management globally – exceeding US\$53 trillion – will be ESG badged, an outcome driven by growing investor demand, regulatory frameworks and strengthened political ambition.³⁴ The financial services sector is demonstrating leadership with financial institutions managing a total of more than US\$150 trillion in assets are committed to science-based net zero targets and transparency under the Glasgow Financial Alliance for Net Zero banner.³⁵

Global investment in clean energy has continued to rise, rapidly. According to the IEA World Energy Investment Report 2023, global investment in clean energy in 2023 will significantly outpace investment in fossil fuels, with USD 1.7 trillion expected in clean energy technology investment globally, representing a rise of 24% since 2021.³⁶

ii. More action is needed to mobilise and align financial flows with climate goals, particularly to unlock private capital and to ensure the reach and impact of these investments in developing countries.

³³ Net Zero Tracker, '[Data Explorer](#)', Net Zero Tracker, 2023, accessed 12 September 2023.

³⁴ Bloomberg, '[Bloomberg Intelligence](#)', Bloomberg, 2021, accessed 12 September 2023.

³⁵ GANZ, '[Glasgow Financial Alliance for Net Zero](#)', GANZ, [2021](#), accessed 12 September 2023.

³⁶ International Energy Agency, '[World Energy Investment Report](#)', IEA, 2023. Accessed 12 September 2023.

The IPCC 6th Assessment Report found with high confidence that *‘There is sufficient global capital to close the global investment gap but there are barriers to redirect capital to climate action.’* Australia strongly supports this finding which demonstrates the urgent need for increased global action to reduce barriers to climate aligned investment.

IEA World Energy Investment Report 2023 finds that international investment in renewables has nearly tripled since the Paris Agreement was adopted in 2015, however this investment is concentrated in developed countries and major economies. It is essential that these figures are translated across economies, with a massive scaling up required in developing economies, which the IEA and the International Finance Corporation find is ‘far beyond the capacity of public finance alone,’ and will require significant mobilisation of private capital at unprecedented levels.³⁷

While it is important to recognise that finance for adaptation doubled prior to 2020, the AR6 is clear that current global financial flows for adaptation are insufficient for and constrain implementation of adaptation options, especially in developing countries. Australia notes with concern that the public sector continues to provide almost all adaptation financing and that adaptation finance represents only a minor share of total public finance.³⁸

b) Priorities for action

The Global Stocktake must demonstrate our ambition to undertake meaningful step change in aligning all global finance flows with the goals of the Paris Agreement – not only to rapidly scale up and mobilise climate finance to address growing finance needs, but to increase climate and development synergies across our financial architecture, and to enhance access to and quality of this finance. It must also direct us to look at opportunities, areas for greatest growth, particularly to ensure that this growth is available to those most climate vulnerable across all regions. The Global Stocktake should recognise the rapid global progress, activities and reform underway in our global systems to support achievement of Article 2.1c, while also making a firm statement on the urgent need for more action, with clear forward recommendations which demonstrate our collective will to advance action towards Article 2.1c as a global community.

We must transform global financial systems and align finance flows to support a climate resilient net zero global economy which accelerates achievement of the Sustainable Development Goals. To this end, the Global Stocktake should capture the four broad categories of action and ambition outlined below.

i. Firm commitment to accelerate Government action to mobilise private capital and align financial flows with the goals of the Paris Agreement

Mobilising finance at the scale required to deliver on Article 2.1a and 2.1b requires ambitious government action to support the flow of capital towards low-emissions and climate resilient development outcomes. The energy sector alone requires an additional \$4 trillion of investment in clean energy each year to 2030 to align with a pathway towards achieving the Paris Agreement goals.³⁹ Unlocking finance at these levels in a manner which is mutually supportive of the achievement of sustainable development outcomes requires transformative policy and economic ambition, coupled with robust government action.

³⁷ International Energy Agency, [‘IEA-IFC Joint Report Calls for Ramping Up Clean Energy Investments in Emerging and Developing Economies - News - IEA’](#), IEA, accessed 12 September 2023.

³⁸ UNEP, [‘Adaptation Gap Report 2021’](#), UNEP, 2021, accessed 12 September 2023

³⁹ International Energy Agency, [‘World Energy Outlook’](#), IEA, 2022, accessed 12 September 2023

Governments can work in partnership with the investment community to create the enabling conditions required to mobilise finance at the scale required to achieve our climate goals. Further action must be taken to: attract and increase demand for investment, including by aligning and reforming policy and regulatory frameworks; send market signals that unlock and stimulate investment in emerging and developing economies; reduce investor risk and strengthen market confidence; ensure closer cooperation between developers, investors, public financial institutions and governments; and ensure that our international financial architecture is fit for purpose and well positioned to leverage private finance at scale.

The Global Stocktake is an opportunity for a strong statement of ambition from all parties to calibrate policy, legislative and regulatory settings to maximise and mobilise supply of finance from a wide range of sources and to equally grow, crowd in and attract demand for sustainable investments. Not only should this include the setting of clear and ambitious NDCs and emissions reduction targets, supported by effective policies and measures, but also a commitment to strengthen public financing mechanisms to build and support the market for the development and deployment of climate solutions to reduce emissions and support resilience, including to underwrite, crowd in support and reduce investment risk in Paris aligned projects.

Recognising the important role our financial systems will play in mobilising capital and managing risks and opportunities in the transition, this should include commitments to removing barriers to investment in climate outcomes, including both adaptation and mitigation, and to undertaking a more coordinated and ambitious approach to sustainable finance frameworks, such as climate risk disclosures. Effective disclosure reforms lay the foundations for better information architecture for markets to ensure the availability of transparent, credible and verifiable data for investment decisions, and are essential to mobilising the weight of our financial systems behind the global net zero transformation.

ii. Commitment to strengthen flows of finance to developing countries and to work with our global financial architecture to ensure it is fit for purpose.

Delivery of Article 2.1c requires a specific focus on action to reform global, regional and national financing mechanisms, incentive structures and regulatory architecture to enable capital to flow, at scale, to support achievement of Article 2.1a and 2.1b in developing economies.

The Global Stocktake should include a firm commitment from all Parties to cooperate to lower the cost of climate action in developing countries, including by increasing the affordability and accessibility of clean energy solutions and technologies. This should include a commitment to enhanced public-private and multilateral partnerships and to cooperation through forums outside the UNFCCC and the Paris Agreement to further advance these goals. The Global Stocktake should also signal ambition to work together to enhance the available toolkit of financing solutions to de-risk investments, including the availability and accessibility of concessional loans, insurance instruments, guarantees, equity investments and blended financing.

The Global Stocktake should also affirm the need for continued evolution of the global financial architecture to achieve Paris Alignment and support delivery of the Sustainable Development Goals, including by strengthening efforts to leverage and unlock greater private sector investment off the back of their interventions. The Global Stocktake should also call for strengthened dialogue between the UN climate architecture and the broader international financial landscape, to identify and address barriers to the transition to net zero global emissions. There is no lack of capital in the international system, but there are barriers regarding access, policy, and incentives. For example,

the Glasgow Alliance for Net Zero, launched at COP26, represents more than 550 members with over \$150 trillion assets under management all committed to achieving net zero by 2050 or earlier. Collectively, we need to identify and address the barriers.

These activities complement broader delivery of commitments contained under Article 9 of the Paris Agreement (captured under the section on means of implementation below) and should be further amplified by commitment in the Global Stocktake to enhance and streamline access to finance, particularly for Small Island Developing States and Least Developed Countries, and other developing countries particularly vulnerable to the impacts of climate change.

iii. Commitment to scale up collective action to align finance flows with adaptation and resilience objectives in developing countries.

Finance for adaptation must be scaled by orders of magnitude from all sources to respond to current and oncoming climate risks. More action is needed to align finance flows for adaptation and resilience and to support developing countries to address and respond to climate impacts, without exacerbating current debt burdens. We must take ambitious action to mobilise finance at scale to all regions of the world and to address significant challenges to accessing adequate finance, particularly for Small Island Developing States and Least Developed Countries. Additional financing should be complemented by support for transformative policies and measures which strengthen and enhance capacity within national systems and programs to prepare for and respond to climate shocks, and encourage low emissions development. In particular, the Global Stocktake must signal the need for global investment in adaptation activities and to attracting and rapidly scaling up private capital in support of adaptation and resilience activities in developing countries, including through sustainable livelihoods.

In 2022, the *SCF Forum on Finance for Nature-based Solutions* recognised that “nature-based actions have the potential to holistically address development and climate priorities and enable sustainable development, and finance for nature-based solutions must be scaled up”.⁴⁰ The Global Stocktake should affirm the importance of natural capital and nature-based solutions to support engagement of local communities and Indigenous peoples, in taking action on climate in their own terms.

iv. Commitment to enhancing global cooperation for the delivery of article 2.1c, including leveraging opportunities for collaboration between Party and non-party stakeholders.

There is a clear need for a dedicated platform in the UN climate change architecture to advance discussions on the comprehensive action required to support achievement of Article 2.1c, starting with the establishment of a ‘finance flows’ work program under the CMA and accompanied by a standing agenda item.

The finance flows work program should include a comprehensive focus on the issues covered in the sections above, and others identified as a priority by parties to the CMA. It should seek to foster a constructive forum for expert dialogue, bringing together representatives from parties, financial institutions, the private sector, philanthropy and civil society to discuss implementation of Article 2.1c of the Paris Agreement and catalyse further cooperation and identify opportunities for greater policy, regulatory and investment alignment. The work program should also seek to build clear links into existing global architecture and frameworks, to ensure the work program complements and builds off the work of these expert bodies. The work program should encourage participation from

⁴⁰ Standing Committee on Finance, ‘[Report of the standing Committee on Finance](#)’, UNFCCC, 2021, accessed 12 September 2023, Paragraph 5.

non-party stakeholders, as well as regional development banks, key development actors and broader UN bodies, to strengthen the nexus of development and fiscal dialogue.

C.3bis) Means of implementation and support

Australia considers means of implementation and support as critical to the achievement of the goals of the Paris Agreement, especially for Least Developed Countries and Small Island Developing States, and in the context of sustainable development and efforts to eradicate poverty. Many participants of the third Technical Dialogue shared the view that global emissions reduction and mitigation pathways should be aligned with the provision of financial, technological and capacity-building support to Parties facing capacity constraints, including to implement conditional elements of NDCs.⁴¹

a) Progress to date

Capacity building

- i. There are persistent gaps in accessing capacity building and in the modalities for delivery that limit the capacity for skills to be enhanced and knowledge retained over time.***

Participants at the third Technical Dialogue heard that, while capacity-building is critical for implementation in Least Developed Countries and Small Island Developing States, 'there are still gaps in accessing capacity-building as well as in the modalities for delivery'.⁴² The current emphasis on capacity building workshops overlooks opportunities for within-country and longer-term capacity building projects that support sustainable skill retention. On-site training is also essential to ensure trained individuals represent a genuine cross-section of local labour, including women and girls, youth and young people, and Indigenous Peoples. Such skills retention might be achieved through upskilling and reskilling programs, in the context of just transitions.

Australia also recognises that capacity-building must be a country-driven process, with country ownership necessary to ensure assessment of existing capacities and a needs-based approach to skill development.⁴³ Australia has a commitment to locally led solutions to capacity-building, that build local skills and opportunities and build genuine, respectful partnerships.

Technology

- i) Developing countries require increased access to cleaner technologies, supported by appropriate enabling frameworks and international cooperation, in pursuit of sustainable development.***

As referred to in Article 10.6 of the Paris Agreement, the Global Stocktake should take into account efforts related to technology development and transfer for developing country Parties. Australia acknowledges that some developing countries, especially Least Developed Countries and Small Island Developing States, will take longer to peak their emissions and transition to cleaner energy systems, owing to multiple challenges including efforts to eradicate poverty. Technological transfer and assistance has an important role to play in enabling these countries to develop sustainably while promoting energy access and security.

⁴¹ Summary report on the third meeting of the technical dialogue, paragraph 45

⁴² Summary report on the third meeting of the technical dialogue, paragraph 134

⁴³ Summary report on the third meeting of the technical dialogue, paragraph 138

As noted in the third Technical Dialogue, international cooperation on technological development and transfer should be ‘people-centred, human rights-based, and gender-responsive’, with a focus on enhancing Parties’ ‘endogenous capacities, enabling environments, and national systems of innovation’. This requires working with local communities to develop approaches to technological assistance that will benefit local value chains and are tailored to a country’s institutional environment and capacity constraints.

Finance

Action under Article 9 to advance the mobilisation and provision of support to developing countries is a critical aspect of the Paris Agreement and an essential means of implementation to support delivery against all three long term goals under Article 2. In addition to the elements for decision set out under the long-term goal of Article 2.1c (2.3 above) the Global Stocktake should recognise both the progress and shortfalls to date in the delivery of support finance to developing countries (Article 9) and provide actionable and clear commitments to enhancing access, scale and effectiveness of climate finance.

i. Climate finance ambition and delivery have lifted since the adoption of the Paris Agreement.

The Global Stocktake should recognise that we have seen significant progress in delivery of support finance. Adaptation finance doubled prior to 2020 and multilateral public finance has risen by 150% over the course of the USD 100 billion goal timeframe. Our collection ambition too has lifted, at COP26 we urged for a doubling of our collective provision of adaptation finance by 2025. Australia is proudly on track to meet our goal of delivering AUD \$2 billion over 2021-2025, with over 66% of this spent on adaptation, and the majority through grants. In addition, we are increasing our Official Development Assistance by AUD \$1.4 billion, including an additional AUD \$900 million to the Pacific which will include investments to strengthen climate resilience and advance renewable energy.

The Global Stocktake should consider whether the growth in climate finance since the adoption of the Paris Agreement has benefited all regions commensurate with their needs and vulnerability to the impacts of climate change. Not all countries will experience climate change equally; in the Pacific, the threat is existential. The Global Stocktake should consider the extent to which reporting on climate finance reflects the quality of interventions. This is particularly relevant when arbitrary distinctions are placed on thematic markers for climate finance, when in practice good development is wholistic, addressing both mitigation and adaptation, loss and damage; gender equity; disability inclusion; biodiversity; and others. Creating reporting mechanisms that disincentivise wholistic approaches are counterproductive, and can result in poor quality, maladaptive programming.

ii. Developed countries are confident that the USD100b goal will be met in 2023

The Global Stocktake should reflect with regret the fact that the USD 100 billion joint mobilisation goal was not achieved in previous years, but celebrate and welcome the confidence of Parties that the goal is expected to be met in 2023. This should be more than a statement of disappointment, but a constructive reflection and exploration for the reasons and challenges which obstructed this achievement, and clear statement on priority actions to address these barriers in order to enhance provision of support finance into the future.

b) Opportunities for action

Capacity building

- i. Capacity-building is foundational to achieve broad-reaching and sustained climate action and requires country-led and needs-based effective cooperation at all levels.***

Australia recognises that all parties begin from different starting points, and accordingly we highlight the importance of capacity building efforts to support successful climate actions. We recognise that significant resources exist that provide a range of capacity building activities, including the NDC Partnership, which has supported more than 60 countries to update or enhance their NDCs, and the Capacity Building Initiative for Transparency, which supports developing countries to strengthen their national institutions for transparency-related activities.

Technology

- ii. Achieving systemic transformations in pursuit of the 1.5 °C degree goal requires rapid deployment and adoption of cleaner technologies and accelerated innovation and development of new technologies.***

Limiting warming to 1.5 degrees will require a global, whole-of-economy approach to systems change that addresses path dependency in existing technologies, rapidly scales the deployment of existing, low emissions technologies and undertakes extensive research and development in sectors with few existing mitigation options.

Finance

The Global Stocktake should avoid pre-empting the outcomes on the New Collective Quantified Goal, due for decision in 2024, recognising there is already a mandated technical work program underway which will not be finalised until after the Global Stocktake. The stocktake should reflect the outcomes reached under the New Collective Quantified Goal at COP28/CMA5 and provide an overarching reflection of broader themes and priorities necessary to support enhanced action and ambition in the delivery of Article 9. In addition to the elements captured in section C.3 of this submission, the Global Stocktake should include clear commitments from parties to enhance access, scale and effectiveness of climate finance, in the context of meaningful mitigation actions and transparency of implementation.

- i. Commitment to improve and streamline access to finance.***

The Global Stocktake should reflect the significant challenges that developing countries have in accessing finance, in particular those faced by many Small Island Developing States and Least Developed Countries, and include a firm commitment to addressing these challenges and to accelerate action, including to work through the operating entities of the Financial Mechanism to streamline access provisions and alleviate cumbersome administrative barriers to entry, in particular for small administrations.

Further, the Global Stocktake should recognise that further action is necessary to ensure climate finance is effectively integrated with and strengthens broader development objectives in a manner which is responsive to national needs and priorities, including to ensure that finance is quickly and effectively reaching the most vulnerable communities and peoples.

- ii. Commitment to expand sources of finance, to mobilise and deliver enhanced levels of climate finance to developing countries.***

The Global Stocktake decision should include a firm commitment to strengthen efforts to mobilise and scale up support for developing countries in the context of enhanced mitigation actions and transparency of implementation. This should include a commitment to expanding sources of finance

available, including through the exploration of innovative sources of finance and re-assessment of the contributor base for support finance to reflect respective economic capabilities, to maximise the scale and reach of support finance to developing countries.

In recognition of the need to mobilise finance from all sources to support climate adaptation and mitigation efforts in developing countries, the Australian government is partnering with the multilateral development banks and the private sector. The \$140m Australian Climate Finance Partnership (2019-2029) is mobilising private finance to reduce emissions and build resilience through investments across Southeast Asia and the Pacific. It has disbursed \$65m to date and leveraged approximately \$60 million for sustainable forestry in Southeast Asia.

Australia will also boost its partnerships with impact investors and philanthropists, encouraging greater flows of private finance towards development outcomes in the Indo-Pacific. It will establish Australian Development Investments, a new vehicle providing up to \$250 million as a catalyst for private impact investment in the Indo-Pacific.

5) Efforts related to loss and damage

Australia recognises the importance of capturing progress and identifying priorities for action on loss and damage within the Global Stocktake. The impacts of climate change are resulting in widespread loss and damage, as observed in floods, wildfires and heatwaves in Australia and extreme weather events across the world, and in slow onset impacts to natural ecosystems, including our own, World Heritage-listed Great Barrier Reef.

People in vulnerable situations are being the most severely affected, including Indigenous Peoples and the inhabitants of Small Island Developing States. In our region, climate change is the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific. The compounding effects of slow onset events and extreme events are resulting in impacts with long term consequences on communities for generations to come.

While significant progress has been made to advance efforts to avert, minimise and address loss and damage in the areas outlined in Article 8 of the Paris Agreement, concerning gaps remain, including with regard to the scale and speed of action and support. The Global Stocktake is an opportunity to set out clear priorities for action to help address gaps and stimulate more urgent action, and Australia submits that the Global Stocktake should include forward looking priorities for action to enhance efforts related to loss and damage, including text which:

- i. Recognises the role of more ambitious and urgent mitigation and adaptation action in reducing losses and damages, together with sustainable development.***

Australia holds that effective approaches to loss and damage cannot be addressed in isolation; and the Global Stocktake should recognise that urgent and ambitious action on mitigation and adaptation are precursors to averting, minimising and addressing loss and damage.

Australia also contends that action on climate change and addressing loss and damage, and progress on sustainable development, is intrinsically linked. While we recognise calls for distinct action and support for loss and damage, there must be integration of policy, planning and programming across climate, humanitarian and development approaches to reduce duplication, silos, and improve the quality of implementation.

- ii. Recognises the ongoing role of the Warsaw International Mechanism's Executive Committee in enhancing understanding, action and support.***

Article 8 recognises the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, and the role of the Warsaw International Mechanism (WIM) as a mechanism to enhance understanding, action and support. The Global Stocktake should recognise the significant work of the Executive Committee (ExCom) of the WIM over the past 10 years in enhancing knowledge, mobilising experts and practitioners in the field, and establishing expert groups and work streams on areas that needed specific attention, such as slow onset events and displacement.⁴⁴ Further to the WIM, the Glasgow Dialogue has been instrumental in bringing together stakeholders within and outside of the UNFCCC system to identify practical gaps, needs and solutions.

The Global Stocktake should recognise the important ongoing role of the WIM in enhancing knowledge, action and support especially for slow onset events, non-economic losses and human mobility as areas that need dedicated attention. It should also recall the ExCom's commitment to supporting better access to the best available science to inform responses to both slow onset events and extreme weather events.

iii. Acknowledges the progress made under in the areas of cooperation identified under Article 8 at national, regional and global levels.

The Global Stocktake should also welcome progress that has been made in the areas of cooperation identified in Article 8. For example, with regard to emergency preparedness, the Global Stocktake should recognise the importance of increased engagement of the humanitarian sector and national disaster risk management actors in stepping up preparedness measures by shifting towards anticipatory action, bridging immediate response with recovery and reconstruction, and integrating climate and environmental risks into their work.

Australia would also expect the Global Stocktake to recognise the significant progress made at national and regional levels to advance frameworks and mechanisms to minimise, avert and address loss and damage and build resilience. For example, Australia supports the Pacific region's approach to integrating climate change and disaster risk reduction through the Framework for Resilient Development in the Pacific. It is the world's first integrated regional framework for building and strengthening resilience to disasters and climate change, and practically demonstrates the cross-cutting nature of climate change and development considerations in planning and implementation.

iv. Emphasises the need to rapidly operationalise the Santiago Network to deploy technical assistance.

Australia welcomed the establishment of the Santiago Network as a critical mechanism for delivering much-needed technical assistance to developing countries particularly vulnerable to the impacts of climate change, and as a means of facilitating better coordination and coherence between the providers of technical assistance. The Global Stocktake should recognise the need to rapidly operationalise the Santiago Network to better enable developing countries that are particularly vulnerable to the adverse effects of climate change to benefit from the technical assistance available from organizations, bodies, networks and experts.

v. Affirms the commitment to swiftly operationalise a fund and funding arrangements for responding to loss and damage.

The Global Stocktake decision should reference the commitment made by parties to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on

⁴⁴ See for example the [Report of the WIM Executive Committee for the GST](#).

addressing loss and damage by providing and assisting in mobilizing new and additional resources, and that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement. In this context, the Global Stocktake should also affirm commitment to swiftly operationalise the new fund, which Parties agreed to establish under Decision 2/CMA.4 paragraph 3. Further acknowledging the many institutions and stakeholders involved in financing activities for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, the Global Stocktake should affirm the need for increased coordination and complementarity with existing funding arrangements, and recognise that further action is necessary to address gaps across the mosaic of funding arrangements.

6) Efforts related to response measures

Given the scale and speed of changes associated with the transition to net zero, all countries face potential challenges and opportunities. The net zero transition will have distributional consequences within and between countries, including possible shifts of income and employment. Using collective and participatory decision-making processes to create informed approaches can help countries maximise the positive benefits to economies, livelihoods, health and equity, associated with the implementation of response measures, including through economic diversification, and also help minimise and address negative impacts. Australia believes that the equitable distribution and scale of action must align with, rather than detract from, the achievement of the Paris Agreement goals.

i. Much more ambition is needed in domestic mitigation measures and policies to realise existing and emerging opportunities and to promote equitable sharing of benefits.

The implementation of response measures creates a diverse range of positive co-benefits to communities. The implementation of low greenhouse gas emission policies and strategies has contributed to more economic growth, the creation of quality green jobs, as well as a range of environmental benefits (including reductions in air pollution) that benefit human health.

The recent findings of IPCC's AR6 underscores that response measures have positive effects on health, employment, energy security, and equity. In addition to replacing jobs in high-emission industries, these transitions can generate new employment opportunities.

The Global Stocktake review of efforts related to response measures should consider the progress Parties have made under the Katowice Committee of Experts and response measures forum to understanding the impacts of response measures and the effectiveness of efforts made to maximize socioeconomic benefits while minimizing adverse impacts.

ii. Increasing consideration of communities likely to be impacted by the net zero transition can enable greater ambition in mitigation, with tailored approaches necessary to addressing different contexts.

Response measures are implemented differently across contexts and national circumstances. Response measures have overwhelming potential to positively impact economies, livelihoods, health and equity. Proper planning and implementation of response measures is needed to ensure maximum benefits and to minimise the risk of negative impacts.

Addressing the impacts of response measures, including through just transitions, within long-term development strategies can facilitate reaching net zero greenhouse gas emissions more equitably. Such options include circular carbon economy; green industrialization; the greening of supply chains; training people in sector-specific skills; and the contribution of sectors such as tourism, aviation and shipping. Countries must continue to share information and success stories to empower all countries

to find new and creative ways to maximise their potential positive development outcomes associated with the net zero transitions across range of industrial and geographical contexts. Using participatory decision-making processes and integrated policy packages is an effective way to address equity, gender equality and justice and integrate them into climate policies.

The Global Stocktake review of efforts should build upon existing work of the Katowice Committee of Experts and forum. It should strive to foster outcomes that put workers at the centre, engage communities and is resource efficient.

7) Enhancing international cooperation for climate action

The scale of Parties' needs in relation climate change are significant and growing, but there has also been significant progress in advancing collective efforts to avert, minimise and address the impacts of climate change. Australia supports a multilateral system focussed on continuous improvement, and which can deliver timely, meaningful action on our collective challenges. Australia acknowledges that many of the elements suggested within this submission will require international cooperation to take forward the outcomes of the first Global Stocktake; for this reason, we have limited our suggestion to actions we believe should be prioritised to scale momentum within this critical decade.

- i. Encourage greater cooperation between COP Presidencies to drive meaningful action over this critical decade.***

The first Global Stocktake has made clear Parties are not on track to achieve the goals of the Paris Agreement, as outlined in the first section of this submission. To support action in this critical decade while opportunities remain for course-correction, COP Presidencies must work with Parties to sustain momentum and accountability in a manner that focuses on closing gaps in ambition and implementation. Australia supports the incoming UAE Presidency in its cooperation with Parties, the COP27 Presidency, Subsidiary Body Chairs and the Secretariat to deliver a holistic program of work with agendas that can be adopted smoothly. Australia encourages other Presidencies to do the same, and believe such continuity should be formally encouraged in a decision on the first Global Stocktake.

8) Guidance and the way forward

This section covers opportunities and appropriate channels to take forward the outcomes of the first Global Stocktake, with a focus on sustaining momentum and providing accountability.

- i. Establish a mandated workshop or event in 2024 to provide Parties with an opportunity to discuss their plans to set their next NDCs in a manner informed by the findings of the first Global Stocktake.***

Article 14.3 of the Paris Agreement stipulates the outcomes of the Global Stocktake shall inform Parties climate actions and support, including the setting of 2035 NDCs. A mandated event or workshop would provide Parties with the opportunity present on how there are approaching their next NDCs in light of the outcomes of the Global Stocktake, including any guidance agreed elsewhere in the decision. This event should be separate from the mitigation work programme, noting its mandate is to consider mitigation action in the 'critical decade' to 2030, but could report back to the mitigation work programme to ensure relevant guidance is reflected in the context of aligning pre-2030 ambition with Parties' long-term low greenhouse gas emission development strategies.

- ii. Outcomes of the first Global Stocktake should be taken forward through other relevant workstreams under the UNFCCC, including the mitigation work programme.***

To ensure the Global Stocktake delivers the necessary course correction to achieve the goals of the Paris Agreement, we must consider how to leverage UNFCCC processes to enable ambitious climate action on the ground. As outlined in Decision 4/CMA.4, the objective of the mitigation work programme is to ‘urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the Global Stocktake’. We consider there is utility in the MWP taking forward the outcomes of the Global Stocktake that are consistent with the MWP’s mandate. An example of how this could be manifested would be for the chairs of the MWP to consider the outcomes of the Global Stocktake and determine which elements are most clearly relevant to the work of the MWP and support a practically oriented exchange on related challenges and opportunities.

iii. Encourage timely implementation of the Enhanced Transparency Framework to progress outcomes from the first Global Stocktake.

Greater transparency will be essential for Parties to track the effectiveness of climate actions and progress outcomes from the first Global Stocktake.

Robust transparency standards build a system of trust and accountability and allow Parties to assess the effectiveness of policies and actions, attract investment and support, and track collective progress against goals. Enhanced transparency systems under the new framework will provide countries and investors with the confidence needed to commit to ambitious targets and actions, and progress outcomes from the first Global Stocktake.

iv. Commitment to enhanced quality, effectiveness and transparency of finance.

The Global Stocktake should also recognise the need for further improvement to the quality, penetration and effectiveness of climate finance, and strengthened efforts to measure, report and verify this data through robust transparency standards. As of 2022, only 51% of parties had submitted at least one Biennial Update Report.⁴⁵ The Global Stocktake should reflect the urgency of completing the transition to the Enhanced Transparency Framework by the end of 2024, recognising that robust measurement, reporting and verification systems will strengthen confidence and are a critical enabler of climate ambition, transparency and accountability.

The Global Stocktake should also commit to improving the quality of finance, including through the continued efforts to ensure support also pursues environmental, social, economic and development co-benefits and to ensure climate finance is gender responsive and regionally, locally and culturally informed and responsive. Where possible, finance should support the strengthening of national systems and frameworks, aiming to transform in country capability, from both national systems and programs to human capacity, which improves efficiency and capacity to deliver solutions over time, reducing reliance on external administration and sunken costs of administration and consultancy fees.

Australia recognises the need for financing to be high-quality, efficient and accountable. Australia’s new Development Policy will support increased climate resilience across its development program by ensuring that 50 per cent of new bilateral and regional investments, valued over \$3 million, will have a climate change objective – rising to 80 per cent by 2028-29. Australia will work to align bilateral programs with partner’s NDCs and NAPs to ensure our financing remains responsive to the needs of different countries.

⁴⁵ Standing Committee on Finance, ‘[Fifth Biennial Assessment of Climate Finance Flows](#)’, UNFCCC, 2022, accessed 12 September

Australia further recognises the needs for effective monitoring, evaluation and learning for measuring results and to ensure innovation and reflect best practice. Australia is working to facilitate increased flows of climate finance into the region through official and non-official channels. This includes through policy advocacy at the development banks, supporting governments with climate finance advisers and through expanding access to financing instruments that aim to catalyse greater flows of private finance towards development outcomes, including climate and gender, in the Indo-Pacific.