

**Marrakech
Partnership**



Marrakech Partnership for Global Climate Action

Event Outcome Action Event: Industry UNFCCC COP 27 Sharm El Sheik

Friday 11 November 2022
10:00 – 12:00

Organised by World Business Council for Sustainable Development (WBCSD)

GCA Industry: SCALING PRACTICAL SOLUTIONS TO ACCELERATE INDUSTRIAL DECARBONIZATION BY 2030

SECTION 1 - ACTION EVENT

Key Messages:

The Marrakech Partnership Industry Action Event spotlighted new and innovative solutions required to achieve an equitable, inclusive, and resilient industry transition. This included the catalytic impact of blended finance investment to transition the cement industry in East Africa and the need to adopt early warning systems to cover 3 billion people by 2030 to improve supply chain resilience.

The Action Event showcased the industry Breakthrough Agenda, with 25 priority actions endorsed by 29 countries. Specifically, the Action Event spotlighted the Breakthroughs for ICT – 80% of electricity use to be decarbonized by 2030 – and Mobile – 70% of electricity use to be decarbonized by 2030.

The Industry Action Event also featured the launches of new initiatives that feature industry leaders making good on their commitments at COP26 and demonstrating action. The Consumer Goods Forum launched the Net Zero Playbook for Consumer Industries in collaboration with its members, Accenture and the Race to Zero, while Administrator Samantha Power at USAID launched the new Just Energy Transition Minerals Challenge, calling on innovators from every sector and every geography to put forward ideas to address corruption in the green minerals sector.

Outcomes:

1- Demonstrate implementation and showcase concrete examples of action;

The Industry Action Event featured a number of real economy examples that demonstrate implementation progress and action that is being taking in different regions of the world to achieve the Breakthroughs Agenda and a 1.5°C future by 2050.

In Cement and Concrete, Esther An, Chief Sustainability Officer at City Developments Ltd, showcased in a TedTalk how recycled waste plastic material is being converted into building materials for non-structural concrete applications in Singapore, such as lightweight concrete wall panels. Meanwhile, Yaseen Abdel-Ghaffar, Founder & Managing Director at Solarize Egypt, provided insights into how his company plans to develop 300MW of solar assets in Egypt in the next four years to increase the supply of renewable sources of energy within the country to power industrial processes.

2- Contribute to the COP27 outcomes on progress in implementation of mitigation/resilience and finance goals;

The Industry Action featured two announcements from USAID to drive financial flows to contribute to the COP27 goals and implementation progress.

The first was the expansion of the Comprehensive Action for Climate Change Initiative. The Initiative, initially launched in Glasgow last year, targeted USAID assistance to help four countries in Africa meet the climate goals set forth in the Paris Agreement. Now, USAID is expanding the Initiative to support an additional 17 countries in Africa, Asia, and Latin America and the Caribbean, working specifically with local communities, not just governments, so that people reap the benefits of the green energy transition.

The second was the launch of USAID's new Just Energy Transition Minerals Challenge, which calls on innovators from every sector and every geography to put forth their ideas to help us address corruption in the green minerals sector. With finance commitments from Amazon, the BHP Foundation, and the Chandler Foundation, it will initially provide a total of \$3 million to the best plans.

The Industry Action Event also featured a discussion on the role of blended finance in financing the cement industry's transition in Africa. It highlighted that blended finance vehicles involving the public and private sector could scale CCUS capacity and deliver over 20 cement plants with CCUS by 2030 to reduce the carbon intensity per ton of cement produced from 616kg CO₂ / t cement (2020 baseline) to at least 463 kg CO₂ / t cement by the end of this decade.

3- Target near-term implementation and action to accelerate progress;

Aside from the areas of near-term implementation and action mentioned above, the Consumer Goods Forum also launched the Net Zero Playbook for Consumer Industries at the Industry Action Event in collaboration with its members, Accenture and the Race to Zero.

The Playbook contains practical solutions to help consumer-facing companies address complex emission challenges and serves as a consumer industry executive's guide for developing and operationalizing decarbonization roadmaps. It outlines the opportunities that exist for companies as they navigate their path to net zero as well as advice on how to get started. It also provides case studies demonstrating how industry leaders are already taking action across key decarbonization levers, including sustainable agriculture, plastics and packaging, transport and logistics, consumer use, and supplier enablement.

4- Contribution towards achieving the goals/milestones set in the [Climate Action Pathways](#), [2030 Breakthroughs](#) and [Adaptation and Resilience Outcome Targets](#);

The Industry Action Event showcased the Breakthrough Agenda for Industry, with 25 priority actions endorsed by 29 countries. Specifically, the event spotlighted how improving access to renewable energy in developing economies could deliver the required Breakthroughs for the ICT and Mobile industries, which are 80% and 70% of industry electricity use to be decarbonized by 2030, respectively.

5- Highlight the importance and elevate efforts of resilience and adaptation

The Industry Action Event examined the importance of supply chain resilience across the consumer goods value chain. In a conversation between Unilever and the National

Smallholder Farmers' Association of Malawi, the importance of the transition was underlined to prevent both supply chain disruption for multinationals arising from the increased frequency of extreme weather events, and the severe knock on effect this has on the livelihoods of farming communities and workers who work tirelessly at the source of the consumer goods value chain.

Meanwhile, climate adaptation was explored in the Action Event, with a specific focus on the role of digital technologies. In a discussion between Google and the Council of Engineers, the importance of expanding smart and early warning systems for natural disasters to cover 3 billion people by 2030 was highlighted in order to improve risk mitigation and supply chain resilience to help both consumers and industry adapt to the ever increasing likelihood of extreme climate events.

6- Strengthen collaboration with all stakeholders, including the national governments and non-Party stakeholders;

The Industry Action Event featured a wide range of stakeholders, including Chief Executive Officers, Chief Sustainability Officers, trade union representatives, youth activists, regional government leaders, public sector leaders and others.

One section which was representative of the multi-stakeholder nature of the Action Event was the panel on building human capacity in the metals and mining industry, which featured a youth activist, trade union representative, industry leader and a regional government leader. The panel discussed the actions that must be taken to upskill workers impacted by the transition in the metals and mining sector, protect the rights of workers, and avoid a 'brain drain' from local communities with the influx of skilled migrants, while remaining on course to achieve a 60% reduction in operational emissions by 2030, while growing output of critical materials (up to 5x) and ensuring the highest ESG standards.

7- Showcase concrete examples of accountability and/or progress tracking (when applicable.)

SECTION 2 – STOCKTAKE ON ACTION

Overview of progress and implementation in 2022

[Please summarize the overall political, economic and social developments impacting the implementation (either supporting or challenging) thematic area which are worth highlighting and how these affected the work of the MP stakeholders in carrying out their work. ~ 300 words]

- **Energy:** The Russian invasion of Ukraine in February 2022 triggered a global energy crisis. The initial response by a number of countries dependent on Russian gas reserves – to fall back to fossil fuel usage, including coal – was a setback for the industry transition, which is dependent on the rapid switch to renewable and decarbonized energy sources. However, since then a number of countries (especially in the European Union) have pledged to increase investments in renewables, recognizing they are the cheapest and most effective way to become energy independent. The increased rate in renewables uptake will help to drive the industry transition, especially in the ICT and Mobile sectors, which are dependent on electricity usage for data centers etc.
- **Economic Downturn:** The energy crisis resulting from the Russian invasion of Ukraine triggered rising inflation and interest rates across a number of markets. Rising inflation and interest rates threatens to widen the inequality gap and poses a threat to secure and equitable and inclusive industry transition, especially for workers employed in heavy industry sub-sectors, and for those who may find securing job opportunities in clean industrial sectors harder as global growth stagnates in the face of growing economic headwinds, threatening the investment in new projects, such as the development of cement plants with CCUS etc.
- **Inflation Reduction Act:** The Inflation Reduction Act, passed by the United States of America in Summer 2022 provides one of the most significant opportunities in modern history to drive the clean energy revolution in one of the world's biggest polluters, which in turn can accelerate the industry transition. It will increase the capacity of renewable energy production in the country across wind, solar and energy storage, providing jobs for workers who may be impacted by the transition, especially in heavy industry, and powering light and heavy industry sub-sectors via the exponential growth of clean energy.

Action during 2023-2025

[Please identify the three main objectives for climate action in your thematic area in the next biennium to support the achievement of the milestones in 2030 Breakthrough and adaptation and resilience outcome targets and how you plan to approach them, with a particular focus on collaboration with other thematic areas and leveraging multi-stakeholder fora including regional climate weeks ~ 300 words.]

- **Sector Deep Dives:** The Implementation Agenda introduced at COP27 is welcome but to deliver it, the Marrakech Partnership requires sector-specific expertise to develop industry transition strategies where they do not exist, and roadmaps to support the implementation of these strategies. In the next biennium, the industry thematic area must deepen its expertise and provide agency to organizations already

leading initiatives or work driving mitigation and adaptation in the various sub-sectors inside the Marrakech Partnership, for example, the GCCA in Cement and Concrete and the Mission Possible Partnership in Steel.

- **Regionalization:** The industry thematic area of the Marrakech Partnership must represent all regions in the world, especially with COP28 being held in the Middle East. The membership of the Marrakech Partnership's industry thematic area must evolve in 2023 to include more representation from organizations in Africa, Latin America and Asia, and engagement with these organizations must continue at regional climate weeks scheduled throughout 2023.
- **Accountability:** The Implementation Agenda will demand accountability to track the progress that has been made on commitments and pledges since Glasgow. The industry thematic focal point, WBCSD, will be working to evolve the carbon accountability ecosystem in 2023 ahead of COP28. Alongside this work, the organizations of the Marrakech Partnership must start to demonstrate the progress they are making against the 2030 Breakthroughs. The Marrakech Partnership could seek to develop an annual progress report on the Breakthroughs to highlight the progress made towards achieving each Breakthrough and the gaps that remain in delivery.