



# **SUBMISSION TO THE AUSTRALIAN GOVERNMENT ON OPPORTUNITIES ARISING FROM THE YIDINJI PROPOSITION**

*Submitted by EAROPH Australia*

## **Summary**

The Yidinji Proposition has been developed in collaboration with Indigenous peoples in Australia and the Pacific with support from EAROPH<sup>1</sup> to identify how the Australian Government can take practical steps to address climate justice, within the context of the recent COP29 outcomes. There are clear opportunities for the Government to demonstrate its commitments in a way that will strengthen its regional standing, and (inter alia) improve support for Australia-Pacific hosting of COP31 in 2026.

The recommended steps to be taken by the Australian Government are as follows, with proposed budgetary provision to be made in 2025-26.

1. Initial \$50M over two years with a longer term funding provision for capacity building In First Nations and Pacific communities to ensure locally appropriate renewable energy solutions.
2. Allocation of \$2,500,000 over two years or accrediting new carbon trading activities on Pacific Islands that can be used for trading with Australian entities and others, focusing on identified activities that have the greatest co-benefits in local climate adaptation.
3. Allocation of \$5,000,000 over two years for development and initial delivery of a capacity building program for Localised Climate Adaptation, including preparation of Local Adaptation Plans, with a forward commitment of \$500M for further roll out and implementation of these Plans.
4. Allocation of \$2,500,000 over two years for detailed design of a Pacific regional insurance scheme to fund reparation after climate induced material damage, with a forward commitment of \$500M in seed funding as a basis for seeking co-contributions by other agencies.
5. Allocate \$200M to support community managed case studies of Loss and Damages being felt by Australian First Nations communities in Far North Queensland and the Torres Strait Region with implementation of local compensation to address material as well as non-material cultural loss.

We request that appropriate provision be made within the 2025-26 budget to support these various initiatives, and that immediate action be taken to prepare for implementation.

---

<sup>1</sup> The Australian and Pacific Chapters of the Eastern Regional Organisation for Planning and Human Settlements, the UN recognised peak body for the built environment operating in the Asia Pacific Region, operating with the full support of its international secretariat

## **Background**

The Yidinji Declaration was developed by EAROPH at a workshop on Yidinji lands in Far North Queensland, Australia, in April 2023, focussing on the principles for achieving climate justice for Australian First Nations and Indigenous Pacific Islander communities. It was subsequently promoted to a broader audience in the Asia Pacific Region and globally, receiving considerable support. The Declaration document and associated video are available for further dissemination.

A workshop and subsequent webinar were held in June 2024 to build on the Declaration in developing the Yidinji Proposition, proposing effective mechanisms for achieving climate justice within Australia and the Pacific Region, with potential applications globally. The Proposition addressed the various ways of building capacity and resource mobilisation to address Climate Mitigation, Climate Adaptation, Compensation (Loss & Damages) and Community Transformation as the four pillars of climate action identified by the UN. The Yidinji Proposition was tabled at the World Urban Forum held November 2024 in Cairo, Egypt and COP29 November 2024 held in Baku, Azerbaijan.

While many aspects of the COP29 deliberations and decisions were deeply disappointing, there were some positive outcomes which may form the basis for forward planning. These outcomes broadly align with the mechanisms that were anticipated in the Yidinji Proposition, particularly in relation to Climate Adaptation, Loss and Damages and Carbon Trading. There was a clear recognition of the need to elevate the voices of Indigenous Peoples and to place value on their traditional knowledge systems in addressing climate change.

COP29 was somewhat overshadowed by the prospect of the USA withdrawing from the Paris Agreement under a Trump Presidency in 2025. This has led to some suggestions that regional strategies may need to replace the ambitions for global consistency and resource pooling. There is some potential for the Asia Pacific to show leadership in this regard. Australia would be able to play a significant leadership role if it is able to improve the level of support it receives from Pacific Islanders for its climate action outcomes, which would enhance the possibilities for Australia to host the landmark COP31 event that needs to demonstrate substantial achievements.

The following report suggests how the Australian Government could build the capacity of Pacific Island communities to take advantage of the funding opportunities emerging from the global frameworks, anticipating the need for more regional funding alternatives, and to demonstrate what is needed for effective local implementation of Climate Mitigation, Adaptation, Compensation and Transformation strategies. We further suggest that the funding framework should include parallel mechanisms established by the Australian Government to address climate impacts faced by Australia's Indigenous communities, consistent with the Yidinji Declaration.

## **Enhanced action on Climate Mitigation**

It appears that the COP outcomes will place a heavy reliance on private investment to introduce renewable energy systems and other alternatives to fossil fuels into Pacific Islands. There are already some specific funding programs to assist in these initiatives, notable through grants and concessional loans provided by the Asian Development Bank. The Australian Government is also providing resources to its own First Nations communities, though it is to be noted that substantial additional effort in capacity building at the local level will be needed for these initiatives to be effective. Similar

support for local capacity building in Pacific Island communities is much needed if the risks of inappropriate technologies is to be avoided.

A significant initiative emerging from COP29 was the long anticipated decision for the UN to intervene in carbon trading markets, to provide global consistency and increased quality assurance. While it will take time to fully establish the global framework, it is recognised that Least Developed Countries will need support in developing their capacity to engage with this market, and that country-to-country trading should eventually be facilitated. It is possible for some preparatory work to be pursued in the Asia Pacific Region, including provision of support by the Australian Government in preparation for its own country-to-country trading. This would clearly be in Australia's best interest.

Currently the cost of establishing a new verifiable localised carbon sequestration project is in the region of AUD \$20-30,000, and particular initiatives that could be supported are in the areas of biochar manufacture, mangrove restoration, seagrass planting and seaweed farming (all of which have climate adaptation co-benefits). The resulting financial rewards available through the existing private trading platforms could provide significant ongoing income streams for local communities (eg AUD \$300 per tonne for biochar manufacture on top of sales revenue). At present there are a number of Australian consultancies which can assist with establishing trading arrangements. Making a specific budget for this within the Pacific Resilience Facility that is being established for this region would be highly desirable in the longer term, but more immediate action would be helpful to Australia's own emissions accounting.

**Proposed framework for 2025-26 funding by the Australian Government:**

- **AUD \$50M over 2 years initial funding for capacity building within Australian First Nations and Pacific communities for appropriate design of renewable energy systems that fit with local needs, including vetting of best fit low risk new technologies and configurations, with longer term funding roll out commitments**
- **AUD \$2,500,000 over 2 years for accreditation of at least 10 innovative carbon sequestration activities that could be pursued by at least 30 local Pacific Islander communities**
- **Eligibility for funding should apply to biochar manufacture, mangrove restoration, seagrass planting and seaweed farming (including farming edible seagrapes)<sup>2</sup>**
- **Facilitation of country-to-country carbon trading through these accredited activities, so that it can be included within Australia's carbon mitigation accounting.**

## **Enhanced Action on Climate Adaptation**

A past and present priority within the global framework appears to be the preparation and implementation of National Adaptation Plans (NAPs) for the Least Developed Countries, with

---

<sup>2</sup> Biochar particularly important for remediating salt from climate impacted soils, edible seaweed as a nutritional replacement for terrestrial fruit and vegetables that can no longer be produced due to climate change)

progress in preparing NAPs to be reviewed in June 2025. There was an additional call at COP29 for NAPs to be translated into tangible outcomes. This suggests that preparation of localised Adaptation Plans should be given even greater priority, as Climate Adaptation will only be successful if there is locally appropriate action with community support and local leadership. EAROPH is proposing to develop a training program on localised Climate Adaptation in early 2025, providing sponsorship funding can be secured, and delivery of this program could be an important and cost effective capacity building initiative for the Pacific Region that the Australian Government could support.

The current Adaptation Fund established under the Paris Agreement is intended to facilitate locally led adaptation, plus scaling up and replication. However there are significant problems in accessing this fund for small Pacific Island nations. Applications have to be made by an accredited agency, with a rigorous accreditation systems that would exclude most national governments, leaving very few regional agencies eligible. These are largely limited to UN agencies which are managed by offices outside the Pacific Region, and these are not necessarily driven by local priorities. There are also limitations on the expert advisers who can be involved, with the global pool of expertise having limited familiarity with Pacific conditions. In the long term, the Pacific Resilience Facility may be a more effective mechanism for the Pacific Region. In the meantime it would be appropriate for the Australian Government to seed fund an equivalent mechanism.

**Proposed framework for 2025-27 funding by the Australian Government:**

- **AUD \$5,000,000 over 2 years for EAROPH Australia to develop and deliver a capacity building program on Localised Climate Adaptation in 2025-26 to at least twenty local communities across at least eight Pacific Island countries, with plans for further roll-out**
- **Design a program that can be quickly operationalised within the Pacific Regional Facility to be funded by the Australian Government for implementing localised Adaptation plans, with an initial funding commitment of AUS\$500M for the 2026-27 financial year, to be increased based on experience of assessed need and successful implementation models.**

## **Enhanced Action on Compensation (Loss and Damages)**

At COP29, the governance arrangements were approved for the proposed fund to address Loss and Damages (economic and non-economic) in those developing countries that are particularly vulnerable to the adverse impacts of climate change. The global fund has been established with an initial \$661M plus some additional funding for administration, but with global commitments expected to substantially increase these resources over time. Eligible projects will address climate-related emergencies, sea level rise, relocation and migration of communities, improved climate information and data, as well as climate-resilient reconstruction and recovery. There is no specific mention of intangible cultural loss being addressed. Finance will be provided as grants or highly concessional loans taking into account each country's debt levels. The new Fund will be hosted by the World Bank for at least the first four years and administered by a Board, including a rotating representation from Least Developing Countries (LDCs). There is some lobbying for greater LDC representation. The World Bank is urged to have the Fund fully operationalised by July 2025. Access to regional, national and subregional entities should be facilitated as well as small grant access by local communities. It will take time to establish the Fund as a fully functional and accessible

mechanism, but the COP 29 declarations clearly indicate that complementary financial resources will be sought in the short and longer terms.

One such complementary mechanism would be an insurance system, and there has been much work done on the design of such a system for the Pacific Region and elsewhere (notably in the Caribbean Region). This would focus on material Loss and Damages rather than intangible loss such as the cultural loss and psychological distress created by climate induced displacement.

It is suggested that a system for insuring against material loss could eventually be administered through the Pacific Resilience Facility<sup>3</sup>, which should be enabled to draw on funds from the global Loss and Damages Fund. It is suggested that the Australian Government could make a significant contribution by funding the full design including the governance structure and required budget for a Pacific mechanism to be managed through the Pacific Resilience Facility when this becomes operational in 2026. It would then be appropriate for this mechanism to be launched as a fully operational entity at COP 31, and targets such as this would reinforce the case for the event to be held in Australia.

It is further suggested that additional provisions should be made for addressing non-material loss including cultural loss, either through the insurance system or through a separate funding stream. For example, the arrangements made by the Australian Government for settlement of climate refugees from Tuvalu could be supplemented by funding for cultural loss, including making records of cultural practices, documenting personal stories, establishing keeping places for cultural materials, and funding returns to sea country to maintain essential cultural practices. This might clarify the types of mechanisms that would be more broadly relevant to climate refugee resettlement in the Pacific over future years.

It is further suggested that whatever mechanisms are developed for addressing Loss and Damages in the Pacific region should be paralleled in addressing material and intangible loss caused by climate change impacts on Australia's First Nations peoples. Such a mechanism could initially be modelled for the most severely affected parts of the Torres Strait Region as well as the rainforest community of Wujal Wujal, which has experienced recent material and intangible loss including displacement. EAROPH Australia would be pleased to give support to these case studies in the context of the Yidinji Declaration and Proposition, and requests funding support from the Australian Government for these initiatives.

**Proposed framework for 2025-27 funding by the Australian Government:**

- **AUD \$2,500,000 over 2 years for detailed design of a Pacific regional insurance scheme, with cross-regional collaboration with Caribbean stakeholders as well as Pacific leaders and relevant funding agencies (including the Asian Development Bank)**
- **Allocating seed funding of AUD \$500M to the Pacific insurance scheme to be managed by the Pacific Regional Facility, as a foundation for seeking further commitment from other potential funding agencies and resource transfer from the global Loss & Damages Fund.**
- **Support community managed case studies of Loss and Damages being felt by Australian**

---

<sup>3</sup> Currently being established with support from the Australian Government and others, for management through the Pacific Islands Forum

**First Nations communities in the Torres Strait Region as well as the mainland communities such as Wujal Wujal, with an initial budget commitment of AUD \$200M for implementation of local compensation to address material as well as non-material cultural loss and a forward commitment at a level to be determined in collaboration with a range of stakeholders.**

- **Work with the New Zealand Government to design a specific Loss and Damages Fund for Pacific Island communities which could be rolled into the global Loss and Damages Fund once this is fully operational, with a notional initial contribution of \$25 per tonne CO2 net emissions from the Australian and New Zealand budgets to be piloted.**

## **Acknowledgements**

EAROPH is grateful to the following sponsors who supported these events: Climate Action Network Australia (CANA), Reef and Rainforest Research Centre, Mirabou Energy, James Cook University/Cairns Institute, Deakin University, Climate Action Network Australia, Keemin Energy, Susmet (sustainable engineering), Rainbow Bee Eater (biochar manufacture), ANZ Biochar Industry Group, South Pole (carbon trading), Choice Homes, Murphy Tax Lawyers and Associates, McCullough Robertson (legal advocacy) and Social Outcome Solutions.