

Conversations

Quarterly review
N°1 — 2021

for tomorrow

Discussion with
Matt Toombs,
Director of Partnerships
and Engagement,
UK Cabinet Office, COP Unit

#GetTheFutureYouWant



Matt Toombs

Director of Partnerships and
Engagement in the COP26 unit
of the UK Cabinet Office



DRIVING INTERNATIONAL COLLABORATION FOR A SUSTAINABLE FUTURE



Cabinet Office

Matt Toombs is Director of Partnerships and Engagement in the COP26 unit of the UK Cabinet Office, where he is responsible for driving international collaboration around the five focus areas of the UK's presidency of the COP26

summit to be held in Glasgow in November 2021. The five areas include clean energy, clean transport, nature-based solutions, adaptation and resilience, and finance. Matt is also responsible for driving engagement with a range of non-government stakeholders, including business and civil society. The Capgemini Research Institute spoke with Matt Toombs to understand the UK government's plans and priorities for the COP26 summit as it seeks to accelerate the pace of the change on climate action.

BUILDING MOMENTUM ON INTERNATIONAL CLIMATE ACTION

Could you give us a background on the COP process and the goals of the COP26 summit?

— The COP process goes back to the Rio Earth Summit in 1992. Since 1995, there have been meetings almost every year that have built on the multilateral framework that was set up in Rio to tackle climate change. The most significant of these was the Paris meeting in 2015 – COP21 – because it was the first time that all countries came together and agreed on a set of temperature goals to ensure that average global temperature rise stays well below 2 degrees Celsius, and if possible below 1.5 degrees.

The Paris meeting also established the process for implementation and delivery against those goals, and a critical part of that are the nationally determined contributions. This is a process for countries to determine their own contribution to tackling the Paris goal and to commit to updating them with greater levels of ambition every five years. The reason why COP26 is so significant is because it's the first time since the Paris meeting that countries will be updating their national plans.

It is also significant because we are now seeing increasing impacts of climate change around the world, and we have started the critical decade where we need to really accelerate the transition to net zero. The current nationally determined contributions are on a trajectory of an over-three-degree Celsius global temperature rise. We need the



Matt Toombs
Director of Partnerships and Engagement in the COP26 unit of the UK Cabinet Office

“We are now seeing increasing impacts of climate change around the world, and we have started the critical decade where we need to really accelerate the transition to net zero. The current nationally determined contributions are on a trajectory of an over-three-degree Celsius global temperature rise.”

collective commitments to be three to five times greater to meet the Paris targets. So, we need to accelerate international action on mitigation and we also need to make progress on finance, adaptation, and resilience.

Could you tell us about the progress made since the Paris Agreement on climate action?

— One of the most significant things that the Paris Agreement has achieved is that it has provided, for the first time, a very clear signal to businesses, investors, and other groups about the direction the world is moving towards in terms of climate change. This has enabled a rapid increase in investment and action across the business community. Since Paris, we have seen a huge expansion of net zero targets, which has been really positive. All countries

and organizations committed to net zero now represent nearly 70% of global GDP. Even more important for showing businesses are taking action now, are the commitments to credible, science-based actions over

the next 5-10 years, through the UN-recognized Race to Zero campaign.¹ In the last year we have seen some of the world's biggest companies from a range of sectors joining the Race to Zero, including those from 'hard to abate' sectors, such as steel and cement. We've also seen significant increases in commitments from cities and regions. Around 11% of the global population is now covered by cities or regions that have made material commitments since Paris.

¹ The Race to Zero campaign is a global coalition of businesses, investors and others committed to achieving a net zero carbon economy by 2050; UNFCCC. (n.d.) *Race To Zero Campaign*. Retrieved from <https://unfccc.int/climate-action/race-to-zero-campaign>



All countries and organizations committed to net zero now represent nearly 70% of global GDP.”

85%

the fall in cost of solar in the last 10 years

The other thing that we've seen since Paris is the changing economics. One of the significant shifts has been the falling costs of low-carbon technologies. The cost of solar has fallen by 85% in the last 10 years and wind by 49% and solar and wind are now the cheapest sources of new-build power generation for two thirds of the global population. We'll be getting to a point in the next few years where there will be upfront price parity between battery electric vehicles and internal combustion engine vehicles. We're also seeing significant decreases in prices for renewable energy on long-term power contracts.

I think that there are some very positive signs in terms of movement on both the economics and business ambition. But there are clearly still huge challenges. To remain on track to limit global warming to 1.5 degrees we need to halve global emissions by 2030. And so significant further action is needed and we need to increase the pace of change.

What are the goals of the UK's presidency of the COP26 summit?

— As Alok Sharma, the COP president-designate set out at the recent Climate Ambition Summit, over the next year, we want to unite against climate change, build a consensus, and broker an agreement around four key goals.

First, we must deliver a step change in mitigation to keep the 1.5 degrees Celsius temperature goal within reach. Second, we must strengthen adaptation and resilience, building on initiatives such as the Race to Resilience and the Adaptation Action Coalition, announced this January.

Third, we need to get finance flowing: we must collectively honor the commitment to mobilize \$100bn for developing countries which was agreed in Paris, as well as increasing flows of private finance. Fourth, we will be working to enhance international collaboration,

particularly around five key themes or focus areas that include clean energy, adaptation and resilience, energy transition in transport, nature-based solutions, and finance. We are also aiming for this to be the most inclusive COP. We want to bring in a full range of actors and voices to



We are aiming for the most inclusive COP. We want to bring in a full range of voices to the process: business, investors, governments, civil society and academia.”

the process, including business, investors, governments, civil society, and academia. We are playing a role as a convener of those voices and supporting those voices in influencing outcomes at COP26.

Could you describe the five focus areas for the UK's presidency of the COP26?

— The aim of the five focus areas is to bring together governments, businesses, and civil society to help accelerate the transitions that are needed in each of those areas. Starting with clean energy, we've launched an Energy Transition Council, which brings together global leadership in the power sector to work together to accelerate the transition from

coal to clean power. This is complementary to the Powering Past Coal Alliance, an international coalition of governments, businesses and civil society, led by the UK and Canada, that's committed to phasing out coal. There are still some 50 countries today that are planning new coal

plants. We really need to work together to make sure that clean power is the most attractive investment opportunity for all countries. There is also a real jobs and growth opportunity here. The International Renewable Energy Agency has estimated that there could be 42 million jobs in this sector by 2050, so there's a huge opportunity for countries to embrace this transition.

In the area of adaptation and resilience, we're all seeing the impacts



We're all seeing the impacts of climate change already hitting hard and there hasn't been sufficient investment in adaptation and resilience to date."

42 M

estimated number of jobs in the clean power sector by 2050

\$6 T

estimated infrastructure investments needed ever year until 2030 to meet the Paris Agreement goals

of climate change already hitting hard and there hasn't been sufficient attention or investment in adaptation and resilience to date. This is a priority for the UK presidency and we're looking at improving protection from the impacts of climate-related extreme weather, increasing the availability, efficiency, and accessibility of finance for adaptation and resilience and working with the public and the private sector on that.

On clean road transport, the challenge is that we need to double the pace of transition to zero-emission vehicles. We also have to set a trajectory for the share of zero-emission vehicles to be 15% of global light vehicle sales by 2025. That's a significant increase from the current level of 5%. We want to do that through a series of commitments from governments, cities, manufacturers, and fleet owners. In the area of finance, we're aiming to ensure that climate is integrated in every financial decision. We also need to improve the quantity and quality of public finance dedicated to the net zero transition. Estimates indicate that we need USD six trillion in infrastructure investment every year until 2030 to meet the Paris Agreement goals, with four trillion invested in developing countries. Public finance is essential here, but certainly won't go far enough. Mobilizing private finance is going to be crucial and companies really need to consider what significant new investments they can make into low-carbon projects, particularly in developing countries. This can really help those countries set more ambitious national plans for themselves.

And finally, in the area of nature-based solutions, we want to tackle the twin challenges of biodiversity and climate together. These are very closely connected, and this really does call for a whole of society effort involving national governments and working with indigenous peoples, farmers, scientists, conservationists, and business. We'll be looking to use the convening power of our presidency to create domestic and international spaces for dialogues around how to protect and restore these ecosystems.

In what ways can businesses contribute to these efforts?

— The first thing I'd say is that businesses are already taking action. In many ways, they are ahead of governments in taking action. That is incredibly powerful and sends a very strong signal to others around the world. Some of the things that businesses are already doing, which we would encourage more to do, is making commitments to net zero and importantly, setting credible short-term plans for how they are going to get there. One of the specific ways to do this is to join the Race to Zero initiative. We would also

encourage businesses to become advocates within their supply chains across their sectors, and with national and local governments, employees, customers, and civil society groups. A number of businesses are already doing this, and that can be really powerful to make sure that we all move together on this transition.

There are also some specific commitments that we're encouraging businesses to make across different campaigns in different sectors – for example, signing up to the "EV100" commitment to electrical vehicles, the

100% renewable energy commitment or "RE100"² or the "Powering Past Coal Alliance." Signing up for the "Task Force on Climate-related Financial Disclosures" is another option, which involves disclosing against 11 recommended disclosures, particularly scope 3 emissions. This makes

increasingly good economic sense. We hear from businesses across a wide range of sectors that they're seeing a strong bottom-line benefit of the net zero commitments that they're making and really positive impacts in terms of staff retention, recruitment, and customer engagement. There's an important resilience element as well. According to a recent report, 215 of the biggest global companies report risks worth USD1 trillion from climate impacts.³ And many of those impacts are expected to hit within the next five years. So, committing to the transition to a net zero economy is also a way of managing corporate resilience.

What is holding back progress on climate action?

— Part of the challenge is the pace of change. Even as the economics is moving in a favorable direction and creating stronger investment incentives for climate action, the pace of change needs to significantly increase. For instance, we need the global transition to clean power to progress four times faster this decade than over the last one.

² RE100 is an initiative that brings together hundreds of large organizations that are committed to 100% renewable energy; RE100. (n.d.) *About us*. Retrieved from www.there100.org/about-us

³ CDP, "World's biggest companies face \$1 trillion in climate change risks," June 04, 2019.



We hear from businesses across a wide range of sectors that they're seeing a strong bottom-line benefit of the net zero commitments that they're making."

I think it is also important to highlight the need for a just transition – the transition needs to be fair and inclusive and it needs to support communities. Taking the example of coal, countries with significant coal power generation and mining will face large social and financial challenges in transitioning from coal. Financial and technical support, such as countries sharing experience of successful social dialogue processes, reskilling programs and transitioning coal powered utilities, will be important to help them overcome these very real social challenges.

The third challenge I'd say would be around coordination. Individual countries or companies that are trying to drive a low carbon transition themselves will find it a lot more difficult than groups of companies, countries, and larger markets doing this in cooperation and that's why we want to bring together key markets.

How has COVID-19 impacted the conversation around climate action?

I would say that despite the pandemic, the momentum on climate action has really continued to grow. This is a real opportunity to build a more sustainable, inclusive economy and society. And so, ensuring a green and inclusive recovery is going to be a central element of the UK's presidency of the COP26 and has been a crucial part of our discussions with other countries and with business and civil society.

I have been struck by the significant progress that was made globally last year, despite significant challenges. The UK co-hosted the Climate Ambition Summit in December with the UN and France, in partnership with Italy and Chile, which brought together 75 world leaders alongside businesses and civil society. As a result of announcements made during and before the summit, together with those expected early next year, countries representing around 65% of global CO₂ emissions, and around 70% of the world's economy, will have committed to net zero emissions or carbon neutrality by early next year. While this is encouraging, it is still not enough, so we must keep maintaining this momentum throughout 2021 and beyond. •



Matt Toombs

Director of Partnerships and
Engagement in the COP26 unit of
the UK Cabinet Office

“I would say that despite the pandemic, the momentum on climate action has really continued to grow.

This is a real opportunity to build a more sustainable, inclusive economy and society.”

To hear from more global leaders, read the full edition of **Conversations for Tomorrow** – <https://www.capgemini.com/research/conversations-for-tomorrow-edition-1/>