

Statement by the Climate Club - “Accelerating the decarbonisation of our industries”

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Tackling the climate crisis requires limiting global temperature increase to 1.5°C, with global greenhouse gas emissions peaking before 2025 at the latest and rapid, deep and sustained reductions in global greenhouse gas emissions of 43 percent by 2030 and of 60 percent by 2035 relative to 2019 levels, as well as net zero greenhouse gas emissions by or around mid-century, in light of the latest findings of the IPCC. This calls for enhanced, immediate and ambitious efforts by all emitting sectors, including industry, which is directly responsible for at least one quarter of global energy system CO₂ emissions. Decarbonising hard-to-abate industrial sectors requires a step-change to keep the 1.5 °C target within reach.

Therefore, as the **open, cooperative and inclusive Climate Club**:

We support the effective implementation of the Paris Agreement and keeping 1.5 °C within reach, by unlocking the potential for the decarbonisation of hard-to-abate industrial sectors. We aim to **accelerate climate action** and to **increase ambition** to achieve global net zero greenhouse gas emissions by or around mid-century. We recognise the **vital importance of the industry sector in the global economy** for green growth and development, welfare and job creation. We underline the need for a **just, fair and inclusive transition** when decarbonising our industries, considering respective national circumstances.

As an **open and inclusive high-ambition intergovernmental forum**, and mindful of our leadership role, we strive to accelerate the effective decarbonisation of our industries by **discussing and fostering international climate cooperation, improved coordination and potential collective action**. We will also take into account and support valuable existing work by other initiatives and international fora, including the Breakthrough Agenda, and raise the visibility of their work in the public discourse. Our focus is on **supporting green and inclusive growth**, while facilitating the transition to near-zero emission industrial production.

We recognise that a set of ambitious, stable and well-designed policy frameworks is needed to accelerate industry decarbonisation. The 2020s are decisive in shaping the policy framework that guides industrial investments reaching beyond 2050 – and ultimately keeping global warming below 1,5 °C. We, the Climate Club, will therefore share our **approaches and best practices** with regard to **mitigation policies**, while working towards a common understanding of the effectiveness and economic impact of such policies. Mindful of the potentially undermining effects of industrial carbon leakage and other mitigation risks, we will engage in a **strategic dialogue on risks to mitigation efforts and on green growth opportunities** alike, to look for synergies in different national pathways, while also making them more effective.

On hard-to-abate sectors, starting with steel and cement, we will advance conducive policy frameworks for accelerating decarbonisation, by aiming to coordinate globally recognised and robust **emission accounting methodologies, interoperable standards and sectoral strategies for green industrial products**. We will **coordinate our efforts to scale-up lead markets**, aiming to make decarbonised industrial production the default business case. We also recognise the important role of research and development in the technologies required for decarbonising the steel and cement sectors. As each country has a different starting point, we will foster **mutual learning and exchange of best practices** by sharing effective sectoral strategies and policies.

We recognise that **emerging and developing economies** in particular need support in advancing on their pathway of industrial decarbonisation and therefore we aim to enhance multi- and bilateral cooperation. We will establish an inclusive **matchmaking platform** and will work with other initiatives, to bring together individual member needs with available technical and financial assistance from public (incl. concessional finance) and private sources, acknowledging that a substantial majority of the required **financing needs to come from private sources** and recognising existing financing instruments.

We, the Climate Club, invite governments as well as private sector actors and other non-state actors, to join us in our effort.