



Update on Industry Decarbonization Program

February 2, 2023

First Steps for Industry Decarbonization Program

- Capitalized at USD 80 million
- Fundraising goal of USD 500 million
- United Kingdom and Sweden are first two contributors
- Launched at UK *Breakthrough Agenda* Event at COP27 in Sharm el-Sheikh
- Highlighted in events with UK and LeadIT
- Consultations on program design started in December



Potential Industry Decarbonization Investment Areas



Cement and concrete: Developing alternatives, recycling existing material, deploying carbon capture technologies, and implementing waste heat recovery systems.



Iron and steel: Switching from blast-oxygen furnace to electric-arch furnace, which uses scrap material to make secondary steel, and making steel with hydrogen.



Zero emission shipping: Improving energy efficiency of engines and shifting to zero-emission fuels such as hydrogen fuel cells and electric motors, or hydrogen and ammonia used in combustion engines.



Eco-industrial parks: Increasing renewable energy use and energy efficiency, promoting resource efficiency and circular economy practices (e.g. industrial waste heat recovery, use of biogas).

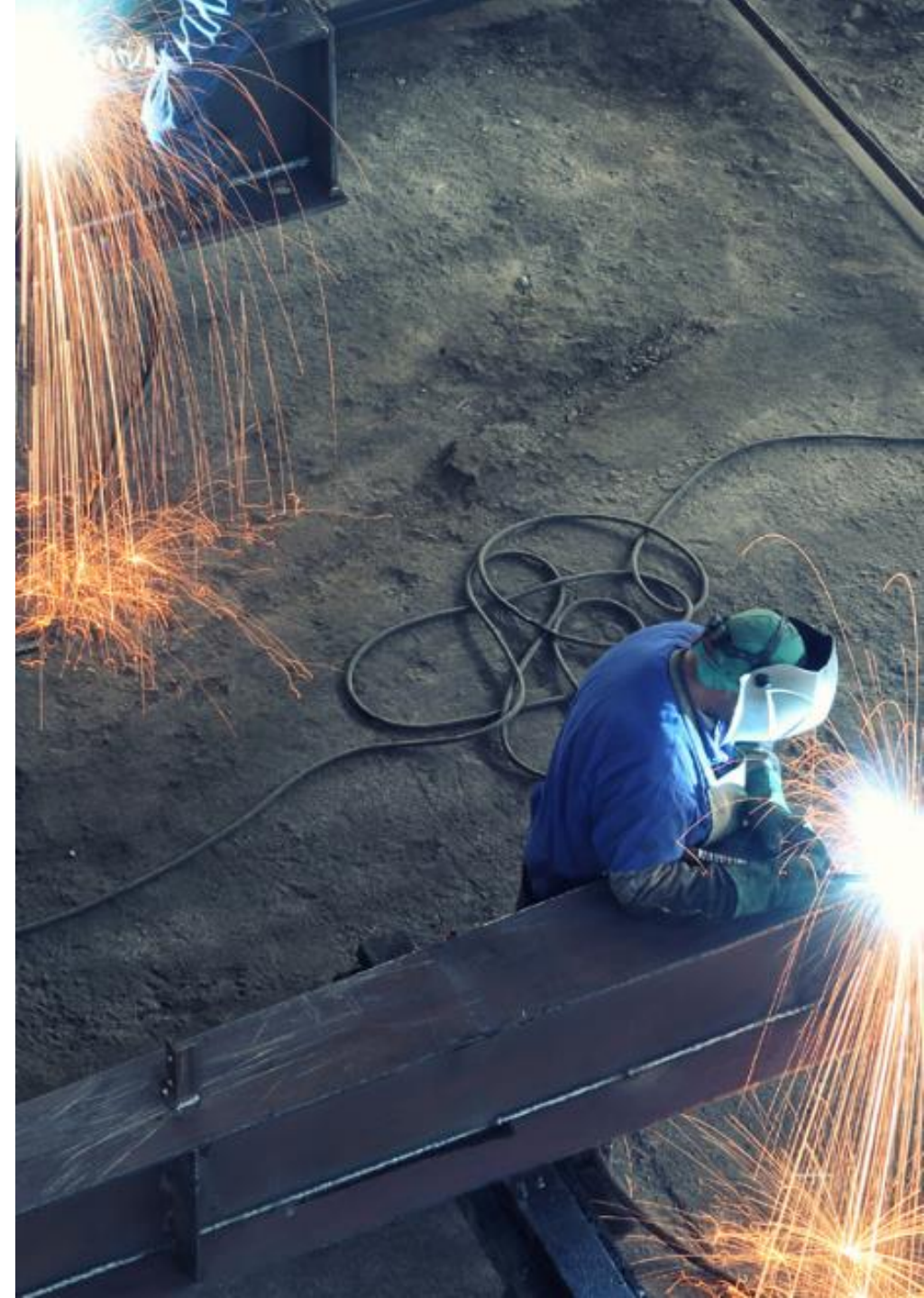


Chemicals: Increasing material efficiency (e.g. plastics recycling) and energy efficiency, switching chemical processing from coal to natural gas, and producing ammonia in green hydrogen plants using renewables.

Consultations on Program Design

GOAL: Preserve the value of the country-led programmatic approach, while accommodating the unique aspects of industry decarbonization

PROCESS: Facilitate conversations with important stakeholders (MDBs, contributors, recipients, industry actors) to develop Program Design Document and associated modalities



Consultations on Program Design

CIF-MDB Dialogue

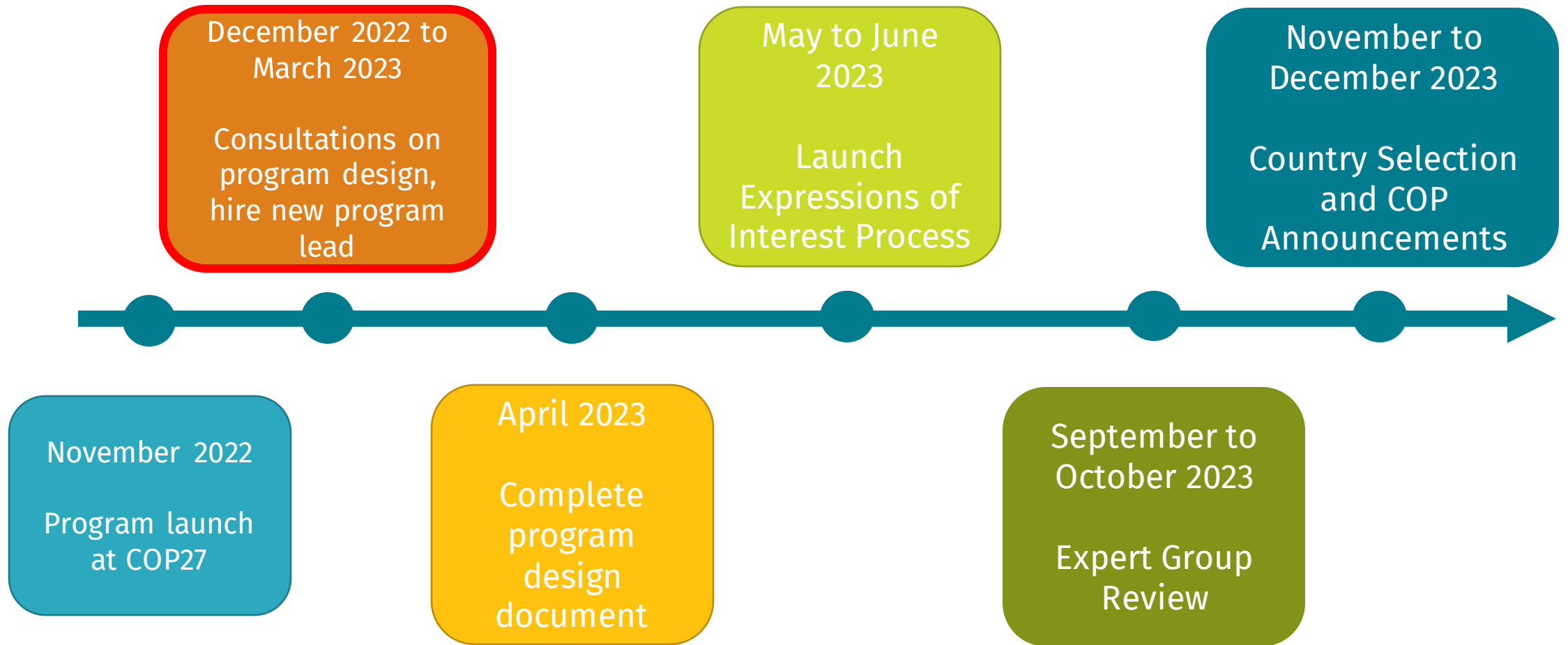
- DPSP-like approach can better respond to demand driven, market-based, private sector opportunities
- Investments need clear financial and commercial viability
- Program better suited to focus on sectors, not technologies
- Further discussion needed on how to shape private sector approach, including engagement with trade and business associations and workers groups

Consultations on Program Design

Abu Dhabi Sustainability Week Event

- Joint Dialogue co-led by CIF and LeadIT, attended by governments, MDBs, and industry leaders
- Clear need for a platform that can convene different initiatives and take risks
- Suggested roles for Program:
 - Create demand for green industrial products
 - Engage local companies on new technologies and bring tech to market
 - Address needs for better reporting and verification at company level
 - Tackle both emission reductions for existing industry assets and new decarbonized infrastructure

Industry Decarbonization Program Milestones



CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

