HOUSE OF COMMONS

Energy Security and Net Zero Committee

Oral evidence: International climate policy, HC 170

Tuesday 23 June 2026

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Watch the meeting

Members present: Bill Esterson (Chair); Ms Polly Billington; Lizzi Collinge; Wera Hobhouse; Melanie Onn; Claire Young.

Questions 1 - 74

Witnesses

I: Dr Neil Grant, Senior Expert - Mitigation Pathways, Climate Action Tracker; Dr Liyun Zhang, Research Fellow in Economics, University of Birmingham; and Professor Rowan Sutton, Director, Met Office Hadley Centre.

II: Catherine Pettengell, Executive Director, Climate Action Network UK (CAN-UK); Rogier van den Berg, Global Director, WRI Ross Center for Sustainable Cities; and Eliot Whittington, Director, UK Corporate Leaders Group.

Written evidence from witnesses:

- University of Birmingham
- Met Office Hadley Centre
- Climate Action Network UK (CAN-UK)
- UK Corporate Leaders Group

Examination of witnesses

Witnesses: Dr Neil Grant, Dr Liyun Zhang and Professor Rowan Sutton.

Q1 **Chair:** Good afternoon. Welcome to this afternoon's session of the Energy Security and Net Zero Select Committee and our inquiry into international climate policy. Welcome to our first panel. Please introduce yourselves briefly and then we will start the questions. We will start on the screen with Professor Sutton.

Professor Sutton: Good afternoon. My name is Rowan Sutton. I am a climate scientist and Director of the Met Office Hadley Centre. The Met Office is an executive agency of the Department for Science, Innovation and Technology. While it is best known as the UK's national meteorological service, the Met Office is also a world-leading climate science and research organisation. Since its foundation in 1990, the Met Office Hadley Centre has been and continues to be a world leading centre for climate science and its applications to inform policy and decision making in the UK and internationally.

Dr Zhang: Good afternoon. My name is Liyun Zhang. I am a Research Fellow in Economics from the University of Birmingham. My research looks at the environmental and economic impact of international trade and foreign direct investment and also at how climate and environmental policy affects the behaviour of firms, countries and regions, especially investment. Together with two colleagues, I completed a report for the Asian Development Bank on foreign investment and climate mitigation in the Asia-Pacific region. I am currently a co-investigator on a four-year Horizon Europe project on hydrogen power, community hydrogen, emissions trading and renewable energy for an inclusive net zero transition.

Dr Grant: Hello, everyone. Good afternoon. I am Neil Grant. I am a Senior Expert at Climate Analytics, which is an international research institute focused on analysing the pathways to limiting warming to 1.5°, the climate science of why we need to do that and then moving into the international negotiation space and helping support in the UN system around trying to advance climate action. My background is in energy systems. I am an energy systems modeller and expert by background but now work more broadly across energy systems modelling but also climate policy and international negotiations.

Q2 **Chair:** Thank you all very much. We look forward to your evidence this afternoon. I will start with a question about the UK's status. According to the Climate Change Committee, we saw a weakening of policies that put at risk domestic and international goals. Has the UK re-established its credibility as a leader on climate action? Who would like to go first?

Dr Grant: I can start us off. If I was to sum it up in a few words, it would be that there has been much done in the last two years since the last general election and there is much more to be done. I will note that the

Climate Change Committee's progress report this year is due out tomorrow, so I don't want to try to opine on exactly what it will say in a much more detailed sense. When this current Government took office there were credible policies to cover around 25% to 30% of the cuts needed to reach the UK's NDC. That is the assessment of the Climate Change Committee at the time. Last year it said that credible policies were covering 40% and if you include those policies that have some risks, it gets up to 60%. That is definitely going in the right direction; going up from 25% to 40% is a significant improvement.

We can talk more about what has happened since that last progress report and there have been further developments. I would hope to see tomorrow that the number of emissions that are covered by credible policy is even higher, but we are clearly still not on track to meet our national determined contribution so much more needs to be done.

Q3 **Chair:** Dr Zhang, how important is continuity of domestic UK policy and the Government's framework in demonstrating global climate leadership?

Dr Zhang: In my opinion, our leadership is still there, it is real. We have a concrete, binding five-year carbon budget. We have an independent Climate Change Committee reporting to the Government and Parliament. We have maintained our diplomatic track record. We were attending, we had COP26 and so on. Last year the USA was absent from COP30, so then our position is more obvious but the leadership is not. We were the first to legislate on net zero. We were one of the first to halve our emissions compared to 1990 but leadership is now not who sets the target first but the credible delivery of the commitment—

Q4 **Chair:** Credible delivery?

Dr Zhang: Yes.

Q5 **Chair:** Professor Sutton, do you agree with that? We contribute less than 1% of global emissions, so why does it matter if the UK is showing leadership or not, given the emissions are so small?

Professor Sutton: If I could just focus on the science for a moment, it is undoubtedly the case that the UK influence internationally is built on foundations of the credibility and excellence of our science, which informs policy domestically and internationally. A critical role of the Met Office is to provide that evidence to inform policy and because that evidence is robust and the policies that are built on it are robust, that is a key pillar of our influence.

On the question of the significance of the UK contribution, it is true that the current contribution to global emissions is small. The question of what is an appropriate contribution is one of the questions of equity that are beyond pure judgment and science. There are questions about historical emissions, not just contemporary emissions. The Met Office would not take a view on whether it is an appropriate level of ambition because, as I say, that brings in questions that are beyond the remit of science.

Dr Zhang: Can I add a little bit on this point?

Chair: Yes.

Dr Zhang: My background is international trade, so for this 1% argument, the 1% emission is just the emission within the border of the UK but we import a lot of pollution-intensive goods. We outsource a lot of polluting industries. Adding all these carbon emission-embedded products, the real footprint is more than 1%.

Q6 **Chair:** Yes, I accept that, but it is still only just over 1% even if you include imported emissions. Why is it important? There are other countries that are responsible for far more—China, the United States, India.

Dr Zhang: Yes. As Professor Sutton mentioned, historically we emitted a lot and we are much cleaner now, but as a global leader, it is not just about the reduction we are making ourselves. We try to have the power to push other emitters, like China and India, to follow our practice.

Q7 **Ms Polly Billington:** Neil, I would like to ask you a question about the nationally determined contributions. Do Britain's NDCs strengthen or weaken the UK's climate leadership globally?

Dr Grant: I think that they strengthen it overall. There are two ways to think about the level of action that we need to take. One is to think about where the emissions cuts need to happen around the world. We can model pathways down to net zero and, in that world, all countries need to reduce emissions. If we want to limit warming to 1.5°, global emissions need to peak and every single country needs to act. If we look at those pathways, the UK's NDCs are largely allowing for it with those modelled pathways down to net zero and that is quite rare compared to most other countries. There are a lot of countries with NDCs that are much further off track. I think that the UK's NDCs strengthen the position.

That said, when we think about the UK's contribution, we need to think not only about what is technically possible, about a techno-economic position on this. As Professor Sutton has already highlighted, we need to think about equity and fair shares. There are a lot of different ways to think about that. It is a very broad discipline, but under almost any equity scheme—when you think about historical responsibility, the UK is around 3% cumulative historical emissions, and, if you think about capacity, if we look at our GDP per capita or institutional capacity and so on, and all of these different alternative metrics—the UK should definitely be going further again.

That means that either the UK should be moving beyond its current NDCs and trying to go further or, and as well, the UK should be supporting action around the world via climate finance. I know that you have a separate inquiry on climate finance but I just want to say that it is impossible to talk about the UK's leadership without bringing those two

things together. It is the balance of what we are doing at home and what we are doing elsewhere that really matters.

On what we are doing at home, I would give it seven out of 10. Good efforts are being made that I think we need to commend, but there is more to be done. What is happening elsewhere, particularly in cuts to climate finance—our climate finance contributions, in which you account for inflation and change in accounting, will be down about 50% in the next few years compared to previous years—is not supporting our leadership.

Q8 **Ms Polly Billington:** Dr Zhang, in that context, we have a Government that claims that they have restored Britain's global climate leadership. Do you think that is true?

Dr Zhang: To some extent, yes. To add to some of Dr Grant's points, we have this knowledge base and a mature financial system. We have stable, credible delivery. This credible system attracts investment because capital is mobile. It goes to where the policy signals credibility. Big companies are investing in the UK renewable sectors and even some fossil fuel companies are also investing in carbon capture, carbon storage and the National Grid transmission technology. I think these are our strengths.

Q9 **Ms Polly Billington:** Do you feel that the UK is contributing its fair share to the global stocktake for the next round of NDCs?

Dr Zhang: It depends. Currently three quarters of our energy is renewable but we are still falling behind France, Sweden and Denmark in a more renewable share. I think we still need to speed up the roll-out of electric vehicles.

Q10 **Ms Polly Billington:** There is still a gap between our ambition and our delivery?

Dr Zhang: Yes.

Q11 **Ms Polly Billington:** Great, thank you. Professor Sutton, I think you would like to come in.

Professor Sutton: Yes. I would like to make a point about a different aspect of the UK leadership on NDCs. This is a science-based point but it is an important one. The verification of NDCs is, of course, tremendously important. That is one thing, that the verification is tremendously important. There is the standard approach that uses inventory methods that add up the contributions from different emission sectors but the Met Office, working with the University of Bristol, has pioneered a different method that takes observations of concentrations of greenhouse gases in the atmosphere together with other observations—the so-called inverse method—to provide an independent assessment of what these emissions are on a national scale. We have been very successful in developing these methods, primarily initially for non-CO_2 gases, so gases like methane.

These approaches are now being adopted internationally, so this is another example of the UK's science leadership in this area.

Dr Grant: If I could just come back, you asked whether the UK is doing its fair share. Under most definitions of fair share—like I say, there is a wide range of different principles consistent with international environmental law—for the UK to do its fair share it needs to meet its existing targets and provide significant upscaled climate finance. If we are not going to do that second part, our NDC is no longer world leading and in line with our fair share. It is only when we do those two things together that we can be said to be meeting our fair share of contributions to global warming.

Q12 **Ms Polly Billington:** The UK's NDCs in the most recent carbon budget and growth delivery plan show an alignment between the Climate Change Committee's independent science-led recommendations and UK policy. It sounds like the CCC and the UK Government might be aligned but are they sufficient in and of themselves to be able to meet the NDCs?

Dr Grant: The CCC in its evidence, certainly for its net zero target—I would not want to make a claim for the seventh and sixth carbon budgets, but in the net zero assessment—looked at different equity schemes. It was its opinion that there are sufficient equity schemes that would align, that would say the UK's net zero target by 2050 is sufficient. I would argue certainly for the path to it, the majority of equity considerations would say the UK needs to do more than merely meet its own targets. It needs to either go beyond them or it needs to support action elsewhere.

Q13 **Ms Polly Billington:** It has to bung some cash to poorer countries?

Dr Grant: Either that—and that cash to poorer countries is about supporting our national security and supporting our leadership abroad in lots of other ways as well—or it needs to accelerate the energy transition even faster domestically. There are good reasons to go as fast as we can down towards zero.

Q14 **Ms Polly Billington:** Would you say that is the gap?

Dr Grant: Yes.

Q15 **Lizzi Collinge:** I want to understand how the UK's scientific knowledge is contributing or could contribute to climate diplomacy and our climate leadership, noting Professor Sutton's comments earlier about the credibility of our scientists' evidence and policy. I will start with Professor Sutton. I want to ask you about the current situation. Is the UK scientific community able to fully inform or influence our climate leadership, international climate policy and the credible delivery that Dr Zhang talked about?

Professor Sutton: Thank you for the question. For context, as I said before, the Hadley Centre has been a world leader in climate science and

the UK is a world leader in climate science, and I don't say that lightly. There are many metrics that you could look at, for example our contributions to the assessment reports of the Intergovernmental Panel on Climate Change over many decades now. That excellence is very influential through a range of mechanisms. Obviously it informs UK policy positions in UNFCCC, for example, and domestically on adaptations, through the latest climate change risk assessment and the Well-Adapted UK report and national adaptation plans. Those things together help us to be very influential internationally and some of that work goes on through very active partnerships.

The Met Office works on a number of programmes supported by DSIT and FCDO with a range of countries worldwide to help them understand their climate risks, what they can do to make their countries more resilient, how they can build better early warning systems, for example, and also to help them inform their positions on international climate policy. It is because we have that scientific excellence—as I say it is UK-wide, so the Met Office works very closely with the UK academic community, which has a lot of excellent capability—we can have the influence internationally.

Q16 **Lizzi Collinge:** Thank you. Before I come to the rest of the panel, because I am interested in their comments on this, are there any threats to that excellence? Are there any problems looming that might affect our ability to influence international climate policy?

Professor Sutton: We are obviously living in somewhat turbulent times geopolitically and the degree of consensus around climate policy is perhaps less strong than it was some time ago. That said, the scientific endeavour continues and has a high degree of collaboration globally, and we rely on that collaboration for many aspects of our science—global observing systems, for example. There are fundamentally robust foundations there because of the international breadth and depth of that capability that has been developed over a number of years.

It is certainly true that there are some new challenges and the Met Office is working closely with DSIT and some of the other Government Departments to think about how we can respond to some of the challenges around the global observing system, for example. There are issues we need to work on but fundamentally the foundations remain very strong.

Q17 **Lizzi Collinge:** Let me come to the rest of the panel. Do you have any comments on my first question about the current situation and any issues you see forthcoming in that influence?

Dr Zhang: As I mentioned earlier, we have this independent body reporting to the Government. Other countries are copying this model and the UK, as a leader, is also helping them and advising them to set up their own independent advisories. We also offer technical assistance, so that is the leadership stance.

On threats, as Professor Sutton mentioned, there are still political issues, because of the war, the energy crisis, the cost of living and so on. As a global leader, we should do more to help households to have enough affordable fuel without lowering the cost, yes.

Lizzi Collinge: We may have heard that a few times. Thank you.

Dr Grant: I am sure that you will hear it again during the next two hours. It is really critical. I want to make two points briefly relating to science. First, I agree that the science-policy interface and the architecture that is set up in the UK via the Climate Change Act and the Climate Change Committee, which is now being exported around the world via world climate councils, is something that the UK should definitely be proud of.

The other point I want to make is about when and what. When is a question of timing. There is one issue that is really important. We have heard about IPCC today. We have also heard about the global stocktake, which is the key course correction moment in our international negotiations, happening once every five years, where we come together and we look at our collective efforts to meet the Paris agreement goal and the collective evidence on the climate science and impacts and all of that, as well as at climate mitigation and opportunities.

That global stocktake is set to take place in 2028 and there is currently a fight going on about whether the IPCC's next assessment report will be ready in time for this. This might sound like a bit of an arcane scheduling argument but it is really important that we have—I have just come back from Bonn where we have been negotiating these very topics—the best available science to drive the most important course correction moment that we have in the next five years. It is really important that UK scientists but also the UK in its official negotiating positions—Governments have a say on the scheduling of IPCC reports—really works to align when the next IPCC happens with the global stocktake. That is the point on when.

The other brief point I want to make is on what. We have a lot of excellent climate science on the physical side. As we move into more of the area of implementation and trying to actively reduce emissions, it is important that we also think about economic science, social science and political science and that we explore on the economic side how we can better quantify the co-benefits of climate action and the economic benefits that we get through this.

On the social side we know that taking action on the demand side, and helping people shift some of their consumption will be one key element in our toolkit of getting to zero. We need to promote and use more of the excellent social science that is happening in the UK that explores that. On political science, we know that the history of climate action is also the history of incumbent lobbying that has been very effective against this

and we need to further understand and scrutinise that. There is lots of excellent science like that happening in the UK.

Q18 **Lizzi Collinge:** Sorry, I am just going to stop you there because I have one very quick last question. Notwithstanding the heatwave we are in at the minute, given that other countries are often at the coalface of the impacts of climate change, how can we take lessons from their scientific models and what they are doing to combat climate change to improve our domestic action?

Professor Sutton: Could I chip in on that one, please? I would like to highlight a particular programme that the Met Office has undertaken for over a decade now in partnership with a number of different countries. This is funded under the International Science Partnership Fund. It is called the Weather and Climate Science for Service Partnership. That is very much around how we can work with some of the countries that are most vulnerable to help them with their challenges, but also it helps the UK. We test our climate models, which are global in their extent, against local data from multiple different countries and they help with the evaluation of different models to help improve them, which then improves their performance for everything that we are trying to do with them. We can also learn how they are looking at climate risks. For example, we had an important collaboration with China looking at drought risks for the Yangtze and that piece of work then informed assessment of drought risks in the UK. It is very much a mutually beneficial partnership.

These risks are global, you are absolutely right. Some of the most important impacts, most severe impacts, will be felt elsewhere in the world, but they will be felt everywhere and there are lessons for everyone to learn through partnership. The last point, of course, is that we need to understand these impacts in other parts of the world because we trade with them and they affect global food prices and many aspects of global supply chains.

Q19 **Wera Hobhouse:** I will come back to the global stocktake, which Britain recognises. As I understand it, that is not just about understanding what our emissions are but also the pace of reducing our emissions. Professor Sutton, you mentioned earlier that there is a partnership with the University of Bristol to particularly measure methane emissions, if I understand correctly. My colleagues know that I am quite interested in methane emissions and how we can reduce them. What are we actually doing now that we know what our methane emissions are, and to make sure that the methane emissions are reduced? That is the end game, that we need to do that, isn't it? How can we show leadership, which I think we don't. We understand that the Canadians are doing quite a lot on methane emissions, but we don't. How do you see that mechanism of measuring it, having the scientific knowledge of it, but then making sure that the responsible actors are reducing their emissions?

Professor Sutton: I will give a brief comment and then perhaps others could chip in. On the scientific evidence, as I touched on, one of the key pieces of work the Met Office is doing, and has been doing for some time now, is producing an independent evaluation that enables us to look at the inventory-based estimates about where emissions are coming from and check that they are consistent with the independent estimates. That enables us to pin down the sources and their uncertainties with greater precision. That is the foundation for the actions that you are absolutely asking about. I am not the best person to comment on the specific actions. Maybe one or two of the other panellists could do so.

Dr Grant: I will come in briefly. I am not a methane expert, so I don't want to give a detailed review of the UK's methane plan, but one point I want to highlight is that we are talking about the UK's leadership in the UK but also abroad. One of the things the UK can do is try to reduce methane emissions abroad. The way that it can do that is by introducing an import standard that says if we are going to import fossil fuels into this country, which we do—fossil fuels are globally traded—we are going to import those that have had action taken to reduce egregious waste upstream. The EU has a methane import regulation standard. I think the UK is developing one, but that would be an important step to take.

Q20 **Wera Hobhouse:** Very much like we heard in Canada, we import their gas because it is cleaner gas than other gas because they vent their methane. I get it that it is those actions. Can I follow up on that? How do the UK energy transition and Clean Power by 2030 inform the Government's implementation of just energy transitions in other countries? Is that what you have been saying, that by import standards and trade we can influence how other countries clean up their act? Is that what you mean?

Dr Grant: We have multiple different ways that we can influence other countries. Partly it is around trade patterns and enforcing standards on methane but also deforestation in important forests and so on. Secondly, on how the Clean Power plan and other domestic legislation influence others, that is much more about exporting an example. We are exporting to the rest of the world a positive example of what is possible with credible, consistent change. If we achieve by 2030 a larger clean power system with stable or level bills, that would be a huge statement to the rest of the world. We see that Australia is demonstrating that in some of their markets and certainly in the climate policy space, lots of people are taking a note of that and reacting to it.

I think that the jury is out. It depends where we get to by 2030, but if we achieve some of our goals we will be exporting a very positive story to the rest of the world.

Q21 **Wera Hobhouse:** You mentioned earlier the co-benefits of moving away from fossil fuels in economic opportunities. Are the Government communicating that well enough at home and abroad?

Dr Grant: I will always say that there is more space to communicate that story at home and abroad. We have a public who are broadly supportive of climate policy. We often perceive that support for climate policy is lower among the public than it actually is. There is strong support in the UK and around the world for action, but there is always space to help improve public understanding of the pathways down and the benefits of it. I would definitely support greater action to tell that story.

Q22 **Wera Hobhouse:** Your organisation has identified mixed signals for the phase-out of fossil fuels. Is that damaging to the message?

Dr Grant: It is. It is important to highlight here that there are two ways to think about the UK's leadership. Are we leading on what is needed to meet 1.5º and bring temperatures back down below 1.5º, aligned with the Paris agreement? Clearly, there is much more that needs to be done. Are we leading in comparison to other comparable advanced economies? I would argue that the UK is doing a lot. I work in an international organisation tracking action across a lot of other countries in the world and people come to me and say, "I wish my country was doing what you are doing". We are not doing enough but we are nearer the front of the pack.

Q23 **Wera Hobhouse:** Are there any comments from anybody else on the panel on that set of questions?

Professor Sutton: I won't comment on the communication aspects, but on another example of UK leadership, which I think is internationally influential. The challenges around transitioning electricity supply to renewables are, of course, significant and being experienced around the world. Weather becomes more important than ever to the generation of renewable energy but also weather affects the demand for energy and electricity. There is a whole bunch of challenges, and indeed opportunities, in how one builds a resilient grid for all that power The Met Office is working closely with the National Energy System Operator to work through those challenges. This is another area where the UK is doing some leading work, which other countries are looking at. That is just another example.

Q24 **Melanie Onn:** This is a question for everybody on the panel, just looking a little bit more at climate adaptation and how that strengthens leadership. We heard from previous evidence sessions that global climate leadership needs to go beyond mitigation and emission reductions and really consider alternatives like climate adaptation, biodiversity loss and deforestation but also concerns that adaptation is not yet a top priority across government. How can we promote stronger cross-sectoral integration?

Dr Zhang: Compared to the emphasis on climate mitigation, the adaptation side is falling behind. We all know it is not just this 1.5º increase in temperature. We have more frequent extreme events, flooding and so on. The mitigation strategy or practices are so important.

I think the investment is also very important. The Government are making an effort but I think it needs more.

Dr Grant: I don't want to comment on UK domestic adaptation. That is a bit outside my expertise, but on our leadership on adaptation in the international negotiations, at COP30 last year, a goal was negotiated and agreed to triple adaptation finance. We know that financing adaptation will be really important. Unlike some areas of the energy transition, private capital may be able to invest in—

Q25 **Melanie Onn:** Are we undermining ourselves at the moment? We can go out there and talk a good talk but if we are not incorporating adaptation that has been recommended or is required as part of the Climate Change Act, we are never going to be in a position of global leadership.

Dr Grant: I totally agree that if we don't act on adaptation, that undermines us. I am not in a position to say how well we are doing on that but perhaps others on the panel can.

Q26 **Melanie Onn:** Thank you. Professor Sutton, do you have anything to add?

Professor Sutton: Yes, thank you. I certainly agree that adaptation needs more attention and of course we have had the recent fourth climate change risk assessment by the Climate Change Committee and the report on a Well-Adapted UK. There are many things that need to be done. The current UK infrastructure is not adapted to the current climate let alone the climate that is to come and we need to understand that deeply and address the adaptation that is required. To do that, risk assessment is absolutely fundamental and we need that risk assessment to be based on the most up-to-date and robust data and practices.

The whole area of standards is very important and the Met Office has argued that it would be very helpful to have a national framework for climate services that would establish really clear standards that everybody could work within. That could be a very powerful mechanism to accelerate adaptation and also UK economic leadership in this space.

Q27 **Melanie Onn:** Do you have any examples of national frameworks in operation internationally that are already aiding other countries that we could learn from?

Professor Sutton: Yes, there are. It is a mixed picture. The Dutch have done some very good work in this space. We would need to develop our own, not purely model what has worked in other countries. We have been looking at this in the Met Office. I am happy to follow up offline if that is of interest.

Q28 **Melanie Onn:** In your international experience, have you seen any national frameworks that would complement our climate or our priorities?

Dr Grant: Not that I am aware of, but I would not say that means they are not there.

Q29 **Melanie Onn:** Dr Zhang, do you have any comment on that?

Dr Zhang: No, but I would like to emphasise that investment to adaptation is beneficial in the long run. I don't have the exact number but every £1 investment in adaptation would return more than—I don't know, for example, three times the return. It is really investment in the long run.

Q30 **Melanie Onn:** Does anyone on the panel have a particular view on what change could have the biggest impact on adaptation and resilience, given that challenges are very context specific and very localised?

Dr Grant: I think it is hard to pick an individual thing and say that that is most important. We need a comprehensive suite of adaptation measures across lots of different sectors and lots of different risks. One thing I will highlight is that as well as adapting to individual risks, we need to be thinking about cascading and systemic risks, where an impact in one sector cascades into another sector and onwards. I know that the Climate Change Committee has made recommendations on that, but that is sometimes where we can have the worst hits when multiple different impacts overlap and conspire to produce a mega impact.

Q31 **Ms Polly Billington:** I would like to talk about green finance in the private sector in particular. There are three things I want to ask about. First, we have a huge financial services sector and the City of London is a massive part of the overall global financial system. Are we making the most of the UK's finance system to support the Government's own climate ambitions?

Professor Sutton: Perhaps I can make a start to just comment on work that the Met Office is doing. As you say, this is a huge opportunity for the UK. The Met Office has been working closely with the Bank of England and others to understand and communicate climate-related risks in ways that can be used by a whole range of financial institutions. It is absolutely critical that financial institutions understand their exposure to the risks associated with the rapidly changing climate and that can only happen through accessing the right data but also ensuring that that data is translated into forms that all levels in organisations can understand. That is a very large amount of work that is needed. We have been working with the Climate Financial Risk Forum, for example, and also influencing the NGFS, the Network for Greening the Financial System, to address that kind of systemic need.

Q32 **Ms Polly Billington:** Do you think they are taking any notice?

Professor Sutton: Yes, absolutely. It is not for me to say whether they should be taking more notice. They are absolutely taking these issues seriously. I am not an expert in finance, so I can't really comment on the pace of change.

Q33 **Ms Polly Billington:** One of the things that Carbon Tracker has said is that the London Stock Exchange has a relatively high proportion of

unusable fuel reserves compared to other financial markets, which therefore jeopardises the UK's climate leadership aspirations. London's exposure to the fossil fuel market comes into even sharper relief within the context of this Government's aspirations. We are making a lot of money through our financial services, which is actually causing trouble, and if we are not careful, with your suggestion about more climate finance, we end up bunging money to other people to make up for the problems that we are creating with our financial services. Shouldn't we find another way of reversing that loop?

Dr Grant: Absolutely. It is not only that we are funding things that are driving up the crisis with fossil fuel investments on the stock exchange and so on but we are therefore massively increasing our exposure to eventual asset stranding. I want to highlight that most people who work in energy transition have been very surprised in the last few years at the pace of change towards renewables, electrification, batteries and so on. Change often happens slowly and then ramps up and is all at once. If our financial systems are still thinking in straight lines rather than exponential S-curves we are in for a really large amount of financial pain as well as climate pain if that energy transition continues to accelerate and we have large asset stranding.

Q34 **Ms Polly Billington:** On how the financial system is working at the moment, are we making the most of it to be able to meet the Government's climate ambitions? Professor Sutton, if you would not mind answering that question on meeting the science, but I will go first to Dr Zhang and Dr Grant.

Dr Zhang: Currently the big banks are still lending to fossil fuel companies.

Q35 **Ms Polly Billington:** It is because that is what they know, isn't it? You are a trade specialist. You will know better than I do how people work with reliable income streams, profit margins and so on. If we know that this is an existential threat to the financial services sector itself, as well as the people who work in it, why are they still investing in it?

Dr Zhang: I am not a finance expert, to be honest, but as I mentioned earlier, on the fossil fuel assets, the companies are still investing in technology and innovation. For the current period, they still have positive roles. Of course, the Government or the policymakers can make the rules—they have make a disclosure mandate and then pay attention to the green-washing practices, for example. I know it is not enough.

Q36 **Ms Polly Billington:** When Mark Carney was Governor of the Bank of England, he started to talk about that. We have not got any further with mandating that disclosure. He is now off busy running Canada. What should we be doing on those compulsory mandatory disclosures that might help make the financial services system shift a bit closer to something that is more based on the financial risks of continuing to invest in dangerous fossil fuels?

Dr Grant: We need to take it up from where Mark Carney left off. We need to implement that and move forward. The problem is that in the short term fossil fuels are still profitable and banks are investing in this because they can make money. It is about the pricing of short-term risk versus long-term risk. I don't want to opine on exactly what policies we need to drive up that consideration of long-term risk, and mandated disclosures is one of part of it, but we definitely need more action there because otherwise we risk trying to drive a global energy transition and leave our pension funds and various other things that are heavily invested in fossil fuels high and dry.

Q37 **Ms Polly Billington:** My final question is to Professor Sutton. What actions do you think need to be taken by the industry itself and by the Government to ensure that the finance sector becomes more climate resilient?

Professor Sutton: We have been talking around the challenges of balancing the so-called physical direct risks of climate change with the transition risks to the economy. That balance is a challenging one for policymakers and for everyone and is beyond the science directly. On the role of the science and the evidence, we need to ensure that there is a proper deep understanding of the nature of the direct climate risks—the risks that companies, and indeed nations, are exposed to already as a consequence of the climate change that has already happened and the climate change that is to come. That happens by providing the right data, the right standards and disclosure where appropriate. There is a lot to do in that space and that is the space that the Met Office is working in particularly and trying to accelerate.

Chair: Thank you very much. That brings us to the end of the first panel. I thank you all very much for your evidence this afternoon. We will suspend the session briefly while we change over.

Examination of witnesses

Witnesses: Catherine Pettengell, Rogier van den Berg and Eliot Whittingon.

Q38 **Chair:** Welcome back to this afternoon's Energy Security and Net Zero Select Committee hearing on international climate policy, and welcome to our second panel. Please introduce yourselves.

Catherine Pettengell: It is very nice to be here. My name is Catherine Pettengell. I am the Executive Director of Climate Action Network UK, also known as CAN-UK. We are a coalition of UK-based NGOs working on international policy at the nexus of poverty, nature and climate. Our goal it to advance climate justice and to achieve sustainable development for all. We are also the UK node of Climate Action Network International, which is a global network of more than 2,000 civil society organisations in more than 130 countries and is the co-convenor of the ENGO constituency in the UNFCCC process.

Rogier van den Berg: Thank you for having me here. I am Rogier van den Berg—Roger is fine. I am the Global Director of the cities programme of the World Resources Institute, which is called the Ross Center for Sustainable Cities. The World Resources Institute is a think and do tank and we operate and try to move the needle in the triangle of people, nature and climate, and cities have a big role to play. WRI is approximately 2,300 people spread across 40 geographies. We are non-profit and we go by the evidence and the research to influence agendas but also to figure out difficult stuff, for example in cities, to drive transition.

Eliot Whittington: Good afternoon. My name is Eliot Whittington. I am a Director within CISL, which is an institute within the University of Cambridge that works to support business leaders to address global challenges, navigate disruption and generally help efforts to support progress of the economy towards one that works for people, nature and climate. We do that through a combination of education, innovation, providing and collating evidence but also convening, and in that capacity I am responsible for our Corporate Leaders Group. We have UK, European and African Corporate Leaders Groups, which are business leadership groups that work in partnership with the Government to support stronger climate policy. They have been engaged in the COP process and been supportive of those conversations since about 2007.

Chair: You are all very welcome. The first questions come from Melanie Onn.

Q39 **Melanie Onn:** This is to everybody on the panel, so I will let you decide among yourselves who goes first. Do the UK NDCs strengthen or weaken the UK's claim to be leading global climate policy?

Catherine Pettengell: I am happy to kick things off. The UK NDC is very welcome and is a very good contribution to global action. In particular I commend the UK for the timing, coming forward with it according to the timeline in the process and also in calling for and then following expert independent advice, but it could be stronger. I think you heard from the last panel some discussion around equity and fair shares and certainly we feel that it falls short of the UK's fair share. In fact, the Committee on Climate Change pointed to a range of potential options that included equity and the 81% is towards the lower end of that. We would definitely like to see the UK go further and faster and show more ambition, but certainly this is a very credible and well respected start.

To be a climate leader it is not just about what you do domestically. As you also heard from the previous panel, it is about the contribution to the other global obligations, which is finance and that is really important. At the moment the UK's credibility is really hanging by a thread with the recent cuts to ODA and climate finance and particularly the recent halving of the contribution to the Green Climate Fund, which I think sets back the UK's reputation globally.

Eliot Whittington: From a business and investment perspective, NDC was very welcome. It is credible in the sense that it feels like it is commensurate with the science of climate change, which is important for business because otherwise it starts to worry that other things will happen. It helps send a signal of continuity and certainty within the policy environment, but the key thing is about the delivery and the policies that underpin it, which is where I think there is more focus and emphasis.

Rogier van den Berg: We welcome the NDC and especially that it explicitly recognises local government and strategic authorities as an essential part of delivering climate action. It also highlights the UK's CHAMP endorsement, which is about the collaboration between national and local government to drive and implement the NDC.

Q40 **Melanie Onn:** Is this almost rolling down of responsibilities, so that we are not just expecting it all to be delivered by Government, seen as positive?

Rogier van den Berg: It is positive if it comes together with Government on finance that is accessible to subnational actors, because that is a big challenge at the moment.

Q41 **Melanie Onn:** Are there any thoughts about how the Government should be held accountable for delivering on NDCs? You just mentioned the fair share. Is there more than can be done on targets? Is there anything that can be done with penalties?

Catherine Pettengell: It is really important that the UK lives up to the science that underpins global action as well as the NDC and also the new legal advisory opinion from the International Court of Justice that lays out state obligations to act on climate change. It is important that we understand that we need to go as far and as fast as possible and everyone has a role to play in holding Government accountable.

Q42 **Melanie Onn:** Will that be enough to hold Government accountable to the commitments that they have made, everybody just getting along and playing nicely? Where you stand on the international ranking will be the only thing that pushes the envelope and keep you true to what you said you were going to do.

Eliot Whittington: Maybe another perspective is that the NDC framework is obviously part of the Paris agreement, which was a successor to the Kyoto protocol work, which had a much stronger level of accountability. We have moved into a policy framework that is all about nationally determined contributions and nationally led policies, so in some sense the accountability for nationally determined policies sits within the country rather than at the international level. The accountability at the international level is for clarity that you are accounting for what you are doing and all of those kinds of things. From a business and markets perspective, I think huge opportunities exist within the development of cleantech. We are seeing the growth of particularly batteries and solar

panels but other forms too. In some sense the accountability of the UK is for failing to take account of those opportunities.

Rogier van den Berg: We are a research organisation and we are working with many Governments to make sure that they account in the right way, and that they are transparent in what they achieve in reducing carbon emissions. The promise on climate action without being more explicit on the availability of resources for subnationals is really problematic and this is not just good intentions because it requires a lot of investment to drive the climate agenda. Two thirds of the greenhouse gases are coming, directly or indirectly, from cities and urban environments, so in that sense much more clarity on how resources are being made available to subnationals to drive climate ambitions is important.

Q43 **Melanie Onn:** Do you get the sense that in the UK there is an appetite or a willingness to move back to Kyoto level agreements?

Eliot Whittington: It seems to me to be the opposite direction of travel in the sense that we are moving away. It feels from my perspective that we are moving away from a world of strong multilateralism into more coalitions of the willing and activities like that. I note that the UK has a good track record on that with things like the Powering Past Coal Alliance. It has done a lot to bring together Governments that want to demonstrate what is possible but also to work with the private sector. One thing I didn't mention but my colleague did is that subnational governments were named in the NDC. We were also pleased that the role of the private sector was named in the NDC, but again the ultimate level accountability is, is this credible? Are there delivery plans in place that can make it come to life? That is the thing that it will rise or fall on.

Q44 **Melanie Onn:** We have referenced businesses, local authorities, civil societies, communities and so on. A growing number of these non-state actors have some responsibility nationally and internationally around climate actions. Is there a way that we can avoid any form of dilution or fragmentation?

Rogier van den Berg: I am happy to talk about that. In the space of working with cities, and in my role currently working with many organisations in a similar space, I see a convergence, and there are a couple of reasons for that. First, CHAMP, which I mentioned earlier, is the Coalition for High Ambition Multilevel Partnerships and it has been endorsed by 77 countries, including the UK and the European Union. An enormous amount of energy is behind that, and I have to say the collaboration between cities, organisations and national organisations around that initiative to rally together behind it is growing.

Also, the second thing I wanted to mention is the IPCC report on cities, which will be coming out in March 2027, and will give us all the similar data and baselines and narratives to share. I was in Bonn as part of discussions with many of our colleagues from different organisations to

see how we all can step up to spread those messages similarly and using the same data. That is powerful.

Chair: Lizzi Collinge, you have until the Minister finishes for your question. You do not have to use all of it.

Q45 **Lizzi Collinge:** Okay then. I would like to know how the Government can enable non-state actors—financial institutions, businesses, NGOs—to take climate action. I will come to you, Eliot, first, on businesses. We have heard that Governments need to create the right policy and enabling environment to encourage transformative business action. Is this true? What are those policies and what are the benefits of that? Why should the Government do that?

Eliot Whittington: It completely, 100%, is true. A big part of the policy mix is that clarity and certainty of direction of travel and clear evidence-based policy framework so that business and investors can look at that framework and feel that they have confidence in that direction of travel and that they can make investment decisions around it. The other aspects of the enabling environment are not rocket science. They are things like skills, infrastructure and availability of capital where they need to draw on it. They are the same things that we need to see across the economy in many ways.

What distinguishes and defines this is that we are in a transition and we can see that transition happening, but that means that the role of Government working together and being in dialogue with the private sector is important. We need to not mistake who is playing which role in that. Ultimately, Governments are setting the rules and will set the direction of travel, but the private sector has a huge amount to offer. I forgot the last part of your question.

Q46 **Lizzi Collinge:** What are those policies? What will the benefits be?

Eliot Whittington: We would have to break it down. People talk about the role of business. People talk about the transition. Lumping it all together oversimplifies it. Different businesses will have different perspectives. Different sectors will have different challenges. If we are to take the energy or the power generation sector, which is probably one of the front runners, I note, having spoken to major multinationals working in that power sector, the UK is a desirable location for inward investment because of the clarity and strength of its investment environment. That has a huge benefit.

I note that this transition is characterised by a lot of up-front investment and so a lot of the benefits will take time to materialise, but building a cheaper, more efficient system that allows greater energy security and allows ultimately greater economic growth has huge co-benefits.

Q47 **Lizzi Collinge:** Thank you. Can I ask the whole panel how well the Government harness NGO and business expertise when we talk about climate policy? Does that then make it easier for businesses and NGOs to

deliver on climate change?

Rogier van den Berg: That is a good question. Let me first start by saying that the UK Government have a long tradition of looking at the evidence and enabling or making the space for NGOs such as WRI to come up with big ideas and data that they rally behind and that they use also in their coalitions and their pledges. I have to say that, of course, over the last 10 years that has been decreasing, but so far the UK is still a leader in many of the coalitions around renewable energy, for example, but can step up that role and be more visible not only in bringing counterparts from the global north, but also including much more counterparts from the global south.

Q48 **Claire Young:** I have a question around this, following on from what you have said. We have been told that a large portion of the real economy already agrees on net zero pathways and is taking steps. Is the Government's role to encourage the portion that are not, or is a large portion of the real economy heading in not quite the right direction and do the Government need to steer back to more effective approaches to achieving those goals?

Rogier van den Berg: It all comes down to a focus on implementation. This is where things are not going fast enough. This is once more talking from a subnational perspective where co-ordination across levels of government is essential because cities and subnationals cannot do it without policy and the enabling environment at a national level. To give an example, if you are talking about decarbonising buildings, construction and permits lie within the subnational realm but, if it comes down to building codes, you need to arrange that at the national level.

The collaboration between national and subnational on climate action is crucial, and also the available transfers and capital to drive this transition. Barely any city can drive large systemic change from its own balance sheet. You need specific project incentives or resources to do so.

Eliot Whittington: If I could just build on that, I originally gave the power sector as a sector that is largely on the right track and where Government action can support and accelerate that by alleviating a lot of the bottlenecks such as grid development and skills availability. If we take improving the quality and the efficiency of the built environment as an example, it has huge numbers of co-benefits in economic development, financial stability and health, but it is one area that the UK has been very slow on. It is a very fragmented market. It is a very conservative market. Large-scale companies that have an understanding of this in that sector and are doing a lot of good stuff will not be able to shift the whole market at scale. That is where you need strong government leadership.

Chair: Thank you very much. We will continue. The Minister is still ploughing on. Back to Melanie Onn.

Q49 **Melanie Onn:** We will have a little pivot to lobbying and climate lobbying. I wonder, Catherine, if I could direct the first question to you and then come to you, Eliot. We heard that corporate lobbying jeopardises ambitious climate actions in international negotiations and UK policy. How can we hold non-state actors accountable for their actions?

Catherine Pettengell: Yes, we have seen fossil fuel lobbyists systematically and at scale undermine and obstruct progress in the international negotiations and the spread of dis and misinformation and questioning science and the positive work that civil society is doing. We were part of the Kick Big Polluters Out campaign, looking at the UNFCCC process, trying to ensure that interests are declared and disclosed. We had some success with that. Observers now have voluntary disclosure. However, we would like to see that apply to all parties and party overflow badges as well.

We would also like to see an accountability framework within the UNFCCC to end corporate capture and to ban sponsorship by big polluters of events and related events. Also, we would like to strengthen the important role that civil society and progressive non-state actors play in that space because we are there to hold Governments to account and corporates to account as well. Having our space there is important.

You have probably heard the statistics before that 1,600 fossil fuel lobbyists were given access to COP30 in Belém last year. That significantly outnumbered every single country delegation except for the host country, Brazil. That is one in 25 participants.

Then in the UK, more can be done as well. I commend to this Committee InfluenceMap's recommendations and reports around lobbying Act reforms and transparency rules that could be improved. InfluenceMap highlighted that in the first year of this Government, Ministers met with fossil fuel lobbyists 506 times. I can tell you we had four meetings with Ministers that year and we are the collective civil society voice on this issue in the UK. Our role as civil society is to represent ordinary people as well. We would like to see a rebalancing of the access that is given to different groups.

Chair: We will suspend the session while we go and vote.

Sitting suspended for Divisions in the House.

On resuming—

Chair: Welcome back to this afternoon's Energy Security and Net Zero Select Committee hearing on international climate policy. Melanie Onn, you were halfway through asking your set of questions. Please continue.

Q50 **Melanie Onn:** Thank you. We were talking a little bit about transparency and accountability and trying to strengthen that with corporate lobbying and policy engagement. Eliot, do you have any thoughts? Catherine, had you finished the things that you were thinking of? Do you want to try to

finish that?

Catherine Pettengell: I did want to add that we very much appreciate the engagement that we have with Ministers and also particularly with the UK Special Representatives for Climate and Nature. I do not want to minimise the engagement we have.

Melanie Onn: You did have 502 fewer meetings than the fossil fuel lobbyists.

Catherine Pettengell: We did have considerably fewer, yes.

Eliot Whittington: I absolutely agree with Cat that the vested interests that are opposed to the transition and trying to slow things down have a disproportionate voice, and that is a significant issue. I would also—

Q51 **Melanie Onn:** Carry on with your thought but, also, trying to slow it down, when we asked if we could go back to Kyoto-style agreements, is that in line with public opinion or does it force public opinion?

Eliot Whittington: Sorry, I am not sure I follow the question.

Q52 **Melanie Onn:** In the active lobbying that has taken place, which is coming first? Chicken or egg? Public opinion or lobbying activity?

Eliot Whittington: As was said by the previous round of witnesses, public opinion on climate action is quite strongly supportive of it, and public opinion on renewables is quite strongly supportive of it and has remained so.

My understanding from speaking to people who track some of these things is that there are two challenges. One is that environmental issues tend to be a slightly lower priority issue and that people take cues from their community. As we lose the political consensus that has been powerful and good in this country, that leads people to question where they sit on those questions.

Generally speaking, people are concerned about the environment, are concerned about climate change, and want action, but they are unclear as to whether the actions that businesses are taking or the Government are taking are the right ones. We have to do more to reassure them and express to them not just that there is a case in support of doing things, but that the things that are happening are happening and are delivering benefits to people. That does not cut through enough.

Coming back to the question of lobbying and accountability, I strongly support greater transparency around that. I hope it is not too self-promoting—and we welcome the work that InfluenceMap in particular does—to note that we have been scored and assessed through that and have come out well. We usually score an A plus or minus, depending on the part of our work, and so we are well recognised within that.

The kind of transition that we are talking about doing in the economy you cannot do without engaging the private sector, and so engagement and conversation with the private sector is important. That is a challenge because we know that those companies that will lose out are well resourced and are able to identify a direct, immediate and highly expensive cost, whereas among the companies that will benefit from the transition, many do not exist. Those that do exist are often diffuse and often are less well capitalised because they are in less higher capital-intensive industries. The balance of resourcing is disproportionate and so we do need to have that greater transparency around that conversation.

Q53 **Melanie Onn:** Finally, should the Government seek to limit the influence of vested private interests in the UNFCCC conference of the parties negotiation processes, yes or no?

Eliot Whittington: Slightly counter to what I just said, no, in the sense that, yes, they should but what does that mean? My concern would be that a lot of the focus is on the presence and who is at the thing. The badges of the private sector who are there are as observers. The people who have the power and who are shaping the conversation are there with country badges and are there negotiating, and they are not as transparent. Often countries that have significant fossil fuel interests and significant agricultural interests and agroindustry will be talking about the interests of those industries. Whether or not those companies are in the building, those industries have a close relationship to those Governments because they have a shared interest.

In some senses, I think that we absolutely do need more transparency and we do need more accountability but, if we are too blunt around these things, we risk shutting out the businesses that are trying to build the new economy and trying to make things happen from that conversation. I guess I will pick up the global witness list of fossil fuel lobbyists—

Melanie Onn: I will stop you there because it was a yes or no answer and that rather exceeded a yes or no answer

Eliot Whittington: Sorry, that was a very long answer. I apologise.

Melanie Onn: It is as if a politician is sitting in front of me. Any other thoughts, yes, no?

Rogier van den Berg: Transparency is key. I totally agree. I can talk a little bit more about the private sector but maybe—

Melanie Onn: Yes, there will be opportunities in the next round of questions, anyway.

Catherine Pettengell: I would say that yes, we should be trying to limit their influence, but also we should try to perhaps interpret their redoubling of efforts as a bit of a win. This is the last gasp of a sector that is going out of business and they are trying to hold on to what power they can get. That shows that things are going in the right direction.

Q54 **Wera Hobhouse:** There is a consensus that the UK needs to increase the provision of international climate finance to sustain its credibility and climate leadership. My question is getting to understand how non-state actors can help deliver on the UK's commitment to developing countries.

Eliot, you suggested that mechanisms such as the Just Energy Transition Partnership and the Clean Trade and Investment Partnerships could enable the UK to drive global climate action. How can the Government leverage private sector collaboration to deliver on these initiatives?

Eliot Whittington: A huge amount needs to happen to enable private finance and engage it in financing the transition, but that is a key task. We are doing a lot of work, particularly through our Africa office, around the role of country platforms like the Just Energy Transition Partnerships. They are particularly attractive because they are a way of trying to get both public donors and private finance around the table, but in a process that is led by local accountability. They are called country platforms and so you have local voices and local engagement because, ultimately, you want to mobilise resources for the development priorities, the climate finance priorities or the energy transition priorities that are locally relevant. The wish list of what needs to happen to mobilise private finance is long.

Q55 **Wera Hobhouse:** Could you explain how that relationship could develop between your private finance partner and your community partnerships or local partnerships? How should I imagine that that relationship works?

Eliot Whittington: JETPs, for example, are formal country and donor platforms that are set up. The ones in South Africa, for example, are set up with the UK Government, a couple of other major donors, a couple of the multilateral development banks and the South African Government, but they engage with the private sector as part of that. They create an energy transition plan, and then secure the finance for it from both public and private sources.

Rogier van den Berg: I have a practical example. Yesterday I had a great meeting with the Director of the Mitigation Action Facility, which is sponsored by the UK together with the German Government, which provides capital in emerging economies to lower the risk of private capital to drive this transition—for example, aggregating demand across multiple cities, doing the electrification of thousands of buses. A bit of capital to reduce the risk of entering in a market that is potentially viable but not tested yet has an enormous impact on crowding-in private finance.

We have seen that in different countries. We have been involved in such big aggregation around electrification of buses in India. We see that now happening in Brazil. We see it happening in Kenya, all supported by Mitigation Action Facility resources. These projects are assessed transparently. A board has oversight on what types of project have the biggest impact for the resources to provide.

The last thing that I want to say is about the enormous opportunity that London offers in its understanding and its development of what we call the capital stack: how you put finance together to make sure that you drive a transition. Whether it is on the electrification of transport, the development of water resilience or the capital stack, no place on earth has more expertise on putting these different types of finance together—as we call it, blended finance—to make things work and at scale.

Q56 **Wera Hobhouse:** Can anybody comment on the Global Clean Power Alliance, which was another initiative launched by the Prime Minister at the G20 in 2024? Could the private sector support the delivery of the Global Clean Power Alliance too?

Rogier van den Berg: Yes, as far as I know. That is an enormous opportunity for the UK to deliver on that promise at the moment, especially in the time where we are right now, which is all about energy security. The Clean Power Alliance is not only providing clean energy for the climate ambition, but it is all about energy security at the moment. The private sector is involved, but should be involved more. The cost of renewables, of solar, is 95% cheaper than it was five years ago. This is an enormous opportunity. It is an economic case that makes a lot of sense.

Q57 **Wera Hobhouse:** Catherine, you wanted to comment anyway, but maybe you also want to answer my question about whether there any caveats to public-private partnerships to deliver climate actions in developing countries.

Catherine Pettengell: Yes, there certainly are. To finish on the Global Clean Power Alliance, my understanding is that a lot of the rationale behind that was about having to come together to unblock parts of the system that do not work to get financing into this. For me, that highlights the need to change some of the global governance stuff and some of the tax rules and trade rules and the things that are limiting this transition at scale at society level. There are these pockets of good and bad examples. There are very mixed views on the Just Energy Transition Partnerships as well, particularly whether they are just, and whether the J is covered in that. I am happy to speak to that if that would be useful.

These pockets of things work in the right conditions with the right political forces behind it. How do we do this in a just, clear and transparent way for everyone, with a whole-of-society approach where people do not get left behind. We are concerned that some of the elements are missing from some of these initiatives.

I can speak to public-private partnerships in developing countries as well. Certainly the model has delivered uneven results across different sectors, including the energy sector. This is despite the fact that the World Bank and other IFIs continue to heavily promote this model. The breaking up of the vertically integrated state-owned power systems and the creation of a privatised independent power production model has had a mixed

record. The World Bank's own research says that although the 1990s power sector reform blueprint has demonstrated its ability to deliver in certain country contexts, the results have been quite disappointing in other settings. A key shortcoming of the model is the repeated failure to bring down the cost of energy for consumers and, at times, increasing it significantly and increasing significantly the fiscal costs for countries as well.

There has also been this push around it being the most useful model to deliver development outcomes and climate and energy outcomes under the title Billions to Trillions. This has been how the World Bank has talked about using scarce development resources to crowd in trillions in private finance to development. In 2024, the World Bank's chief economist called Billions to Trillions a "fantasy". Yet we continue to promote this model now in the climate space as well. That same year, 2024, many countries in the global south had experienced net resource outflows with private creditors extracting $141 billion more in debt repayments than they provided in new lending since 2022. This undermines the claims that large-scale private capital mobilisation delivers for development.

Q58 **Wera Hobhouse:** Do you have any ideas for how to fix that? Should we stop the whole thing? Is it a fantasy—should we not go any further with it? How else can we fix it?

Catherine Pettengell: We have to be clear that in some contexts, this model does not work. Certainly the OECD analysis shows that 87% of it goes to middle-income countries in fairly bankable and attractive profit environments. Only 12% goes to low-income countries anyway, and it is largely not even working very well there.

It does highlight this point that the grant finance provision that developed countries need to provide to developing countries is the cornerstone of how we make this happen for the majority of the world. The good news is that there are ways to raise this money through fair polluter pays taxation. We included in our written evidence as well that tens of billions of pounds could be raised each year in the UK with fair polluter pays taxes that do not unfairly cost UK households.

Wera Hobhouse: Before the meeting, we had our private meeting and we talked about the loss and damage fund, but I do not want to go into that because that opens a whole other can of worms.

Catherine Pettengell: I am always happy to talk about the loss and damage fund.

Wera Hobhouse: It would go outside the—

Chair: It might open the can of worms.

Wera Hobhouse: Are you happy, Chair, that we open that can of worms?

Chair: It is not on our agenda. It is not part of the terms of reference for this inquiry.

Wera Hobhouse: Rogier, you wanted to come in?

Rogier van den Berg: I hear what you are saying, but the biggest problem right now is how to get to scale and how to get to implementation. In a public-private partnership, the question is who the neutral broker is who helps to get a fair and equitable outcome of public resources in a context where you want systemic change.

To give you a brief example, the biggest emitters in cities are buildings, transport, and then waste and materials. If you want to systemically transform public transportation, for example, as we are involved in in India, you need to involve the energy sector that provides the actual energy for electric buses. You need to think about manufacturing at scale. You need to collaborate and create a legal framework for operators to operate differently. The amount of private sector involvement in a systemic change is enormous. That includes private capital. In that sense, the questions are who the neutral broker is and what the transparency mechanisms that report on investment and return on investment are.

Wera Hobhouse: Thank you. The Chair will get impatient with me if we do not stop, but thank you very much.

Q59 **Ms Polly Billington:** Rogier, in particular, I will ask about subnational climate actions because that is an important part of how we manage to achieve what we are talking about. Have the Government here made it easier for subnational-level action in this country?

Rogier van den Berg: I do not have an opinion on whether they make it easier or more difficult for cities at the moment. No, I do not have a specific answer to that question.

Q60 **Ms Polly Billington:** From an international perspective, do we have a situation where this Government can make policy processes that seek to deliver climate action more inclusive through supporting subnational actions elsewhere?

Rogier van den Berg: Yes, because the majority of citizens are living in cities. It is growing fast. The rapid growth of cities, if you look in sub-Saharan Africa, if you look in south Asia, where 90% of the urbanisation takes place, all happens inequitably. It goes so fast that the infrastructure provision is not supporting people with their daily needs and their daily lives. The UK Government have historically shown support to drive more equitable opportunities for access to transportation and to more liveable neighbourhoods. Quite some evidence shows how that works.

Q61 **Ms Polly Billington:** You pointed out earlier that subnational actions are possible only within the framework that is set by the national

Government. What evidence do you have that the UK Government's investment in subnational actions gets a better bang for your buck, as it were, as distinct from national ones in an international context?

Rogier van den Berg: It is better bang for the buck if you invest in subnational. The evidence that is there is around the density of people who benefit from actual investment in transport and from actual investment in the water system. There is evidence, but I do not have it on the top of my head now.

Q62 **Ms Polly Billington:** What could this Government do to improve subnational level actions globally?

Rogier van den Berg: First, commit to big initiatives such as CHAMP, where the national authorities help to bring the voices of subnationals to the multilateral system. They can have a leadership role in showing national action, including subnational voices, in multilateral processes and at the same time showing what can possibly happen in investment in cities across the world, together with partners. The coalition that is emerging right now and that the UK has endorsed is an enormous opportunity. That is one thing.

The second is to bring London as a major example to the world. London has the fiercest and strongest net zero commitment in the world. It is delivering on it—not fast enough, but is delivering on it—in transport. London has been a global leader in many practical initiatives, such as the ultra-low emission zone that is being adopted and being replicated in many places in the world. Bring in UK expertise in how you can do it, what finance can do to achieve it, but also show that national leadership together with other nation states to elevate the opportunity for climate action at the subnational level.

Two thirds of emissions come from cities, as you know, directly or indirectly. One third of that can be achieved by cities alone. One third has to be achieved in collaboration with the national authorities. One third of that can be achieved only by the national authorities. Collaboration, national and local, is so key. The UK, together with other countries, can step up and bring that forward.

Q63 **Ms Polly Billington:** I have two follow-up questions to that. First, in this country, the minute you use London as an example, the rest of the UK rolls their eyes because they say, "That is London, isn't it? We are different." Is there a risk in promoting London as an example of how you decarbonise a city globally, as there would be if you tried to do it in the UK? Having tried to do it in the UK, I can tell you that it is not effective.

Rogier van den Berg: Yes, there is a risk, but partner organisations like C40 are very good at creating the connection between London and similar big cities. Yes, there is always a risk in bringing London forward. Second-tier cities get too little attention, the cities that we do not know so well and that do not have the resources of London or New York. The budget of New York is $100 billion a year, so you can change something with that.

Second-tier cities are not in the limelight. A lot of non-state actors and organisations such as ours are trying to help and share best practices among cities. The sharing of practice is enormously important for quickly driving solutions that are tested elsewhere.

Q64 **Ms Polly Billington:** I have another follow-up question to that. You said that there is a case for having a greater voice of subnational actors at an international level. International climate change negotiations are really complicated. Why would we complicate them further by having subnational actors involved in those negotiations?

Rogier van den Berg: Whether they should be involved in negotiations is maybe another question, but to be contributing on the implementation of climate action is key. Why is that needed? Multilateral processes now at the national level are facing a lot of challenges and difficulties. There are 5,000 cities of over 100,000 inhabitants in the world. For all these cities, climate action is a practical matter on delivering an agenda for their citizens. It is about cleaner air, more nature, and affordable houses. In the multilateral process, if these negotiations are serious in showing what climate action can be, subnational action and action in cities is key.

Q65 **Ms Polly Billington:** Thank you. I will ask about coalitions of the willing, particularly after the Santa Marta summit in Colombia. C40 described that as one of the most promising outcomes from COP30. Do you agree that having that meeting was one of the most promising outcomes, Catherine?

Catherine Pettengell: It was a great moment and it was important to bring countries together to talk about the problems that they face with this transition. As you said, the negotiations are quite complex these days and are dealing with quite a lot of issues. I was struck by feedback that it was a good moment to be sitting in a room talking face-to-face with people about the real problems that they face on the ground.

The UNFCCC process is important. It is important to keep it strong and important to strengthen it in any way that we can. We need it. It sets our gold standard. It sets our norms. It sits above the political sways of the day. It is our constant being. Then it is great to have these other opportunities where new energy can come into spaces.

I would caution that we need to make sure that spaces like that are transparent and inclusive, that there is enough participation from civil society and other non-state actors, and that the participation of countries is inclusive as well. There was some questioning about some of the global north countries that were invited to be there and some of the global south countries that were not invited to be there and what that says about how we move forward together on global politics.

Q66 **Ms Polly Billington:** Is that inevitably one thing about the coalition of the willing? It is a coalition of the people who turn up.

Catherine Pettengell: It is a coalition of the willing, but some countries in there are major expanders of oil and gas at the moment, and some

countries that were not invited have 50% renewable energy production. It depends on who sets those standards for a coalition of the willing. It is important that we all hold Governments to account for what they do and make sure that we have spaces that are as inclusive and ambitious as possible and cannot be co-opted or captured.

Q67 **Ms Polly Billington:** Moments like that are just moments. The success of a meeting is in an agreement to have another meeting. Is there another meeting happening like Colombia? Will it happen?

Catherine Pettengell: Yes. Tuvalu and Ireland have taken over the hosting of the next meeting next year. They will move forward on the second conference.

Q68 **Ms Polly Billington:** Like you say, you have the UNFCCC. It is very much a formal process. What is the role of a coalition of the willing, like that convened at Santa Marta, to accelerate action? What is its relationship with the UNFCCC?

Catherine Pettengell: Its role is to try to bring out some of those real-life examples and issues and find the spaces that can be worked on together. For example, one issue that came out strongly in Santa Marta was the issue of investor-state dispute settlement agreements, which is not on the agenda at the UNFCCC negotiations. It is a trade issue, but now has the biggest chilling effect on climate policy internationally and so it does need addressing. It has moved from being a trade policy to a climate policy. It is a space where those new things can air and bubble up and we can then look for the spaces in the international process to take forward action.

We need to see an end to ISDS. The UK is being sued at the moment under ISDS. It needs to end. UK taxpayers' money should not be exposed like that. That money would be better spent on climate action.

Q69 **Ms Polly Billington:** Following on from that idea that things bubble up in these slightly more informal situations, we have been talking for two hours about international climate change and nobody has mentioned the Strait of Hormuz. No one has mentioned the war in Iran. No one has mentioned the oil and gas crisis as a consequence of Ukraine. No one has mentioned the fact that Ukraine is decarbonising because it does not want to have to rely on Russia any more.

Is there a whole element of global energy policy where the crisis could be turned into an opportunity for decarbonising our economy, and are the climate change processes up to it?

Catherine Pettengell: First, a humanitarian catastrophe is unfolding and it is a terrible situation in the lives of so many ordinary people around the world. It needs to be first and foremost in our minds that illegal wars and conflict need to end for every single reason. We stand in solidarity with all those affected in all these wars, which have high

greenhouse gas emissions and contribute to massive loss of life now and long into the future as well.

It is important that we learn the lessons from all of the fuel crises. This is the latest one. The idea that we would keep our reliance on oil when we know the world is so unstable affects the way forward on that. Certainly, it brings into sharp focus that net zero, keeping global temperature rise to 1.5°, building up renewables and increasing energy access globally for everyone to have a thriving and fair future is absolutely how we all need to be pushing forward.

Q70 **Ms Polly Billington:** Rogier, what do you think?

Rogier van den Berg: Yes, energy security is an enormously dominant narrative framing to drive climate action. Who is waiting right now for thinking about imports and everything you can do to your country or to your cities? This is an absolute moment to drive energy, clean energy, distributed energy. A lot of cities that we are working with are extremely concerned not only about energy security because of the disrupted energy security because of the war and the closing of the Strait of Hormuz—

Q71 **Ms Polly Billington:** Forgive me for interrupting. What should the potential coalitions of the willing do about harnessing that anxiety to shift a conversation in energy security from how we get hold of the oil and gas that we rely on to how we wean ourselves off that oil and gas? What is the role of coalitions of the willing, such as what we saw in Colombia, to be able to do that? Eliot, I will come to you in a moment. Thank you.

Rogier van den Berg: A key role of the coalition of the willing is to show that with available finance, you can leverage private sector finance to drive renewables at scale and to show the economic reasoning behind it. Otherwise, it is impossible to crack. You see right now that the economics behind renewables and the financial profits of renewable investments are attractive. Showcase that and show that sufficient resources are available to crowd-in the private sector in markets that are still nascent or not working at scale.

Q72 **Ms Polly Billington:** Do you see that as a valuable thing that coalitions of the willing could do?

Rogier van den Berg: Yes, definitely.

Ms Polly Billington: Eliot?

Eliot Whittington: I agree that, absolutely, it is the focus on implementation. The UNFCCC is an incredibly valuable multilateral forum. It is inclusive in a way that very few other things are. It is one of the few multilateral forums that has delivered something in the last 20 years, and that is quite surprising. We lose it at our peril.

It has also, from my perspective working with the private sector, been incredibly useful as a place where subnational governments, the private sector and national Governments that are there as the mandated democratic negotiating voice all come together and are able to have conversations that you would not be able to have otherwise. The COPs are, I repeat, very valuable.

However, we can tell that certain conversations are not able to happen there. You talked about the fossil fuel summit. If I refer back to the previous witness session when you were asking people about stranded assets, one way that you will get the financial sector to see the risk is by making the visibility of actual phase-out plans start to come forward. At the moment, the gap between the short term and the long term still exists and they are still getting that return on investment. They know that the solutions will come, the music will stop and they will be left holding the baby, but the music still sounds like it will go on for another couple of verses and so they will keep on playing in the market. That was an incredibly garbled and mixed metaphor.

Q73 **Ms Polly Billington:** They will keep dancing because they have enough cocktails to keep fuelling them for now?

Eliot Whittington: Exactly. That is a much better way of putting it.

Catherine Pettengell: Could I come back in on one thing, though? To transition away from fossil fuels, we do not need coalitions of the willing. We can do that. It is in a nation's ability to move forward with that. Certainly I would challenge this Government all day on climate finance and a lot of international policy issues, but the way the Government have doubled down on the green energy transition here, focused on household bills and made sure that we have this clean energy revolution here is important. We should push Governments to do what they can individually as well as to come together to deal with those knotty issues that come across international trade and financial institutions, the things that they cannot do individually, and particularly in the countries in the global south that have the least power to unpick those sticky issues. Countries like the UK can just forge ahead. It is definitely on the right path.

Q74 **Ms Polly Billington:** My point is that the ongoing crisis with the Strait of Hormuz has a huge, long-term impact in different ways across different economies, but we will not be unimpacted here by inflation, economic threats and so on. Therefore, it seems to me that there is an argument for greater collaboration on energy securitisation, arguably, and decarbonisation to be able to reduce those risks for developing countries as much as developed ones because, without it, we will have rationing, hoarding and even greater crises in some of the poorest parts of the world. Our petrol prices will go up and other places will have factory blackouts. Where are the coalitions of the willing in the climate space that could seize this moment?

Eliot Whittington: I agree with you. We do need those coalitions of the willing, and they can allow us to accelerate. I agree that countries can deploy things on their own, but a certain supply chain is in place for the green economy and a certain number of skilled people. If we want to efficiently deploy those resources, we need some level of co-ordination and some level of pooling of efforts. Coalitions of the willing can strongly add value there.

The challenge of making them happen right now, particularly through an energy security lens, is that those questions are increasingly politicised on multiple fronts, with the US setting out one clear energy strategy, with China having another, also where there are questions around dependence on China and Chinese supply chains. Being able to build coalitions of the willing that navigate those geopolitical tensions and also geopolitical tensions around critical mineral supply chains is difficult. The fact that they have not just sprung up overnight is a testament to that difficulty.

Chair: Thank you. That was insightful. We very much appreciate your evidence. That is the end of our session.