



## Climate Club highlights progress on decarbonising heavy industry in Leaders Event at COP29 in Baku

In its first year of work, the Climate Club – now with 43 members from diverse geographies and stages of development – is contributing to accelerating emission reduction in the industry sector, an improved common understanding of carbon leakage, and advances international harmonisation of standards for near-zero and low-emissions basic materials. It also improves assistance for industrial decarbonisation in emerging markets and developing economies with the Global Matchmaking Platform, which is fully operational from COP29.

**Baku, 12 November 2024.** Chile’s Environment Minister, Maisa Rojas, and Anna Lührmann, Minister of State at the German Federal Foreign Office, hosted the second leaders meeting of Climate Club members at COP29 in Baku, one year after the official launch in Dubai, with the support of the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA) as co-hosting institutions of the Climate Club Interim Secretariat. In its [COP29 Statement](#) Climate Club members underlined that the industrial sector plays a pivotal role in the global transition to a 1.5°C pathway and climate neutrality at the latest by 2050. Climate Club members agreed on seeking coordinated approaches to industrial decarbonisation, sharing the conviction that they move faster, find better solutions, and achieve more emission reductions, if they move together. Since the official launch of the Climate Club, members developed a joint understanding around spillover effects of climate policies, which occur due to different speeds in the transition and a variety of policy designs. They acknowledge that a possible relocation of industrial production to countries with lower production costs, known as carbon leakage, can undermine investments in decarbonisation and agreed to explore options for coordinated policy approaches to address risks of carbon leakage.

*“The transition of the industrial sector will only be successful if it is done at a global scale. What we need in this phase are cooperative solutions and a common framework which is ambitious, transparent and inclusive. In the Climate Club we come together with 43 countries to work on this framework and to create green lead markets for industrial products and reduce risks, such as carbon leakage, for those countries that implement ambitious climate policies”,* states **Olaf Scholz, Chancellor of Germany, Co-Chair of the Climate Club.**

**President of Chile, Co-Chair of the Climate Club, Gabriel Boric** indicated that *“the Climate Club is a unique space that concentrates on industry decarbonisation to contribute to the implementation of the Paris Agreement. It is based on voluntary but convinced action of all members to work together and react to the global climate crisis. For developing countries this is a matter of crucial importance, as we are*



*undertaking ambitious policies in line with our priorities and needs. The Global Matchmaking Platform can play a key role for emerging economies as we move forward in our climate plans and policies.”*

*“The OECD, in tandem with the IEA, is proud to host the Interim Secretariat of the Climate Club and to support its efforts to accelerate industrial decarbonisation”, **OECD Secretary-General Mathias Cormann said.** “With the support of OECD data and analysis, the Climate Club is already monitoring financial and technical assistance for industry decarbonisation, and developing ways to increase the scale of such assistance while building a common understanding on how to manage possible risks from differing mitigation policies across countries in the industry sector.”*

The Climate Club is also committed to scaling up lead markets for near-zero emission materials this decade, aiming to make decarbonised industrial production the default by 2030. In the Statement released today, Climate Club members jointly recognised the emerging convergence on how to define near-zero steel and cement, and affirmed the IEA principles for near-zero and low-emission steel and cement, emphasizing that definitions should be ambitious, transparent, and globally consistent. Consistent definitions eliminate ambiguity in climate commitments and make their adoption easier for governments and industry. Such clarity supports coherent global markets, discourages greenwashing, and ensures that emissions reductions are genuine and measurable.

*“Clear and internationally comparable standards for low- and near-zero emissions materials can play a key role in substantially reducing emissions from heavy industry while addressing concerns around competitiveness. The work being done by the Climate Club on advancing such standards – particularly for heavy emitting sectors like steel and cement – is helping to drive industrial decarbonisation and opening up major economic opportunities”, said **Fatih Birol, Executive Director of the International Energy Agency.***

The Climate Club strives for a transition, which is truly inclusive. Mobilising investments in green industries is of key importance to accelerate emission reductions worldwide. As a key instrument of the Climate Club, the [Global Matchmaking Platform](#) (GMP) will be fully operational from COP29. The GMP, open to all emerging markets and developing economies, is a support mechanism of the Climate Club which coordinates and matches requests for support with international technical and financial assistance. The Secretariat is hosted by the United Nations Industrial Development Organization (UNIDO). Several countries have already expressed interest in the Platform, with some initial pilot projects being explored by Chile, Colombia, Indonesia, Kenya and Morocco, among others.

*For more information, journalists are invited to contact [Celia Pastor](#), Communications Officer at the Climate Club Secretariat.*

*The [Climate Club](#) is an open and inclusive high-ambition intergovernmental forum for cooperation on accelerating industry decarbonisation. The Interim Secretariat of the Climate Club is co-hosted by the OECD and the IEA. For more updates on the Climate Club’s work, please follow the [OECD](#), [IEA](#) and [Global Matchmaking Platform](#) social media accounts.*