



HOUSE OF LORDS

Environment and Climate Change Committee

Corrected oral evidence: COP 30

Wednesday 29 October 2025

10 am

Watch the meeting

Members present: Baroness Sheehan (The Chair); Lord Ashcombe; Lord Duncan of Springbank; Lord Jay of Ewelme; Lord Krebs; The Earl of Leicester; Lord Lennie; Lord Mancroft; Lord Rooker; Lord Trees; Baroness Whitaker.

Evidence Session No. 1

Heard in Public

Questions 1 - 14

Witnesses

[I](#): Kate Hughes CBE, UK Lead Climate Negotiator, Department for Energy Security and Net Zero; Matt Toombs, Director for International Climate Finance and Strategy, Department for Energy Security and Net Zero.

Examination of witnesses

Kate Hughes and Matt Toombs.

Q1 The Chair: Good morning and welcome to the Lords Committee for the Environment and Climate Change. Today, our focus will be on the COP process in the international climate and environmental diplomacy in the lead-up to the COP 30 in Belém, Brazil, which starts on 11 November.

I warmly welcome our witnesses for this session. They are both senior officials from the Department for Energy Security and Net Zero and well-seasoned in international diplomacy. I thank them warmly for taking the time to be with us today.

I should remind everyone that the session is webcast live and that a transcript will be taken and made public. Witnesses will be able to review the transcript and make minor amendments. I should also remind Members that any relevant interests should be declared the first time they speak. I take this opportunity to declare that I am a director of Peers for the Planet. I start by asking our witnesses to briefly introduce themselves.

Kate Hughes: Thank you very much. I am the lead climate negotiator. I am based in the Department for Energy Security and Net Zero.

Matt Toombs: Hello; good morning. I am director for international climate change at the same department as Kate.

The Chair: Thank you both very much. Lord Rooker will ask the first question.

Q2 Lord Rooker: Good morning and thanks for coming at what must be an incredibly busy time. I have a general opener. What do you think the UK hopes to achieve or obtain from COP 30? Have our opportunities changed since the United States pulled out of the Paris Agreement? When you talk about what the UK hopes to achieve, is it possible to differentiate between the UK, the Government and the public?

Kate Hughes: Thank you; I will start and I am sure Matt will come in as well to complement what I am going to say, which is mainly from a negotiations perspective in terms of what we as the UK hope to achieve at COP 30.

One of the main things that we go into COP 30 wanting to achieve, to think about and to talk about is showing that multilateralism is still working; that people are still coming to COP; that that process is still incredibly valuable; and that countries are coming together to talk about climate change and to make progress and address all those challenges that we see. It has been very interesting for me, over the course of this year in the role, attending many of these international meetings and hearing countries' commitment to that multilateralism and that they are still working together on the Paris Agreement, in particular, and seeing that delivered. Everyone recognises that there are many headwinds this

year, and that is why reiterating those commitments, turning up, being there and taking part is an important outcome at the outset for COP 30.

Particularly in the negotiations, we are keen to look at both the progress that has been made through those multilateral processes and think about how we can go further. As to the progress that has been made—and I am sure we will touch more on this throughout the course of this session—we can see a huge shift over the last 10 years since the Paris Agreement in what is being delivered. Going into 2015 and the Paris Agreement, the world was heading for 4 degrees of warming. Through the NDCs that were submitted, the 2030 NDCs, that temperature projection takes us to 2.6 degrees by the end of the century if they are implemented in full. If you take that and add on countries' net-zero targets, it takes us to about 1.9 degrees of warming.

We want to be able to tell the story that this is working and that we have come a really long way, because, often, it is easy not to see the progress being made. We can also talk maybe more throughout this session on where we have got to on renewables globally, clean energy investment and so on, which is incredibly impressive. Still, we have over three-quarters of global GDP covered by net-zero commitments. That is one bit of it.

Of course, we know that we need to do more, and we are certainly very keen to use COP 30 to show what needs to happen and how we can go further. That shows that the pace and the scale of action and implementation still needs to increase. We know that we need to be doing more. In terms of 1.5 degrees and keeping 1.5 degrees within reach, we know that we need to close that gap in implementation. We need to respond to the NDCs that have been submitted, acknowledging that there are still NDCs to be submitted, and to work out what we do through the process to acknowledge that.

Secondly, we need to show that finance is flowing and that we are fully committed to the agreements made, including the new collective quantified goal last year.

Big discussions are to take place on adaptation, and that is a critical part of the COP agreement and the Paris Agreement, in particular looking at the global goal on adaptation and securing a strong outcome on a bundle of global indicators on adaptation. We are very keen to see good progress there.

The fourth part is seeing continued commitment and building on the discussions that have been taking place on elements such as the transition away from fossil fuels and the energy transition, making sure that we are taking forward the recommendations that were made in the global stocktake.

The fifth part is around forests and nature, taking forward the commitments that have been made and looking at some of the synergies there between climate and nature. That is what we are hoping to see. I

would like to think that that is also what the public would want us to be doing in making sure that we focus on what needs to happen next. The UK is in a really strong position with our leadership. It is widely recognised, particularly in terms of the NDCs that we have published and submitted, and that has enabled us to have many conversations with all other parties on what they are doing in terms of their own ambition and delivery. We are fully committed to making the negotiations a success, and those are our priorities going in.

Matt Toombs: Brazil has been really clear in the run-up to this COP that it sees it as an implementation COP. The description is that its COP has been designate, which others have been using regularly looking at this, partly mindful of the fact that there has been a lot of progress on the multilateral agreements through COP 26 through the global stocktaking COP 28. Last year was a big focus on finance and the new collective quantified goal. The real challenge now is how we make those agreements work and how we deliver on them. Their focus is very much on implementation. We are also working very closely—and we can talk about this in more detail—on various strands of delivery implementation co-ordinated with other countries, businesses and groups across energy, forests, adaptation and other areas. That is a crucial element.

On the question about whether this is government or public and which of these we are looking at, we work very closely with civil society groups across the UK in our preparation for our work towards the COP. The COP itself is not just a government event. It will have a very wide representation from civil society. Brazil is certainly looking to bring a lot of indigenous peoples, local communities and other groups to it. We expect to see that from the UK: the breadth of businesses, academics and others who will be part of the UK delegation and wider. A lot of that engagement goes into the preparation of this as well.

The Chair: Thank you. Earl of Leicester, I hope the question is about UK aspirations at this COP.

Q3 **The Earl of Leicester:** Well, it is a supplementary. First, I have a very quick one for Ms Hughes. What training have you received now that you are the chief climate negotiator? Secondly, for both of you, with the possible prospect in a few years' time of a different Government, two parties out there are now rowing back on net zero. Is there a team in DESNZ that is doing red team/blue team? Unfortunately, during Covid and preparations for Brexit—well, there were no preparations—we saw that there was no red team and no blue team in those two particular pretty major aspects of British political life.

Kate Hughes: Thank you for that question about my training.

The Earl of Leicester: I am sorry, I hope it is not impertinent.

Kate Hughes: No, that is fine. I have worked on international climate change in the Government for many years. I became the lead negotiator in January, but I have been involved in this world, in this department and

these roles since 2015. I was in DfID before that and international climate since 2012. So I had a lot of on-the-job training and attendance at COPs and so on. I have received some specific dedicated negotiations training this year along with my team as well.

Matt Toombs: On the second question, our role as civil servants is to work for the Government of the day. That is what we do.

The Earl of Leicester: There is no red team/blue team.

Matt Toombs: We work for the Government of the day. That is our role.

Q4 **The Chair:** Thank you. Before we move on to Lord Krebs's question, I want to ask a supplementary. It is probably better directed to you, Matt, if I may. I want to ask you about ambitions for the methane agenda at this COP. This committee produced a report on methane centred around the Government's leadership at COP 26 in Glasgow and the Global Methane Pledge. It was an initiative led by the US—those were the days—and the EU. I want to get an update from you on how this important agenda is still being pushed forward.

Matt Toombs: First, we absolutely agree that it is a very important agenda, and it is one that we strongly support as the UK. That has been true from COP 26 through until now. At the start of this year, the UK took on the co-chair of the Climate and Clean Air Coalition, which is the UN organisation that oversees, essentially, super pollutants and action to address those. The Global Methane Pledge sits within the CCAC. That is the primary vehicle for us to deliver progress internationally on the Global Methane Pledge. The Climate and Clean Air Coalition has a really broad membership, with over 200 members within it. The UK is co-chairing alongside Brazil. We have been working over the course of this year to put methane at the core of COP 30 and looking to do that as part of the World Leaders Summit.

The Chair: When is that taking place?

Matt Toombs: That is next week, before the COP itself begins. Brazil has decided to assemble world leaders on the Thursday and Friday before the COP starts. That will be the point where we set out, essentially, the progress that has been made and the commitments that Governments are making going forward on the methane pledge.

The Chair: So the UK still has not formally announced a methane action plan. When will that be forthcoming? Will it be before next week's leaders summit?

Matt Toombs: The UK is planning to produce quite a range of information later today as part of the carbon budget and growth delivery plan. We will have to see what is released as part of that information. A lot more information about UK delivery will be part of that plan later today.

The Chair: When asked in a short debate yesterday—in oral questions—

the Minister said it would be coming very soon. We look forward to that announcement. This committee, I am sure, will be very pleased that our key recommendation on the methane report has been realised.

Lord Trees: Since methane has been mentioned, could I ask? It is maybe a bit of detail, but I am interested in this.

The Chair: Not too much detail at this stage. We have a lot to get through.

Lord Trees: I am interested in a global response. A major source of methane discharge is from fossil fuel, oil and gas extractions. They have two alternatives when they want to get rid of dangerous situations: to vent, which liberates methane, or flare, which burns the methane but liberates CO₂. Globally, is there any assessment? They are both pretty unwelcome, but which is the lesser of two evils there? Do we know? Is there international advice about it?

Matt Toombs: An oil and gas decarbonisation charter was signed up to in COP 28 that was directed at this. It was aimed at commitments from oil and gas producers to reduce their methane emissions and had advice about flaring and the actions they should take on it. We are looking now to see the progress that has been made by those people who signed up to those commitments.

The Chair: Thank you very much. I am going to come to Lord Krebs for his question now.

Q5 **Lord Krebs:** Thank you very much, and thank you very much to the witnesses for coming to speak to us. I will address this to you, Kate. I was very encouraged by the positive story that you told about the impact of the COP process and the progress since Paris. Nevertheless, I noticed in an interview in the *Guardian* yesterday that the Secretary-General of the UN, António Guterres, had a slightly more downbeat tone. He pointed out that only one-third of the 197 countries that committed to the Paris Agreement had submitted nationally determined contributions and that we are going to fail to keep within 1.5 degrees. The COP president has acknowledged calls for reforming aspects of the COP process. In your view, in spite of the successes that you have talked about and the importance of people getting together, do you think the COP process is still fit for purpose in delivering global climate action? Are there alternative forums and processes that might be more effective or might be complementary?

Kate Hughes: It is a good question, and it is something that is on a lot of people's minds involved in the COP process. That process has not only pure negotiations but leaders and political involvement as well as the wider action agenda that often now accompanies a COP.

Looking just at the COP process in particular, I do think this is still the best framework that we have for taking action, partly because it brings everyone together. That, of course, makes it hard. When you are trying to get every party to agree to an outcome, that means that there will be

challenges, debates and different perspectives on what is important and how we get there. The power of signing up to something like the Paris Agreement, with all those parties signing up to it and being committed to it, is that everyone can see that everyone else is acting, that everyone else is taking part in this, and that every country has an equal voice. It is incredibly powerful, particularly for the small island states and some of the least developed countries, to know that they can come to the COP process and their voice matters, what they say matters, and that we and other countries will go and talk to them and that we are trying to forge that way through together.

So I think it does still work. I know when I have spoken to many colleagues who are involved in other multilateral processes that they have looked to the COP process as being among the most successful in convening and making progress. That is not to say that it does not have areas that can still do with improvement. The Paris Agreement gave us the architecture, and people are very committed to that architecture. The power is both the collective nature of the Paris Agreement and that it then turns to individual countries to take action, the individual nature, and marrying those two elements together has been incredibly powerful. Without Paris, we would not have the NDCs. We do not know what the counterfactual would be in terms of where we would be on temperature increases and what countries would be doing.

If we have the architecture, one of the things that I have been talking about this year is that you still have to live within that architecture, and you have to evolve how you do that, because you cannot just look back to something that was designed 10 years ago and think that it will be immutable for ever. We are talking to the current presidency. I know it has raised questions about where we go from here. We will not necessarily solve it at this COP. We know that no one COP can solve every problem, but we will continue to look for where we can make the process more efficient and effective, where we can streamline mandates and where we can make sure that it is operating in the most efficient and effective way.

Lord Krebs: One thing that Christiana Figueres has hinted at is the possibility of moving from unanimity to majority voting. What is your view on that?

Kate Hughes: The challenge with this is that, in order to move to that, you would need to have unanimity to secure that outcome. The COP operates by consensus. It does not mean that everyone sits there with a vote and has to agree, but the presidency will need to make sure that they are working on the consensus view in the rooms.

Lord Krebs: Matt, is there anything that you want to add?

Matt Toombs: The area that I would add would be in terms of the action agenda and implementation side. As it has become increasingly clear that the targets committed to under Paris involve wholesale transformations of economies across the world, the complexity of this is becoming very

clear to all the countries involved, and the range of different partners and actors that are involved becomes larger and larger. The ability to be able to put structure around the international co-ordination needed to support sectoral transitions becomes more and more important.

Q6 Lord Duncan of Springbank: I have two very quickish questions. The notion that everybody has to agree is a challenge, when in truth it is the notion that all are equal but some are more equal than others. There are probably only about a dozen countries, were they collectively to agree to substantial change, that would completely change the paradigm. Would that be a fair assessment?

Kate Hughes: I guess it depends on the context of the question in terms of whether that is what they are doing in the real world or what they are doing in the negotiations. We can see that the power of the small island developing states has been incredible over the last few COPs. Their emissions may be small and normally their voice may be very small as well, but the urgency that they bring to the negotiations in terms of what is important, and what is important to be discussed, can shift the discussions and what is agreed at COPs. Elements such as the High Ambition Coalition coming together to make joint statements across a range of countries do have cut-through in the negotiations. The small island developing states and many others were absolutely fundamental in getting the Paris Agreement over the line and giving the shape of all of that, but, yes, of course, in the real world, there are a number of large economies, and what they do will matter.

Lord Duncan of Springbank: On the second part of that, looking at the timeline to arrest the temperature rise, the chances of us meeting that are slim and diminishing. I think that would be a fair assessment. Will a point come when we flip from mitigation to adaptation as the principal focus of the UK's ambitions? I am aware that, while we might seek to reduce emissions overall, our preparations—

The Chair: Question 4 is on adaptation and mitigation.

Lord Duncan of Springbank: I am aware of that, but if you will let me ask the question it will be easier to answer it. Forgive me.

The Chair: There is a question coming further down the line.

Lord Duncan of Springbank: If I could just ask the question, it will be easier, I think.

The Chair: And then we will park it and then move to the Earl of Leicester.

Lord Duncan of Springbank: No, then we will ask the witnesses to answer the question. That is the purpose of asking it. If you do not want them to answer it, I will not ask it.

The Chair: Okay. Earl of Leicester—

Lord Duncan of Springbank: I am going to ask the question. Sorry, Chair, I think that was rude. Forgive me. I am just trying to understand the notion of how the UK will have to address the question of adaptation in the negotiations, because it is more challenging. That is the bit that most people are affected by in their day-to-day lives. Will there be a change in that going forward?

The Chair: A short answer, please.

Kate Hughes: Of course. We think that addressing adaptation is incredibly important alongside mitigation. They are both equally important along with the third pillar of the Paris Agreement, which is means of implementation. We look at all three as being incredibly important.

Q7 **The Earl of Leicester:** I am interested in what our Government's position will be vis-à-vis the growing number of delegates from poorer countries who believe that China and India should no longer be treated as developing countries. It would seem a very sensible point of view, because China is the second largest economy in the world and India is the fifth. Of course, China is the largest emitter of greenhouse gases at 29%, while India is third, at 8% of the world's share.

Should the COP structures, such as the division between developed and developing nations, be reviewed? What is our Government's position going to be on that?

Kate Hughes: This is already changing. The Paris Agreement already started to shift away from what was a very bifurcated original set-up within the convention. That says that all countries shall produce a nationally determined contribution—"shall" do that. Every country has responsibilities to do that. There are fewer and fewer bifurcated provisions within the Paris Agreement, and that has been taken forward as well into subsequent decisions since then.

On transparency, there is different flexibility for SIDS, small island developing states, and the least developing countries on what they might submit on their biennial transparency reviews, but every other country needs to do those in the same way on the same template and has to talk about mitigation as well. If we look at the global stocktake, that talked to all countries, and the finance decision last year, the new collective quantified goal, also brought in a different way saying that there is a whole range of countries that need to be looking at providing and mobilising finance, in particular looking at the outflows from the MDBs, which incorporated the outflows created by contributions into the multilateral development banks from countries like India and China. So things are already shifting. There is not the same "developed" and "developing" context that there was originally in the convention in 1992.

The Earl of Leicester: It is pretty clear from those metrics that I just mentioned that China is definitely a developed country, and India is pretty much up there, too.

Kate Hughes: Each country is facing its own individual challenges. We are not here to tell individual countries what their national policies and pathways should be, but we are all bound by the temperature goals of the Paris Agreement and we are all bound by certain provisions within that to set out our plans for how we are going to reduce our emissions towards 1.5 degrees.

The Chair: I suppose India would argue that its per capita emissions pale into insignificance compared to those of some of the developed world. That would be its argument.

Kate Hughes: Yes, absolutely. Its line would be and very much is that, and that it has the largest number of poor people of any country. We were also very pleased that the NDC that China has put out but is yet to formally submit sets out a range of emissions reductions, and for the first time—it is not required to do this—it covers all greenhouse gases and its whole economy, so that is a big step forward for China.

The Chair: Thank you. Before we leave this question, may I ask about the role of parliamentarians in the COP process?

Matt Toombs: Globally, there are various alliances that support the participation of parliamentarians.

The Chair: There is no formal participation of parliamentarians within the COP process. Kaveh Guilanpour, vice-president for international strategies at the Center for Climate and Energy Solutions, makes a good point. He says that “the biggest barriers to the effective functioning of the UNFCCC and delivering on the Paris Agreement are deficiencies in the underlying politics. No amount of tweaking of the UNFCCC process can make up for that”. Can I have your views on that?

Matt Toombs: Certainly from a UK perspective, we are planning to support cross-party engagement in COP in terms of the UK and UK parliamentarians. We work with organisations like GLOBE that support that participation and others.

The Chair: Indeed, but my point is that there is no formal role for parliamentarians. I think that is a weakness in the process. Now we will go to Lord Lennie’s question.

Q8 **Lord Lennie:** It is a two-part question. How effective have the previous COPs been in securing peak carbon? Are nationally determined contributions the very best mechanism for securing ambition and action?

Kate Hughes: Let me kick off on that. I have already hinted at some of what I will say on this in terms of how effective the COPs have been. As I said, we have gone from a world where going into Paris we were heading for 4 degrees of warming, and with the 2030 NDCs that takes us to 2.6 degrees. That is a big change, and we do not know what would have happened without those. I am sure that without the Paris Agreement and without that forcing mechanism we would not be in this kind of position as well.

You may have seen yesterday that the Synthesis report was published by the UN that looks across the NDCs that have been formally submitted to the UN this year, which are the 2035 NDCs as well. That shows that there is progress on decarbonisation and that that is continuing. It shows that a 38% reduction in per capita emissions between 2010 and 2035 is predicted. It also says that we are on track to peak before 2030. There is strong evidence coming through in that and we will see, as the rest of the NDCs are assessed and analysed, where we are on peaking and updated temperature provisions through those new 2035 NDCs.

It also provides that framing. I am sure Matt will want to say more. There is something very powerful about a country setting out its plan, which gives confidence, structure and policies around it, which are then useful for businesses, investors and others to get behind. We can point to these shifts in renewable energy deployment and investment. Renewable energy is predicted to be four and a half times higher in 2040 than it was when we went into Paris. We can see the real-world shifts that are happening. The NDCs are probably an important part of that, although not the only part.

Matt Toombs: As Kate said, the NDC framework provides an investment climate for businesses and investors to have confidence in investing. We have seen over the last five years a really significant increase in the number of businesses that have committed to UN framework-backed net-zero targets—for example, through the Race to Zero scheme. As I described earlier, it allows the action agenda to then work cross-country on sectoral transitions on things like steel, cement, hydrogen and other areas in being able to collaborate and convene the various different partners involved to be able to accelerate the transitions needed in those sectors. The UK has been very strongly involved in this through the breakthrough agenda, and we are working with Brazil as a way of bringing that into the whole action agenda at this COP.

The Chair: Thank you. May I ask a supplementary? Just last week, the World Meteorological Organization said that levels of carbon dioxide in the atmosphere have soared by record amounts in 2024. Is that CO₂ coming from fossil fuels only, or is there any indication that carbon sinks are becoming less effective? Is that work done? I am sure it is. Do you know the answer?

Kate Hughes: There will be a whole range of different factors going on behind those numbers in terms of what the elements of CO₂ sinks and sources are. We have excellent science teams who will definitely be looking at this. If you want to know more information, I am sure we can follow up on some detail.

The Chair: That would be appreciated. Thank you very much. Lord Jay?

Q9

Lord Jay of Ewelme: Thank you very much. I want to follow up on Lord Duncan's question with a focus on other countries rather than on the United Kingdom. You said earlier that adaptation was going to be crucial at this COP. My question really is whether, in practice, there is an

either/or between mitigation and adaptation. There is a risk that some countries will say, "I'm going to focus on adaptation, so I needn't worry too much about cutting emissions because adaptation is a bit easier than mitigation, which is pretty difficult". Do you see a risk that there will be that kind of view? I am not talking about the United Kingdom's position; I am talking about your view of what other countries might see as the balance between mitigation and adaptation.

Kate Hughes: My experience is that countries see both elements being incredibly important, and the best thing that we can do to address adaptation is to deliver the mitigation targets and goals that we have set for ourselves. We need to do more to make sure that we are keeping 1.5 degrees and the temperature goals of the Paris Agreement within reach, and that means that there is a big focus on continuing to ensure that all countries are focusing on what needs to happen on mitigation. The emissions of many countries are incredibly small and they are very vulnerable to the impacts of climate change, so they want to see action taking place on adaptation, and more action taking place on adaptation, and for it to get the prominence that it deserves, but they are also very keen and will push us all to do what we need to be doing on mitigation. I do not think it is a question of either/or. It is both needing to go absolutely hand in hand. That is something that I hear whether I am talking to very vulnerable countries or more major economies; they see both as incredibly important.

Lord Jay of Ewelme: Would you say that it is small island economies for which adaptation is the most important? Is it more important than for others?

Kate Hughes: I would not say it is that straightforward. Every country is feeling the impact of climate change right now, whether that is the UK or Jamaica, where we can see what is happening right now. There are very many different vulnerable countries around the world, across Africa, in the least developed countries, landlocked countries and countries with mountainous areas. The impacts of climate change are being felt across the board. Particularly vulnerable countries are feeling the impacts first and hardest and maybe have smaller economies that will feel the urgency of making sure that there is finance and provision for them to be able to do more work on building their adaptation and the resilience of their communities and economies. But they also still see mitigation as being important to be happening alongside that.

Lord Jay of Ewelme: How do China and India see the balance between mitigation and adaptation?

Kate Hughes: Exactly the same. They are both feeling the consequences very much of climate impacts, and therefore they know the priority that is needed to afford to adaptation in terms of water and food systems and so on. India has met its renewable targets five years early. It is doing huge amounts of work in rolling out solar power because it also understands the role it has to play in mitigation linked to clean energy and to jobs and energy security.

Lord Jay of Ewelme: Thank you. Matt, do you have anything to add to that?

Matt Toombs: Not particularly on this, no.

Q10 **Lord Duncan of Springbank:** I have a bit of a follow-up to both questions and the question from the Earl of Leicester. We talked about China as a developing nation and that being questionable in terms of its economic prowess. It also affects the expectations of its funding and how much money it will commit if it is deemed to be a developing nation. That is still correct, is it not? The expectations against China are lower because it is considered to be a developing nation.

Kate Hughes: In terms of finance, there are still different provisions on the two different types of countries, yes.

Lord Duncan of Springbank: There are two big challenges. One is that, clearly, China is a significant contributor. The very fact that it is defined as developing means the expectations against its funding mitigation or adaptation are reduced because of its designation.

Kate Hughes: The new collective quantified goal shifted some of those expectations. There are calls within that that all countries can provide finance on a voluntary basis. As I said, there are different ways now that we are looking at how MDB finance will be provided. Countries like China where they are shareholders in the banks will be included within that. It is fair to say that, if you look at many of these countries, they are providing all kinds of financial support to countries. China and many other countries do provide that, but it is just whether in a small sense it is counted in that way.

Lord Duncan of Springbank: It has been very keen for it to be deemed voluntary, and it will make the decision whether to do it, whereas if it was designated a developed country it would change the paradigm.

Kate Hughes: You could argue that, yes.

The Chair: Could you help me to understand what the division between developing countries and developed countries actually means within the COP structures? How is that formally portrayed?

Kate Hughes: A lot of this comes back to 1992 and the UN framework convention, which took countries and split them into different categories. That was based on countries' particular economic status at the time. In the original convention, different responsibilities and requirements were set for those in one annexe and those who were not in that annexe. That is where a lot of those conversations come from on "developed" and "developing". As I said, some of those have shifted and become less binary over time, including through the Paris Agreement, the new collective quantified goal and transparency requirements, where, increasingly, the same expectations fall on all countries to deliver those.

On some of the transparency reporting requirements, every country is expected to produce a biennial transparency report, but there are particular considerations for the LDCs and the SIDS, the least developed countries and the small island developing states, where they are not required in the same way. There is a softening, a blurring, of some of those distinctions over time, but it is of course very challenging to break down some of that. Including in the Paris Agreement, on the concept of common but differentiated responsibilities according to respective capabilities, again, the definitions there have shifted, and it points towards a world where those definitions of countries are not immutable.

Lord Lennie: Who makes the call? Who judges whether it is a developing or developed country? Is it continuous?

Kate Hughes: In the original convention and the annexes, those countries are listed out. There is no provision to change those annexes because that would also have to be done by consensus through the UNFCCC process.

Lord Duncan of Springbank: China is really trying to push not to have that change. It wants it to be voluntary. It wants its contributions to be what it decides them to be, not controlled by a change. It will always oppose that.

Kate Hughes: Yes, but, as I said, during the finance discussions last year there was a shift away from, yes, it is still voluntary, but there is an expectation and an understanding now that it is not only looking at flows of finance from developed to developing.

Matt Toombs: Last year it was notable that, for the first time, China publicly talked about the amount of finance that it provides to other emerging and developing economies. It is recognising that, while still technically voluntary, it is important for it to show the amount of finance that it is providing.

Q11 **Baroness Whitaker:** Just as an aside, I ought to say that my experience as a civil servant over 20 years is that negotiation is part of the job from day one in all sorts of ways. However, what I really want to ask about is climate finance, a more sombre topic. The UK has cut its overseas aid like a lot of other countries, and it is stated that the budget from which our climate finance would contribute is going to come from that. How are we going to balance this with the COP 30 aim to reach agreement over the \$1.3 trillion climate finance goal?

Matt Toombs: As you say, last year the COP agreed to the new collective quantified goal of at least \$300 billion of public finance and at least \$1.3 trillion of finance per year from all sources by 2035. The UK was part of that agreement and remains committed to that goal and to the work needed towards that goal. As you also recognised, to fund the increase in defence spending, the UK announced a reduction in the ODA budget. At the same time, though, it explained in the spending review that climate and nature would be one of the priorities for the ODA budget

going forward, alongside humanitarian and health. There is still ongoing work following the spending review in deciding the allocations of that ODA settlement.

The Government will set out plans in the future on what that means for ICF going forward. The UK made an £11.6 billion commitment on ICF, which runs up to April next year, and the Government are still committed to delivering on that £11.6 billion commitment. As the overall aid budget is reduced, it makes it incredibly important then to focus on impact and the way that that money is deployed, the value for money and the need to really modernise the approach overall. The UK will do that as part of efforts looking towards how we support and work with other countries to deliver on the international goals agreed at COP 29.

It is worth saying as well that we would look at ICF alongside other forms of UK support for international climate flows. The \$1.3 trillion target recognised that this cannot just be public finance. Public finance is important and will remain critical, but it cannot just be public finance. The UK's role in working with the City, with the fact that the City is the major green finance centre internationally, and the ways that we can really leverage the expertise in the private sector are important. The UK's role in supporting and driving those efforts to reform the global international finance institutions, the MDB reform and other areas to really drive up the levels of finance that again contribute to those goals are going to be critical for showing that we can deliver on those.

As I said, we must also use our international climate finance so that it really generates that impact and leverage. We have been supporting areas in the climate investment funds since 2008 that work with the whole MDB system, which are designed to catalyse and to drive that transformative effect and to leverage both public and private finance behind every pound that is invested from the UK. That approach will be really critical going forward to ensure that we and our other partners can show that we are delivering on that framework.

The other thing to mention is that Brazil and Azerbaijan will be producing a road map towards the \$1.3 trillion goal in advance of COP 30. We will be seeing that very soon. We are very much working with them and supporting them for that to be ambitious and to really show the full ways that the world can come together and drive those different sources of finance to be able to deliver those goals.

Baroness Whitaker: Do you have anything to add? It sounds like a heroic effort of damage limitation, but I am sure you can. The Secretary of State mentioned multilateral development banks as well as mobilising private finance. Are there any other innovative sources, or have you covered the ground?

Matt Toombs: One of the things that we look at is the use of ICF. We look at that right from the early stages of the investment environments that we can support through schemes like UK PACT or supporting pipelines of projects. The Climate Finance Accelerator is a great example

of that as well as the CIFs, as I have mentioned. Beyond that, there is UKEF, UK Export Finance. UKEF is focused on a significant clean energy export finance pipeline and is looking to support the driving of clean energy exports. You have BII, British International Investment. More widely, we are working with long-term investors in the City. The Government have convened an investor task force focused on emerging economies and developing markets to look at the ways that we can support efforts to really drive long-term capital pension providers and others into infrastructure investment in emerging economies to support the really large scale of finance that is needed.

Baroness Whitaker: We must wish you good luck.

Lord Trees: As a historical fact, what proportion of our ODA has been devoted to the International Climate Fund? Is that proportion likely to change as a result of the COP negotiations?

Matt Toombs: Do you mean in terms of the UK?

Lord Trees: What proportion of the UK's contribution within our total ODA?

Matt Toombs: I would have to confirm it. I believe it is about 20%.¹

Lord Trees: About 20%?

Matt Toombs: Yes, but I would have to confirm it.

Lord Trees: Is that likely to be a matter of negotiation at the upcoming COP?

Matt Toombs: The COP will not involve any national negotiations over finance budgets or allocations within countries. The COP will be talking about how, collectively, countries can come together and support a delivery of the goals that were agreed last year. It will be a decision for the UK about how to allocate its ODA budget. As I said, those processes are ongoing. The Prime Minister has confirmed that climate and nature is one of the priorities for ODA going forward alongside humanitarian and health.

Q12 **Lord Ashcombe:** I want to go back to the discussion about the private sector. The numbers that we are talking about are vast. What is the appetite of the private sector? Has anything been promised to date?

Matt Toombs: As you say, the numbers are very large, and those tend to come from different needs assessments of what is required to be able to live within the targets that are set in the Paris Agreement. There is significant interest from the private sector and private finance in investment in climate solutions. At a global level, we have seen the amount of finance flowing into clean energy increasing dramatically over the last five years. It is now at roughly \$2.2 trillion a year. Those were

¹ Note by the witness: 'over the past 10 years the ICF has been 11% of ODA, with the highest share being last year at 16.5%.'

the latest numbers in 2024. That is now over double the amount of investment in fossil fuels. The majority of that investment is in developed countries and in China. The real challenge is then how we can work with those private institutions that are already investing in clean energy and other areas to do that with emerging markets and developing economies. That is increasingly happening, especially as the cost of those technologies is coming down so significantly that it becomes profitable to invest in a wider range of countries in those areas.

Q13 Lord Trees: The UK has expressed support for Brazil's Tropical Forest Forever Facility. What is your assessment of the implications for the UK? How might it relate to EU and UK legislation on forest products? I will come to a supplementary on that in a minute.

Matt Toombs: The first thing to say is that we really strongly welcome the focus that Brazil has put on forests and on nature at this COP. It is the first COP that will take place in a tropical forest location. It shines a really strong spotlight on the action that is needed and how important that work is. The UK has been very much behind international efforts to tackle deforestation for a number of years. It was right at the heart of COP 26. The pledge that we helped bring together with 120 countries to halt and reverse deforestation by 2030 has then become a global commitment in COP 28. Now all countries are committed to that. The framework is there. The challenge is how finance can mobilise at scale to support that. That is the thing that Brazil is working on and trying to develop through the TFFF scheme, as you have described.

From the UK point of view, we were among the earliest supporters of the efforts to develop this scheme. We were one of 11 countries that were in the working group that helped set up and design the TFFF. We provided some technical assistance to Brazil in helping it to develop it, so we can see the power of it. We will continue to work closely with Brazil to deliver a workable and robust model for the TFFF. We are also using our role as shareholders of the World Bank to support this, which has recently agreed to take on a role overseeing it. We cannot comment now on whether the UK will invest in the next phase, but we have certainly been strongly supporting this and all the work up to this point.

The finance is one element. The causes of deforestation are incredibly complex. It is not just economic incentives. It is also a range of different factors, and trade is a critical part of that. There are a range of different ways that the UK has been working with other countries to address some of the factors around trade. Some of them are around things like the Forest, Agriculture and Commodity Trade Dialogue, where we are getting producer and supplier countries to come together in dialogue for the first time. We also recognise that there is a UK consumption element of it. I know the Government will set their approach to addressing UK consumption of forest risk commodities in due course.

Lord Trees: It is very welcome that we try to reward the source countries, but there is a pull factor, as you have mentioned. Are you satisfied that we are enforcing our forest risk commodity laws adequately

by ensuring due diligence on the part of importing countries, including our own? Is that going to be an issue that is discussed at COP?

Matt Toombs: In terms of UK action, I would have to follow up with more information on this as it is not something that I am an expert on, I am afraid. As to the focus that the COP will be taking, it will be looking overall at the importance of forests and nature as part of efforts to address the challenges around climate change. That will be part of the context of the work at COP. It is unlikely to be discussing the detail of how countries implement individual commitments within that, but it will focus on the global efforts that are needed to be able to tackle the challenges around deforestation in the 2030 target that was agreed in COP 28.

Q14 **The Chair:** May I follow up on that really important point that Lord Trees raised, which is the outstanding secondary legislation to implement Schedule 17 to the Environment Act 2021? Government Ministers say that they are working on it and it will be forthcoming, but we still do not know when. Does it not compromise our credibility in the work that we are doing within the TFFF if we cannot put in place the legislation for due diligence for the use of forest risk commodities by commercial enterprises within the UK?

Matt Toombs: The UK is involved in quite a range of different approaches to support efforts to tackle deforestation. The one that you mentioned is one of many different approaches that we are involved in. The COP is not going to discuss individual implementation of legislation, but it is one of many things, and we will be talking about that broad range.

The Chair: Indeed, the COP is not, but it would lend us credibility during those negotiations in the TFFF, would it not?

Kate Hughes: We bring a lot of credibility to those conversations because we have set up many of the structures that Matt has talked about, such as the Forest and Climate Leaders' Partnership, where we spend a lot of time talking to and listening to forest nations to understand what kind of support and help they need. I know that goes into thinking about what our UK policies look like as well as the kind of support that we can give through things like the TFFF, which is then tailored to what countries would find most useful.

The Chair: Thank you very much. Before we bring this session to a close, can I ask about another of the key features of the TFFF, which is performance-based payments? Countries must keep deforestation below 0.5% annually. Penalties apply for forest loss or degradation. Are incentives for reforestation part of the plan within the TFFF?

Matt Toombs: Various financial instruments are already in existence that support reforestation. The purpose of the TFFF is really looking at those countries that have high levels of forests but low levels of deforestation, and looking at providing a new, significant income stream that is long

term and that can support those countries to maintain their standing forests. That is working with countries with very large forest cover already. It recognises that there is not currently a mechanism that provides that funding for standing forests. The focus of the TFFF as it is designed is very much aimed at protecting standing forests and providing a long-term economic incentive to do that.

The Chair: Excellent. Thank you very much. That is much clearer for me now, at any rate. Thank you both very much for coming to help us with our understanding of the COP process. With that, I bring the public session of the meeting to a close.