

Joint Statement—Australia-United States Climate, Critical Minerals, and Clean Energy Transformation Compact

May 20, 2023

Australia and the United States commit to enhance bilateral cooperation under a Climate, Critical Minerals and Clean Energy Transformation Compact (the Compact), establishing climate and clean energy as a central pillar of the Australia-United States Alliance. Australia and the United States recognise the importance of addressing the climate crisis as a critical component of the bilateral relationship. The Compact is a framework which is designed to advance ambitious climate and clean energy action this decade, at home and abroad. The framework intends to coordinate policies and investments to support the expansion and diversification of responsible clean energy and critical minerals supply chains, accelerate the development of markets for established and emerging technologies, meet the growing energy and adaptation needs of the Indo-Pacific, and enhance the region's role as a driver of resilient and sustainable global prosperity.

Under the leadership of Australia's Department of Climate Change, Energy, Environment and Water and the U.S. National Security Council, Australia and the United States have decided to establish a dedicated forum on Clean Energy Industrial Transformation to set the core objectives of this Compact. Through this mechanism, the relevant departments and agencies from both countries intend to coordinate the implementation of our respective clean energy supply chain strategies and develop a new action plan by the end of 2023 to encourage stronger industrial collaboration and accelerate progress towards our ambitious climate goals. Both countries are determined to, within 12 months, identify concrete actions toward the objectives laid out in this Compact. As objectives are met and new challenges arise, this Compact should serve as an enduring and evolving mechanism to deepen our cooperation on integrating diverse, responsible, and innovative supply chains, accelerating the net-zero transition, and driving climate ambition and action in the Indo-Pacific and beyond. This work also intends to build on the efforts that will be carried out through a new, ministerial-level Dialogue between the Australian Minister for Climate Change and Energy and the U.S. Secretary of Energy in support of the Compact, Australia-U.S. Net Zero Technology Acceleration Partnership, U.S.-Australia Energy Security Dialogue, and other existing bilateral avenues of engagement.

Underscoring the central role of critical minerals to the clean energy transformation, Australia and the United States are also establishing the ministerial-level Australia-United States Taskforce on Critical Minerals (the Taskforce), to be led by principals from the U.S. National Security Council and Australia's Department of Industry, Science and Resources, with engagement from key stakeholders across industry and relevant government agencies. This Taskforce should report to our leaders, signalling our intent to deepen bilateral collaboration on the critical minerals and materials that are vital to clean energy as well as defence supply chains. The Taskforce is also intended to work with industry leaders to develop and expand reliable, responsible and secure global access to critical minerals, strengthening global supply of critical minerals through the development of a shared energy industrial base.

Coordinating Supply Chains and Accelerating Market Development and Investment to Support the Clean Energy Economy

The Compact affirms our commitment to enhancing individual action and deepening bilateral and multilateral cooperation to expand and diversify sources of clean energy and its inputs. In doing so, Australia and the United States intend to reduce the cost of clean energy

technologies for the world and lay the foundation for the global clean energy economy. Our ambitious agenda calls for an unprecedented expansion in renewable energy generation, clean energy technologies manufacturing, and critical minerals supply year-on-year. The close collaboration required to achieve this economic and energy system transformation goes beyond technology and encompasses standards, workforce, training, and community engagement.

Under the Compact, Australia and the United States intend to:

- *Accelerate the expansion and diversification of end-to-end clean energy supply chains.* We intend to identify areas where Australia and the United States can coordinate the development of our respective clean energy industrial bases, including but not limited to solar, wind, storage, and clean hydrogen materials and technologies. Both countries intend to use domestic financial instruments and incentives to foster greater integration of responsible clean energy supply chains and encourage investors to regard our two countries as leading destinations in which to build the future global clean energy industrial base. We also intend to align our efforts in the Indo-Pacific to expand clean energy manufacturing and clean energy exports in support of the region's clean energy transformation goals, including in our work together through the Quad, other multilateral fora, and particularly with developing countries.
- *Promote responsible, sustainable, and stable supply of critical minerals.* We intend to share information to enable each country to coordinate the supply of critical minerals essential to the global energy transformation, identify risks and market distortions that impact on critical minerals markets and consider mitigation options, and cooperate in identifying innovative solutions, including standards and investment needed to deliver more responsible and efficient minerals mining and processing. Efforts should serve to build on existing work in multilateral forums, such as the Minerals Security Partnership, Conference on Critical Materials, and Minerals and the Energy Resource Governance Initiative.
- *Drive the development of emerging battery technologies* to help ensure our nations can lead energy storage as we diversify our energy sources. Australia and the United States recognize the importance of further technical engagement and coordination on battery interoperability, international standards, regulations and battery tracing and recyclability, including to drive offtake agreements for the battery sector.
- *Support the development of emerging markets for clean hydrogen and its derivatives* in our respective countries and across the Indo-Pacific, including through dedicated conversations on coordinating our approaches to fostering dynamic, clean hydrogen industries that utilize research and development, incentives, and public-private partnerships. Both countries will coordinate approaches on clean hydrogen research, innovation, deployment, markets, and supply chains, including through multilateral platforms in which the United States and Australia play leadership roles.

To achieve these objectives, we intend to:

- *Engage our critical minerals and clean energy industries* to identify and address financial and non-financial barriers to accelerating and expanding development and deployment in our respective countries. This is aimed at enhancing two-way investment flows between the financial sectors of both countries. Discussions should include government financing bodies including but not limited to the U.S. Export-Import Bank and Export Finance Australia. This work seeks to support the

expansion of emerging industries, availability of critical minerals, and cost reductions of clean energy in our countries and globally.

- *Collaborate on projects and standards* for clean energy supply chains to support implementation of our domestic policy agendas, including in connection to the Inflation Reduction Act and the Powering Australia Plan, and boost the production of high-quality and sustainable clean energy products that are competitive in global markets. Reflecting our mutual interest in growing global trade according to our shared values, Australia and the United States intend to share information and investigate collaboration on environmental and labour standards and greater bilateral and regional economic integration.
- *Promote robust emissions accounting methodologies* for key sectors and products like clean hydrogen, hydrogen derivatives, and green metals, including steel and aluminium, with a view to align standards subject to our respective domestic requirements.
- *Assess our clean energy job projections* and workforce requirements to identify areas where additional skills and training support is necessary to advancing our agenda. This assessment is meant to inform the development of a Jobs and Skills Partnership for Clean Energy Technologies and complement relevant multilateral programs, such as through the Quad, to ensure we are continuing to support workforce development in critical minerals and critical technologies sectors into the future.

Supporting Climate Mitigation, Adaptation and Resilience in the Indo-Pacific and Beyond

Australia and the United States intend to work together bilaterally and in international fora to elevate global ambition in line with our goals to limit global average temperature rise to 1.5 degrees Celsius and support adaptation and resilience in the Indo-Pacific and beyond. Australia and the United States affirm a shared view of climate change as a growing threat to national and regional security. Both countries intend to deepen cooperation on climate security, including by strengthening information sharing and dialogue among defence, diplomacy, and development counterparts. They will also work to exchange best practices and engage partners, including through holding the first meeting this summer of the Senior Officials Working Group on Climate Security Risk established under AUSMIN 2022.

The United States welcomes Australia's bid to host the United Nations Climate Change Conference of the Parties in 2026 (COP31) in Partnership with the Pacific islands to elevate the unique challenges faced by the Indo-Pacific and amplify Pacific voices for whom climate change is an existential threat. Both countries pledge to collaborate on COP initiatives to deliver decarbonisation solutions that accelerate the global energy transition, reduce global emissions, and enhance resilience and adaptation. Both countries intend to follow through on enhanced actions put forth during this year's Major Economies Forum, including in the areas of decarbonizing shipping, ending deforestation, phasing down hydrofluorocarbons (HFCs), and advancing carbon management, as well as other initiatives such as the Clean Energy Demand Initiative.

Both countries intend to strive to enhance access to climate finance for Small Island Developing States, including by working together with Multilateral Development Banks (MDBs) to enhance MDBs' investments in Pacific island countries. Australia and the United States recognise the urgency of enhancing efforts to avert, minimize, and address loss and damage associated with the adverse impacts of climate change, and are committed to work closely

together, and with partners in our region to implement the decision at COP27 to establish new funding arrangements including a new fund.

Recognising the disproportionate impacts of climate change on Pacific island countries, Australia and the United States commit to supporting Pacific-led initiatives to enhance climate change mitigation, adaptation, and resilience efforts, working closely with regional partners to help ensure these efforts respond to the needs of the Pacific Island people. Australia and the United States commit to work with partners in the context of the Climate Information Services Taskforce and Coalition for Disaster Resilient Infrastructure under the Quad and the Access to Climate Finance Working Group under the Partners in the Blue Pacific, to improve Pacific Island countries' ability to access data and finance for adaptation and resilience. Australia and the United States intend to support the preparatory work for the Pacific Resilience Facility as a Pacific Island-led and member-owned Facility that will build climate and disaster resilience.

Australia and the United States commit to collaborate on addressing domestic and regional risks and facilitating responses to significant hazards, including those driven by climate change, by working through the Resilience and Emergency Management Five Working Group and the new Memorandum of Understanding between Australia's National Emergency Management Agency and the U.S. Federal Emergency Management Agency.

This Compact represents the political commitments of both Governments and does not give rise to rights and obligations under international law.

NOTE: The joint statement referred to Minister for Climate Change and Energy Chris Bowen of Australia; and U.S. Secretary of Education Jennifer M. Granholm. An original was not available for verification of the content of this joint statement.

Categories: Joint Statements : Australia-U.S. climate, critical Minerals, and clean energy transformation compact.

Names: Bowen, Chris; Granholm, Jennifer M.

Subjects: Australia, energy cooperation with U.S.; Australia, Minister for Climate Change and Energy; Australia, relations with U.S.; Clean energy transition in developing countries, international assistance; Climate change; Climate finance, international assistance for developing countries; Critical minerals, supply chain improvements; Export-Import Bank, U.S.; Federal Emergency Management Agency; Global supply chain disruptions, efforts to address; Indo-Pacific, economic and security cooperation; Job training assistance programs; Major Economies Forum; Renewable energy sources and technologies; Secretary of Energy; Worker protections and labor standards.

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