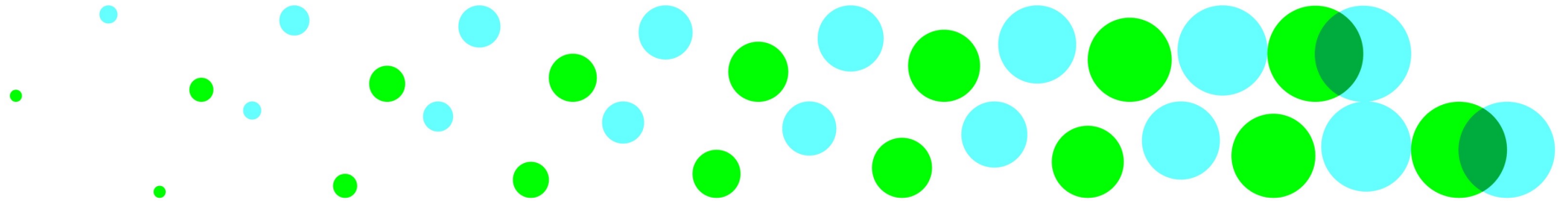


# Transition Accelerator

Helping business expand the scope for  
profitable climate investing



*Call for Expressions of Interest*  
22 March 2023

# What is the Transition Accelerator?

To expand the scope for profitable climate investing, unleash a \$30 trillion investment opportunity and speed our economy's transition to net zero by 2050, the private sector must partner with civil society to change the 'rules of the game.'

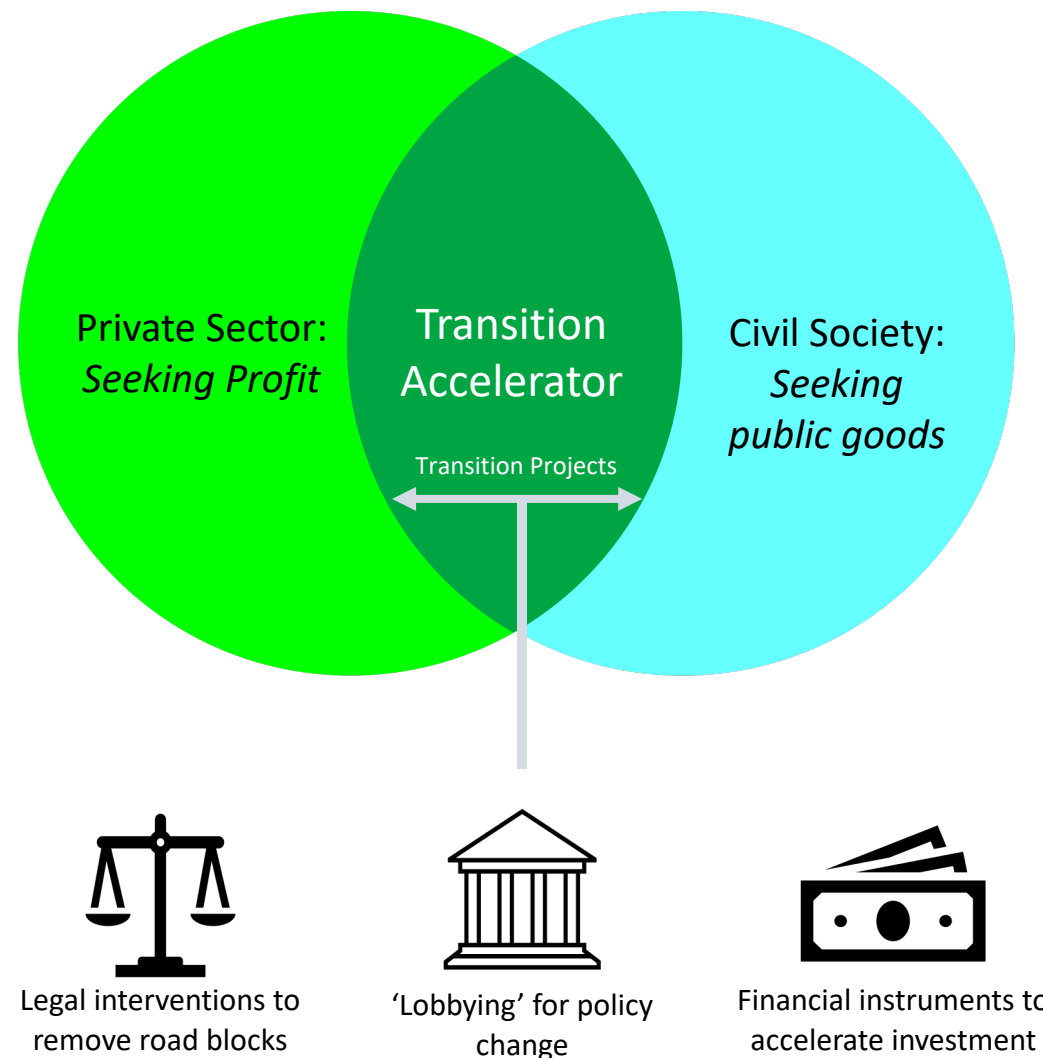
The carbon-fuelled economy is built on thousands of laws, regulations and practices. These are the 'rules of the game' that constrain profitable climate investing. They need to change to create the zero-carbon economy.

The Transition Accelerator builds partnerships between businesses, investors and civil society organisations (advocacy groups, think tanks and others) to identify policy and economic barriers limiting the viability of their business models and investments. The Accelerator then pulls together the private sector and civil society to develop campaigns – Transition Projects - that will help to remove these barriers.

The Accelerator procures funding for Transition Projects, each of which will be supported by both the private sector and civil society and each of which will address an identified roadblock to green investing and business.

In this way, the Transition Accelerator will help civil society and the private sector to leverage each other's skills and resources to change the rules of the game and accelerate the shift to a net zero economy.

We are seeking Expressions of Interest from businesses and investors confronting policy and economic barriers and those who want to participate in the Transition Accelerator.



Transition Projects will use these strategies

# Why does the Transition Accelerator exist?

To keep global warming to 1.5 degrees, every part of the global economy needs to be transformed, at speed.

Sadly, businesses that want to invest in the climate transition still confront too many roadblocks. Climate focused civil society groups need to ramp up their advocacy and lobbying and need resources to do so.

The Transition Accelerator exists to pull these two groups together and harness their respective skills and resources.

For the private sector, the Accelerator will help legitimise advocacy efforts and let them access the skills and expertise of civil society.

For civil society, the Accelerator will provide scale, resourcing and a channel to work with business.

For both, the Accelerator will reduce the cost of collaboration and it will harness their respective skills and resources.

The Transition Accelerator complements the important work of existing industry and civil society outfits.

It doesn't replicate, it accelerates.

## Example Transition Project

Climate change and health advocates in Australia have been advocating for several years about the health impacts of gas heaters, water heaters, stovetops and other gas appliances in households. Advocates and researchers have pointed out that some of these appliances leak methane emissions into households, and have deleterious respiratory health impacts for householders, particularly for children.

The advocacy against gas appliances feeds into the business models of companies that have clean and lower emissions alternatives. For example, the health advocacy might support heat pump or induction stove manufacturers, who could gain the benefits of increased market share from customers who know about and are concerned with the health and climate impacts of their appliances.

The Transition Alliance would help to facilitate the coordination between these strategic health and climate researchers and advocacy groups and the heat pump, induction stove and other manufacturers who will be direct commercial beneficiaries of successful campaigns. With greater and careful coordination and industry resourcing, campaigns such as those already underway can increase scale and impact.

*Source: Discussions with health and climate experts at Melbourne Climate Futures*

# Who might be the members of the Transition Accelerator?

When the Transition Accelerator is formally established, one of its key roles will be to decide how to select its members.

Members might be divided into two categories:

1. Private sector members – This will be businesses who sell products and services that enable the transition, and their investors. Their self-interest is rapid and accelerating transition, and this requires the right policies, laws and practices. This group will exclude fossil fuel companies, even those tasked with finding solutions, because we believe their overwhelming interest will be the status quo. It will also exclude corporates who are not making genuine efforts to decarbonise.
2. Civil society members – These will primarily be advocacy organisations and think tanks which have an interest in a rapid transition. They will mostly be climate NGOs, but they will also include others with unique skills to contribute to Transition Projects.

Private sector members might be asked to pay an annual membership fee. They will also be asked to ‘invest’ in campaigns that help them to advance their business strategies.

Civil society groups may not have to pay a fee, but instead might be invited or need to apply to be part of the Accelerator. The reason for this is to have a broad group of civil society groups with diverse skill sets.



*Representative membership only, these groups have not agreed to participate formally in the Transition Accelerator*

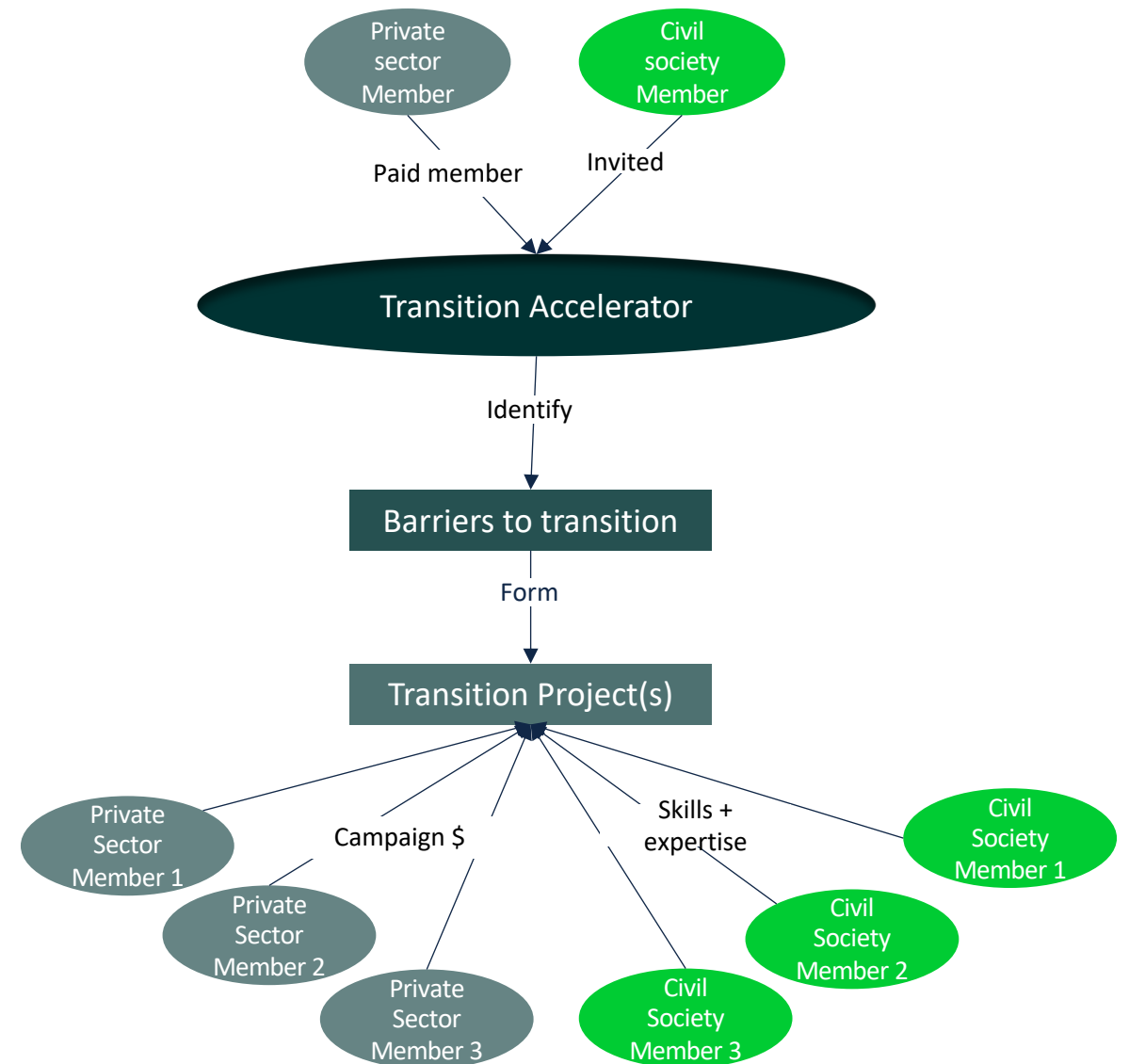
# How will the Transition Accelerator operate?

Funded initially by philanthropy, the Transition Accelerator will work with private sector and civil society members to identify specific policy and economic barriers that limit the viability of green business models and slow the pace of green investments. This might be a regulatory barrier slowing investment into a new technology or it might be related to the competitiveness of a low-emissions technology as against an incumbent.

Once a barrier is identified, the Accelerator will identify member(s) interested in forming a Transition Project. Private sector members would be asked to finance such Projects, and civil society members would be invited, based on their ability to contribute skills and expertise needed to address the barriers identified.

The private sector members in the Alliance co-finance the participation of the civil society members, in recognition of the fact that the private sector will get the financial upside of a successful future policy change.

The main work of the Transition Accelerator will be in helping groups coordinate and finding the overlap between what business needs and what civil society wants. The Accelerator will also help to develop strategies for achieving Project goals.



# What activities will the Transition Accelerator pursue?

The Accelerator might support multiple Transition Projects at once.

Transition Projects could be in a new industry area where no industry grouping exists. This sort of Project might focus on specific narrow policy changes.

Transition Projects might also be cross-industry, in which case the policy reforms might be bigger in ambition and scale.

The Transition Alliance will involve members who have a range of different skills, so that specific Projects can draw on different tools depending on what is needed to change the 'rules of the game'. The range of activities need not be limited and will depend on the outcome being pursued, and the skills available among members. This might include:

- Direct lobbying, public relations, and strategic research for policy change at all levels of government;
- Litigation to remove rules which are inhibiting transition-aligned investment;
- Developing creative financial instruments drawing on private and if needed, public and philanthropic capital.



Source: Climateworks Centre, 2022

# Transition Project Example 1: Australian Carbon Dioxide Removal Project

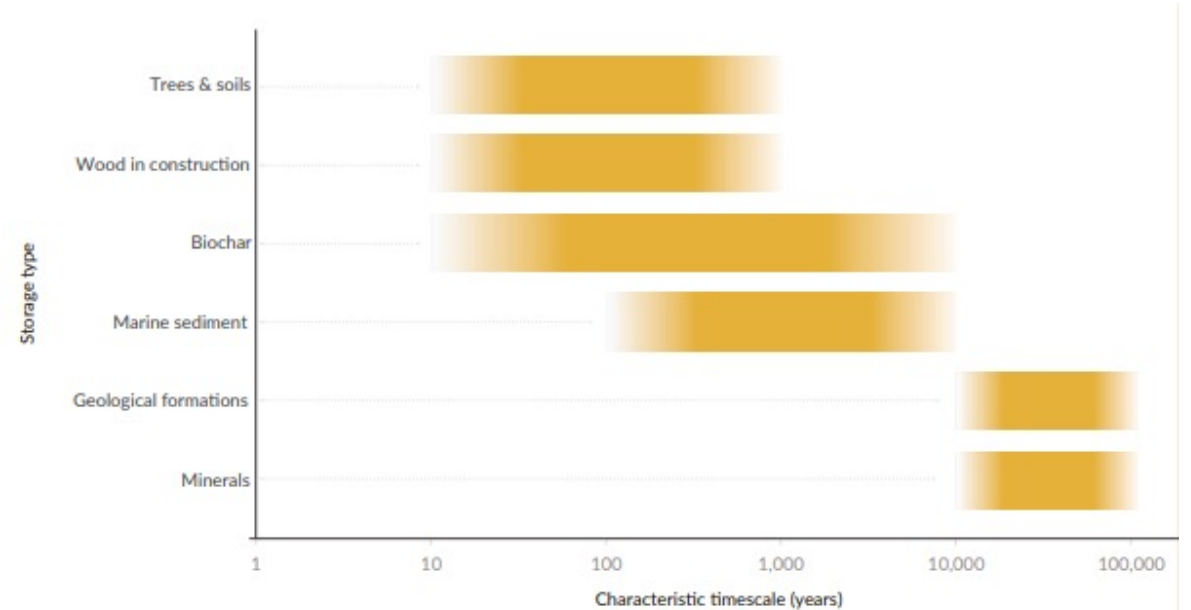
Almost all carbon dioxide removal (CDR) (99.9%) available comes from conventional management of land, primarily via afforestation and reforestation. The tiny remainder comes from more novel CDR methods, such as carbon capture and storage (BECCS), biochar, and direct air capture with carbon capture and storage (DACCS).

This is a problem because to play a productive role in reducing global warming, carbon needs to be removed from the atmosphere for long time frames (1000 + years). Indeed IPCC modelling of the 1.5 and 2 degree scenarios assumes high usage of BECCS, DACCS and other forms of long-duration CDR. Yet these technologies are not cost competitive with the lower duration CDR technologies.

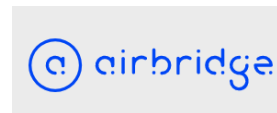
Australia has a burgeoning CDR industry, which builds off some of existing engineering expertise from the agriculture, mining and other associated services sectors. To scale, the industry needs substantial government and private capital investment.

A Transition Project for Carbon Dioxide removal might lobby for changes to public financing mechanisms, such as the CEFC or ARENA, to enable investment structures which might better support CDR technology development. Such changes might make novel CDR technology cost competitive with other CDR technology over time. The Project might also fund advocacy efforts currently underway to better align carbon market regulation so that offsets align with industry emissions sources.

TIMESCALE COMPARISON OF DIFFERENT CDR TECHNOLOGIES



Source: State of CDR Report, 2022



Representative membership only, these groups have not agreed to participate formally in the Transition Accelerator



# Transition Project Example 2: Project on Clean Fiscal Spending

Increased fiscal spending is central to rapid economy wide decarbonisation. The impact that the Inflation Reduction Act in the US has had on clean energy investment has been remarkable in a short period of time. Australian governments have resisted making similarly large fiscal commitments, given the significant levels of existing national debt. One approach to this is to redirect existing public spending on a large clean energy package.

Australia's public sector offers substantial subsidies to the fossil fuel sector. In 2021-22, this was estimated at around \$11.6 billion worth of spending and tax breaks. Subsidies are a zero sum game. If they go to one sector, they cannot, by definition go to another.

A Transition Project on Clean Fiscal Spending would draw together the beneficiaries of greater fiscal spending to invest in a long term and large scale campaign to repurpose fiscal spending on clean energy. This might be similar to the fossil fuel industry's campaign against the Minerals Resource Rent Tax. A Project might campaign to remove subsidies for coal exporters, revising the Future Fund's investment mandate to focus on zero emissions technologies, use new and existing state-owned entities for green purposes. The point would be to lobby for a budget neutral fiscal package that would rapidly increase clean energy investment, and crowd-in private finance.

The Project would need to invest for a long-term campaign. This might include direct lobbying, strategic research, public relations campaigns, strategic lawsuits. Members might include civil society members that have been working on elements of this campaign for a long time, as well as industry groups – such as renewable energy firms – who are likely to benefit from such changes.

Transition Accelerator – Call for Expressions of Interest



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# Many organisations across and within sectors already advocate for pro-transition policy change

## Generalist



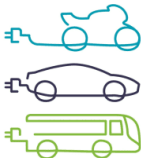
## Electricity



## Finance



## Industry + Transport + Buildings



## Climate tech



# There are also many pro-climate 'ad-hoc' industry and civil society alliances

Climate Capital Forum

**Supercharge Australia**

ADVERTISEMENT

## WORST ELECTRIC VEHICLE POLICY IN THE WORLD

### Dear Victorian Members of Parliament

The Andrews Government's proposed tax on electric vehicles is the only stand-alone electric vehicle tax in the world.

No other jurisdiction has introduced such a targeted levy on the cleanest vehicles on the road without significant incentives to balance it out.

Most industrialised countries are prioritising incentives for electric vehicles to benefit from cleaner air and new jobs from a growing industry.

This new tax means the world's manufacturers are far less likely to send Victorians their best, most affordable, zero emissions vehicles.

**That makes things much harder for Victorian families who want to buy and drive electric.**

Every other state and territory in Australia has ruled out or delayed plans for a premature new tax on electric vehicles. Going it alone will mean Victoria has the worst electric vehicle policy in the world.

While the Victorian Government is pushing ahead with an EV tax, it has delayed setting emission reduction targets for 2030, including a target for the transport sector.

Members of Parliament, please vote against this EV tax and vote for cleaner Victorian roads and stronger climate action.

**Victoria, don't pull the handbrake on electric vehicles.**

# So, what is the value proposition for joining the Transition Accelerator?

## Private Sector Members

### Existing strengths:

Financial resources, skills and motivation to seek profit. Influence among policymakers.

### Weaknesses:

Lack of independence and broad-based support for policy reform suggestions – a lack of ‘campaign legitimacy’.  
Lack of willingness of ‘good guys’ to ‘get hands dirty’ to make change. Seen as something dirty industry does.

### Value proposition of joining the Transition Accelerator:

Way of ‘legitimising’ policy reform, by giving access to broader coalition of support, including from non-profit sector.  
Access to broader skills than may be available within business and from industry associations. The TA is more than a ‘talk fest’, but instead it can utilise civil society skills to ‘do dirty work’ needed to achieve real change. No need to spend money developing ad-hoc collaborations.

## Civil Society Members

### Existing strengths:

In many cases, years/decades of developing publicly oriented transition policy ideas.  
Legitimacy from engaging multiple stakeholders and not having direct ‘skin in the game’.

### Weaknesses:

Lack of financial resources and constant need for fundraising.  
Not advocating for interests of business and private capital which can invest in ideas/proposals.

### Value proposition of joining the Transition Accelerator:

Access to funds which could expand impact, without need to spend money on grant applications.  
Opportunity to influence business and to attract financing to invest in implementing ideas.  
Avoid costs of ad hoc groupings.

# Transition Accelerator

## We want to hear from you!

- Do you confront policy or economic barriers limiting the scale and profitability of your green business models and investments?
- Can you see benefit in working collaboratively with civil society to change the rules of the game?
- If your answer to either of these is yes, please email me at [alan@schwartz.net.au](mailto:alan@schwartz.net.au)

[transitionaccelerator.com.au](http://transitionaccelerator.com.au)

