

Delivering on the Clean Energy Transition Partnership

with efficacy, integrity and transparency.

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Jubilee Australia Research Centre
15/155 Pitt Street
Gadigal Country
Sydney NSW 2000

(+61) 450 499 638
james@jubileeaustralia.org
www.jubileeaustralia.org
ABN: 78 669 804 328



AUSTRALIA & THE CLEAN ENERGY TRANSITION PARTNERSHIP

At COP28 in Dubai, Australia joined over forty other countries and institutions around the world in committing to ending taxpayer support for fossil fuel exports, by signing on to the Clean Energy Transition Partnership (CETP)¹. Internationally the CETP has already shifted an estimated AUD\$10 billion every year from fossil fuels, freeing up this money to support the transition to a clean energy future.

We applaud the Albanese government for making this commitment on the world stage. This is a vital recognition that Australian export financing and aid money cannot continue to facilitate the expansion of the fossil fuel industry. To quote Minister Bowen at COP28, this is just one aspect of the government's efforts to "restore Australia's climate leadership at home and abroad". We believe Australia's involvement in the CETP will help pave the way to achieving this vision, once it is implemented with efficacy, integrity and transparency.

As Australia's primary advocate for export finance reform, Jubilee Australia looks forward to working with the government during this process. We are available to provide further technical briefings, resources, or discussions on CETP implementation as requested. Please contact James Sherley at james@jubileeaustralia.org.

THE STEPS REQUIRED TO IMPLEMENT THE CETP:

- Issue new mandates for Export Finance Australia (EFA) and the Northern Australia Infrastructure Fund (NAIF), prohibiting fossil fuel financing
- Issue new voting guidance for Australia's position on MDBs, in favour of clean energy projects and against fossil fuel financing
- Ensure there are no loopholes or carve-outs for false solutions such as carbon capture and storage (CSS), offsets and nuclear energy
- Ensure there are no loopholes that would undermine climate security
- Set ambitious targets to increase the scale and quality of Australia's support for a just energy transition
- Publicly confirm, when requested, that specific fossil fuel projects would not be funded or adopt a public project-based exclusion list
- End proactive lobbying and promotion of fossil fuels with foreign governments
- Commit Australia to support the proposed OECD ban on oil and gas financing
- Commit to annual public reporting on CETP implementation

POLICY PROPOSAL

When signing the CETP, the government specifically acknowledged Pacific Islands leaders who had called on Australia to take this stepⁱⁱ. We believe this is a modest and achievable goal, especially considering calls from our Pacific neighbours for more ambition to end all fossil fuel financingⁱⁱⁱ.

To deliver on this pledge, the implementation of the CETP must apply to all forms of fossil fuel exports and all government entities in a position to finance fossil fuel exports.

The CETP outlines a twelve-month period for implementation. In this briefing we have detailed a clear set of binding commitments that the government should adopt to ensure it is delivering on this promise.

Issue a new Statement of Expectations for Export Finance Australia (EFA), prohibiting support for fossil fuels.

As ECAs remain the world's largest international public financiers of fossil fuels, reforming their financing mandates is at the core of the CETP's mission. EFA should be issued with a new Statement of Expectations that prohibits all fossil fuel financing.

Issue an addendum to the Statement of Expectations for the Northern Australia Infrastructure Facility (NAIF), prohibiting support for fossil fuels^{iv}.

To be credible, it is vital that Australia's CETP implementation does not allow NAIF or any similar fund to be used as a backdoor to finance fossil fuel projects that EFA would exclude. In 2021 Jubilee reported that since NAIF's inception in 2016 it had boosted support for the fossil fuel industry both directly and indirectly^v. Our research has identified the export components of these projects, including:

- \$175 million for the Olive Downs Coking Coal Project in 2021/22 – which is described by its titleholder as “delivering high quality coking coal to key markets in Japan, South Korea and India”^{vi}
- \$74.5 million to establish a gas pipeline and gas-fired power station at the Beyondie Sulphate of Potash mine in 2018/19 - a project also co-financed by EFA and German export financier KFW^{vii}
- \$16.8 million for the Onslow Marine Support Base in 2017/18 – which facilitates the offshore petroleum industry in the broader Pilbara Ports export complex^{viii}

- \$300 million for the Darwin Shiplift in 2019/20 – a project designed to enable the maintenance of commercial vessels, including from the oil and gas industry, at one of Australia’s biggest export terminals ^{ix}
- \$160 million for the Perdaman Urea Project in 2011/22 – specifically for a new multi-user wharf and facility at the Port of Dampier to facilitate exports ^x

A further billion-dollar loan for the export-focused Adani coal mine received conditional approval by NAIF but was halted after a veto by the Queensland government after intense public backlash. At minimum, recent experience suggests that not only is NAIF financing fossil fuels but that there is a precedent for where NAIF can act as a de facto export credit agency.^{xi}

After issuing a new Statement of Expectations for NAIF in 2022, the Albanese government followed this in 2023 with an addendum to align it with the government’s Critical Minerals Strategy^{xii}. If NAIF is to meet its target of reducing Australia’s emissions a further addendum should be issued that explicitly prohibits financing of fossil fuels.

Cement the commitments made in the CETP with new voting guidance for Australia’s positions on multilateral development banks (MDBs).

The CETP commits Australia to using the CETP to “guide our approach on the boards of multilateral development banks.” Australia should have a public position – instructing directors at MDBs representing regional constituencies of which it is part – of Australia’s position on voting. This is particularly important given its role as a key shareholder in the Asian Development Bank, Asian Infrastructure and Investment Bank and to a lesser extent the World Bank.^{xiii} Since the Paris Climate Agreement an estimated AUD\$828 million in Australian aid money has been directed to fossil fuel projects via MDBs.^{xiv} Australia should clearly state that it calls for directors to vote for new renewable energy and energy efficiency projects and against new fossil fuel projects as they threaten regional security and climate security, and contribute to an intensifying climate crisis which is a leading driver of poverty, humanitarian emergencies and increased gender inequality. The voting guidance should also be to vote against any policies that would enable decisions on fossil fuel projects to bypass a collective vote.^{xv}

Ensure the CETP is implemented with no exemptions for CCS or other false solutions.

To date, the scientific consensus is that to halt climate change and keep within 1.5°C we need to end all new fossil fuels and phase out existing fossil fuels. This must be mindful that since the 1970s fossil fuel firms have referred to speculative, non-existent, or long disproven

technologies as a strategy to justify new fossil fuel projects that will exacerbate the climate crisis. This can include, for example, beginning fossil fuel extraction before projects claiming to ‘offset’ or ‘capture’ carbon are even built - let alone analysed for actual emissions performance.^{xvi} Similarly, there is a widely documented evidence base on a host of scandals in industries from carbon offsets and carbon capture and storage over decades that show there is no credible science that fossil fuels emissions are being ‘abated’ in a legitimate, long-term way that permanently neutralises the impacts of emissions.^{xvii} Taxpayer money should not be used to fund projects that would be otherwise excluded, on the basis of speculative or fictional dreams – but must be based in on-the-ground reality, proven technologies and current climate science.

Ensure the CETP is implemented to explicitly prohibit provisions for nuclear financing.

The CSIRO’s 2023-24 GenCost report articulated a range of barriers to Australia developing nuclear as a viable source for the grid’s baseload^{xviii}. The report found that nuclear is the most expensive electricity generation technology, requires too long to plan, certify, and build to play a serious role in emissions reduction, and that Australia would be excessively reliant on offshore expertise and skills. This is in addition to federal and state legislation prohibiting nuclear power generation and the general consensus that nuclear lacks the community license to operate in Australia. As industry pressure mounts to open the door to support small modular reactors, a thorough implementation of the CETP should explicitly close any loopholes that might allow future governments to exploit EFA, NAIF and other government agencies to finance or promote nuclear energy as an alternative to renewables.

Avoid any loopholes that would undermine climate security.

Nothing in the CETP precludes countries in our region from pursuing new fossil fuel projects should they choose. It simply states that they must do so without using Australian taxpayer dollars via export credit or the foreign aid budget. Climate insecurity poses one of the most pressing threats to the stability of our region, to economic security and to physical security. Any loophole that evokes ‘security’ language such as ‘energy security’ in order to provide export credit to trading partners that are large fossil fuel re-exporters or financiers would be particularly egregious.

Set ambitious targets to increase the scale and quality of Australia’s support for a just energy transition.

Australia is well-positioned to drive investment in clean energy and energy efficiency, and the government has made clear this is a top priority. We welcome the redirection of Australia’s support of fossil fuels to renewables, with the caveat that public financing of renewables must be done differently. Australia’s export credit shares an egregious track record with the ECAs of other global north nations in its support for past energy projects in the global south that have had particularly devastating consequences. Hundreds of millions of dollars are still owing on export finance loans in support of the ExxonMobil led PNG LNG project. A project which has faced allegations of being linked to human rights harms, increased gender inequality, greater local conflict, overstated economic claims and ten years after first gas some landowning clans have still have not received royalties.^{xix} Across many countries, from Mozambique to Thailand, there are similar stories of projects financed by ECAs that have not only failed to live up to the dreams of local communities but had devastating social and environmental consequences.

Australia has a role to play in ensuring we don’t repeat these same mistakes with investments in the clean energy revolution. We must prioritize low-income countries and communities that are the least responsible for climate change, the most likely to be impacted by it, and those with the greatest need for energy access. This support must have strong human rights and environmental requirements, and respond to local job creation, knowledge transfer, local ownership, gender equality, debt justice, and sustainable development needs. As part of these efforts, grant-based and highly concessional support for energy efficiency and clean energy should be scaled up. Any support to cut emissions in global south countries must not be lifted from the aid budget, but rather be additional.

Publicly confirm, when requested, that specific fossil fuel projects would not be funded or adopt a public project-based exclusion list.

Currently, EFA’s policy is only to comment on projects that it will not fund if these have gone through a public review process. However, this does not extend to confirming if other projects would be ruled out by EFA’s policies or simply not under consideration. We note there is no client confidentiality restriction for projects who are not clients of EFA or NAIF, because no client relationship exists. The Centre for Environmental Law and Community Rights Inc (CELCOR), and other Papua New Guinean civil society organisations, have urged international financiers – including EFA - to publicly confirm that they will not finance TotalEnergies’ Papua LNG project.^{xx} Their concerns include that such projects will undermine existing plans and proposals for rapid renewable energy expansion in Papua New Guinea, as well as extensive climate, human rights, biodiversity, and economic risks.^{xxi} This includes that

the project does not meet the UN Guiding Principles on Business and Human Rights, the IFC Performance Standards or the Equator Principles. Project-based and company-based exclusion lists play a critical role in influencing international financing – by signalling where a project is inconsistent with an entity’s due diligence and policy standards. Less formally, simple statements to confirm a project will not be funded can also be impactful.

End proactive lobbying and promotion of fossil fuels at a diplomatic level.

The government must end all proactive lobbying and promotion of fossil fuels throughout its diplomatic channels. This should include ending any facilitation of engagement with foreign governments (for example via embassies) if that support promotes the production or use of fossil fuels – including lobbying to grant companies authorisation to explore for, produce or sell fossil fuels.

Position Australia in favour of proposals to end oil and gas financing at the OECD Working Group on Export Credits.

The CETP also commits Australia to “driving multilateral negotiations in international bodies, in particular in the OECD.” Separate positions have been proposed by OECD member states the UK and EU to expand the current ban on export credit for coal financing to include oil and gas, which could shift up to AUD\$60 billion out of fossil fuels. There is a natural synergy between the CETP and these efforts by OECD members. As the UK and EU consolidate their proposals, we urge the government to unequivocally align Australia with these efforts and to encourage other member states follow suit.

Commit to publicly report on CETP implementation each year.

In its simplest form, a yearly report on CETP implementation should state that each of the core pillars of Australia’s CETP implementation is being met. At best, this is an opportunity for the government to affirm that it has kept its CETP promise. At minimum, it ensures ongoing accountability for thorough and timely implementation.

JUBILEE AUSTRALIA IS PROUD TO PRESENT THIS POLICY PROPOSAL WITH THE ENDORSEMENT OF OUR PARTNER ORGANISATIONS:

AUSTRALIA

Climate Action Network Australia (CANA)
The Australian Conservation Foundation
The Australia Institute
ActionAid Australia
GetUp
Oxfam Australia
Lock the Gate Alliance
Conservation Council of Western Australia (CCWA)
Environment Centre Northern Territory (ECNT)
Environs Kimberley
Climate Energy Finance
350.org Australia
The Wilderness Society
Rising Tide
Edmund Rice Centre for Justice and Community Education
Australian Religious Response to Climate Change (ARRCC)
Uniting Church in Australia, Synod of Victoria and Tasmania
Wodonga Albury Towards Climate Health (WATCH)
Perth Hills Climate Change Interest Group
Yarra Climate Action Now (YCAN)
Climate Action Hobart
Bass Coast Climate Action Network

INTERNATIONAL

Oil Change International
Tuvalu Climate Action Network (TuCAN)
Kiribati Climate Action Network (KiriCAN)
Centre for Environmental and Law and Community Rights Inc. (Papua New Guinea)
Urgewald (Germany)
Friends of the Earth (United States)
Friends of the Earth (Japan)
Japan Center for a Sustainable Environment and Society (JACSES)
ReCommon (Italy)
Both ENDS (Netherlands)
Milieudefensie (Netherlands)
AbibiNsroma Foundation (Ghana)
Mekong Watch (Japan)
Kiko Network (Japan)
Hawai'i Institute for Human Rights

ⁱ The Clean Energy Transition Partnership was originally dubbed “The Glasgow Statement” after the UK established this initiative at COP26 in Glasgow: [Clean Energy Transition Partnership](#)

ⁱⁱ In the lead up to COP28 a group of Pacific leaders organisations published a joint statement calling on the Australian government to sign on to the CETP, endorsed by Australian civil society: [Pacific Leaders Urge Australia to Stop Financing Fossils](#)

ⁱⁱⁱ In March 2023 Pacific Islands governments issued the Port Vila Call for a Just Transition to a Fossil Free Pacific, which called for other countries, including Australia, to “join them in managing a global, equitable, and unqualified phase out of coal, oil and gas”: [Port Vila Call](#)

^{iv} NAIF’s current Statement of Expectations can be accessed here: <https://www.infrastructure.gov.au/sites/default/files/documents/NAIF%20Statement%20of%20Expectations%202022.pdf>

^v Dina Rui and Fyfe Strachan (2021), “Hot Money: Australian Taxpayers Financing Fossil Fuels”, Jubilee Australia Research Centre, published 6th July 2021, available at: <https://www.jubileeaustralia.org/resources/publications/hot-money-2021>

^{vi} Pembroke Resources: [Olive Downs Coking Coal Complex](#)

^{vii} Australian Potash: [Lake Wells SOP Project](#)

^{viii} NAIF: [Onslow Marine Support Base](#)

^{ix} NAIF: [Darwin Shiplift](#)

^x NAIF: [Perdaman Urea Project](#)

^{xi} Regarding export components of NAIF loans provided for marine bases and related infrastructure in Western Australia and the Northern Territory, we note [findings by the Australia Institute](#) that find 90% of Western Australia’s gas is exported. We also note a [recent fact sheet from Bravus Mining](#) that reports all of the coal from the Adani Carmichael mine has been exported. We posit that where NAIF has invested in a substantial fossil fuel-related project there is invariably an export interest.

^{xii} [The 2023 Addendum to NAIF’s Statement of Expectations](#)

^{xiii} Australia is the 5th largest shareholder of the ADB, the 6th largest shareholder of the AIIB and in the top 20 shareholders of the World Bank.

^{xiv} Dr. Kanchana Wiset (2023), “Hidden Cash for Fossil Fuels: How multilateral banks are diverting Australian tax dollars to fossil fuels”, Jubilee Australia, published May 2023, available here: [Hidden Cash](#)

^{xv} See further Accountability Framework discussions in the AIIB.

^{xvi} Oil Change International (2023), “Carbon Capture’s Publicly Funded Failure”, available at: <https://priceofoil.org/2023/11/30/ccs-data/>

^{xvii} For example, a recent carbon offsets scandal involved claims that more than 90% of rainforest offsets by the biggest certifier were worthless and therefore were likely to make climate change worse: <https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider->

[worthless-verra-aoe](#). Research from the Australia Institute showed the Australian Government spent \$1.3 billion on CCS initiatives between 2003 and 2017 which resulted in zero large scale operational projects:

<https://australiainstitute.org.au/post/carbon-capture-and-storage-is-a-dangerous-rort/>

^{xviii} CSIRO, “GenCost: Annual insights into the cost of future electricity generation in Australia”, available at: [CSIRO GenCost 2023/24](#)

^{xix} This was delivered via syndicated loans from multiple export credit agencies. This includes reports that for Australia alone, \$170 million is still owing on a prior export finance loan in support of PNG LNG:

https://budget.gov.au/content/bp1/download/bp1_2023-24_230727.pdf p.339

- <https://actionaid.org.au/wp-content/uploads/2019/12/UNDERMINING-WOMENS-RIGHTS-DIG>
- <https://actionaid.org.au/women-in-hela-province-bearing-the-brunt-of-the-png-lng-project/GING-DEEPER-FINAL-EMAIL4.pdf>
- <https://www.jubileeaustralia.org/resources/publications/double-or-nothing>
- <https://www.jubileeaustralia.org/resources/publications/shaky-ground-report-png>

^{xx} TotalEnergies is also co-venturing with ExxonMobil, (the majority stakeholder of PNG LNG: [CSOs Call for EFA to rule out financing Papua LNG](#)

^{xxi} <https://celcorblog.wordpress.com/2023/01/25/media-release-png-can-improve-energy-access-and-reduce-carbon-emissions-simultaneously-says-leading-png-environmental-group/>