Net Zero Futures.

Engaging key stakeholders on your net zero emissions journey.

October 2021
Catalonia’s approach
Salvador Samitier i Martí
Head of the Catalan Office for Climate Change, Ministry of Climate Action, Food and Rural Agenda

Q&A

Engaging businesses of all sizes around a net zero agenda
Lydia Elliot
Supply Chains Manager, WeMeanBusiness

Q&A

Chaired by Virginia Bagnoli, Senior Manager – Strategy and European Affairs, Climate Group

For interpretation from English to Spanish please click on the icon on your Zoom controls.

Make sure you are muted to avoid background noise, but please do ask questions during the Q&A and in the chat box!

We will also launch a poll for everybody to respond to.
Net Zero Futures.
An initiative to mobilize global state and regional leadership on net zero ambition.
Now you can see who joined the Race to Zero

Visit: https://racetozero.unfccc.int/join-the-race/whos-in/
A peer-to-peer support mechanism of smaller group sessions amongst governments to work through specific challenges and solutions for moving toward net zero emissions.

→ Fill in a short application form to join the groups!
Topics:

- Managing push back for renewable energy installation
- Setting up local carbon offsetting schemes
- Identifying hard-to-abate or residual greenhouse gas emissions
- Approaching fossil fuel phase-out
- Setting up citizens' climate assemblies
- Complementing net zero emissions target with adaptation measures
- Developing a public engagement strategy on net zero

- Scotland, UK
- Baden-Württemberg, Germany
- Western Cape, South Africa
- Emilia-Romagna, Italy
- New Hampshire, USA
- Kymenlaakso, Finland
- Quintana Roo, Mexico
- Maharashtra, India
- Jalisco, Mexico
- Québec, Canada
- Jujuy, Argentina
- New York State, USA
- Wallonia, Belgium
First group: **Complementing net zero emissions target with adaptation measures**

- Baden-Württemberg (Germany), Emilia Romagna (Italy), Western Cape (South Africa), Kymenlaakso (Finland) and Maharashtra (India)

- A short outcome document will be shared with all governments with key elements discussed:

<table>
<thead>
<tr>
<th>Main obstacle / barrier</th>
<th>Strategy developed so far</th>
<th>Questions for others</th>
<th>Results / learnings (from implemented strategies / projects)</th>
</tr>
</thead>
</table>

**Net Zero Futures.**
Net Zero Futures.

“The government and already about 100 businesses in Catalonia have committed to net zero emissions by 2050. We encourage others to follow suit since the decarbonisation of our economy and activities are the backbone of the future of our societies.”

Teresa Jordà,
Minister for Climate Action, Food and Rural Agenda, Government of Catalonia
Salvador Samitier i Martí
General Directorate of Environmental Quality and Climate Change
Ministry of Climate Action, Food and Rural Agenda
Catalonia

Net Zero Futures.
Catalonia emissions data

Evolució 1990-2019

Mt CO₂ eq

1990: 38.88 Mt
1995: 46.26 Mt
2000: 57.25 Mt
2005: 57.15 Mt
2010: 46.13 Mt
2015: 43.67 Mt
2016: 43.77 Mt
2017: 43.77 Mt
2018: 43.29 Mt
2019: 43.39 Mt

0.7% vs 2018
13% vs 1990
Catalonia emissions data

CO₂ eq emissions per unit of GDP

- **Catalunya**: 176 g/€
- **Espanya**: 253 g/€
- **UE-27+UK**: 246 g/€

CO₂ eq emissions per capita

- **Catalunya**: 5.8 t/càpita
- **Espanya**: 6.7 t/càpita
- **UE-27+UK**: 7.9 t/càpita
Catalonia emissions data

- Industry: 30%
- Transport: 30%
- Energy: 15%
- Agriculture: 11%
- Housing: 5%
- Waste: 5%
- Services: 4%

Bar chart showing the contribution of different sectors to emissions in Catalonia.
The Program of Voluntary Agreements for the Reduction of Greenhouse Gas (GHG) Emissions was launched in 2010, through the Catalan Office of Climate Change. This Program offers tools, support and recognition to those organizations that have facilities and/or operations in Catalonia and they want to make public their commitment to reduce their GHG emissions.
Voluntary Agreements on GHG Emissions Reduction

1. Annual GHG Inventory
2. Annual Reduction Measures
3. Voluntary Offsetting of Unavoidable Emissions

213 companies
Emissions reported 2019 inventories (199 organizations):

- Most member organizations are private companies, representing 71%. In second place are public administration entities with 15%, followed by non-profit organizations with 10%. 4% of organizations are of other types such as consortia, joint ventures.

- There is a wide range of sectors represented in the agreements, the majority are the Industry sector and the Consulting and Engineering sector with 18% and 17% respectively.

- 62% of the total emissions reported are from power consumption.

- 27% of the total emissions are generated directly in the facilities and / or their own vehicles (consumption of fossil fuels, leaks of fluorinated GH gases and in some minor cases due to process emissions).

- 11% are emissions generated outside the organization's facilities and vehicles. These emissions include, for example, emissions from waste treatment, the treatment and purification of water, transport by air, train,....
Some remarks:

• There is an increasing interest in inventorying GHG emissions and show some kind of awareness about climate issues.

• More and more organizations are buying electricity generated from 100% renewable energy sources. Since the beginning of the Program, 98 measures for the purchase of 100% renewable electricity have been put in place by 74 organizations (69 already implemented). Also, there is a significant increase in the implementation of renewable energy facilities for self-consumption.

• We are implementing new ISO 14064. This means a change on the old scopes perspective:
  Scope 1: direct emissions; Scope 2: indirect emissions-electricity; Scope 3: all other indirect emissions to a significance emissions criteria, so it’s an important challenge for organizations and there is uncertainty how to manage them yet.
Next Steps:

- Towards a compulsory mandate for all organizations? Not yet.
- For now, what was included in the Catalan Law on Climate Change is:
  - Access to grants, tax credits and other similar benefits for projects of an environmental, energy and innovative nature for a transition towards a carbon neutral economy:
    - Companies >250 employees: shall prove that they have done a vulnerability analysis to the impacts of climate change, a GHG emissions inventory and implement actions for their reduction.
    - Companies <250 employees: to include positive selection criteria.
  - Catalan ministries and their public bodies shall have an inventory of GHG emissions, complete an energy audit of their buildings and establish an objective to reduce GHG emissions.
This Programme was launched in 2015. It is aimed to promote the reduction of greenhouse gas (GHG) emissions through projects carried out by social entities. Once the emission reductions of these projects have been verified externally, the Program facilitates other organizations and individuals to buy these local emissions reductions to offset their own emissions (through an external platform managed by a third entity).
• Addressed to promoting local compensation
• Promoters: NGOs and Foundations
• Social component
• 21 projects from 19 entities. There are 5 more in the pipeline. The projects generate credits for a period of 4 years.

• The OCCC has approved 11 project methodologies that are based on internationally accepted methodologies, and that have been adapted to the Catalan reality.

• A first package of 4,256 credits was put up for sale, of which 82% was sold. The price is 10 € / tone CO$_2$. A second package of 7,417 credits will be available soon.

2. Solar for DHW.
5. Electric bicycles and tricycles.
6. Avoid food waste in management entities.
7. Avoid food waste with a specific action
8. Fertilizer management in agricultural soils
9. Connection to a district heating.
10. Improvement of the energy efficiency of heating and sanitary hot water systems.
11. Construction and rehabilitation of buildings with energy saving criteria
Some remarks:

• When the program did not exist, there were many companies asking for the option of being able to compensate locally. Now that it exists it is very difficult to sell the credits.

• There are many misunderstandings about compensation: additionality, quantity of actual emissions reductions (overestimation).

• It could be seen as complex: screening phase, evaluation, approval, verification. It could last, more than two years between the application and when the organization receive the money.

• Some organizations are reluctant to being involved in this kind of tools. They see them as “dirty” because are perceived not as a tool to help other to reduce but a right to pollute, if you have money.
**Climate/Environmental taxes**

**Water Tax** on consumption and pollution. Its aim is to encourage a more efficient use of this good.

**Waste Tax** on disposal of municipal and construction and industrial waste

**Tax on large shopping centers.** Their dominant position in the sector can generate negative externalities in the territory and the environment, the cost of which they do not assume. The cost is related with the percentage of parking car spaces devoted.

**Tax on NOx and PM emissions in industry.**

**Tax on NOx emissions in commercial flights.** LTO cycles (landing and take-off)

**Tax on facilities with environmental impact:** power transmission towers and telecommunications towers (impact on the landscape)
**Tax on CO₂ emissions** of cars, light duty vehicles and motorcycle:

- Included in the Catalan Climate Change Law in 2017.
- According the official emissions data (gCO₂/km).
- Some problems with the quality of the vehicles database.
- It has been necessary to develop a statistical model for vehicles with no official emissions data (before 2008 for cars and light duty vehicles).
- 2021 is when tax collection will take place (2020 financial year). Being the first year, the tax rates are slightly lower (typical fee 15€-60€).
**Tax on CO₂ emissions** of cars, light duty vehicles and motorcycle. Some remarks:

- It has received some criticism as it does not take into account the total kilometers travelled (total emissions).
- Many discussions with car owner associations and car manufactures. Not very happy.
- The money raised nurtures two Funds: one for climate and another for natural heritage. The objective is to develop actions to reduce GHG emissions, adapt to climate change impacts and improve ecosystems.
  - Now we are working in a 4-year program about what projects are going to be developed.
Tax in the pipeline:

- Tax on economic activities that generate GHG emissions (some industrial and livestock activities): near 1.400. Industrial other than ETS.
- Tax on NOx emissions of large ships when they are moored in ports.
Salvador Samitier i Martí

Catalan Office of Climate Change

Ministry of Climate Action, Food and Rural agenda.


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Questions or reflections?
Lydia Elliot
Supply Chains Manager
WeMeanBusiness Coalition

Net Zero Futures.
SUPPORTING BUSINESSES TO TAKE CLIMATE ACTION
OUR AMBITION LOOP

We are a coalition of leading NGOs and have a very clear theory of change that actually delivers change

The ‘Loop’ accelerates the rate of change:

- The more action business takes
- The more this evidence can be used to advocate for change
- The more confidence Governments have to set ambitious climate policies
A COMPANY JOURNEY TO NET ZERO

LEADERSHIP ON NET ZERO

Long-term target to reach net-zero emissions by no later than 2050. Short-term targets to halve emissions by 2030

IMPLEMENTING NET ZERO

RE100
CLIMATE GROUP
EV100
CLIMATE GROUP
EP100
SOS 1.5
MISSION POSSIBLE PARTNERSHIP

RENEWABLE ENERGY
ELECTRIC VEHICLES
ENERGY EFFICIENCY
ACTION PLANNING

+ MANY MORE INITIATIVES
We Mean Business Coalition

**CLIMATE LEADERSHIP FOR LARGER BUSINESSES**

**AMBITION**
- Align targets with science
- Aim for net zero and halve emission by 2030
- Factor in your value chain

**ACTION**
- Work with action collaboratives
- Inform your investors
- Connect climate and equality

**ADVOCACY**
- Make your voice heard
- Address trade associations
- Persuade peers

**ACCOUNTABILITY**
- Report on progress
- Listen & learn with stakeholders
- Integrate climate in executive board

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*SOS 1.5*  
*CLIMATE GROUP STEELZERO*
What we do

CLIMATE LEADERSHIP FOR SMALL/MEDIUM BUSINESSES

We Mean Business Coalition hosts the SME Climate Hub, the one-stop-shop for SMEs to make a climate commitment and access best-in-class tools and resources.

- 2,300+ SMEs across 80 countries
- We create the tools to support SMEs measure, act and report
- We reach SMEs by building partnerships with governments (UK government), corporations (Verizon, Intuit) and outreach partners.

In partnership with...
**We Mean Business Coalition**

**NET ZERO BUSINESS INITIATIVES IN NUMBERS**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Requirement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Paris Climate 10 years Early Pledge Early</strong></td>
<td>Net Zero by 2040</td>
<td>201</td>
</tr>
<tr>
<td><strong>Business Ambition for 1.5°C</strong></td>
<td>1.5C aligned interim target / Net Zero by 2050</td>
<td>907</td>
</tr>
<tr>
<td><strong>SME Climate HUB</strong></td>
<td>Halve by 2030 / Net Zero by 2050</td>
<td>2,350</td>
</tr>
</tbody>
</table>

We continue to encourage all companies to set Science-Based Targets as well.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Science Based Targets</strong></td>
<td>Interim targets at 1.5C, well below 2C or 2C</td>
<td>1,929</td>
</tr>
</tbody>
</table>
WHAT CAN REGIONAL GOVERNMENTS DO TO SUPPORT BUSINESSES?

Set the path for large businesses

- Clear expectations
- Guide large businesses to set credible climate commitments and take action
- Put in place the policies to help businesses achieve their commitments

Support small businesses in taking climate action

- Raise awareness of the importance of SMEs taking climate action
- Guide them to the right resources like the SME Climate Hub
- Help SMEs feel confident in taking the first steps
- Put in place the policies and support to help SMEs achieve their commitments
Questions or reflections?
Dialogue series themes
April – December 2021

Setting a regional net-zero target and a long-term vision

Keeping equity and justice at the center of your state & regions’ net-zero target

Developing a pathway to achieve net-zero emissions

Defining sectoral policies to implement a pathway to achieve net-zero emissions

Engaging key stakeholders to deliver on sectoral policies and pathway to achieve net-zero emissions

Tracking progress: making interim and net-zero targets count as credible action

Net Zero Futures.
A selection of inspiring quotes from Net Zero Leaders

Net Zero Futures.

Cities and regions are the frontlines of climate action. So it’s essential that we show that net zero targets are not only achievable, they’re necessary. We must set the bar high and be bold to address the scope of this crisis.

Jay Inslee, Governor of Washington

Net Zero Futures.

As the first Latin American region to join Race to Zero, Misiones Gerulatas consolidates its commitment, increasing its level of climate ambition. The drive for low carbon economic recovery has made us Brazilian leaders in photovoltaic. The cooperation will contribute to the identification of an implementation goal towards the net zero by 2050 goal, aligning the state and the productive sectors.

Vladimir Cunha de Mello, Secretary of Environment and Sustainable Development

Net Zero Futures.

Hawaii has a history of leading in so many areas. We have made a commitment to net carbon negative emissions, because we know that it makes a difference. We know that people are watching what happens here on the islands.

David Ige, Governor of Hawaii

Net Zero Futures.

Victoria’s Climate Change Strategy sets the State on a nation-leading path to reduce emissions, drive investment and create jobs. We’re demonstrating the vital role states and regions can collectively play in meeting net zero emissions while creating a prosperous future.

Thi Man, Lily D’Amore, Minister for Energy, Environment and Climate Change and the Minister for Spatial Housing, Planning of Victoria

Net Zero Futures.

Reaching carbon neutrality is at the very core of the Pact for Work and Climate that was signed by Emilia-Romagna and 55 organizations representing local governments and universities, enterprises and trade unions, civil society and environmental associations. A shared commitment to ensure a fair and inclusive ecological transition, with effective and measurable strategies to reduce GHG emissions across all sectors.

Ely Sotoz, Vice President of Emilia-Romagna
**Net Zero Futures: session at the Under2 Coalition General Assembly**

- The Scottish Government will open this special session and chair a conversation with other Net Zero Leaders

- Vision and outcomes so far of the initiative will be presented

- If your President/Minister is attending in person and interested in speaking at this session let us know

*Net Zero Futures.*
Next steps

1. Fill out feedback form (link shared in chat)

2. Final dialogue session in December – Tracking progress

3. Fill in the application form to join a **Net Zero Futures Working Group** – running until March 2022

4. If you are interested in making a net zero commitment, please reach out to the team to learn how we can support your announcement by profiling you as **Net Zero Leader** and connect you to **Race to Zero**.

Net Zero Futures.
Thank you

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Net Zero Futures