

Leadership Group for Industry Transition

The UN Climate Action Summit industry track has focused its work on three main pillars: industry commitments; public-private collaboration, and innovation. The workshop in Abu Dhabi emphasized the interlinkages between the three as vital to create an ecosystem for transformation. A possibility to bring the ideas together in a leadership group was tested in the meeting as a global deliverable from the industry track. This memorandum sets out the main objective and elements for a Leadership Group for Industry Transition to be launched at the UN Climate Action Summit on 23rd September.

Main objective

The Leadership Group will work towards accelerating transition of all industry sectors to low carbon pathways in line with the goals of Paris Agreement, while pursuing efforts to reach net-zero carbon emissions by 2050. By supporting governments and industries in low-carbon industry transformation, as well as establishing an arena for innovation-sharing and public-private collaboration, the Leadership Group will provide conditions for successful and enhanced implementation of Paris Agreement while acknowledging the principles and provisions of United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement including equity and CBDR-RC.

Contribution to climate action

The Leadership Group will contribute with laser-like focus on (a) 'hard to abate' industries (accounting for over 30 per cent of global emissions); and (b) providing a specific toolkit of policy frameworks, mechanisms and roadmaps as a model for how government and industry can work together towards transition recognizing this will be different for each sector and country,

It will also help scaling industry transitions up (i.e. within a sector) and out (i.e. maximizing the ripple effects across sectors) through high-level political and private sector leadership domestically and internationally.

Furthermore, the Leadership Group will also speed up technology innovation, one of the most necessary elements to promote low carbon industry transition and follow a sustainable development pathway, especially in developing countries. While there have been developments at global level on innovation, there is a need of coordinated and focused response including both public and private collaborative Research & Development (R&D) for rapid technological innovation to achieve the Paris Agreement goals. Therefore, the leadership group should also contribute and be a platform for countries and industries to come together in accelerating global industry transition by enhancing, promoting and facilitating support for creation of effective innovation systems and commercialization of new technologies based on needs of countries.

In doing so, the group will contribute to accelerating actions to reach the goal of the Paris agreement with policy actions and private initiatives that reinforce one another.

Conditions

The group will be open to government and industry leaders. Members should share the commitment to implement the Paris Agreement and the notion that all sectors of industry can and must progress on low carbon pathways, while pursuing efforts to reach net-zero carbon emissions by mid-century.

Government pledges:

Governments joining the Leadership Group' should demonstrate:

- Commitment to pursue goals and provisions of Paris Agreement in line with its principles and provisions,
- Share the notion that all sectors of industry should progress on low carbon pathways and should pursue efforts for net-zero carbon emissions by mid-century,
- Provide policy frameworks and/or incentives that will support one or more key heavy industries or heavy transport sectors to reduce emissions in line with the Paris Agreement based on country priorities,
- Public-private engagement process to collaborate with industry to develop any additional innovation, policy measures or incentives needed to accelerate the low-carbon industry transition,
- Collaborate internationally to promote technology innovation in low-carbon industry transition, including technology development and transfer, especially in developing countries, and
- Consider reporting on progress at key milestones e.g. COP25 and COP26 as per the agreed procedures.

Industry pledges:

Businesses joining the 'Leadership Group' should demonstrate:

- Commitment to bold and ambitious emissions reductions in line with the Paris Agreement;
- Commitment to engaging with governments and peers across the value chain to support policy, innovation and technology measures that will deliver emissions reductions;
- Agreement to report on progress at key milestones e.g. COP25 and COP26 and the time leading up to global stocktake.

Organization of work, secretariat

Sweden, India [and other joining countries and organizations] will establish a working party that meets (digitally) at regular intervals to develop and manage the initiative (this will need further thoughts to find a balance that is not too burdensome but still drives work forward). The group can be supported by the World Economic Forum, Stockholm Environment Institute and India's Indian Institutes of Technologies Delhi (IIT) and Indian Institute of Management - Ahmedabad (IIM) or any other organizations nominated by the country, and the Energy Transition Commission. Mission Innovation would also provide a key platform to engage 'eco-systems' of companies that would like to investigate, pilot and scale the technology needed across value chains. The structure for this needs to be further developed to make use of the different organisations comparative advantage.

Time plan and deliverables

The UN Climate Action Summit will be the starting point for the group. At the Summit, India and Sweden prime ministers together with five or more industry leaders will launch the initiative. Further joint actions to strengthen the India-Sweden Innovation partnership can be announced at the same time. We would hopefully also be able to announce a few countries and companies that are already willing to commit. A second step needs to lay out the foundation for how the work will be moving forward more in detail. A first update could be done by COP 25 in Chile, December 2019 followed by COP 26, which should also constitute an occasion to decide on future work.