



# LeadIT Summit Statement 2021

## The Summit notes that:

1. The Intergovernmental Panel on Climate Change (IPCC) Working Group 1 contribution to the Sixth Assessment Report “Climate Change 2021: The Physical Science” is a clarion call to undertake immediate, deep emission cuts and decarbonisation of economies. The Leadership Group for Industry Transition (LeadIT) commits to accelerating the transition of all industry sectors to low carbon pathways in line with the goals of the Paris Agreement, while pursuing efforts to reach net-zero carbon emissions by 2050.
2. Over the last year, the members of LeadIT have delivered on the priorities set out in our 2020 Summit Statement. As a leadership group, and with our stakeholders and partners, **we are building the business case** for the industry transition.
3. To **catalyse demand**, LeadIT welcomes the **Industrial Deep Decarbonization Initiative** of the **Clean Energy Ministerial**. This initiative will develop critical data infrastructure and standards to enable new markets for low-emission and net-zero industrial products. We acknowledge the launch of the **First Movers Coalition**, which will build demand signals from leading companies to purchase, by 2030, emerging technologies crucial to decarbonizing a range of hard-to-abate sectors, and we welcome sector-specific initiatives such as **SteelZero** and **ConcreteZero**. LeadIT will work with these initiatives to ensure that demand side standards and methods are coordinated, and demand side signals provide clarity to suppliers and buyers.
4. Bringing this activity together, at a leader-level, with new, global impetus, we welcome the launch of the **Breakthrough Agenda** at the World Leaders Summit at COP26. This includes breakthroughs on steel and on hydrogen, which aim to accelerate progress towards key tipping points through enhanced coordination in sectors.

5. To address the **supply-side**, LeadIT members have been **deploying breakthrough technologies**, such as hydrogen direct reduced iron (DRI) steel, and finding solutions along value chains, from mining to steel-making to vehicle manufacturing and transport. We welcome and will continue to support the work of **Mission Innovation** as it announces the Integrated Biorefineries and Net Zero Industry Missions at COP26 and continues to build on the launch of the Clean Hydrogen Mission to develop and demonstrate the technologies needed to accelerate transitions.
6. The industry transition has huge implications and opportunities for **youth**. LeadIT acknowledges 'Youth Recommendations on the Industry Transition':
  - a. Build local innovation systems for industry decarbonization that engage with youth;
  - b. Invest in transition skills training for the current and future workforce, and;
  - c. Create pathways for young people to directly engage in policy processes, decision-making and research and development on industry decarbonization solutions.

## The Summit concludes that:

7. The time for **implementation** is here. The latest science sets out how urgent the situation is and that action is needed now in all economic sectors to deliver significant emission reductions. We, the members of the Leadership Group for Industry Transition (LeadIT), are fully committed to implementing the Paris Agreement and will act in accordance with the latest science. Our message is simple: **deep reductions in carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions must occur throughout all heavy industries and value chains in the coming decade.**
8. **Roadmaps** prepared by LeadIT members, the International Energy Agency, the Marrakech Partnership, Mission Innovation and the Mission Possible Partnership will help countries and companies to navigate and accelerate the industry transition. We take note of the **G7 Climate and Environment Ministers' Communiqué**, which identifies important aspects of industrial decarbonisation, and invite the incoming G7 Presidency and other inter-governmental forums, such as the G20, to continue to focus on this topic. The work of LeadIT to support country-level implementation of the industry transition is informed by these roadmaps and policy statements.
9. **Implementation** and **scale** are the twin challenges that must be tackled together by public and private actors in 2022. We therefore set out four priorities for LeadIT and the international community in 2022.

## I. Country-level implementation

10. We encourage governments, the private sector and financial institutions to align finance, production and procurement to support the transition toward net-zero industrial production. Country-level roadmaps, plans and policies setting out how to implement the industry transition can play an important role in giving a stable signal to financial institutions and supporting alignment between the industry transition and low emission development strategies.
11. LeadIT commits to:
  - a. Engaging with new and existing members to develop or update country-level roadmaps, plans and policies to accelerate the transition of all industry sectors to low carbon pathways in line with the goals of the Paris Agreement, while pursuing efforts to reach net-zero greenhouse gas emissions by 2050. The roadmaps, plans and policies will show the opportunities, identify obstacles and contain proposals for credible interim targets and solutions, encouraging countries to consider using these to inform countries NDCs and Long Term Strategies.
  - b. Encouraging members to showcase new and updated industry transition roadmaps, plans and policies at relevant international meetings in 2022, such as Stockholm+50, and to submit them as input to the Global Stocktake in 2023.

## II. Finance

12. LeadIT is committed to the Paris Agreement goal of making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
13. Finance is an important enabler of rapid decarbonisation of industry, supported by national governments, and public and private financial institutions. Financial support, through a range of mechanisms, has the potential to reduce costs of low carbon technologies, help create markets for low carbon goods, and provide technical assistance to establish policy frameworks.
14. LeadIT endorses the **Finance Principles on Industry Transition** (see Annex), which will support the development of a policy framework to de-risk projects; work with in-country expertise; and improve existing match-making facilities to better target funding and enable donor coordination.

### III. Hydrogen

15. LeadIT acknowledges the critical need to advance on technologies, production capacity and appropriate infrastructure to bring about a hydrogen market in pursuit of net-zero emissions by mid-century.
16. LeadIT calls on the public and private sectors to:
  - a. accelerate deployment in hard to abate and high-heat heavy industry sectors; and
  - b. incentivize value chain cooperation by developing partnerships across supply chains and creating sectoral low-emissions hubs.

### IV. Infrastructure

17. LeadIT notes that **Carbon Capture, Utilisation and Sequestration (CCUS)** is an undeniable part of decarbonization landscape for cement and concrete.
  - a. LeadIT commits to deeper engagement with companies and countries on how to move from industrial pilots to full industrial scale, how to operationalize deployment as well as on the enabling regulatory framework.
18. LeadIT notes that a reliable, high capacity **charging infrastructure** is needed for securing long-haulage vehicle transition to electric.
  - a. LeadIT commits to supporting the expansion and upgrading of charging infrastructure to enable the uptake of long-haulage electric vehicles.
19. LeadIT notes the importance of advancing **material circularity**, including in green public procurement.
  - a. LeadIT commits to engaging with other relevant initiatives on material circularity such as the World Economic Forum's CE for Net Zero Industry Transition Initiative.
20. LeadIT also notes the following **key enablers of the industry transition** and calls on the public and private sectors to:
  - a. increase the generation, storage and distribution of renewable electricity;
  - b. phase-out inefficient fossil fuel subsidies;
  - c. use carbon pricing mechanisms and incentives, as appropriate; and
  - d. ensure industry transition solutions are affordable and accessible to all.
21. In the context of the Paris Agreement's Global Stocktake, we are committed to taking action to implement an industry transition that tackles the climate crisis, creates decent and green jobs, ensures gender equality, maintains competitiveness and delivers prosperity and sustainable development for all in accordance with the 2030 Agenda.

## Annex: Financing principles

- Through partnerships between developed and developing countries, use resources to support the development and implementation of a comprehensive policy framework within countries to accelerate industry transition, including scaling up markets for low- carbon industrial products; increasing R&D; developing policy capacity; and mobilising finance.
- Develop collaborative approaches in recognition of country- and region-specific challenges and opportunities, making best use of in-country expertise.
- Improve existing match-making facilities between public and private funds and recipient countries to identify and deliver finance for projects that are consistent with the goals of the Paris Agreement.