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Net Zero Futures.

Policy Forum

Introduction to the Net Zero Futures Policy Forum

Background

The Net Zero Futures Policy Forum (the Forum) is an international partnership of subnational governments dedicated to addressing the practical challenges of achieving net zero emissions. The Forum provides a collaborative space for sharing knowledge and experiences, aiming to develop best practice policy solutions.

Co-chaired by New South Wales (Australia) and Scotland (UK), the Forum was supported by Climate Group during this reporting period (July 2023 – June 2024). Climate Group also serves as the secretariat to the <u>Under2 Coalition</u> – the largest network of subnational governments committed to reaching net zero emissions by 2050 or earlier. Although the Forum is an Under2 Coalition initiative, it maintains independent governance and funding, welcoming participation from state, regional and other interested governments, including those not part of the Under2 Coalition.

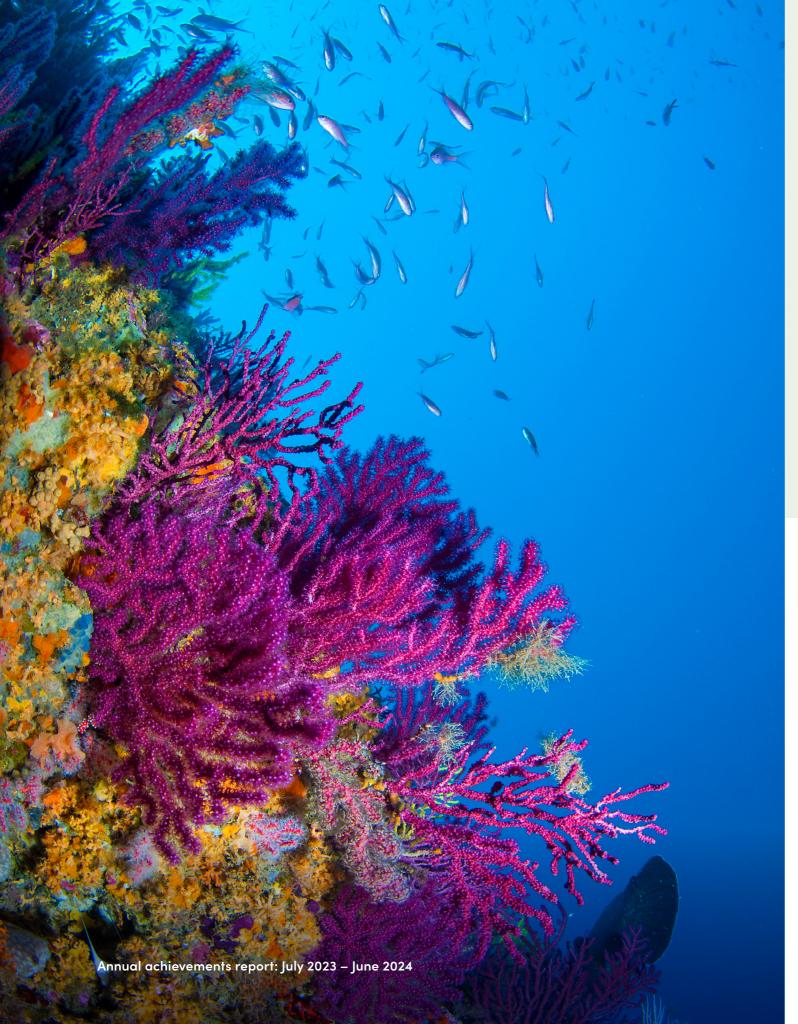
Who is in the Forum?

The Forum's membership includes the Australian territory and state governments of New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia. It also includes Wales and Scotland in the UK. KwaZulu-Natal (South Africa) participates regularly, and other Under2 Coalition members including North Rhine-Westphalia and Baden-Württemberg (Germany), Emilia-Romagna and Lombardia (Italy), Basque Country (Spain) and Madeira (Portugal) have joined specific policy briefings.

This broad membership base ensures a rich exchange of ideas and experiences, fostering a collaborative environment for developing and informing effective emissions reduction policies.







Project scope

Goal:

The Forum aims to assist states and regions in addressing the practical challenges of achieving net zero emissions. By providing access to the collective experience of participants, it supports the development of robust emissions reduction policies.

Impact:

Participating states and regions are improving their climate change mitigation strategies and progressing towards their net zero emissions targets by 2050 or earlier. Regular, open policy discussions enable members to form connections, explore common challenges, and enhance their approaches.

Benefits for participating states and regions

The Forum has already delivered significant benefits to participating states and regions.

By providing a government-led platform for trusted, open dialogue and knowledge exchange, the Forum has helped members refine and improve their climate change mitigation strategies. Participants have engaged in meaningful policy discussions, formed valuable connections and explored innovative approaches to common challenges. The focus on nature-based solutions and green hydrogen has been particularly beneficial, offering practical insights and actionable solutions.

Forum activities

The Forum has already delivered significant benefits to participating states and regions.

Senior Officials Group (SOG) meetings:

These meetings provide a platform for high-level discussions, sharing challenges and solutions and enhancing the strategic vision of attendees. They occur every six weeks and are a confidential Forum for honest discussion about the challenges and different approaches to implementing robust net zero policies.



Learn, Engage and Discuss (LEAD) sessions:

These sessions have facilitated learning and implementation opportunities through international policy discussions and presentations, enhancing participants' understanding of practical solutions.

Dissemination and outreach efforts:

Dissemination of common opportunities and challenges, including through a policy compendium and tested government solutions, has extended the Forum's impact across the Under2 Coalition and beyond.

Participation in major international events:

By providing insights and information on relevant events, the Forum has supported members' planning for international engagements, such as COP28. This has ensured active representation and engagement in global climate policy discussions.

Project management:

Effective management of the Forum, including support for service agreements and the development of success measures, has ensured that members are well-supported and that the project runs smoothly.

Forum finances

In 2023, founding members made financial contributions to support the Forum, with membership fees ranging from USD 5,000 to USD 35,000 per government, depending on the size of the jurisdiction. These contributions have funded the support of Climate Group through a service agreement with each participating government, running from July 2023 to June 2024. It is important to note that Wales and KwaZulu-Natal participated as observers during this period and did not contribute financially.





2 Forum highlights and key achievements

The Net Zero Futures Policy Forum has established a rhythm of regular, structured meetings and events, which have been instrumental in fostering high-level discussions and strategic decision-making. This section outlines the Forum's activities and key achievements, reflecting on the impact of its Senior Official Group (SOG) meetings and Learn, Engage and Discuss (LEAD) sessions.

The Forum's dynamic platform has allowed jurisdictions to learn from one another, as highlighted by various government officials, and has emphasised the value of continuous engagement and international collaboration in addressing climate change.



For some time, there has been a need to understand the practical application of net zero emissions. The Net Zero Futures Policy Forum is the place to discuss and share the on-the-ground experiences in reducing emissions at the subnational level.

Neil McFarlane, Director Climate Change and Hazard Risks, Department for Environment and Water, South Australia



Senior Official Group (SOG) meetings

In this reporting period, the Net Zero
Futures Policy Forum convened nine SOG
meetings. The structured agenda of each
meeting began with acknowledgments
and welcome remarks, setting a
tone of collaboration and inclusivity.
Presentations from Climate Group then
provided valuable insights into global
initiatives and best practices, providing
learning opportunities for all participants.

Early in the year, a formal review of the Forum's purpose and operational framework was undertaken. The SOG agreed to a final set of recommendations in September 2023,

and this led to the implementation of a new format for LEAD sessions and greater emphasis on policy discussion at the SOG meetings.

This transition from a minister-driven to a senior official-driven agenda has increased engagement.

Specific opportunities for participation in international events like Climate Week NYC and COP28 were organised, with successful events implemented, underlining the Forum's commitment to global collaboration and advocacy for sustainable policies on a bigger stage.

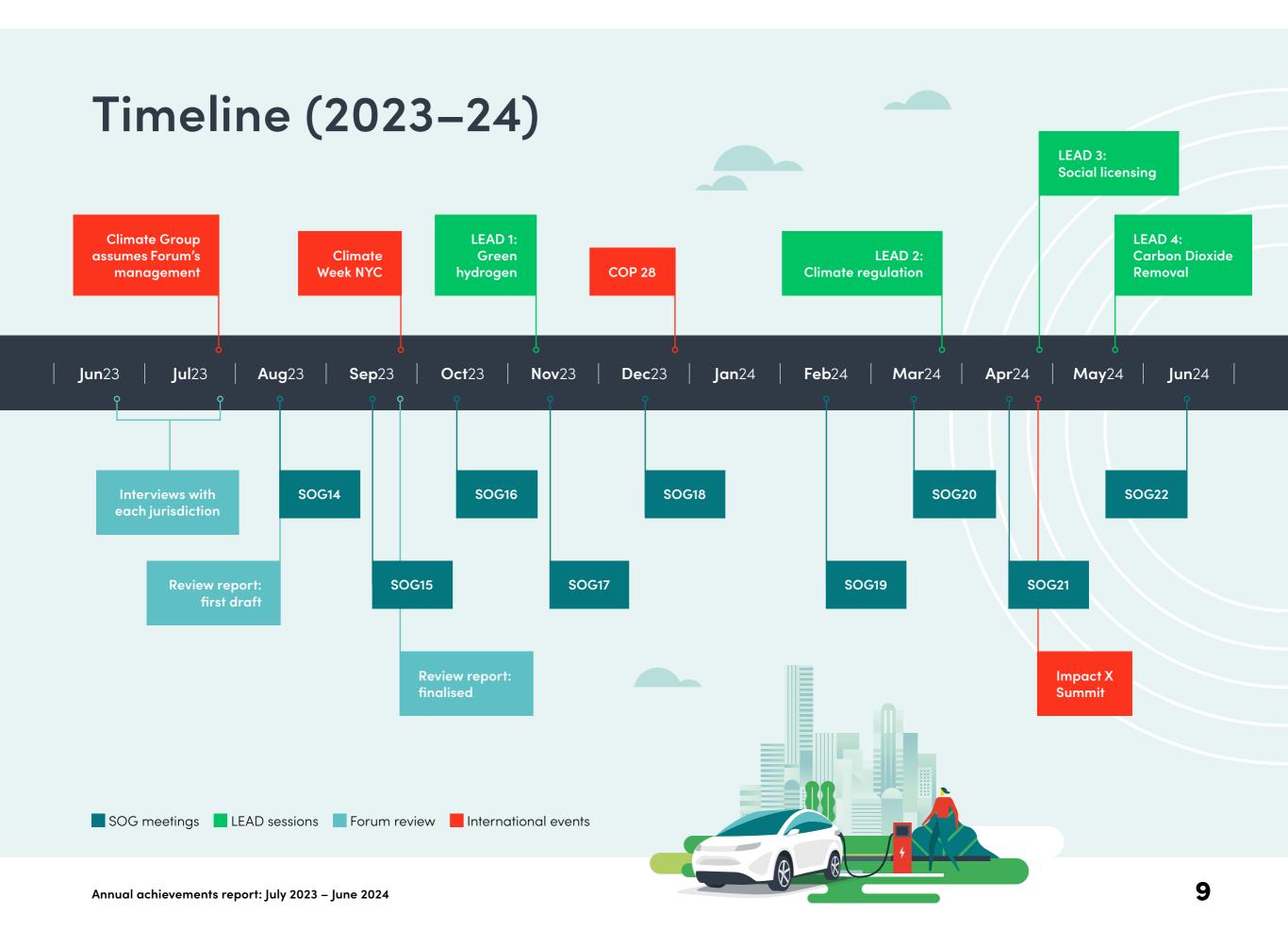
Each meeting concluded with comprehensive updates on ongoing initiatives, policy discussions and key takeaways and action points for future engagements.



As a smaller government jurisdiction, being part of the Net Zero Futures Policy Forum is a great opportunity for us to share policy challenges and learn from the wide range of experience of other jurisdictions. Through the Forum we can collaborate with other Australian and international governments to develop the best net zero actions and help achieve our emissions reduction targets.

Sarah Russell, Director, Climate Change Office | Renewables, Climate and Future Industries Tasmania





Learn, Engage and Discuss (LEAD) sessions

LEAD sessions throughout the project provided invaluable insights and opportunities for collaboration on topics of high priority for Forum members.

Green hydrogen: insights from LEAD session 1

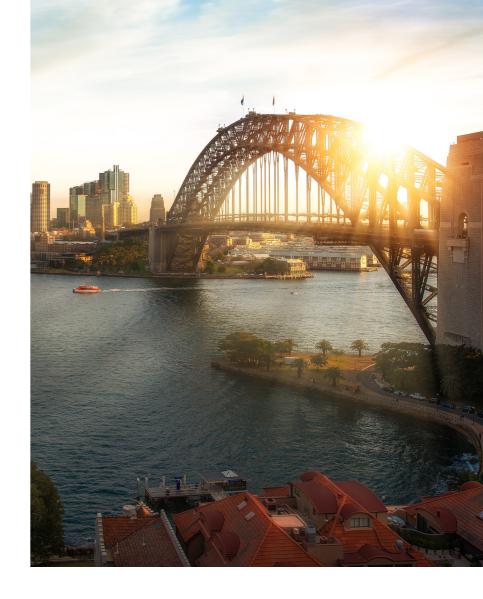
The first LEAD session focused on green hydrogen technology, its decarbonisation potential and its deployment challenges. Presentations from experts Richard Day, Director Industry Development, Office of Hydrogen Power from South Australia, and Christian Scholz, Project Manager, Industry and Production, North Rhine Westphalia, Germany, offered real-world case studies and highlighted the importance of government support, community engagement and private sector involvement in driving the transition. Despite the challenges discussed, such as scalability and infrastructure needs, investments like South Australia's AUD \$593 million capital funding for a hydrogen-fuelled power plant and storage at Whyalla in the Upper Spencer Gulf shows the economic opportunity. The session's recommendations highlight the importance of clear policy frameworks, just transition approaches and robust policies contextualising green hydrogen's role in decarbonisation efforts.



Climate regulations: insights from LEAD session 2

LEAD 2 explored climate regulation, emphasising the importance of robust regulatory frameworks and transparent reporting mechanisms in ensuring the credibility of climate action initiatives.

Through presentations from experts Tony Chappel, CEO of the Environmental Protection Agency (EPA), New South Wales, and Tessa Vincent, Race to Zero Policy and Engagement Lead at Climate Champions on legislative mandates and reporting requirements, attendees gained valuable insights into best practices and lessons learned in navigating complex climate governance. The Race to Zero campaign highlights the significance of policy and regulation in driving behaviour change, with mandatory regulations providing stability and confidence to businesses. New South Wales' Climate Change (Net Zero Future) Act 2023 sets a clear path for net zero by 2050, demonstrating legislative commitment. Effective engagement with industries, as exemplified by the EPA's initiatives, stresses the importance of collaboration in achieving climate goals. Recommendations highlight the need for transparent climate action plans, cross-sector collaboration and effective monitoring methods to support sector-specific policies and regulations.





Newly moving into the climate change space, the Net Zero Futures Policy Forum has given me the opportunity to hear from other jurisdictions about the work that they are doing including the wins and the challenges. The LEAD sessions have been enlightening as they have explored contemporary thinking across a range of subjects, using experts to present and then facilitating discussion across the group.

Mary-Anne Healy | Director, Climate Change, Flood Risk & Coast | Department wfor Environment and Water, South Australia



Maintaining social license for bold climate actions: insights from LEAD Session 3

LEAD 3 explored the vital yet often overlooked need to secure social license for climate action. Denise Cauchi, Australia Program Lead at Climate Outreach - a British charity that focuses on public engagement and helps organisations to think about how they can tell a different climate story - highlighted the need for climate policies that resonate with people's values and beliefs. Effective communication, public participation in policy-making and trust-building are critical for securing long-term public buy-in. The session delved into strategies for engaging diverse stakeholders and building trust within communities to give actionable insights for subnational governments. Presentations and discussions, including case studies from Scotland and Wallonia, demonstrated successful public engagement strategies, including tailored messaging and inclusive communication, in fostering public acceptance and involvement in climate initiatives.

Carbon Dioxide Removals (CDR): insights from LEAD Session 4

Finally, LEAD 4 focused on Carbon Dioxide Removal (CDR) as a critical tool for addressing the climate crisis, providing deep insights into Direct Air Capture (DAC) technologies and their role in achieving net zero emissions. Experts including Dr Will Howard, Climate Change Authority, Australia, and Oscar Schily, Climeworks, highlighted the technical aspects, global deployment and necessary policy frameworks to scale up CDR technologies.

The session emphasised the need for collaboration between subnational governments and private sector innovators to advance CDR solutions. Key recommendations included developing individual targets for emissions reduction and carbon removals, prioritising long-lived geological and mineral storage technologies and establishing rigorous monitoring, reporting and verification standards. The session also highlighted the importance of capital and operational expenditure support to scale DAC, which must reach gigaton scale to meet climate targets. Presentations showcased the significant potential of DAC, currently costcompetitive for about 20% of today's emissions, and emphasised that government support and robust climate policies are essential for the maturation and cost reduction of DAC technologies.

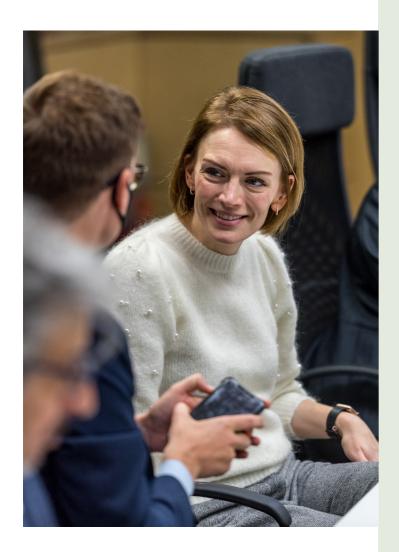


The Direct Carbon Removal tool discussion was one of the most intriguing discussions, with lessons shared by Australia's Climate Change Authority on Direct Air Capture etc. We could relate the discussion to the CCSU discussion in South Africa and discovered that there is more work that is being undertaken in other parts of the world that can be benchmarked to establish more confidence in our mitigation efforts and net zero 2050 target.

Noloyiso Walingo and Thabani Gambu, KwaZulu-Natal Government, South Africa

Overall, LEAD sessions acted as catalysts for knowledge sharing and action, enabling Forum members to propose and prioritise policy topics aligned with their interests and agendas.

As a result, the Forum published a series of articles, each centred on a specific LEAD session, highlighting the insights and recommendations discussed.



Forum review

In mid-2023, a review of the Forum's purpose and direction was undertaken to ensure that the Forum was delivering maximum value to its members. The review was based on individual interviews with each member jurisdiction, plus discussions with the Climate Group. The final review report was delivered to Forum members in September 2023.

All senior officials interviewed had a positive view of the Forum, and the overwhelming benefit they articulated was the ability to connect with officials in similar positions in other jurisdictions and have full and frank discussions. Some of this was occurring at the regular SOG meetings, and additional value was being gained from the connections formed, and discussions held, between individual officials outside of Forum meetings.

The international component of the Forum was valued by all jurisdictions. For some it is interesting simply to be connected to discussions around COP meetings and international carbon policy. For others there is additional value in learning lessons from jurisdictions with distinctly different contexts and approaches to solving net zero policy problems.

However, it was agreed that the operation of the Forum was imposing too high a workload on senior officials, and there was insufficient space for in-depth policy discussions. It was therefore agreed that, while ministerial meetings are clearly beneficial, the logistics make scheduling effective ministerial meetings very challenging. The greatest value of the Forum came from the mutual lessons learned from discussions between senior officials, and hence senior officials should be seen as their primary beneficiaries.



It was therefore agreed to establish the LEAD (Learn, Engage and Discuss) sessions, to focus on specific policy topics, and to set aside more time in SOG meetings for policy discussions. This new approach has been successfully implemented since the initial LEAD session on green hydrogen in November 2023.

Participation in major international events

Participation in major international events has been a keystone of the Forum, offering invaluable opportunities to share insights, learnings and best practices with global stakeholders.

Impact X Summit

The Impact X Summit held on 22 April, 2024, provided a platform for us to engage in a workshop on Nature-based Solutions (NbS), addressing the challenge of climate change. This event, featuring distinguished speakers from various government departments and organisations, shed light on innovative approaches and strategies adopted by subnational governments to support net zero and nature-positive outcomes.

Mark Rodrigues, Executive Director of Climate Action and Circular Economy at the Victorian Government, highlighted lessons from different approaches to Nature-based Solutions. The emphasis on starting small projects with imperfect methodologies fosters the development of crucial capabilities in carbon and natural capital accounting. Additionally, the call for climate and nature frameworks to harmonise underlines the need for consistency and synergy in our efforts.

Gillian Mayne, Director of Natural Capital at the Queensland Government, shared insights into the Land Restoration Fund (LRF), showcasing how investments in carbon farming projects can yield co-benefits of environmental, social and economic value. The case study of Goondicum Station exemplifies the tangible impact of such initiatives, contributing to biodiversity conservation, employment and community resilience.

Ben Dipper, Head of Peatland Policy at the Scottish Government, emphasised the importance of managing peatlands as a Nature-based Solution for climate change mitigation and adaptation. This aligns with our commitment to protecting and restoring vital ecosystems, recognising their role in reducing emissions and preserving biodiversity.

Emily Lewis, Manager of Environmental Policy and Projects at the Western Australia Government, emphasised the significance of natural capital accounting (NCA) in achieving net zero targets and promoting nature–positive outcomes. The integration of NCA into policy settings enhances environmental risk management and fosters sustainable practices, ultimately supporting long-term value creation and climate resilience.

Kushaal Raj, Pacific Policy Director at Conservation International, talked about the importance of funding protection of biodiversity, in particular protection of mangroves, to prevent loss of soil and to promote a blue economy in the Fiji islands. Kushaal also highlighted community activation as crucial to encouraging local communities to value nature and to bridge the gap between policy ideas and implementation.







The thing I was most struck by, listening to all the speakers, was the commonality of challenges and opportunities we all share – even if we're on opposite sides of the world. Naturally we are working within different ecosystems, but above that the shared mission and joint goal was clear – and that was most inspiring.

Ben Dipper, Head of Peatland Policy, Nature Division, Directorate for Environment & Forestry, Scottish Government





COP28, Dubai

At the Australia Pavilion, case studies and insights from the Nature-based Solutions and Hydrogen Taskforces of the Net Zero Futures Policy Forum were showcased during panel discussions.

Speakers explored the role of diverse international and multilateral cooperation in mobilising resources to advance and accelerate energy transition and NbS in Southeast Asia. Both sessions can be watched here on the YouTube channel of the Department of Climate Change, Energy, the Environment and Water of the Australian Government with over 3,400 followers.

At COP28, the Forum also launched its policy compendium 'Achieving Net Zero Through Nature' and hosted a special networking session alongside the Under2 Coalition General Assembly, attended by Andalusia (Spain), Broward County (Florida, United States), Minas Gerais (Brazil), North Rhine-Westphalia (Germany), New South Wales, South Australia and Victoria (Australia).

Overall, the Forum's participation in international events has been instrumental in fostering collaboration with global partners and making other like-minded subnational governments aware of the benefits of joining Forum activities.









Annual achievements report: July 2023 – June 2024



Achieving Net Zero through Nature: Policy Forum Compendium

The Policy Forum Compendium presents case studies from the Nature-based Solutions (NbS) Taskforce, illustrating how subnational governments are leveraging NbS to support net zero and nature-positive outcomes. The case studies offer insights into diverse approaches, from New South Wales's pilot climate disclosure statements to Victoria's Bushbank Program. They underscore the importance of tailored approaches and knowledge sharing among subnational governments to address complex policy issues related to carbon and nature accounting. These case studies serve as valuable learning opportunities, highlighting the need for collaborative efforts and innovative solutions in the journey towards a sustainable future.

Beyond the Forum: Under2 Coalition newsletters

Progress and insights from Policy Forum activities were also featured in Under2 Coalition newsletters, shared quarterly with global states and regions that are members of and signatories to the Coalition.



3 Key Indicators of Success

The success of the Net Zero Futures Policy Forum has been measured through a set of key performance indicators (KPIs), reflecting both the Forum's operational efficiency and the achievement of its overarching goals.

These indicators provide valuable insights into the Forum's progress and impact on policy development, knowledge exchange and international engagement. Let's delve into each indicator to understand how well the Forum has performed against these metrics.



SOG meeting engagement

The first indicator focuses on achieving a 90% attendance rate at SOG meetings, ensuring active participation and engagement in crucial policy discussions. Over the reporting period, the Forum demonstrated strong engagement, with consistent representation from member jurisdictions across most meetings. Specifically:

- SOG 14: 18 participants from 7 jurisdictions
- SOG 15: 18 participants from 7 jurisdictions
- SOG 16: 21 participants from 8 jurisdictions
- SOG 17: 12 participants from 7 jurisdictions
- SOG 18: 13 participants from 7 jurisdictions
- SOG 19: 20 participants from 7 jurisdictions
- SOG 20: 14 participants from 5 jurisdictions
- SOG 21: 15 participants from 6 jurisdictions
- SOG 22: 19 participants from 6 jurisdictions



LEAD session participation

The second indicator assesses the attendance rate of Forum members in LEAD sessions, aiming for an 80% participation rate. These sessions provide valuable opportunities for peer-to-peer learning and knowledge exchange on critical topics related to emissions reduction.

The Forum has largely met this target, with significant member participation in each session. LEAD 1 had 23 participants, followed by 25 participants in LEAD 2, 34 in LEAD 3, and 25 in LEAD 4. This active engagement highlights the Forum's commitment to continuous learning and capacity building. The strong attendance demonstrates the value members place on these sessions and reinforces the Forum's role in fostering a culture of innovation and collaboration.





Knowledge transfer impact

The third indicator evaluates the impact of shared knowledge on enhancing participating governments' mitigation policies, aiming for positive feedback from 80% of members. Feedback was collected through requests for comments for the annual report and feedback forms following LEAD sessions. Specifically, KwaZulu-Natal's feedback highlighted the significant contribution of the Forum's knowledge transfer initiatives in revising the state's climate change implementation plan. This feedback indicates that the knowledge transfer initiatives within the Forum have been well-received and have contributed significantly to informing policy decisions and members have expressed appreciation for the practical insights and best practices shared during discussions.



Membership commitment

The final indicator assesses the Forum's membership commitment through the signing of service agreements by all members. Achieving a 100% signing rate indicates strong commitment and financial support from participating governments. The Forum has successfully secured service agreements from all existing members, demonstrating their ongoing dedication to advancing collaborative efforts towards achieving net zero emissions. This commitment ensures the Forum's sustainability and emphasises the value placed on collective action in addressing the climate crisis.

In summary, the Net Zero Futures Policy Forum has performed well against its key indicators of success, demonstrating strong engagement, knowledge sharing and international collaboration.

International events involvement

The fourth indicator focuses on Forum members' active representation and engagement in major international events such as COP, aiming to showcase the Forum's achievements and expand its connections with key stakeholders. Forum members demonstrated strong attendance and engagement at COP28 in Dubai, launching the policy compendium 'Achieving Net Zero Through Nature' and hosting a special networking session alongside the Under2 Coalition General Assembly. This session was attended by representatives from Andalusia (Spain), Broward County (Florida, United States), Minas Gerais (Brazil), North Rhine–Westphalia (Germany), New South Wales, South Australia and Victoria (Australia). Additionally, the Forum successfully ran a workshop at the Impact X Summit in Sydney, which was attended by 20 participants both virtually and in person. This involvement has not only raised the profile of the Forum but has provided opportunities to share insights, learn from global best practices and advocate for subnational governments' role in addressing climate change on the international stage.





4 Looking Ahead

From July 2024, the Forum will be supported by a secretariat provided by the co-chairs, New South Wales and Scotland. However, the Forum will retain close ties with Climate Group and the Under 2 Coalition.

The Forum will remain committed to strengthening knowledge exchange across subnational jurisdictions. We will do this by maintaining our regular meetings and knowledge-sharing sessions focused on specific policy topics, aligning with emerging challenges and opportunities and responding to the interests of our member governments. We will prioritise sharing of governments' practical experiences in specific policy areas, to support global decarbonisation efforts towards achieving net zero targets.

The Forum will continue to build and maintain strong links with international networks including the Under2 Coalition, Climate Group and Regions4. Cultivating strategic partnerships with like-minded organisations, institutions and stakeholders has proven to be of great value in advancing our shared goals, and we will continue to seek opportunities to expand our networks further.

The LEAD sessions have become an important catalyst for the dissemination of best practices, case studies and lessons learned. The Forum will continue to organise and facilitate peer-learning sessions, creating regular opportunities for government officials to engage with other policymakers.

The Forum is open to any state, regional and other interested government. We welcome all new members who want to learn about, and share experiences in, shaping the best net zero policy solutions. From July 2024 it will be free for governments to join the Forum. Interested governments are invited to contact the Forum's secretariat via email at NZFPolicyForum@environment.nsw.gov.au.

Climate Group

Moving forward, Climate Group will continue to work with the Forum's co-chairs to identify opportunities where it can support members in their efforts to reach net zero emissions via Under2 Coalition events and projects.

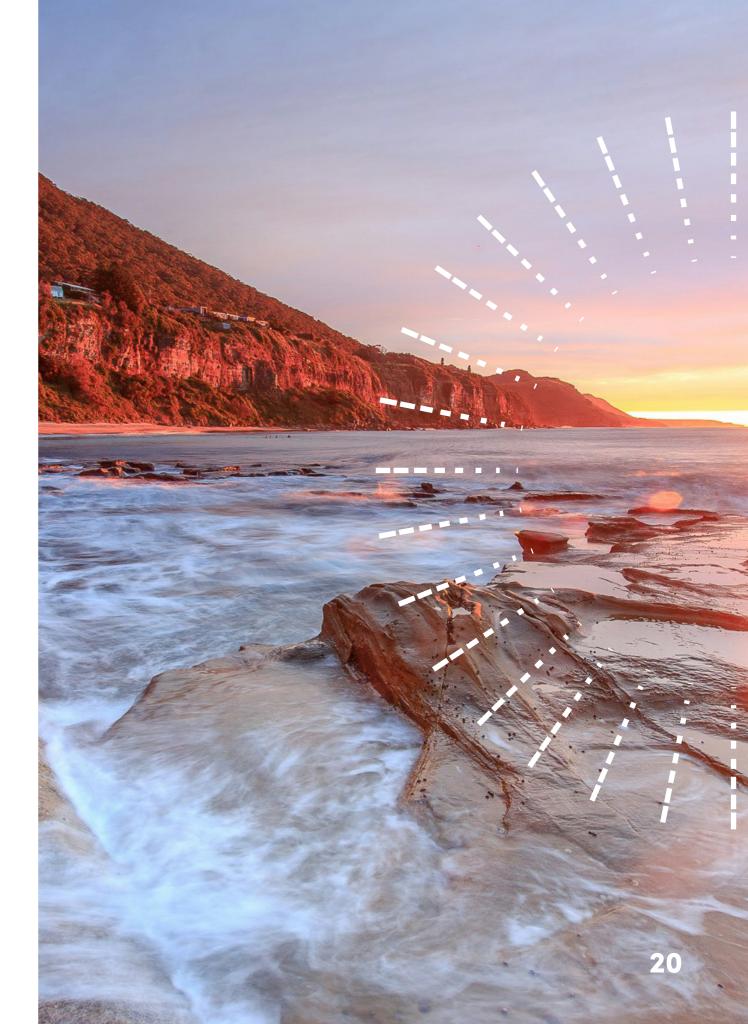
Climate Group, as secretariat to the Under2 Coalition, strongly believes in the power of international peer-to-peer learning to advance solutions that work well on the ground. We will promote knowledge from the Forum's policy discussions widely across Under2 Coalition channels to enhance engagement with more subnational governments.

As we count down to COP30 in Brazil and the next round of Nationally Determined Contributions (NDCs) to tackle global emissions, we will also focus on new topics which are priorities for the Under2 Coalition such as climate finance, short-lived climate pollutants and adaptation and resilience.



Co-chairing the Forum with Scotland has been an exciting journey for New South Wales. A highlight for us has been developing new relationships with other governments. We continue to benefit from hearing about the challenges other governments are facing, and how they are addressing them – there are so many similarities across jurisdictions! We look forward to more conversations and collaborations in 2024 and beyond.

Cris Hickey, Director of Climate Change and Sustainability Policy, New South Wales



Acknowledgment of contributions

We extend our appreciation to all Forum members and stakeholders for their commitment, invaluable insights and collaborative spirit throughout. Your dedication, expertise and enthusiasm have been instrumental in driving the Forum's success and fostering a culture of shared learning and collective action. Together, we have demonstrated the power of collaboration in addressing one of the greatest challenges of our time and laying the groundwork for a more resilient and sustainable world.



