

# LeadIT Summit Statement 2022

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## The Summit notes that:

1. According to the latest assessment of the Intergovernmental Panel on Climate Change, emissions from industry have since the turn of the century grown faster than in any other sector. The impetus to decarbonise industry has rightly coalesced attention on the need for concrete action this decade and beyond, with 2030 as a critical milestone on the path to net-zero emissions. The Leadership Group for Industry Transition (LeadIT) reaffirms this transition as a route towards resilient economies.
2. For the most part, the first steps on industrial demonstration and pilot projects for breakthrough technologies are being taken in industrialised regions of the world. Although there are notable projects elsewhere, LeadIT recognises the need to apply the levers available to industrialised economies to foster the enabling conditions for industry transition in emerging economies.
3. The proliferation of national, regional and corporate roadmaps and implementation plans highlights the resolve of governments, industry and civil society to come together to identify roadblocks and solutions to spur decarbonisation. In part, this has culminated in a positive trend towards inclusion of industry transition in the latest round of nationally determined contributions (NDCs), particularly among LeadIT country members.
4. The G7 Leaders' communiqué raised industry transition on the international agenda and represents additional focus on decarbonisation from governments and civil society. LeadIT welcomes the ongoing G7 work in the field of climate and industry decarbonisation, and looks forward to more detail on the open and inclusive climate club and to developing additional routes for mutually supportive collaboration and action.

5. Momentum continues to build behind demand- and supply-creation. On the former, through private and public green procurement (e.g. First Movers Coalition; Clean Energy Ministerial's Industrial Deep Decarbonisation Initiative; SteelZero) and through value chain collaborations championed by LeadIT members. On the latter, through innovation and technology focused initiatives (e.g. Mission Innovation). LeadIT promotes the establishment of partnerships along value chains to strengthen the business case for low-carbon products and their supply, as well as addressing issues such as material circularity.
6. The International Energy Agency's 2022 Breakthrough Agenda report points to the need for common definitions and other means of transparently qualifying claims of near-zero and low emission materials. This will build the prerequisite trust, needed from markets, to accelerate the investments needed to scale the uptake of low-carbon products.
7. Fostering a more circular use of materials throughout product lifecycles and economy-wide remains an important route to decarbonisation that can generate financial benefits and lower environmental impact. Industry leaders can begin to decouple revenues from the use of virgin materials by exploring business models designed to close the loop of products, components, and materials for multiple lifecycles, as well as implementing restorative practices.

## The Summit concludes that:

8. At the multilateral level, the coming year presents a window of opportunity for LeadIT members to underscore the case for industry transition this decade. In the lead up to the Global Stocktake of the Paris Agreement in 2023, countries are assessing their progress towards climate commitments and seeking opportunities for enhanced action. Meanwhile, LeadIT member countries – Japan, India and Sweden – will preside over G7, G20 and the Council of the European Union, respectively, offering a rare opportunity for coherent acceleration of industry transition.
  - LeadIT encourages Japan, India and Sweden to make best use of their respective leadership roles to champion industry transition across these multilateral groupings and extend cooperation with other multilateral initiatives (e.g. Clean Energy Ministerial and ASEAN, among others). LeadIT awaits further details as programmes are developed.

9. Roadmaps and implementation plans remain vital first steps on the journey towards the transition of hard-to-abate sectors. Political and industrial commitment to the vision and pathways developed through public-private roadmaps will unlock innovation and investment for transitional technologies and circular economy approaches. The successful implementation of industry transition can only be achieved through concrete outcomes; multi-stakeholder dialogue to bring in a deep understanding of value chain and local contexts; and connecting roadmaps to national development strategies and implementation processes.
- LeadIT Secretariat commits to (i) provide technical assistance to existing and new members wishing to develop roadmaps; (ii) review international assistance offered for heavy industry in emerging economies; and (iii) bring together countries and companies eager to share best practice on overcoming the obstacles to industry transition.
10. International cooperation to mobilise and guide the flow of private capital will be a vital enabler for industry transition in emerging economies. In this respect, LeadIT members commit to the following:
- Donor countries to promote mandates that contribute to the de-risking of investments in the transition of heavy industries in emerging and developing countries. This could be achieved through multilateral development banks, multilateral climate funds, bilateral cooperation, and appropriate finance schemes.
  - Emerging and developing countries to formulate roadmaps and long-term strategies for heavy industry sectors that can facilitate financing/funding, including regulatory frameworks and incentives that attract investments necessary, including transition finance. It should be ensured that initiatives engaged with are planning for key components needed to support industrial transition and that lock-in effects are avoided.
  - Companies to take active part in relevant national and regional road-mapping processes, including the engagement in addressing financial barriers.
11. Industry transition is inherently connected to the energy transition. The rapid expansion and scale up of renewable energy and decarbonisation technologies are fundamental for industry transition. Shifting to clean energy and changing social, economic, and industrial systems is necessary to achieve both economic growth and emissions mitigation – so-called ‘green transformation’. Realising these benefits at scale calls for a greater focus

on infrastructure. Last year alone, LeadIT members pledged more than USD 134 billion<sup>1</sup> towards infrastructure for renewables, hydrogen and carbon dioxide removal, including installations, grids and storage, etc. Yet the challenges posed by infrastructure are global and systemic and cannot be solved effectively in isolation.

- LeadIT members affirm their existing pledges on infrastructure investment and by doing so, set an example for other countries to follow.
- LeadIT stresses the need for further international cooperation on the planning and implementation of common or regional projects and infrastructure (e.g. interconnectors, pipelines for hydrogen, international supply chains, etc.).

12. Technological shifts as part of the transition will result in geographic changes to the existing arrangement of some value chains. While these changes will bring about new opportunities, national and local governments need to take onboard industry's analyses of their own value chains to identify areas at risk. Doing so will allow governments to put in place the fiscal and regulatory measures, where appropriate, that promote economic diversification and regeneration to help the communities, workers and economies that depend on the operations of existing industrial sites and producers.

13. Delivering on the energy and industry transitions calls for current and future generations to be equipped with the right skills and training, and promoting gender equality to harness the power of the whole population. Identifying the barriers to closing these gaps and potential solutions will enable governments and industry to make the right decisions to provide inclusive and fulfilling employment in the long-term.

- LeadIT Secretariat commits to working with youth organisations such as Student Energy to raise on the profile of the skills and gender gaps, which can help overcome impediments to the energy and industry transitions.

*Note: The LeadIT Summit statement was drafted and finalised during the Danish general election campaign and thus could not be endorsed by the Danish government.*

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<sup>1</sup>Energy Policy Tracker (2021)