

Low Carbon Pulse - Edition 15

GLOBAL DEVELOPMENTS IN PROGRESS TOWARDS NET-ZERO EMISSIONS



Welcome to Edition 15 of Low Carbon Pulse – sharing significant news arising from the Leaders' Summit convened by US President Mr Joe Biden, and attended by Leaders from 40 countries, including the countries from which the greatest mass of GHG emissions arise.

As with [Edition 7](#) of Low Carbon Pulse (to mark the inauguration of President Biden), this Edition 15 is published outside our usual two week cycle. Edition 16 will be published next week, May 3, 2021, returning us to the two week cycle.

Background:

On March 26, 2021, President Joe Biden [invited](#) 40¹ world leaders to a Leaders summit on Climate Change on April 22 and April 23, 2021 (**Leaders' Summit**). All 40 world Leaders invited participated, virtually.

It is understood that US Special Presidential Envoy for Climate Change, Mr John Kerry spoke with leaders from 63 other countries in "listening sessions", but the leaders of the countries with the most progress to make, and those with most to lose, were among the 40. The first day of the Leaders' Summit, April 22, was both Earth Day and the fifth anniversary of the date on which the Paris Agreement was opened for signature.

A [link](#) is attached to the WH Gov website and its summary of proceedings.

Headlines from the Leaders' Summit:

- **Strong leadership from the US:** The US committed to increase the rate of GHG emission reductions to at least 50% of 2005 levels by 2030, and possibly by as much as 52%. This commitment resets the US' Nationally Determined Contribution (**NDC**) from the 26 to 28% of 2005

¹ The following countries were invited: Antigua and Barbuda, Argentina, Australia, Bangladesh, Bhutan, Brazil, Canada, the People's Republic of China, Colombia, Democratic Republic of Congo, Denmark, EU Commission and Council Presidents, France, Gabon, Germany, India, Indonesia, Israel, Jamaica, Japan, Kenya, Marshall Islands, New Zealand, Nigeria, Norway, Poland, Republic of Korea, The Russian Federation, Kingdom of Saudi Arabia, South Africa, Spain, Turkey, United Arab Emirates, United Kingdom, and Vietnam. Prime Minister of Pakistan, Mr Imran Khan, was not invited initially, but was invited subsequently.

levels by 2025 committed to by the Obama Administration. This is a material commitment in global terms – the US emits the second greatest mass of GHG annually. This reset of the **NDC** complements the commitment to decarbonise the electrical energy sector by 2035, and to achieve net-zero GHG emissions by 2050. This increase in the US's *NDC* had been both hoped for and signaled.

- **Brazil committed to net-zero:** The President of Brazil, Mr Jair Bolsonaro committed to ending unlawful deforestation of Brazil by 2030 and to net-zero by 2050. Consistent with the reported comments of Brazil's Environment Minister, Mr Ricardo Salles (see [Edition 14](#) of Low Carbon Pulse), President Bolsonaro noted the need for developed countries to provide funding to assist Brazil.
- **Canada cautious progress:** The Prime Minister of Canada, Mr Justin Trudeau, committed to increasing the rate of reductions in GHG emissions to between 40 and 45% of 2005 levels by 2030. This reset of the Canadian *NDC* is a 10 to 15% increase in its earlier *NDC* of 30%.
- **India Clean Energy Partnership:** The Prime Minister of India, Mr Narendra Modi re-affirmed India's commitment to install 450 GW of renewable electrical energy capacity by 2030. While there had been some suggestion of India committing to net-zero ahead of the Leaders' Summit, there is clearly more work to be done before this commitment is made, including the basis on which the developed world will support India. At the Leaders' Summit, India and the US launched the India-US Clean Energy Agenda 2030 Partnership: this comprises two principal aims, first, a hasten Clean Energy deployment and, secondly, to mobilise finance.
- **Japan continues to lead:** The Prime Minister of Japan, Mr Yoshihide Suga, committed to increasing the rate of the reduction in GHG emissions to 46% of 2013 levels by 2030. This is a 20% increase in Japan's *NDC* from 26%. In global terms this is significant: Japan emits the fifth greatest mass of GHG annually. This is a further demonstration of Japan's vital leadership. The increase in Japan's *NDC* had been flagged before the Leaders' Summit (see [Edition 14](#) of Low Carbon Pulse).

Strong leadership from the PRC and Russia:

Both [President Xi Jinping](#) and [President Vladimir Putin](#) made key statements at the Leaders' Summit. Each President re-affirmed key existing commitments: in the case of the PRC, achieving peak GHG emissions by 2030 and net-zero GHG emissions by 2060, and to exercise strict control over coal-fired electrical energy generation, and in the case of Russia to reduce "significantly" its GHG emissions over the next three decades, noting that since 1990 Russia had reduced its GHG emissions by nearly 50%.

Importantly, President Putin noted the need to reduce methane (CH₄): as noted in [Edition 14](#) of Low Carbon Pulse, there is increasing concern about CH₄ levels in the atmosphere as a result of its global warming potential. It is hoped that there is increased concentration on this issue ahead of COP 26, in Glasgow, Scotland, in November, 2021. Also President Putin touched on the role of negative GHG emissions initiatives, and the potential for Russia to be a key player given its natural advantage of land mass.

Other Paris Agreement news:

In other news from the Leaders' Summit:

- Argentina will increase its *NDC*, deploy more renewable electricity energy capacity, reduce CH₄ emissions and foreclose on unlawful deforestation;
- South Africa foreshadowed an increase in its *NDC* and reaching peak emissions by 2035; and
- South Korea will increase its *NDC*, and cease to provide government funding for coal projects.

Net-Zero Producers Forum:

The Kingdom of Saudi Arabia, Canada, Norway, Qatar and the US (each an oil-producing heavy weight) have come together to establish the Net-Zero Producers Forum to devise plans to achieve net-zero GHG emissions, including abatement of CH₄ emissions arising from production of hydrocarbon products, developing and deploying CCS / CCUS technologies, and economic diversification.

For the time being at least, the United Arab Emirates and the UK are not included in the Forum.

LEAF falls in the rain forest:

The US, the UK and Norway, and major corporations, are to co-operate in a public-private initiative to preserve rain forests. The Lowering Emissions by Accelerating Forest Finance (**LEAF**) coalition was announced on April 22, 2021.

At a cellular level, *LEAF* is a carbon credit scheme, under which for each tonne of avoided GHG emissions, a carbon credit will arise, with that carbon credit capable of being traded to off-set carbon emission reduction commitments or obligations. *LEAF* is reported to have initial funding of USD 1 billion.

It is hoped that *LEAF* will reduce deforestation, while other policy settings reduce GHG emissions.

International Climate Finance Plan:

President Biden stated that it was critical for public and private sector finance to be deployed, both domestically and overseas.

In the context of overseas investment President Biden said that the public and private sectors from developed countries should seek to mobilise USD 100 billion a year to finance and otherwise support developing countries to reduce GHG emissions: **Public Sector funding and Private Sector investment = Net-zero GHG emissions.**

Strong commitment pre-Leaders' Summit:

Before the Leaders' Summit:

- the PRC and the US, the world's two largest economies, and the world's two greatest emitters of GHG, had each confirmed commitment "to cooperating with each other and with other countries to tackle the climate crisis, which must be addressed with the seriousness and urgency that it demands" (see [Edition 14](#) of Low Carbon Pulse);
- on April 19, 2021 the UK [confirmed](#) its position in the front rank of countries delivering on commitments to reduce GHG emission with the confirmation of an *NDC* of 78% of 1990 levels by 2035. (Edition 16 of Low Carbon Pulse will consider this in more detail, and other policy settings contained in the UK's Sixth Carbon Budget); and
- on April 21, 2021, the EU confirmed agreement on the reduction of GHG emissions by at least 55% of 1990 levels by 2030;
- the US had proposed a major infrastructure development and renewal package which includes initiatives to promote and to support progress towards net-zero GHG emissions.

Strengthening commitments post Leaders' Summit and pre-COP 26:

While many countries did not increase *NDCs* at the Leaders' Summit, it is clear that a number of countries will do so before or at COP 26 to be held in Glasgow, Scotland, between November 1 and 12, 2021.

Also there is considerable activity ahead of COP 26, including as follows:

- in late September, there will be a "Pre-COP" three day meeting in Milan, Italy;
- on May 18, 2021 the International Energy Agency (**IEA**) will publish ***The World's Roadmap to Net Zero***. This is awaited with interest - on April 23, 2021 at the Leaders' Summit, Executive Director of the IEA, Mr Fatih Birol, told Leaders that: "Right now, the data does not match the rhetoric, and the gap is getting wider and wider"; and
- on May 30 and 31, 2021, South Korea will host the P4G Seoul Summit. At the P4G Summit, armed with the *IEA's World Roadmap to Net Zero*, world leaders, public and private sector, will meet to discuss, and, it is anticipated, to accelerate partnerships with developing countries to allow movement towards sustainable outcomes.

Also it can be expected that meetings of APEC (ongoing in 2021), G7 (June 2021) and G20 (October 2021) ahead of COP 26 will be working hard on net-zero GHG emission reduction initiatives.

Sound-bites:

To the Ashurst Global Towards Net-Zero GHG emission team, the following sound bites touch on themes that are key take-aways from the Leaders' Summit: if there was one theme arising from the Leaders' Summit it was: "Do more, faster":

- **President Biden:** "No single technology is the answer on its own, because every sector requires innovation".
- **President Emmanuel Macron:** "If we don't set a price for carbon, there will be no transition".
- **Prime Minister Boris Johnson:** " ...the 2020s will be remembered either as the decade in which world leaders united to turn the tide [of climate change], or as a failure".
- **Chancellor Angela Merkel:** "I am delighted to see that the United States is back ... the world [needs] your contribution if we really want to fulfil our ambitious goals".
- **Prime Minister Scott Morrison:** Future generations will "thank us not for what we have promised, but what we deliver".
- **President Putin:** The Russian Federation is undertaking a "... large scale campaign for environmental modernisation and greater efficiency across all economic sectors".
- **Prime Minister Suga:** "Japan is ready to demonstrate its leadership for worldwide decarbonisation".
- **President Xi Jinping:** "China looks forward to working with the international community, including the United States to advance global environmental governance".
- **President of EU, Ursula von der Laden:** " ... this will be the 'make or break' decade for our climate. ... Carbon must have its price – because nature cannot pay the price any longer".



"This is our generation's moon shot"

US ENERGY SECRETARY, JENNIFER GRANHOLM

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We bring together lawyers of the highest calibre with the technical knowledge, industry experience and regional know-how to provide the incisive advice our clients need.



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