

COP30 President
Secretariat of the UNFCCC

COP30-TAFF-Roadmap@unfccc.int

31 March 2026

Dear COP30 President,

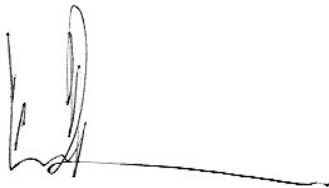
Subject: COP30 Presidency Roadmap on Transitioning Away from Fossil Fuels in a Just, Orderly and Equitable Manner

The **Business Council for Sustainable Development Australia (BCSDA)** is the Australian network partner of the **World Business Council for Sustainable Development (WBCSD)** and contributes to the WBCSD **Member Business Council** network, connecting national and regional councils advancing practical sustainability solutions.

BCSDA is also the **Australian focal point for the We Mean Business Coalition (WMBC)**, supporting business action consistent with the goals of the Paris Agreement. In this context, BCSDA's input reflects Australian business perspectives and relevant international practice, with a focus on implementation pathways that reduce risk and enable investment.

BCSDA supports publication of this submission and would welcome the opportunity to participate in any further consultation, technical discussion or stakeholder dialogue that may assist development of the COP30 Presidency Roadmap.

Yours faithfully



Andrew Petersen
CEO | Business Council for *Sustainable Development* Australia
andrew.petersen@bcsda.org.au | 0412 545 994

1. Introduction

BCSDA welcomes the opportunity to contribute to the COP30 Presidency Roadmap on transitioning away from fossil fuels in energy systems in a just, orderly and equitable manner, consistent with paragraph 28(d) of the COP28 Global Stocktake outcome. The Presidency's aim of translating agreed direction into practical implementation, while recognising that no single pathway will suit all countries, regions or sectors, is timely and well framed.

BCSDA members span energy, infrastructure, finance, industry, transport, services and technology. Our submission focuses on practical implementation: identifying the binding constraints that delay delivery, highlighting the policy, investment, governance and workforce measures that can reduce those constraints, and supporting differentiated pathways that maintain energy security, affordability and competitiveness while reducing emissions in line with the Paris Agreement.

BCSDA recommends that the COP30 Presidency Roadmap:

1. Treat grid capacity, interconnection and permitting as first-order enablers of transition, not secondary implementation issues.
2. Package policy reform with investability measures, including concessional finance, de-risking tools and predictable project pipelines, to reduce the cost of capital and accelerate delivery.
3. Integrate demand-side action, including energy efficiency, electrification and enabling infrastructure, as a core part of the transition away from fossil fuels in energy systems.
4. Treat just transition measures as delivery infrastructure, with practical attention to workforce transition, regional development, affordability and social dialogue.
5. Offer differentiated pathway options for countries and sectors with different starting points, including energy-access constrained economies, coal-heavy power systems, fossil export-dependent economies and high-capacity producers and consumers.
6. Anchor the Roadmap in practical implementation modules that countries, subnational entities and sectors can adapt to their circumstances.

Australia & Pacific framing

Australia's circumstances illustrate why the COP30 Roadmap should be practical, option-based and differentiated. Australia combines strong institutional capacity and substantial clean-energy resource potential with material economic exposure to fossil-fuel production, use and export. For economies with similar characteristics, an orderly transition must address not only domestic decarbonisation, but also export exposure, regional employment concentration, fiscal implications and the pace of global demand shifts.

Where country-specific metrics are used to inform pathway design, the Roadmap should encourage transparent use of recent national and international data sources.

The Australia–Pacific context reinforces the importance of credibility, equity and implementation. The Presidency's Roadmap is framed as an implementation-oriented reference that offers differentiated options. In practice, this means the Roadmap should be capable of supporting high-capacity economies to move faster while also recognising the finance, resilience and development priorities of Pacific and other climate-vulnerable states.

Recent public reporting notes Australia's stated intention to continue advocating for the global transition away from fossil fuels in the lead-up to **COP31 (co-hosted with the Pacific in 2026)**—a setting that elevates the relevance of practical "just and equitable" pathway design, including affordability, resilience, and finance.

Implications for the Roadmap

- Elevate grids, interconnection and permitting as first-order enablers of clean power, reliability and electrification.
- Pair pricing and subsidy reform with fairness measures, including affordability protections, revenue recycling and targeted regional support.

- Make orderly transition bankable through lower-cost finance, credible de-risking mechanisms and investable diversification pathways for export- and region-exposed economies.
- Enable differentiated pathways through modular options anchored in the wider COP28 energy package, including renewables, efficiency, methane and subsidy reform.

2. Most critical barriers (Question a)

2.1 Physical and system bottlenecks (grids, interconnection, permitting)

Across many systems, the binding constraint is now delivery capacity in the grid, interconnection and permitting system, rather than the underlying availability of renewable technology. Grid constraints can delay completed projects and slow electrification, increasing reliability risks and the perceived need for fossil back-up.

2.2 Economic and financial systemic risks (cost of capital; macro exposure)

A central barrier, particularly in emerging markets and developing economies, is the cost of capital. High risk premiums can undermine otherwise viable projects even where clean technologies are commercially competitive. Weak policy credibility can also increase the risk of disorderly adjustment, including stranded assets, fiscal shocks and abrupt regional employment impacts.

A further barrier is that, in some hard-to-abate sectors, the transition challenge is not simply one of deploying more renewables. For sectors such as heavy industry, aviation, shipping and some freight applications, commercially viable alternatives remain expensive, infrastructure-dependent and not yet available at sufficient scale. Options such as green hydrogen, hydrogen-derived fuels, sustainable aviation fuel and other low-emissions pathways may be important, but their uptake is constrained by weak project economics, uncertain demand, limited infrastructure, technology and execution risk, and the absence in many markets of durable policy settings and bankable offtake arrangements.

2.3 Fossil fuel subsidies and price distortions

Persistent fossil fuel subsidies and under-pricing weaken clean competitiveness and consume fiscal space that could support transition investment and social protection. COP28's GST explicitly calls for phasing out inefficient subsidies that do not address energy poverty or just transitions.

2.4 Supply-side lock-in and misalignment risk

A practical implementation barrier is misalignment between planned fossil fuel production and Paris-aligned demand pathways, increasing lock-in and disorderly adjustment risk. This is particularly material for export-exposed economies where fiscal and balance-of-payments impacts can be concentrated.

2.5 Social and workforce constraints

Just and orderly pathways require institutional capacity for social dialogue, skills, workforce transition planning, and regionally targeted support. Without credible workforce and community measures, affordability and legitimacy constraints can delay or reverse policy.

3. Potential levers to accelerate implementation (Question b)

In practice, implementation accelerates when levers are packaged rather than treated in isolation. Policy settings, investment plans, delivery governance and workforce measures are most effective when designed as a coherent program, because that reduces bottlenecks, lowers perceived risk and improves bankability.

3.1 Strengthening policy signals and market design

Clear, durable policy signals reduce uncertainty and financing costs. Where adopted, carbon pricing can support investment if paired with complementary measures and revenue recycling to address affordability and competitiveness impacts.

Complementary tools include clean electricity standards, renewable auctions, permitting reform with safeguards, interconnection reform, flexibility markets (storage, demand response), and reliability/system-strength measures.

For hard-to-abate sectors, the Roadmap should recognise that acceleration may require targeted support for first-of-a-kind and early-scale projects, enabling infrastructure, demand-creation measures and credible long-term policy signals, not only general economy-wide decarbonisation settings.

3.2 Grid investment and delivery reform (first-order enabler)

The Roadmap should explicitly recognise the grid as a gating factor for both clean power and electrification. A dedicated grid delivery track should therefore cover investment scaling, regulatory reform, accelerated approvals, transmission planning, interconnection reform and system-strength requirements.

3.3 Lowering cost of capital and scaling climate finance

For many developing countries, the decisive lever is financing structure rather than technology cost. Measures include concessional finance, guarantees and de-risking, currency risk tools, predictable pipelines of bankable projects, and grant components for social transition costs—aligned with ongoing finance efforts referenced in the COP30 context.

The Roadmap should explicitly recognise the grid as a gating factor for both clean power and electrification. A dedicated grid delivery track should therefore cover investment scaling, regulatory reform, accelerated approvals, transmission planning, interconnection reform and system-strength requirements.

For eligible hard-to-abate applications, targeted support for enabling infrastructure and early project risk reduction may be needed for pathways including CCS, hydrogen-derived fuels or other higher-cost abatement options.

3.4 Making demand-side transition investable and durable

Progress on efficiency and electrification (buildings, transport, industry energy use) often requires standards, targeted finance, enabling infrastructure, and affordability protections. COP28 includes a benchmark of doubling the rate of energy efficiency improvement by 2030, reinforcing demand-side action as part of the negotiated energy package.

3.5 Just transition delivery infrastructure

Just transition should be treated as delivery infrastructure, not as a social add-on after core decisions have been made. This includes social dialogue, labour-market planning, skills forecasting, training capacity, worker mobility support and regionally targeted economic development.

3.6 Avoiding new long-lived lock-in; managed transition planning

Rather than prescriptive templates, the Roadmap can offer options that help jurisdictions avoid new long-lived fossil lock-in and support credible managed transition planning consistent with nationally determined pathways, energy security, and reliability considerations.

4. Roadmap experiences, best practices and lessons (Question c)

The Roadmap can draw on “platform” models that integrate policy reforms, investment pipelines, governance, and social measures. The key lesson is not to replicate any one model, but to adapt the underlying design features: sequencing, governance clarity, financing structure, accountability and social legitimacy:

- **Just Energy Transition investment platforms** (e.g., South Africa JET IP; Indonesia CIPP) demonstrate how sequencing, governance, and finance packages can be made explicit and monitorable.
- **Regional just transition mechanisms** (e.g., EU Just Transition Mechanism) show the value of geographically targeted support where impacts are concentrated.
- **Sector roadmaps with enforceable instruments** (e.g., maritime) illustrate that credibility improves when long-term goals are paired with near-term regulatory and investment measures.

Australia-relevant transferable lesson (framed generically): large-scale renewables integration and electrification programs are accelerated when grid planning, approvals, and investment pipelines are coordinated across levels of government and aligned with regional workforce and industry development planning (consistent with the Roadmap’s focus on subnational and sector options).

5. Reflecting diverse realities through differentiated pathways (Question d)

To reflect different national circumstances, the Roadmap should use a pragmatic starting-point approach. Countries and sectors should be able to identify their main constraints, such as energy access, fossil dependence, grid maturity, fiscal space and industrial structure, and then select from a defined menu of policy and implementation options.

BCSDA suggests the Roadmap structure differentiation around a small set of archetypes with distinct constraints and levers:

1. **Energy access–constrained countries:** concessional finance, distributed renewables, grids/mini-grids, clean cooking, affordability safeguards.
2. **Coal-heavy power systems:** coal transition sequencing plus accelerated grids, storage, and flexibility markets. In some hard-to-abate sectors, CCS may be relevant as part of a broader transition pathway, particularly for process emissions or where alternatives are not yet scalable. Any incentives for CCS should be targeted and conditional, with clear emissions accounting, monitoring and verification, infrastructure planning and alignment with longer-term transition goals. It should be framed as a specific enabling option in limited contexts, not a general substitute for economy-wide transition. In practice, this may include time-limited investment support, transport and storage infrastructure coordination, and policy settings that reduce early-stage project risk where there is a credible role for CCS in achieving emissions reduction outcomes.
3. **Fossil export–dependent economies:** fiscal planning, diversification investment, workforce/regional transition deals, investability reforms.
4. **High-income producers/consumers:** faster deployment and policy implementation capacity (including standards, subsidy reform, electrification), paired with targeted regional supports and competitiveness measures.

This “design once, tailor many” approach supports nationally determined pathways while strengthening comparability and implementation readiness.

6. What business can contribute to implementation

Business can help accelerate implementation where policy direction is sufficiently clear, investable and durable:

- **Investment pipelines and project delivery capability** across generation, networks, storage, electrification infrastructure, and industrial energy transformation.
- **Credible transition planning and disclosure** aligned to evolving standards, improving capital allocation and risk management.
- **Workforce and supply chain partnerships** (training, procurement, local capability development) that improve feasibility and reduce delivery risk.
- **Policy feedback loops** on what improves investability (permitting timelines, grid access rules, market design stability, and bankable de-risking instruments).
- **Practical evidence on where delivery is being delayed**, including permitting bottlenecks, grid access constraints, skills shortages and financing gaps.

7. Suggested Roadmap structure (menu of options)

Consistent with the Presidency’s invitation, BCSDA suggests a modular Roadmap structure that countries, subnational entities and sectors can adapt to their circumstances:

- **Power system module** (renewables, grids, flexibility, reliability)
- **Demand-side module** (efficiency, electrification, enabling infrastructure, affordability)
- **Supply-side / managed transition module** (avoid lock-in, manage decline risks, methane and operational measures)
- **Finance module** (cost-of-capital, de-risking, concessionality, pipelines)
- **Just transition module** (social dialogue, skills, regional development, protections)
- **Governance & transparency module** (cross-ministry coordination; stakeholder participation; monitoring)

This supports differentiated pathways for countries, subnational entities and sectors while keeping the Roadmap measurable and implementation oriented.

8. Conclusion

The COP30 Presidency Roadmap can add real value if it helps convert broad agreement into practical implementation. In BCSDA's view, that requires four disciplines: focusing on the binding delivery constraints, packaging reform with investability measures, embedding affordability and just transition considerations into implementation design, and offering differentiated pathway options that countries and sectors can adapt to their circumstances.

A Roadmap built on those principles would be more likely to improve delivery certainty, mobilise investment, reduce disorderly transition risk and support a transition that is credible, practical and equitable. BCSDA would welcome continued engagement as the Roadmap develops.

Selected references

The references below are provided to identify the principal public sources informing this submission:

- UNFCCC (2026). COP30 Presidency Invitation to Submit Contributions.
- UNFCCC (2023). Decision 1/CMA.5 (Outcome of the first global stocktake).
- IEA (2023). *Electricity Grids and Secure Energy Transitions* (Exec summary; full report).
- World Bank (2025). *State and Trends of Carbon Pricing 2025* (+ press release).
- IMF (2025). *Underpriced and Overused: Fossil Fuel Subsidies Data 2025 Update* (WP/25/270).
- SEI / Climate Analytics / IISD (2025). *Production Gap Report 2025* (Exec summary; full report).
- OECD (2025). *Ensuring a just transition to net-zero emissions* (Net Zero+ Policy Paper No.15).
- Australian Government (DISR) (2025). *Resources and Energy Quarterly: June 2025*.
- Australian Government (energy.gov.au) (2024/2025 release). *Australian electricity generation – fuel mix (calendar year 2024)*.
- Australian Government (DCCEEW) COP31 Pacific partnership + President of Negotiations hub + pre-COP announcement.
- Pacific Islands Forum Secretariat (2026). Joint release: *On the Pacific journey to COP31*.
- Australian Minister for Foreign Affairs (2026). Joint media release: pre-COP in Fiji and Tuvalu.