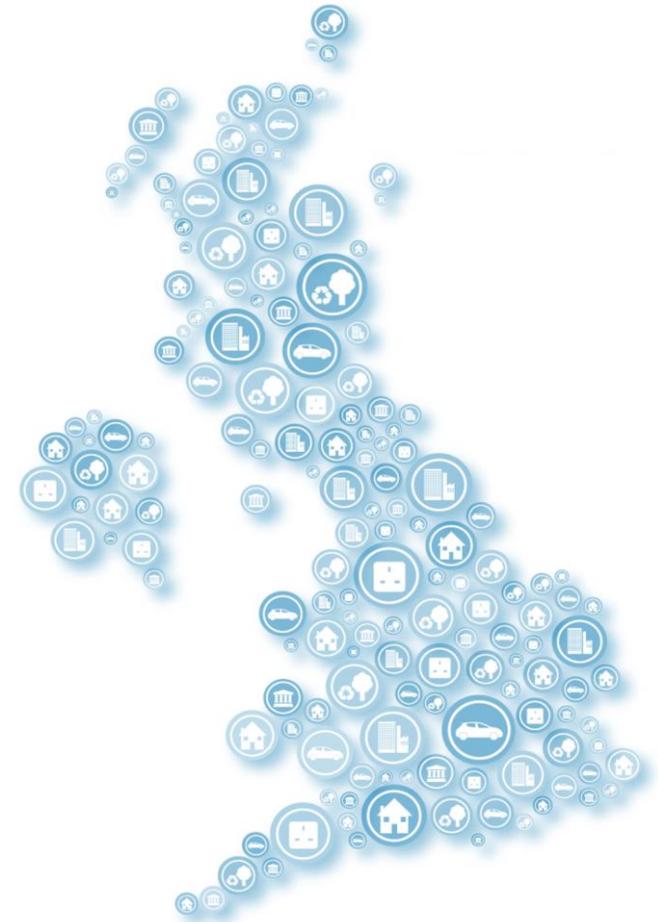


The UK's Nationally Determined Contribution

International NDCs Webinar, 20 July 2021

Simon Petrie, International Climate Strategy
Department for Business, Energy and Industrial Strategy (BEIS), UK



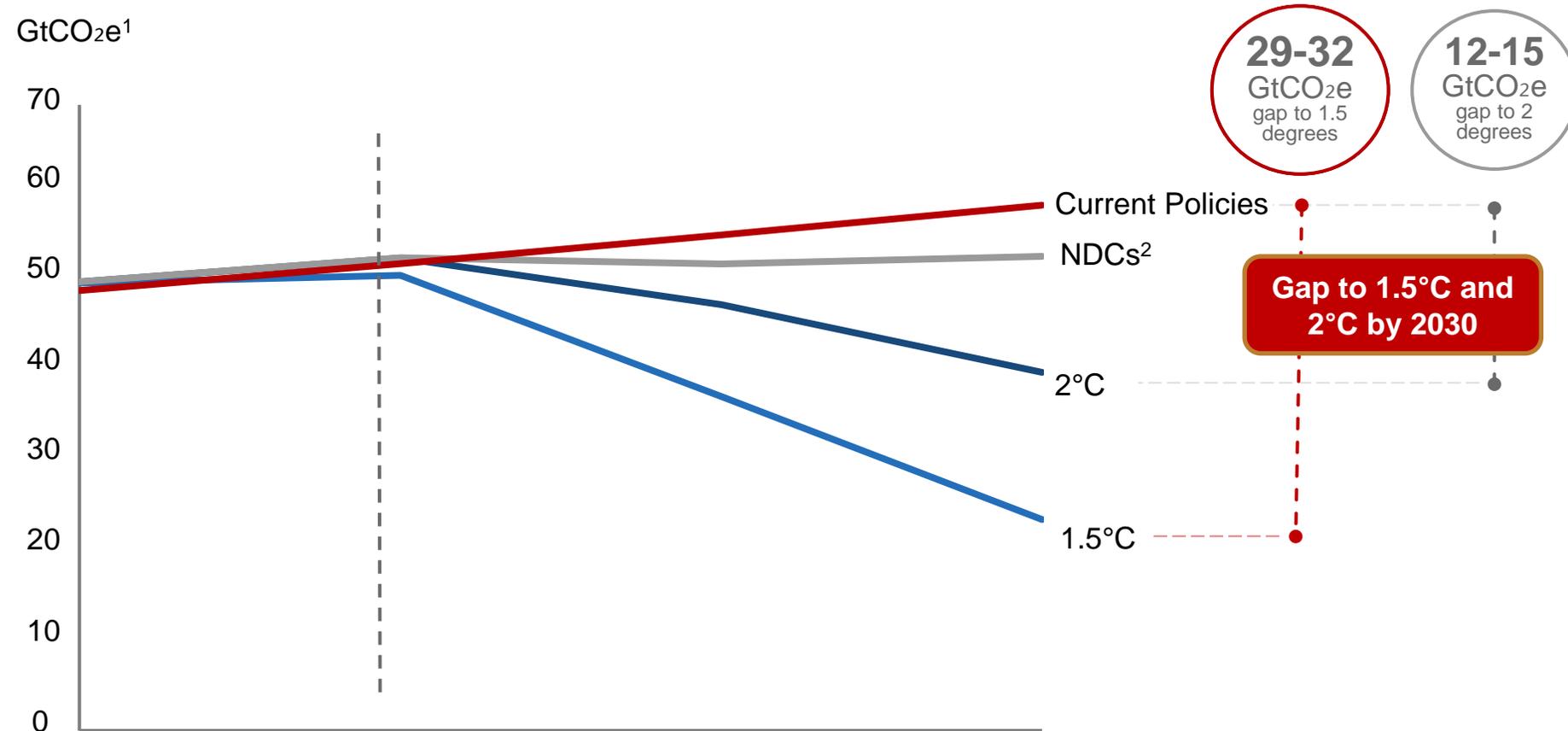
Context

Recap: The Paris Agreement



Temperature goal	Aims to “hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels”
Nationally Determined Contributions	Requirement to “prepare, communicate and maintain successive nationally determined contributions (NDCs)... Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions”. “Each Party’s successive nationally determined contribution will represent a <u>progression</u> beyond the Party’s then current nationally determined contribution and reflect its <u>highest possible ambition</u> , reflecting its common but differentiated responsibilities...”
Timing	Updated or new NDCs required by end 2020, and then every five years Paris decision text asks Parties to inform the UN of NDCs 9-12 months before the relevant COP

The Mitigation Gap



- 1. GtCO₂e = Gigatonnes of equivalent Carbon Dioxide. The net total GHG emissions (includes negative emissions levers)
- 2. Assumes implementation of current Paris pledges including conditional NDCs implemented.
- 3. GDP in 2010 USD

Sources: UN Global Emissions Gap 2018; World Bank

The Four Goals of COP26

1. MITIGATION – SECURE GLOBAL NET ZERO AND KEEP 1.5 DEGREES WITHIN REACH

Encouraging net-zero commitments by mid-century (delivered through long-term strategies), and enhanced 2030 NDCs.

Accelerating the phase-out of coal, encourage investment in renewables, halt fossil fuel subsidies and pick up the pace on electric vehicle roll out.



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2. ADAPTATION – URGENTLY ADAPT TO PROTECT COMMUNITIES AND NATURAL HABITATS

Enabling and encouraging countries affected by climate change to build defences, warning systems and resilient infrastructure to avoid loss of homes and livelihoods.

3. MOBILISING FINANCE

Making good on the \$100bn annual climate finance goal affirmed through the Paris Agreement. We need to be in a position to unleash the trillions in private and public finance to meet global net zero.

4. COLLABORATION – WORK TOGETHER TO ACCELERATE ACTION

Close off the outstanding elements of the Paris Rulebook and accelerate delivery of the Paris Goals through collaboration between Governments, Businesses and Civil Society.



How are we doing so far?



- **68 new NDCs** have been formally submitted, covering 95 countries and around 44% of global emissions.
- Of these, 65 are enhanced in some way.



- Around 70% of global GDP is covered by a **net zero target**, including the G7, who also have net zero aligned NDCs.
- This is up from around 30% when the UK assumed the incoming Presidency

- **But significant further progress is needed – well ahead of COP26.** Many major emitters have not yet submitted NDCs and many fall short of Paris. UNGA (September) is a good opportunity.
- Net zero commitments need to be backed up by **long-term strategies** submitted to the UNFCCC.
- We need policies to **make targets a reality**, like phasing out coal, divestment from oil and gas, protecting forests, clean energy and transport.
- It is crucial that NDCs and LTSs go hand-in-hand with **economic recovery planning**, e.g. renewables.
- Countries who have made ambitious commitments, **can go further** - with diplomatic leadership, moving to implementation, and putting pledges into law.



The UK's NDC



Context - UK Net Zero law and domestic climate targets

- In June 2019 the Government legislated under the Climate Change Act to achieve **net zero emissions by 2050** (i.e. a reduction of 100%) compared to 1990 levels
- The Act also sets **legally binding interim targets for five-year Carbon Budget periods**. Set at least 12 years in advance. Carbon Budget 5 (2028-32) equated to around a 57% reduction in emissions by 2030 on 1990 levels.
- Independent, evidence-based advice from the **Climate Change Committee** on level of targets and how to meet them
- **Government reports to Parliament** on progress. Also required to produce Climate Change Risk Assessments and National Adaptation Programme.



Climate Change Act 2008

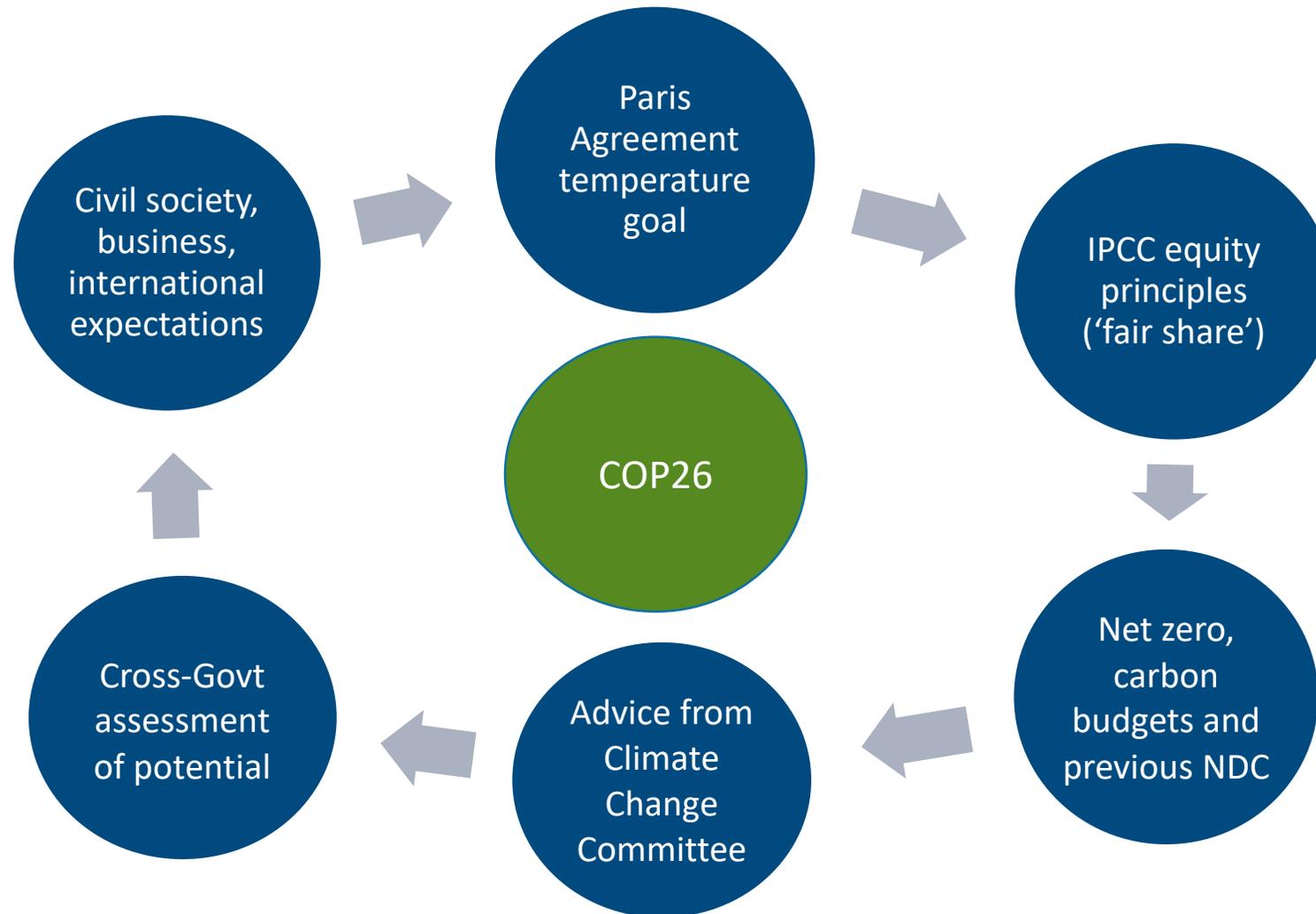
“The UK has made a historic commitment to reaching Net Zero emissions by 2050 and bringing business along with us will be crucial in our transition to a low carbon economy.”

As we approach COP26, I see a unique opportunity to mobilise the UK’s business community and showcase UK plc as a global leader in tackling climate change.”

The Rt Hon Boris Johnson MP
Prime Minister of the United Kingdom



The UK's Nationally Determined Contribution – evidence and analysis



The UK's Nationally Determined Contribution - detail

- **Economy-wide pledge to reduce greenhouse gas emissions by at least 68% by 2030 on 1990 levels.**
- Consistent with guidance from the independent **Climate Change Committee (CCC)**:
“[at least 68%] would constitute a decisive commitment to a net zero emissions trajectory, consistent with the Paris Agreement” which “would place the UK among the leading countries in climate ambition”
- In line with advice from the CCC and international best practice, the UK's NDC:
 - Includes **information to facilitate clarity, transparency and understanding (ICTU)**: how the headline target was set, what assumptions underpin it, and how it meets the expectations of the Paris Agreement.
 - Is set on a territorial basis, which means reporting actual emissions that occur within the UK's border, including in sectors currently covered by the EU Emissions Trading System.
 - Follows the IPCC's 2013 Wetlands Supplement and 5th Assessment Report on Global Warming Potentials
 - Does not include international aviation and shipping emissions.
 - Will be delivered through domestic mitigation (not international credits).
- **Formally communicated** to UNFCCC In advance of the Climate Ambition Summit (December 2020), alongside the UK's first Adaptation Communication and Biennial Climate Finance Communication.

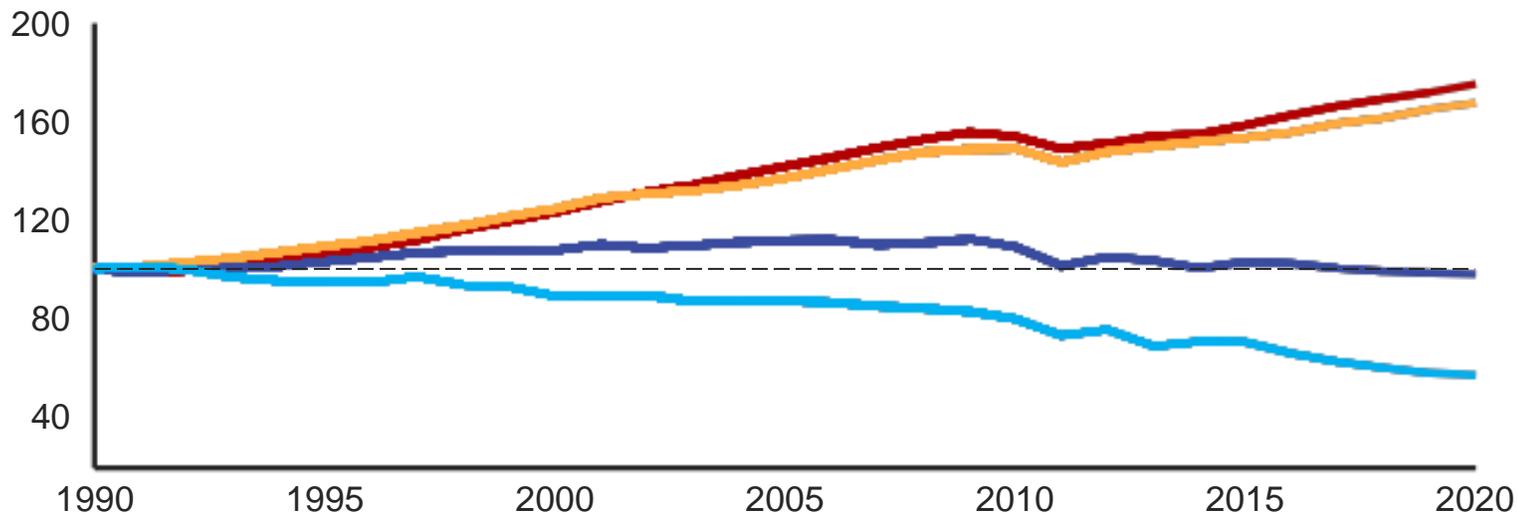


Delivery

UK performance to date: cutting emissions while growing the economy

UK vs Rest of G7 GDP and Emissions

Index (1990=100)

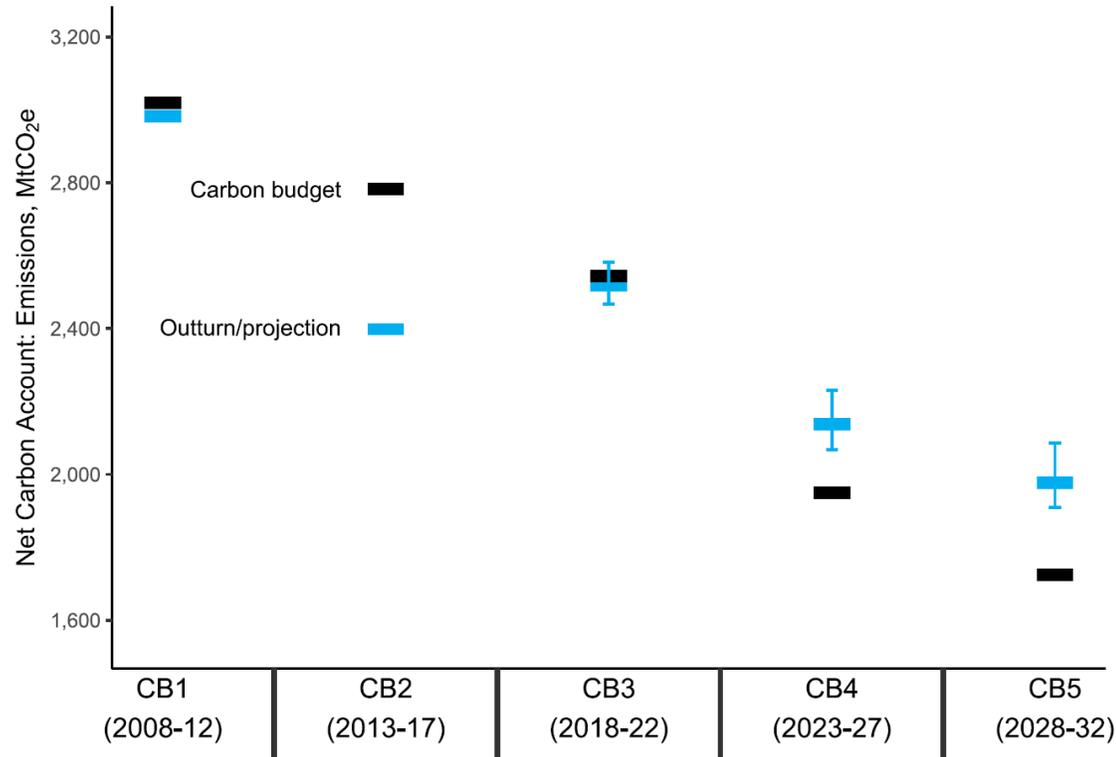


— UK GDP +73% — Rest of G7 emissions -2%
— Rest of G7 GDP +65% — UK emissions -42%

- **Decarbonised our economy** fastest in the G20 since 2000.
- Emissions have fallen 43% since 1990
- ... and emissions **per capita** have **halved** (from 14tCO₂e to 7tCO₂e respectively)

Moving from a target of 80% to net zero leaves “nowhere to hide”

Actual and Projected Performance against Carbon Budgets, MtCO₂e

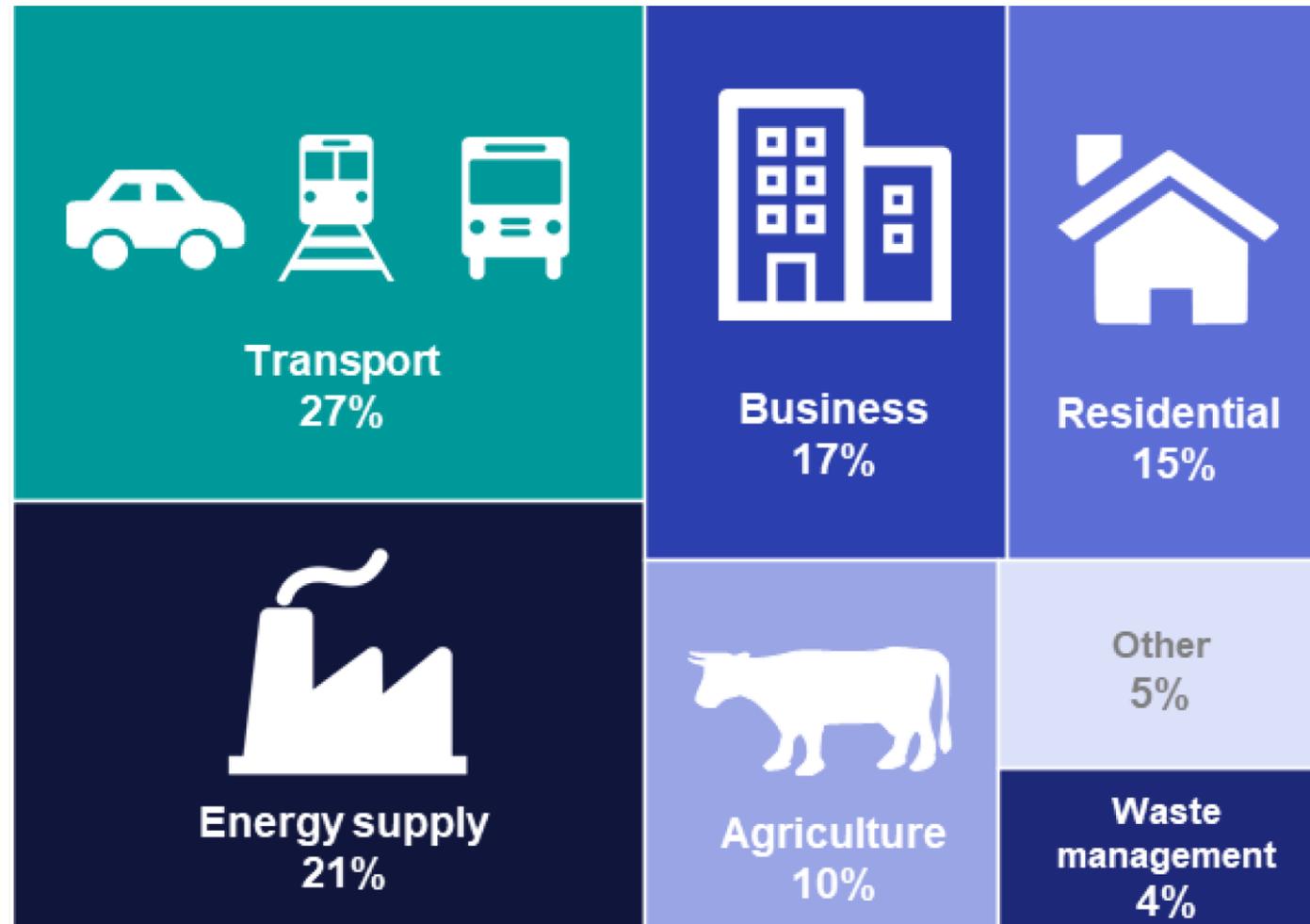


Source: BEIS Updated Energy Emissions Projections, 2020.

Vertical bars show likely uncertainty in the projections based on the 95% confidence intervals vs the reference scenario of EEP 2018.

- While we have made strong progress to date, UK emissions are currently projected to exceed our legal emissions caps for Carbon Budgets 4 and 5, and a **considerable step change is required**.
- The government has since laid legislation for the UK's sixth carbon budget: a **78% reduction in carbon emissions by 2035 compared to 1990**.
- It is a significant step forward in our ambition to tackle climate change over the next ten years, **as we accelerate our progress** towards meeting our legally binding commitment to net zero by 2050.
- **PM chairs** Cabinet Committee on climate action

Current emissions come from the following sources



Source: BEIS Final UK greenhouse gas emissions national statistics: Emissions breakdown in 2019. Note: Others include Public, Industrial Processes and the Land Use, Land Use Change and Forestry (LULUCF) sectors. The percentages may not sum to 100% due to rounding.



Prime Minister's 10 Point Plan (Nov. 2020)



Point 1
Advancing Offshore Wind



Point 2
Driving the Growth of Low Carbon Hydrogen



Point 3
Delivering New and Advanced Nuclear Power



Point 4
Accelerating the Shift to Zero Emission Vehicles



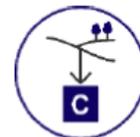
Point 5
Green Public Transport, Cycling and Walking



Point 6
Jet Zero and Green Ships



Point 7
Greener Buildings



Point 8
Investing in Carbon Capture, Usage and Storage



Point 9
Protecting Our Natural Environment



Point 10
Green Finance and Innovation



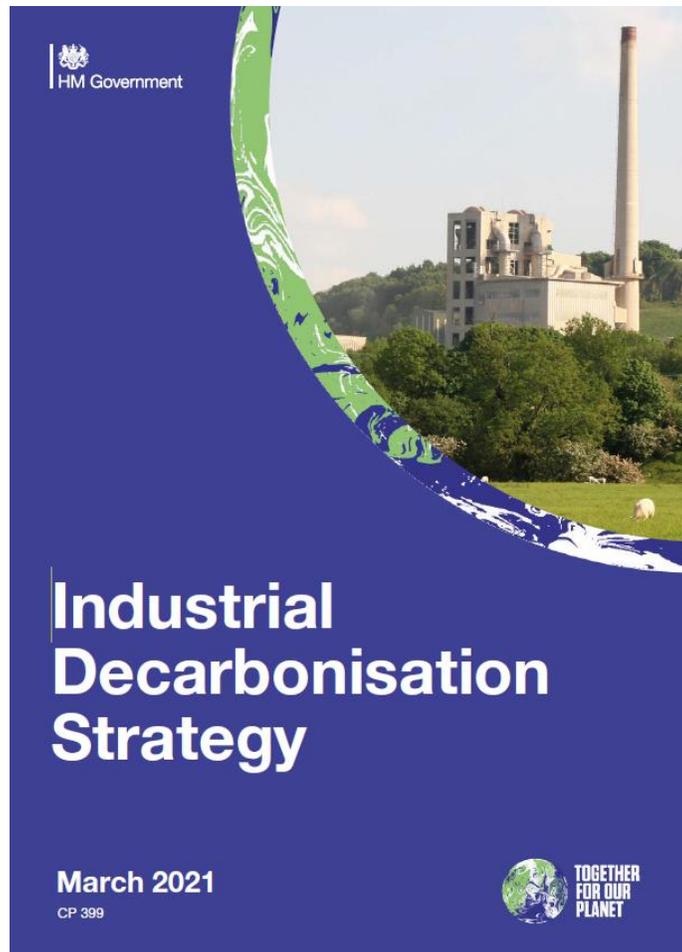
Energy White Paper: Powering our Net Zero Future (Dec.2020)



The Energy White Paper sets out a **strategy for the wider energy system** as it transforms into a holistic single integrated system of systems, driven by the use of electricity for heat and transport and enabled by the increasing decentralisation of energy and increased use of data. It:

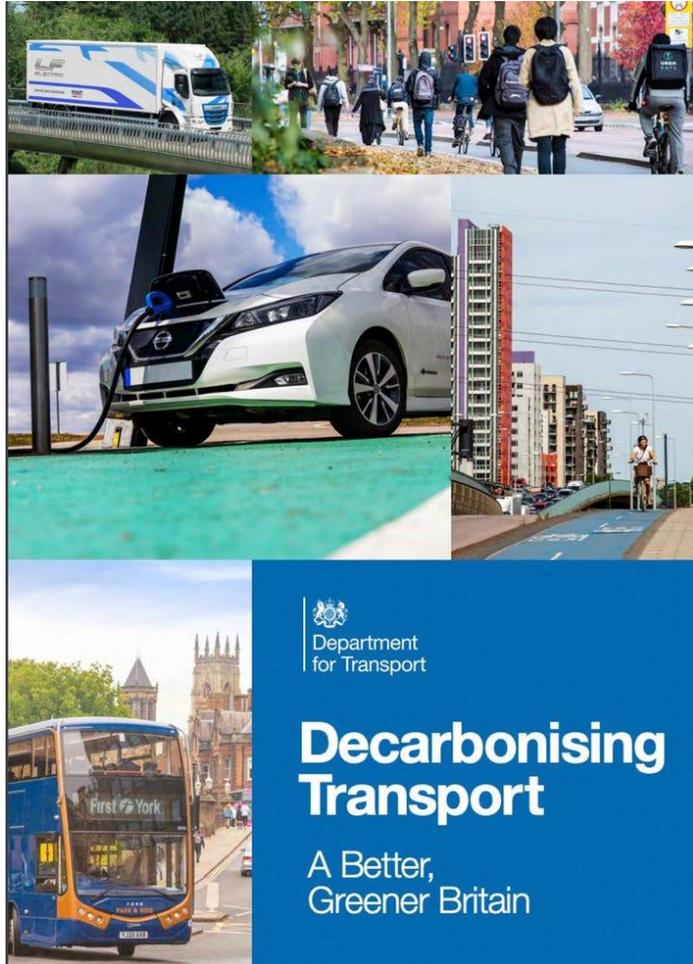
1. **Transforms energy**, building a cleaner, greener future for our country, our people and our planet
2. **Supports a green recovery**, growing our economy, supporting thousands of green jobs across the country in new green industries and leveraging new green export opportunities
3. **Creates a fair deal for consumers**, protecting the fuel poor, providing opportunities to save money on bills, giving us warmer, more comfortable homes and balancing investment against bill impacts

Industrial Decarbonisation Strategy (March 2021)



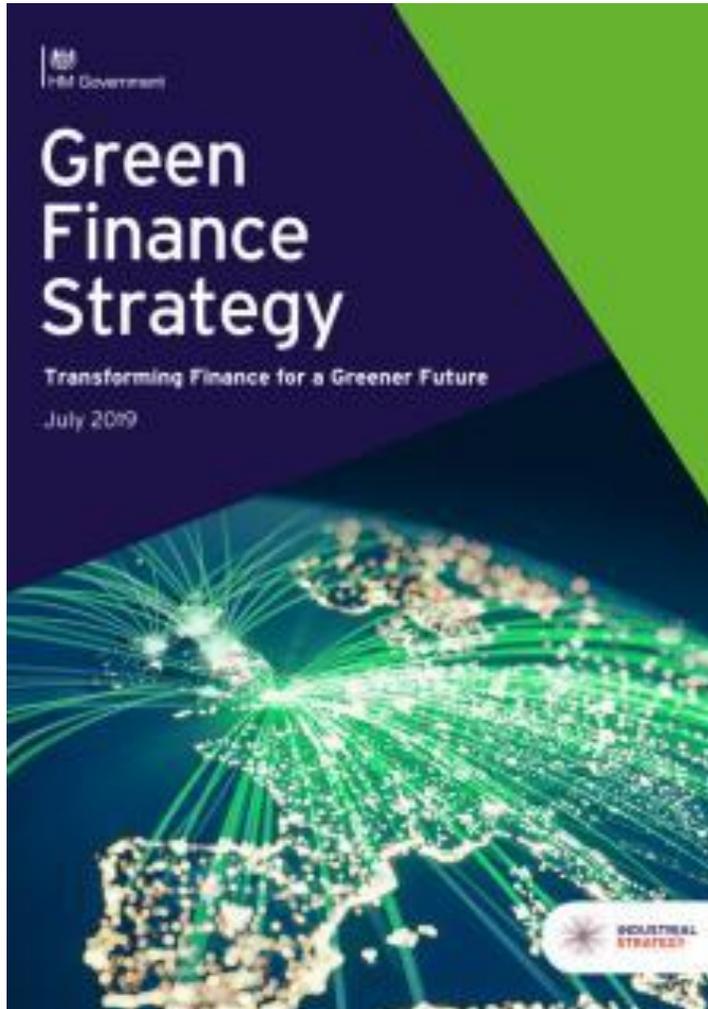
- Net Zero Industrial Decarbonisation Strategy
 - Getting investors to choose low carbon
 - Getting consumers to choose low carbon
- Objective: New industrial pathways modelling – reduction in emissions of 2/3 by 2035 and 90% by 2050
- By 2030, ~3MtCO₂e of industrial emissions will need to be captured and 20TWh of fossil fuel use → low carbon
- Sets out policy priorities for next 10 years including:
 - **Carbon pricing** alongside funding key technologies such as CCUS, investing in critical shared infrastructure and improving efficiency
 - Setting **UK Emissions Trading Scheme cap** in line with UK targets with appropriate protection for carbon leakage
 - Measures to support market for **low carbon products** – new product standards, product labelling and public procurement

Transport Decarbonisation Plan (July 2021)



- Delivery Plan co-ordinating all funding streams and measures to:
 - **End the sale of new petrol and diesel vehicles by 2030**
 - Make all new cars and vans fully zero emission at tailpipe by 2035
- Consultation on phasing out the sale of all new non-zero emission heavy goods vehicles (HGVs) by 2040
- Green Paper options for a new regulatory framework requiring vehicle manufacturers to improve the efficiency of new road vehicles
- Earlier target for whole central Government fleet (40,000 vehicles) to be zero emissions, by 2027
- Response to electric vehicle smart charging consultation
- **‘Jet zero’ consultation** – how to achieve net zero emissions in the aviation sector by 2050
- **‘Course to zero’ for maritime sector**
- **Rail** environment policy statement

Green finance and financing net zero



Greening finance

- UK intends to become the **first G20 country to make TCFD-aligned disclosures mandatory across the economy**
 - Consultation live on application to publicly quoted companies, large private companies and Limited Liability Partnerships (LLPs)
- UK **green taxonomy** – and Advisory Group to prevent “greenwashing”

Financing green

- **UK Infrastructure Bank (opened June 2021)** with an explicit net zero and levelling up mandate. Initial £12 billion of capital and £10 billion of government guarantees
- **Sovereign Green Bonds**
 - At least two issuances in 2021
 - Minimum of £15 billion in FY 2021-22

Where next? The path ahead to COP26

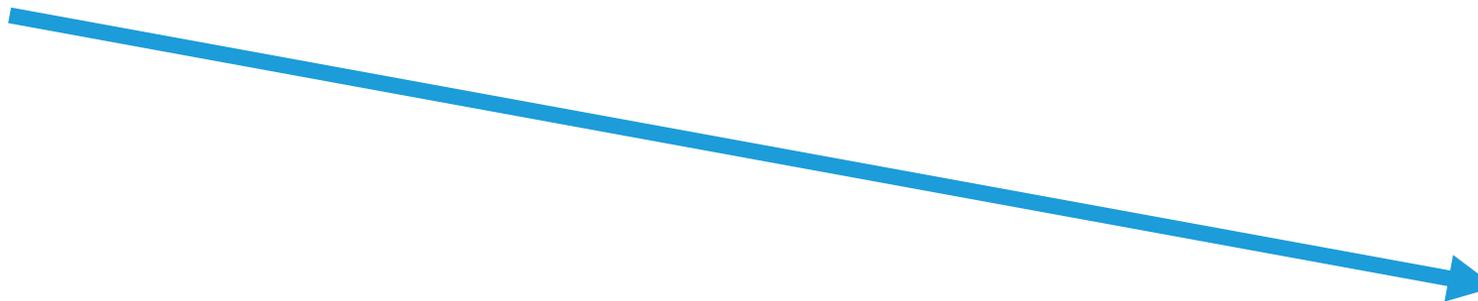
HMT Net Zero Review

England Tree & Peat Action Plans

Hydrogen Strategy

Heat & Buildings Strategy

Net Zero Strategy



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Net Zero Strategy in focus

Net Zero Strategy

The Net Zero Strategy will set out the **Government's vision for transitioning to a net zero economy, making the most of new growth and employment opportunities across the UK.**

The Strategy will **build on the Prime Minister's Ten Point Plan for a Green Industrial Revolution and published and forthcoming sectoral plans**, as we build back greener in our economic recovery from COVID-19, and continue the UK's strong record in decarbonising whilst growing our economy.

It will raise ambition as we outline our **path to meet net zero by 2050, our Carbon Budgets and 2030 Nationally Determined Contribution (NDC).**

It will consider **what is needed to enable change at scale**, including skills, the shift in our energy systems, finance flows and green choices over the next thirty years.

The Net Zero Strategy will constitute the **UK's revised Long-Term Low Emission Development Strategy to the UNFCCC.**



Thank you

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UK NDC available at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943618/uk-2030-ndc.pdf

