



Professor Peter Rayner

## **EU-Australia Knowledge Network: Wrap-up Day 3**

TOPIC	SPEAKER
<b>5:30: Welcome &amp; introduction</b>	Peter Rayner
<b>5:35: Climate change &amp; health co-benefits</b>	Belle Workman
<b>5:55: Sustainable climate finance: Lessons from the EU Taxonomy</b>	Angela Bruckner
<b>6:15: Short break</b>	
<b>6:25: Links to other SPIPA network activities</b>	Marian Schoen
<b>6:35: Overall lessons of the SPIPA program</b>	Peter Rayner
<b>6:45: Next steps and conclusion</b>	Peter Rayner

Supported by:



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# Climate change and health co- benefits

EU-Australia Knowledge Network

24 February 2022

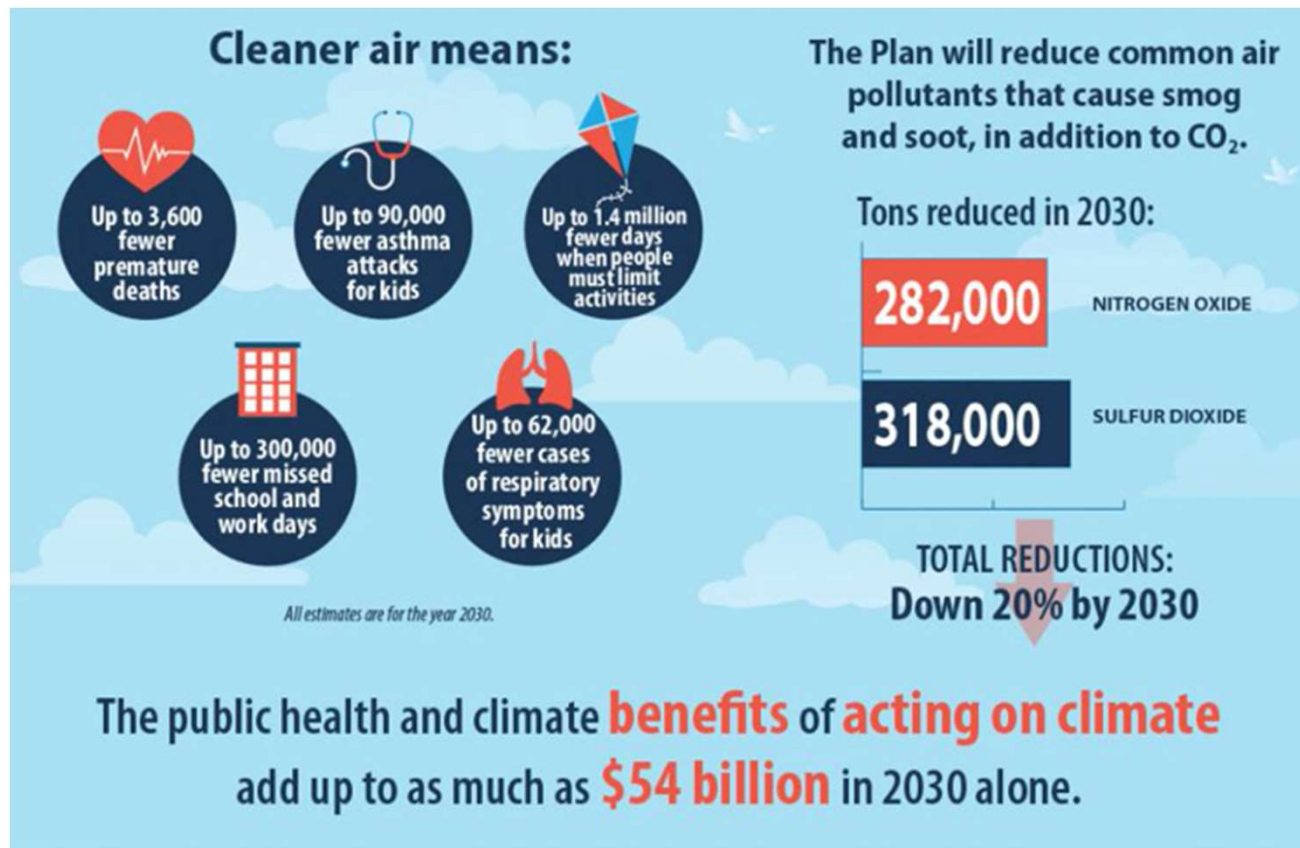
Prof Kathryn Bowen and Dr Annabelle Workman

Melbourne Climate Futures, the University of Melbourne



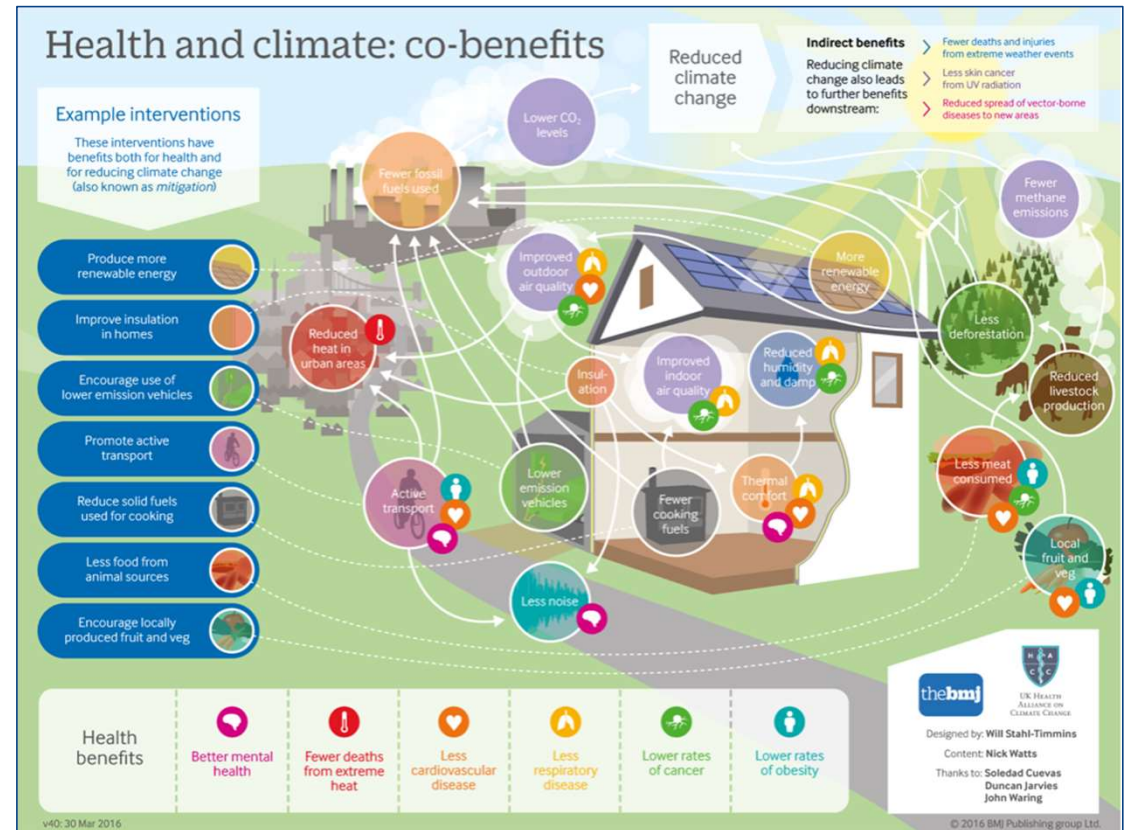
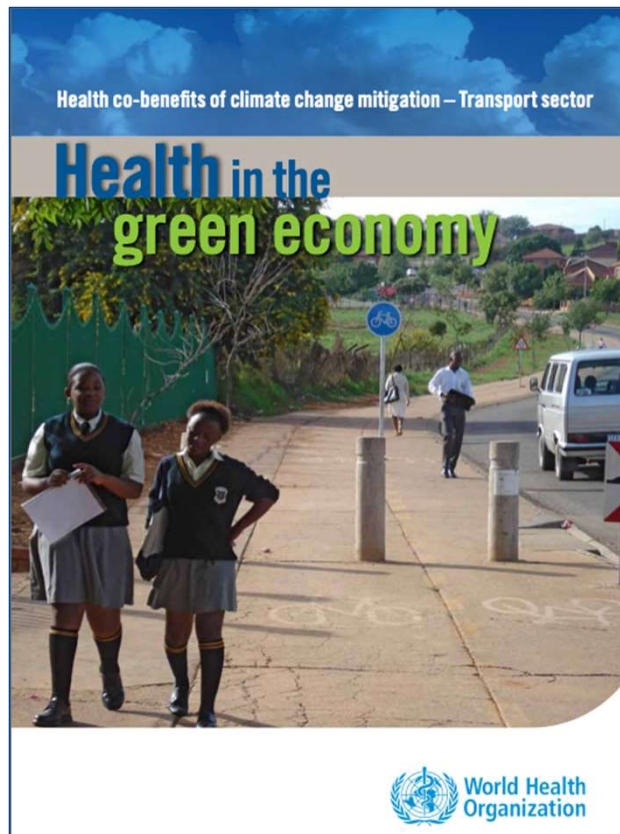
*“Our identity...remains tied to our land, to our cultural practices...Destroy this relationship and you damage – sometimes irrevocably – individual human beings and health.”*

# Health co-benefits: An introduction





# Project Rationale



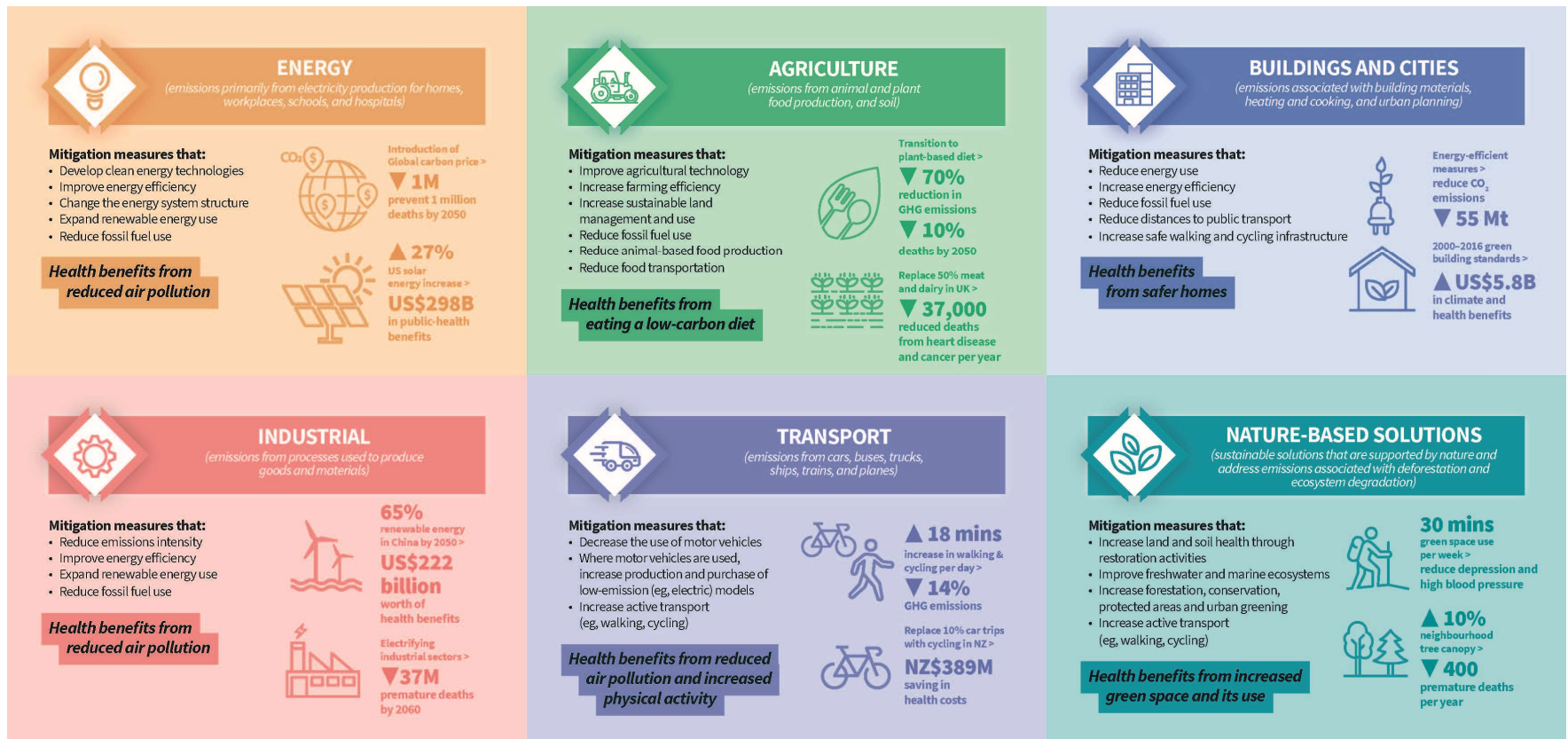
WHO (2011): <https://apps.who.int/iris/handle/10665/70913>; BMJ (2016): <https://www.bmj.com/content/352/bmj.i1781/infographic>



# Approach

1. Targeted review of the current health co-benefits literature
2. Collaboration with UoM design team to develop initial SPM
3. Consultation with experts across EU and Australia for comment
4. Revisions based on feedback
5. Publication and dissemination of SPM to EU and Australian policy-makers

# Outcome







# Acknowledgements

*We extend our thanks to:*

- European Union and Australian expert reviewers
- European Union's Partnership Instrument
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- Angela Bruckner, Projects Coordinator, Strategic Partnership for the Implementation of the Paris Agreement

*for their intellectual, financial and administrative support of this project.*



# Thank you

Questions?

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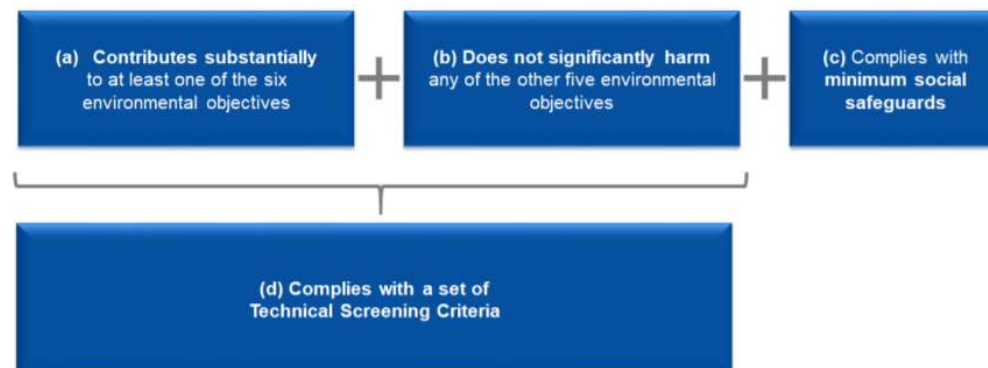
Angela Bruckner

# **Sustainable climate finance: Lessons from the EU Taxonomy**

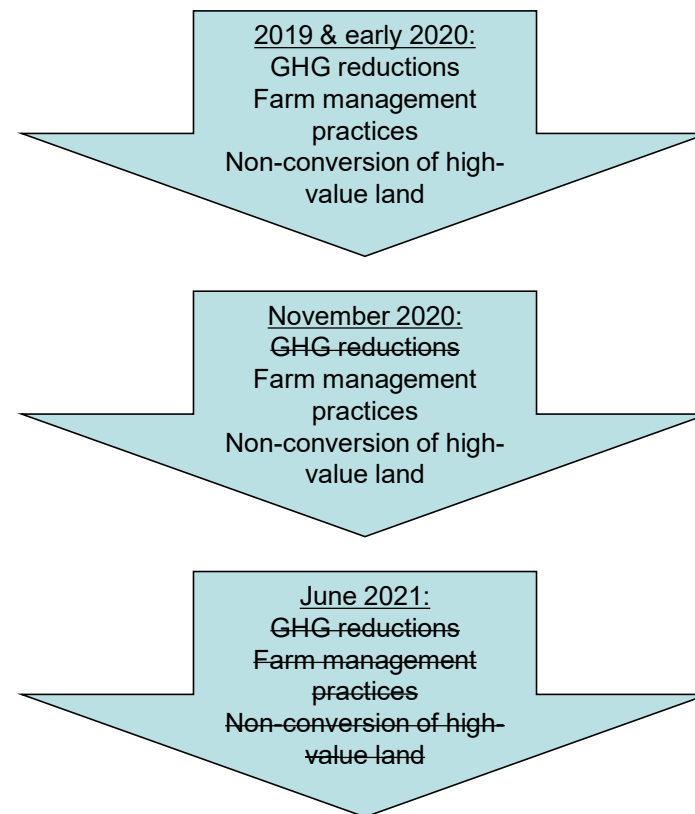
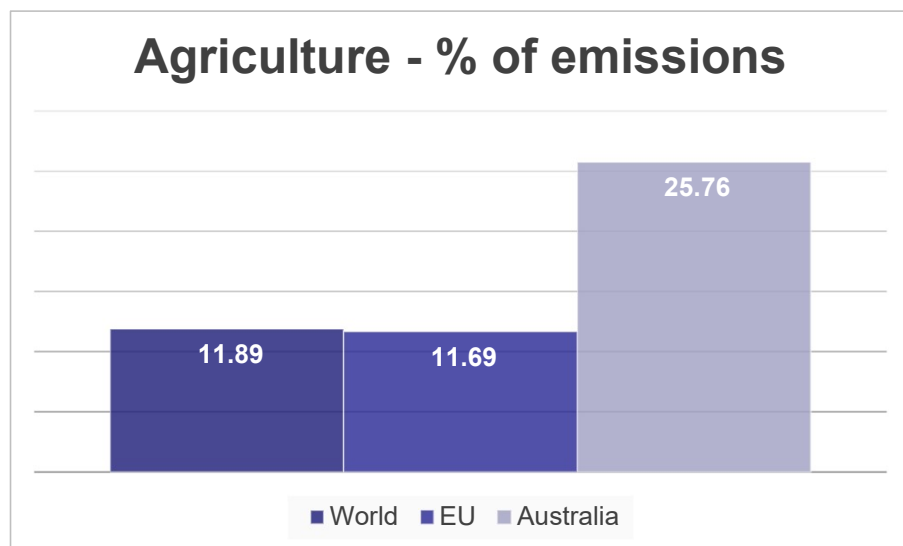
## What is the EU Taxonomy?

Strategic Partnerships for  
the Implementation of  
the Paris Agreement  
(SPIPA)

- Classification scheme for environmentally sustainable economic activities
  - Mandatory for large corporations and banks
  - Voluntary for other market participants to attract green investments or screen investments
- Four overarching conditions for Taxonomy alignment
- Six environmental objectives
  - Climate mitigation and adaptation now legislated for many sectors (not all!)
  - Water, circular economy, pollution, and biodiversity still being developed



- Agriculture: ~11.9% of global emissions
  - Similar for EU, but considerably higher for Australia

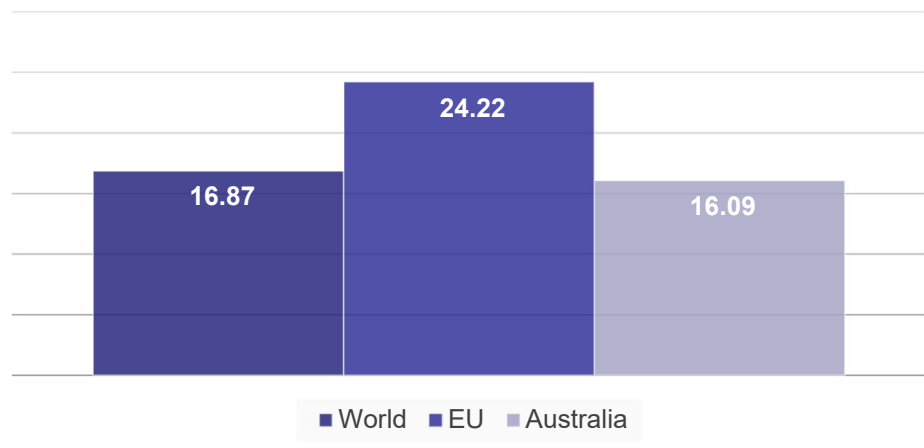






- Transport: ~16.9% of global emissions
  - Similar for Australia, but higher for EU

**Transport - % of emissions**  
(excluding bunkering)



- Technical screening criteria for climate mitigation and adaptation:
  - Passenger transport, freight, low-carbon infrastructure
  - Covers transport on land and inland waterways, plus some marine transport
  - Zero tailpipe emissions, not life-cycle (...yet?)
- Draft technical screening criteria for pollution prevention and control
  - Zero tailpipe emission and noise limits for land transport
  - Zero particulate emission, oil, water, and noise pollution limits for marine transport
- Draft technical screening criteria for climate mitigation for the aviation sector
  - Zero tailpipe emission
  - Some 'best in class' until 2027
  - 100% sustainable aviation fuel from 2028 to 2032

- Australian Sustainable Finance Institute
  - Includes banks, super funds, insurers, peak finance bodies, academia, and civil society
  - Observers from APRA, ASIC, and UNEP-FI
- November 2020: Australian Sustainable Finance Roadmap
  - 37 recommendations across four domains
  - Short-, medium-, and long-term action plans
- Development of an Australian Taxonomy is a 'high priority' for the Council of Financial Regulators



### Recommendation 9

Australia's financial system participants establish a key project to explore the implementation of a sustainable finance taxonomy in Australia. The project should involve a broad group of key stakeholders, including civil society, asset owners, asset managers, banks, insurers, financial regulators, legal experts, industry experts, technology experts, sustainability experts, state governments, and the Australian Government.

- Legislated regulation vs voluntary industry-led
  - What are the goals?
  - Who is making the decisions?
    - Small target group – not connected to industry?
    - Larger group – vested interests?
  - What is the basis for decision-making?
- Technical decisions
  - What are the environmental goals?
  - Who are the primary users? And how should it be used?
  - Which sectors should be covered?
  - Which concepts should be used?
  - How should transitional activities be covered?
  - How should the taxonomy interact with other policies?

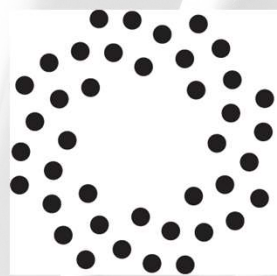
- Should an Australian taxonomy align with the EU?
  - Clear and consistent guidance for investors and companies
  - Doesn't consider different regional contexts
  - Could partially align, or agree on 'mapping'

Is	Is not
A list of economic activities and relevant criteria	A rating of good or bad companies
Flexible to adapt to different investment styles and strategies	A mandatory list to invest in
Based on latest scientific and industry experience	Making a judgment on the financial performance of an investment - only the environmental performance
Dynamic, responding to changes in technology, science, new activities and data	Inflexible or static



Marian Schoen

## **Links to other SPIPA network activities**



## European Union – Australian Climate Business Network

Supported by:



**Marian Schoen**  
**National Director**

Delivery Partner



[www.euacbn.org.au](http://www.euacbn.org.au)



# CONNECTING EU + AUS INDUSTRY

- Engaging EU and AUS national industry associations across 12 sectors
- Sharing policy and industry practice – with climate and trade focus
- Speakers, industry events, policy exchange, profiling the EU ecosystem – companies + diplomacy

AUSTRALIAN  
OCEAN ENERGY  
GROUP

**DMEC**





PROFESSIONALS  
IN INTERNATIONAL  
TRADE



# **Trade and sustainable development**

**AUS EU Free Trade Agreement**  
**Carbon border adjustments**  
**Circular Economy**  
**Sustainable Trade Finance**



# Financing the transition



**THE EU PLATFORM ON  
SUSTAINABLE FINANCE:**





## 2022 + focus:

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- Sectoral policy frameworks and regulation to inform market development eg: offshore renewables/marine energy
- Risk, insurance and sustainable finance for project development
- Practical implementation with case studies – sustainable finance
- Knowledge - policy briefings, implementation guides and training
- Sustainable trade focus in context of EU AUS FTA



Professor Peter Rayner

## **Overall lessons of the SPIPA program & next steps**





## Overall Lessons

Don't do this during a pandemic

Build on what's there

Researcher-researcher links are easy, the rest are harder

Strong links survive the end of funding ... let's see



## Next Steps

MCF seminar series will continue

Would like to encourage multilateral / regional aspects

Other networks being discussed (e.g. university-led)

Don't know much yet about SPIPA-2, except that it will exist