

Global agreement in green tech will open doors for UK PLC

The UK is today leading a global agreement to make green technologies cheaper and more accessible around the world, while also creating green jobs for generations both at home and abroad, Grant Shapps said today (11 November).

Speaking at the COP27 negotiations in Egypt, the Business Secretary announced over £65 million investment to help speed up the development of new green technologies – backed by the talent and expertise of British business.

This builds on the legacy of COP26 in Glasgow, where the UK founded a coalition of countries to scale and speed up the development and deployment of clean technologies and drive down costs this decade, known as the Breakthrough Agenda.

Mr Shapps said it will be the efforts of entrepreneurs, innovators and the international community that will help cut global emissions in the coming decade and achieve net zero by 2050 – something today's investments will help achieve.

These measures will help expand a whole global market in clean energy technologies, making them accessible and affordable to developing countries – and enabling UK companies to share their talent and expertise in this vital and growing industry.

Business Secretary Grant Shapps said:

Green means growth, and with our existing talents in clean technologies, UK businesses could be world leaders in an industry that will only expand, creating jobs for generations to come while also protecting our precious planet.

At COP27 we are leading international efforts to ensure these new innovations can be more accessible and affordable to heavy, energy-intensive industries in some of the world's poorest countries.

These agreements are a key part of us achieving our net zero targets and our global efforts to cut emissions – but I am also proud that they will mean more countries will benefit from the knowledge and expertise we have nurtured here on UK shores.

The UK is already a world leader in the latest green technologies, ranging from the development of hydrogen as an alternative fuel, to the manufacture of electric vehicles.

Today's announcements not only highlight the UK's leading position on tackling climate change, they also show how this country is influencing

international markets to go greener, in a way that gives the UK an advantage over other countries in delivering jobs, growth and investment in the UK.

The Business Secretary today announced:

- that the UK has built a coalition of governments, representing more than half of global GDP, who will take forward actions to speed up the development of new alternatives to fossil fuels for the carbon-intensive sectors, so that by 2030 they use the cheapest and most attractive options available to businesses in emerging and developing economies
- a UK pledge of £65 million towards the world's first large scale Industry Transition Programme, by the Climate Investment Funds, to support energy-intensive industries in developing economies including India and Indonesia to go green
- UK government's support, alongside Germany, for a new funding window for projects developing innovative and transformational clean technologies. Set to open in 2023, this funding from the Mitigation Action Facility will go to key priority sectors – energy, transport and industry – identified in the Breakthrough Agenda at COP27. This will support developing countries to achieve their goals for tackling climate change and reducing emissions

This comes on top of the Prime Minister's announcement of a further £65.5 million for the Clean Energy Innovation Facility, which provides grants to researchers and scientists to accelerate the development of innovative clean energy technologies in developing countries. Since the UK-led fund was launched in 2019 it has so far supported 76 projects, including the creation of biomass-powered refrigeration in India, prototype lithium-ion batteries in Nigeria and clean hydrogen-based fuels for steel production in Morocco, among other innovations. Its beneficiaries have praised the programme for its ability to identify business and community needs as it unlocks innovation opportunities.

Breakthrough Agenda

The Breakthrough Agenda was agreed at COP26 in Glasgow between the UK and 46 other countries to help some of the highest emitting sectors of the global economy to decarbonise. At COP27, a coalition of governments representing more than half of global GDP will launch the Breakthrough Agenda Priority Actions, which will support the key sectors of power, road transport, steel, hydrogen and agriculture, working to decarbonise them by 2030 by making clean technology in those sectors affordable and accessible to all.

The programme announced today are:

Climate Investment Funds' Industry Transition Programme

- the CIF Industry Transition programme aims to overcome the challenges of decarbonisation within the industrial sector (with a focus on manufacturing sectors such as iron, steel, cement, glass, chemicals and petrochemicals, pulp and paper, and mining). This is especially important as heavy industry has shifted to emerging and developing

countries, where there are huge differences in technological standards and regulations, and where the Industrial sector is expected to become the largest source of emissions within a decade

- a country of expression interest will be launched shortly after COP27

Climate Investment Funds (CIF)

- the UK is the largest investor and a founding member of the multilateral Climate Investment Funds (CIF), which speeds up climate action in clean energy and transport technology, energy access, Nature and climate adaptation and resilience. It works exclusively through Multilateral Development Banks as implementing partners

On Monday 7 November at COP27, the Prime Minister announced up to £65.5 million to expand the UK's Clean Energy Innovation Facility (CEIF):

- the Facility aims to accelerate the commercialisation of innovative clean energy technologies in developing countries and the expansion is a key part of the UK government's £1 billion Ayrton Fund commitment for clean energy research, development and demonstration (RD&D) in countries eligible to receive Official Development Assistance (ODA)
- the existing £50 million CEIF programme was launched in 2019 and currently contains 4 thematic funds, managed by leading delivery partners in those themes: sustainable cooling innovation (International Finance Corporation), industrial decarbonisation innovation (World Bank), energy storage innovation (Innovate UK) and smart energy innovation (Asian Development Bank)

Mitigation Action Facility (previously known as the NAMA Facility)

- the NAMA Facility (NF) is a multi-donor fund established in 2012 by the United Kingdom and Germany later joined by Denmark, the European Commission, and the Children's Investment Fund Foundation (CIFF)
- Germany and the UK both contribute approximately 45% of funding to NF
- on 11 November 2022 NF's new name 'Mitigation Action Facility' was presented at COP27
- the overarching aim of Mitigation Action Facility is to enable ODA-eligible countries to reduce their emissions through implementing sectoral decarbonisation projects as building blocks of NDC implementation
- the Facility awards high value grants (up to EUR 25 million) to projects that have a combination of a permanent policy shift (to create an enabling environment) and capital investment to create financing offers for scaling up deployment of clean technologies
- the projects must have a government sponsor, so it provides an effective diplomatic tool to our teams at Post for bilateral engagement.
- going forward the Mitigation Action Facility will be focused on energy, industry and transport sectors – supporting the Breakthrough Agenda Report recommendations