

Eighth global dialogue and investment-focused event under the Sharm el-Sheikh mitigation ambition and implementation work programme

Cross-cutting issues, synergies, trade-offs, co-benefits from mitigation action

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• Mitigation in broader context

From fossil fuels to renewable energy

Supply security

Economic stability, economic diversification

Air pollution

Costs and co-benefits are paramount

Affordability is central

Mitigation as co-benefit of other primary effects?

A plurality of policy instruments

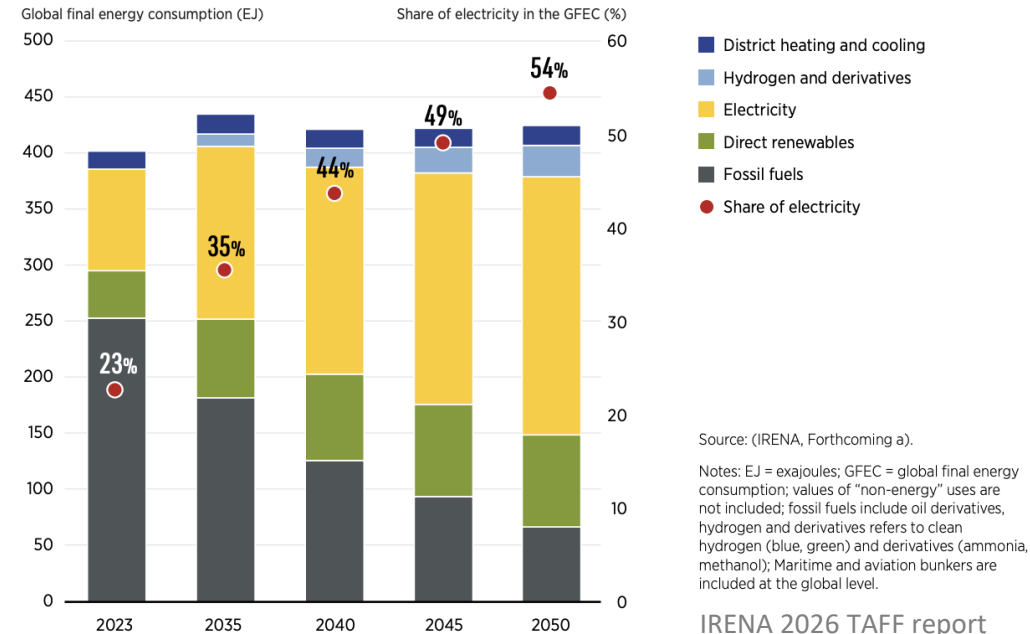
Many different policy instruments work – specific to contexts and objectives

Institutional support to enable transformation

Enable policy through evidence base and analysis, communication, community involvement

Global electrification goal 35-by-35

FIGURE 3: Evolution of the global final energy consumption (left axis) and the global electrification rate (in %) (right axis) under the revised 1.5 °C Scenario, by carrier, 2023-2050.



- Transport electrification for energy supply security and economic stability

Costs are up front, do not vary with global shocks

Fossil fuel importers shift to domestic energy supply

	China today	Fiji today	<i>Fiji if it had China's EV share</i>
EVs	>30m = 9% of fleet 50% of new vehicles	~400 = 0.25% of fleet 2% of new vehicles	~13k = 9% of fleet <i>(hypothetical)</i>
Displaced liquid fuel	~400mb/yr = ~9% of oil imports = ~\$50b/yr = ~0.3% of GDP	~0.009mb/yr = ~0.2% of fuel imports = ~\$1m/yr = ~0.02% of GDP	~0.12mb/yr = ~3% of fuel imports = ~\$17m/yr = ~0.3% of GDP
Emissions savings	Net saving ~ 120MtCO ₂ /yr = ~1% of China's emissions	Net saving ~0.002MtCO ₂ /yr = ~0.1% of Fiji's emissions	Net saving ~0.03MtCO ₂ /yr = ~1% of Fiji's emissions

• Policies for (and against) transport electrification

The good

Emissions standards with tradable certificates
- *EVs cheaper, paid for by charge on ICEs*

Public charging infrastructure support

Public transport investment, free public transport

The effective but regressive

EV subsidies
- *EVs cheaper, paid for by general revenue*
Typically regressive, often popular

Subsidies for private chargers, home batteries

The bad

Petrol/diesel tax reductions
- *reduces EV takeup, locks in ICEs, paid for by general revenue*



Home batteries in Australia:

30% rebate, 500,000 systems installed, support budget now \$8b to 2030

• Renewable energy supply

Costs have tumbled with rising deployment

PV; wind; battery storage

Early support for deployment/production now pays off

Installation costs fall with scale, automation

Grid integration of variable renewables works well

Very high shares of solar/wind, by coupling with storage

Decentral energy supply, stand-alone systems

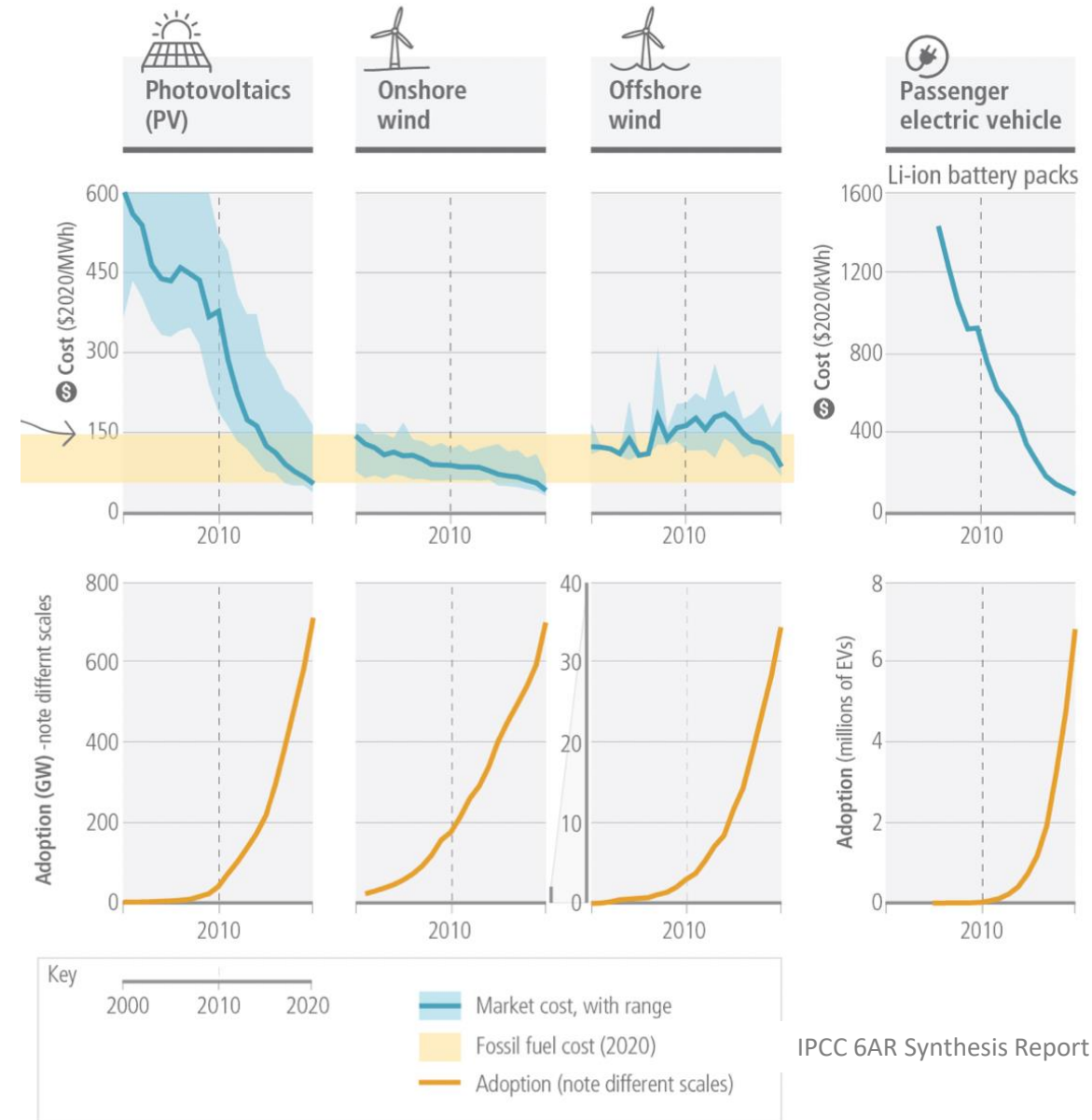
New policy approaches

High up-front costs, uncertain future power prices

Government underwriting of new investments

Electricity market reform?

Renewable electricity generation is increasingly price-competitive and some sectors are electrifying



• Australia's and South Australia's electricity mix – last 7 days

Energy ▾ NEM ▾



1D

3D

7D

30D

1Y

ALL

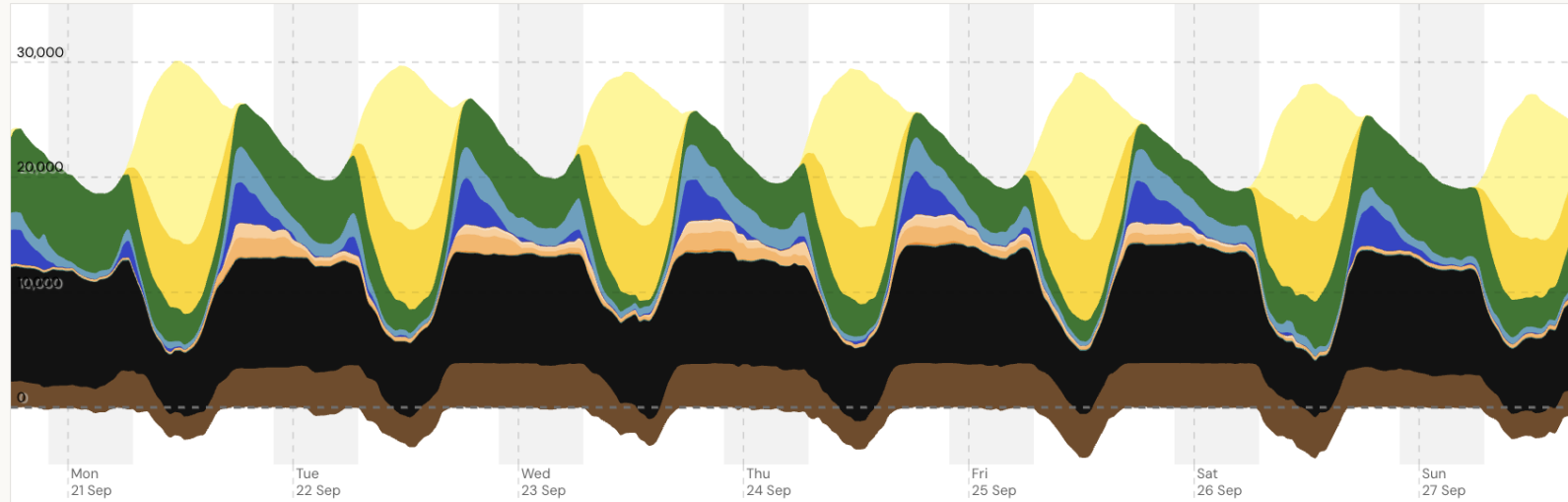
5m

30m

Source: AEMO via Openelectricity.com

Generation MW

Avg. 24,117 MW



Energy ▾ South Australia ▾



1D

3D

7D

30D

1Y

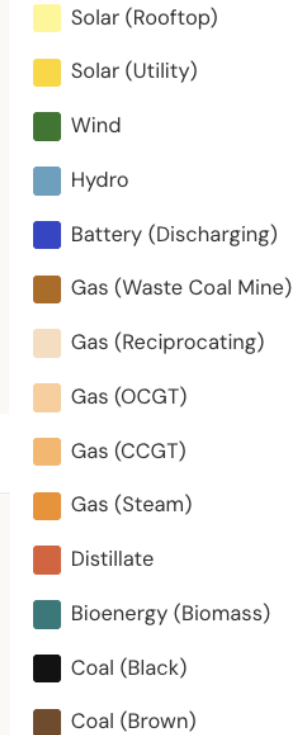
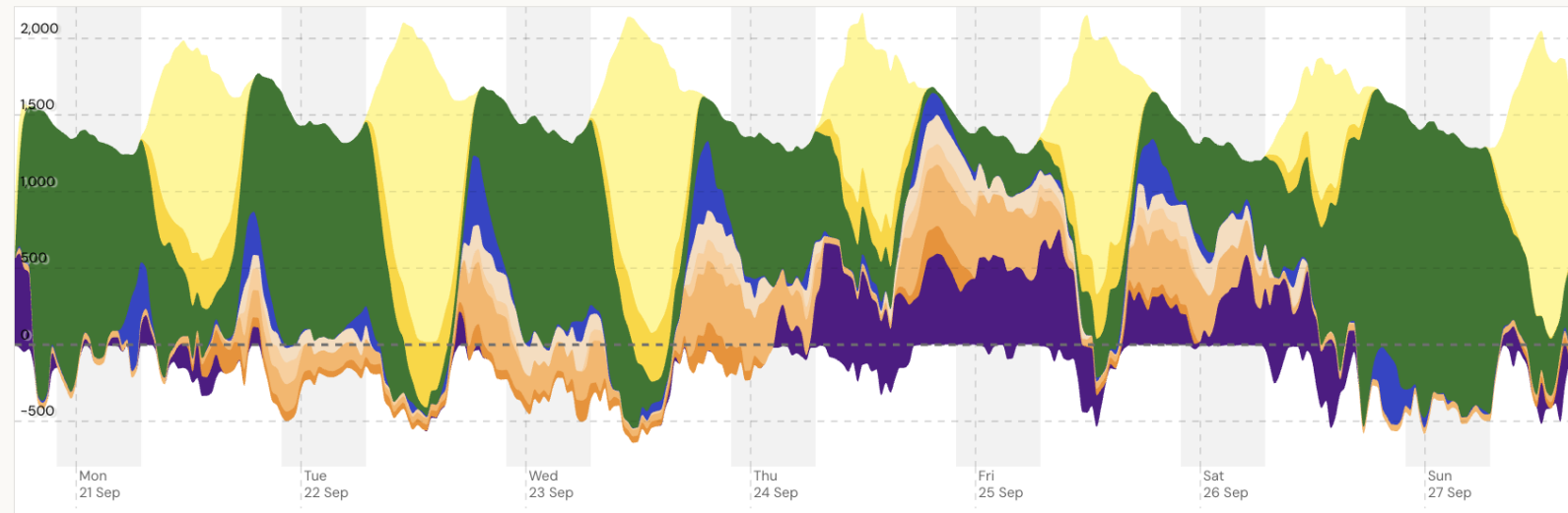
ALL

5m

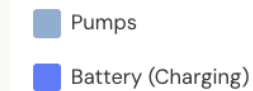
30m

Generation MW

Avg. 1,589 MW



Loads



Wind&solar
>30% average
Often >60%
Often 100% in SA

Batteries
Often >10%

• Policies for clean electricity and industrial decarbonisation

Emissions trading

on the rise incl in industrialising/developing countries

Electricity supply

- recycle revenue to avoid social/political difficulties
- support transmission/distribution, storage

Industry

- create incentives for investment in efficiency, electrification
- help create new green industries
- offset credit access to limit costs (eg AUS Safeguard Mechanism)
- maintain competitiveness incl through border carbon adjustment
- international coalitions for heavy industry carbon pricing

Direct investment support

Preferential financing

- eg low-interest loans, joint equity

Reducing market risk

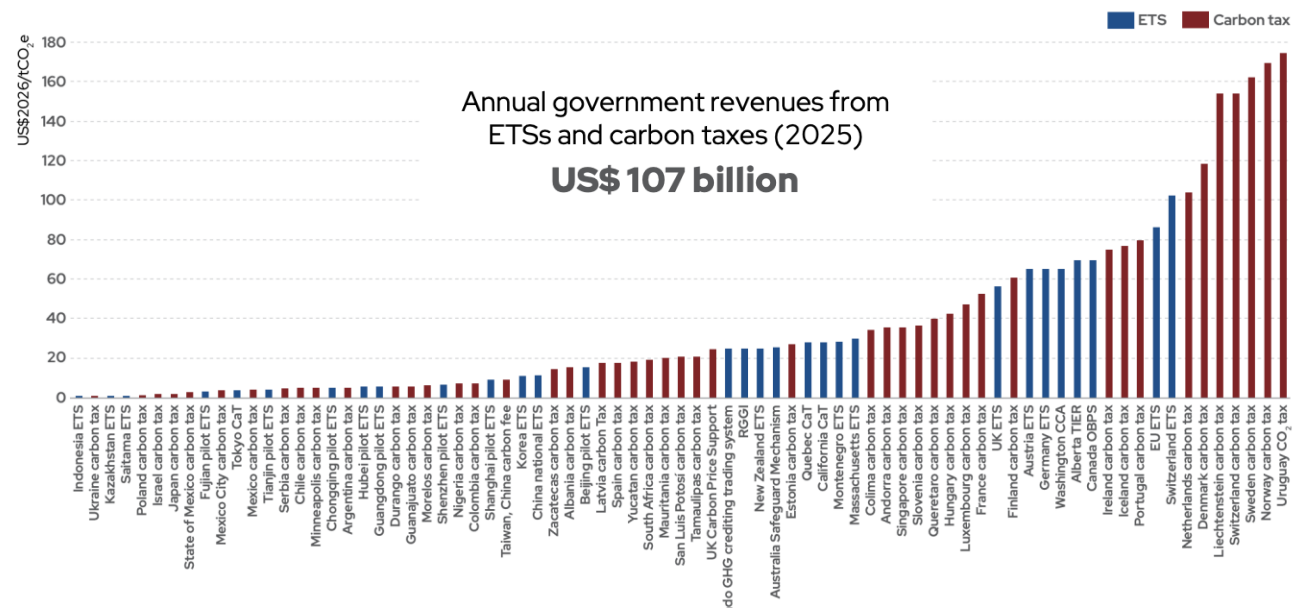
- eg underwriting for renewable energy supply

Creating demand

- ‘green’ product mandates, govt purchasing

24 State and Trends of Carbon Pricing 2026

FIGURE 7 Carbon prices across ETs and carbon taxes as of April 1, 2026



• Institutional support to enable transformation

Economic diversification

Established structures and interests hamper transition

- Planning and policy to enable/nurture new clean industries
... eg EU, China green industry policies

International partnerships

Inward looking approaches block gains from trade

- Green trade/investment cooperations
... bilaterally or in 'climate clubs'

Societal support low carbon transition, social licence

Fear of change and disadvantage

- Independent analysis and information
... eg Australia's Climate Change Authority
- benefit sharing with local communities,
compensation for workers in declining industries
... eg Australia's Net Zero Economy Authority



Global Climate Policy Project
at Harvard and MIT

**Technical
Report**

Putting Climate Coalitions into Practice

**A Common Framework for Balancing
Competitiveness and Equity**

•Thank you



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