Energy Transitions Commission

Credible Contributions: *Bolder plans for higher climate ambition in the next round of NDCs*

ETC Webinar

February 2025

Energy Transitions Commission

Chair
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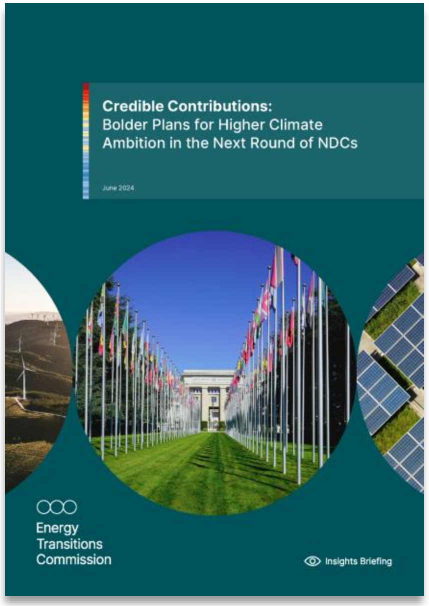
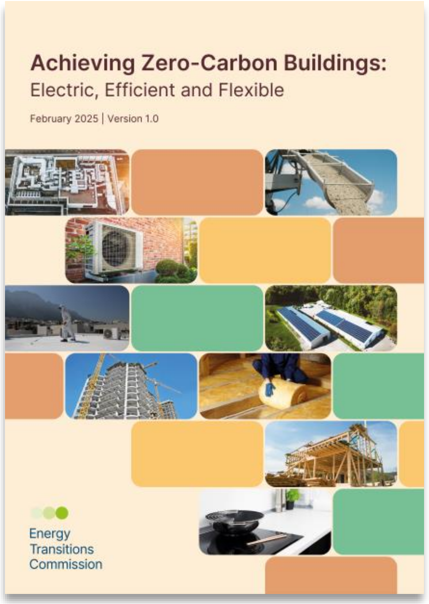
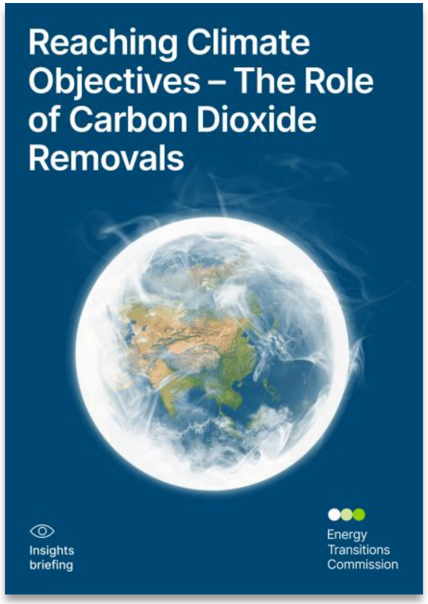
ETC Publications – Timeline 2017-2024

The ETC's 2025 webinar series







February 13th

Credible Contributions: Bolder Plans for Higher Climate Ambition in the Next Round of NDCs

April 10th

Achieving Net-Zero Buildings: Electric, Efficient and Flexible

July 15th

Insights across our "Barriers to clean electrification" series

October 1st

The Role of Hydrogen & Bio energy

November 25th

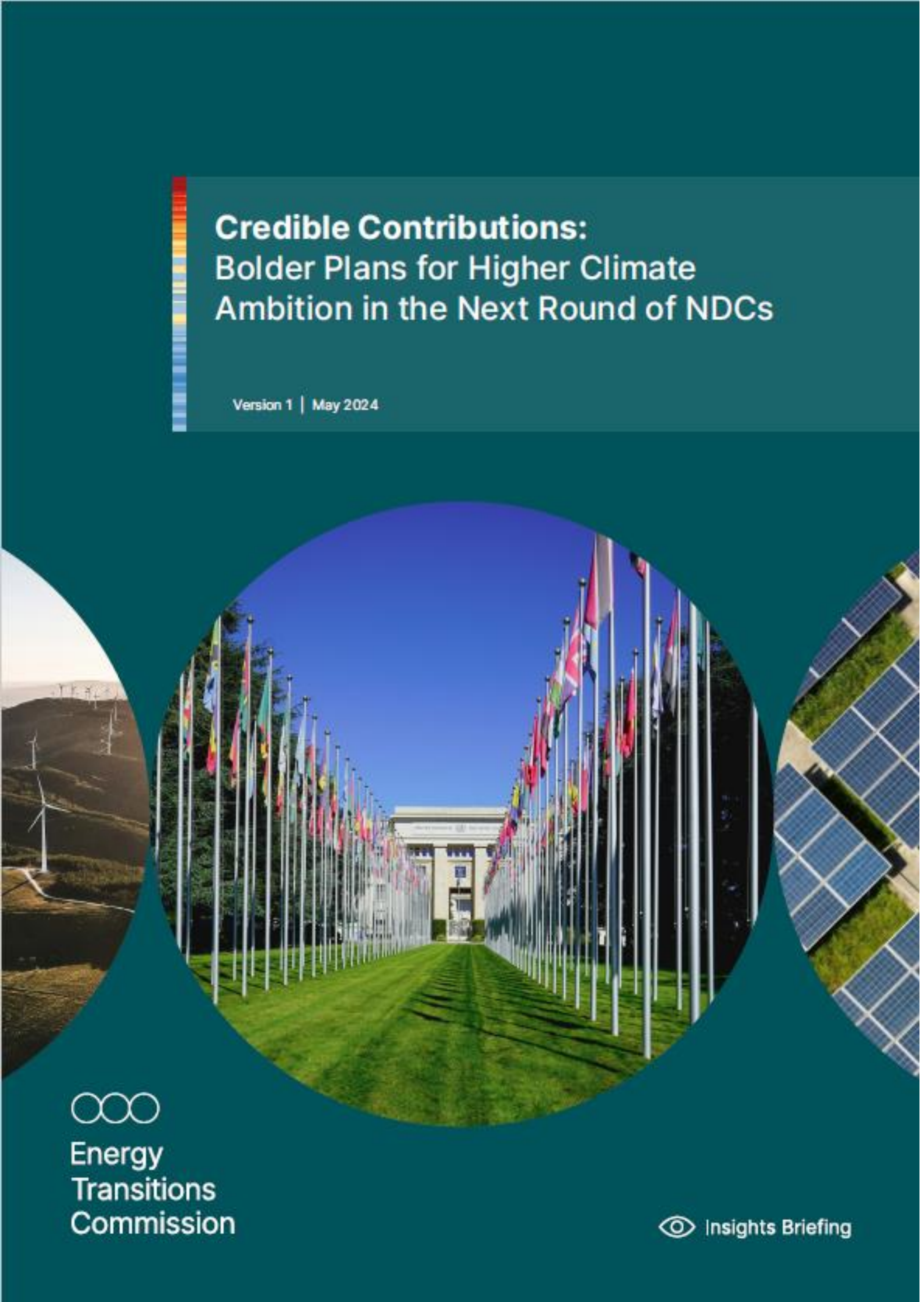
Reaching Climate Objectives: the role of carbon dioxide removals

Agenda for today

1) Key messages from ETC's 2024 report

2) Summary of key developments since then

Key messages



Insights Briefing Key Messages

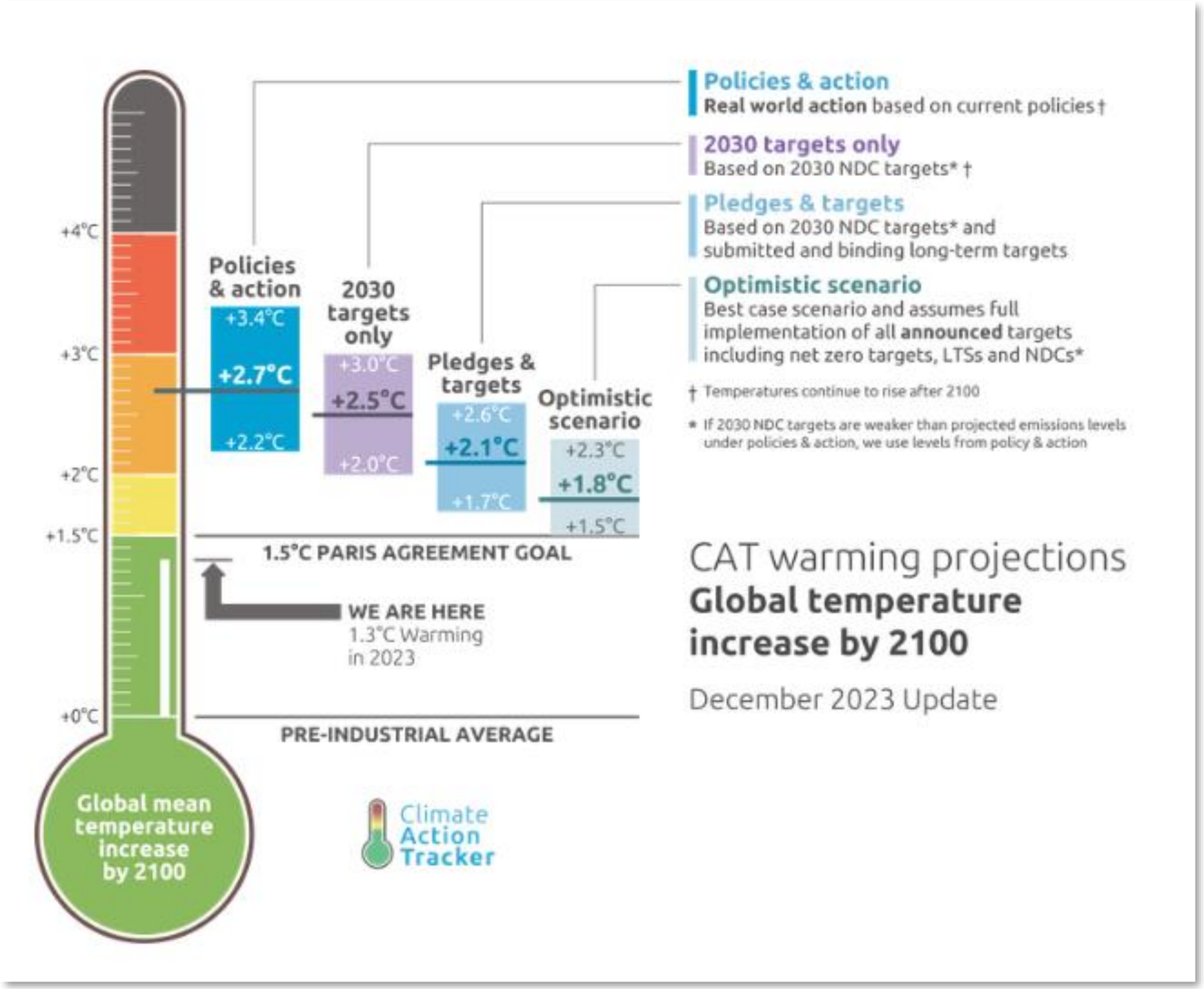
The ETC calls for industry and government collaboration to raise the ambition of the next round of NDCs due by COP30.

- **Ambition in upcoming NDCs ("NDCs 3.0") can triple.**
- **NDCs 3.0 must help translate ambition into action -** more ambitious NDCs, and stronger links between targets and policies, are critical to drive investment and climate action.
- **Ambition alone will not achieve rapid progress –** NDCs must also clearly set out how targets will be achieved.

NDCs are countries' pledges to reduce national GHG emissions – today, targets in NDCs, if delivered, are only expected to limit global warming by +2.5°C

WHAT ARE NATIONAL DETERMINED CONTRIBUTIONS (NDCs)?

- Nationally Determined Contributions (NDCs) are countries' pledges to reduce national emissions and adapt to impacts of climate change.
- Countries are required to submit their NDC and increase their ambition every 5 years to reflect progress.
- The next round of NDCs ("NDCs 3.0") must be submitted by COP30 in 2025, setting targets and outlining plans to 2035.

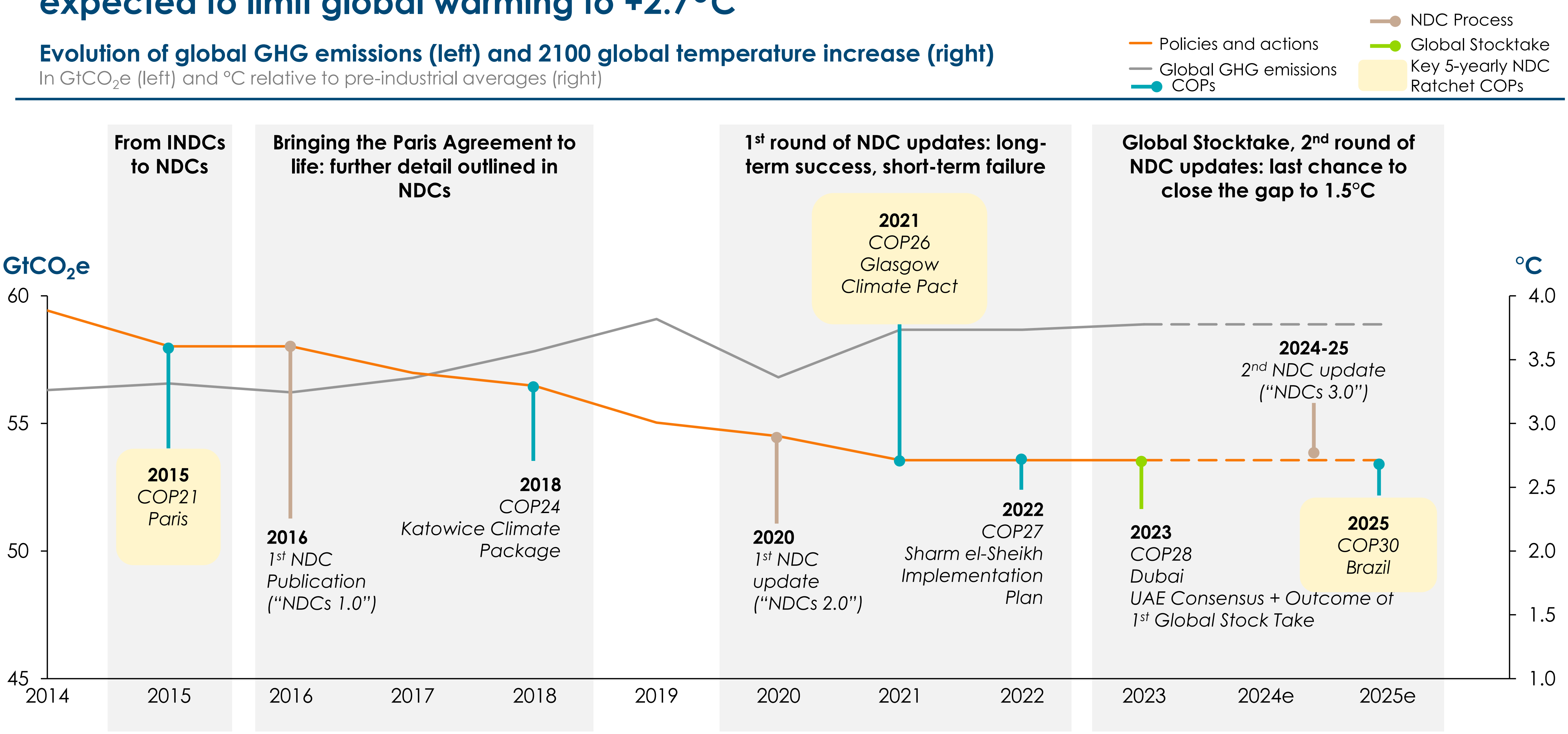


Source: Climate Action Tracker (2023), *No change to warming as fossil fuel endgame brings focus onto false solutions.*

Countries must submit new NDCs by COP30 in Brazil in 2025 – current policies are only expected to limit global warming to +2.7°C

Evolution of global GHG emissions (left) and 2100 global temperature increase (right)

In $GtCO_2e$ (left) and °C relative to pre-industrial averages (right)



Note: INDCs = Intended Nationally Determined Contributions, emissions and temperature outcomes post-2023 are assumed constant for illustration purposes.
Source: Systemiq analysis for the ETC, Climate Action Tracker (2023), *Warming Projections Global Update December 2023.*

ETC calls for action on 3 types of 'gaps'

a) **Closing the 'ambition gap'** via more ambitious targets in NDCs and long-term strategies;

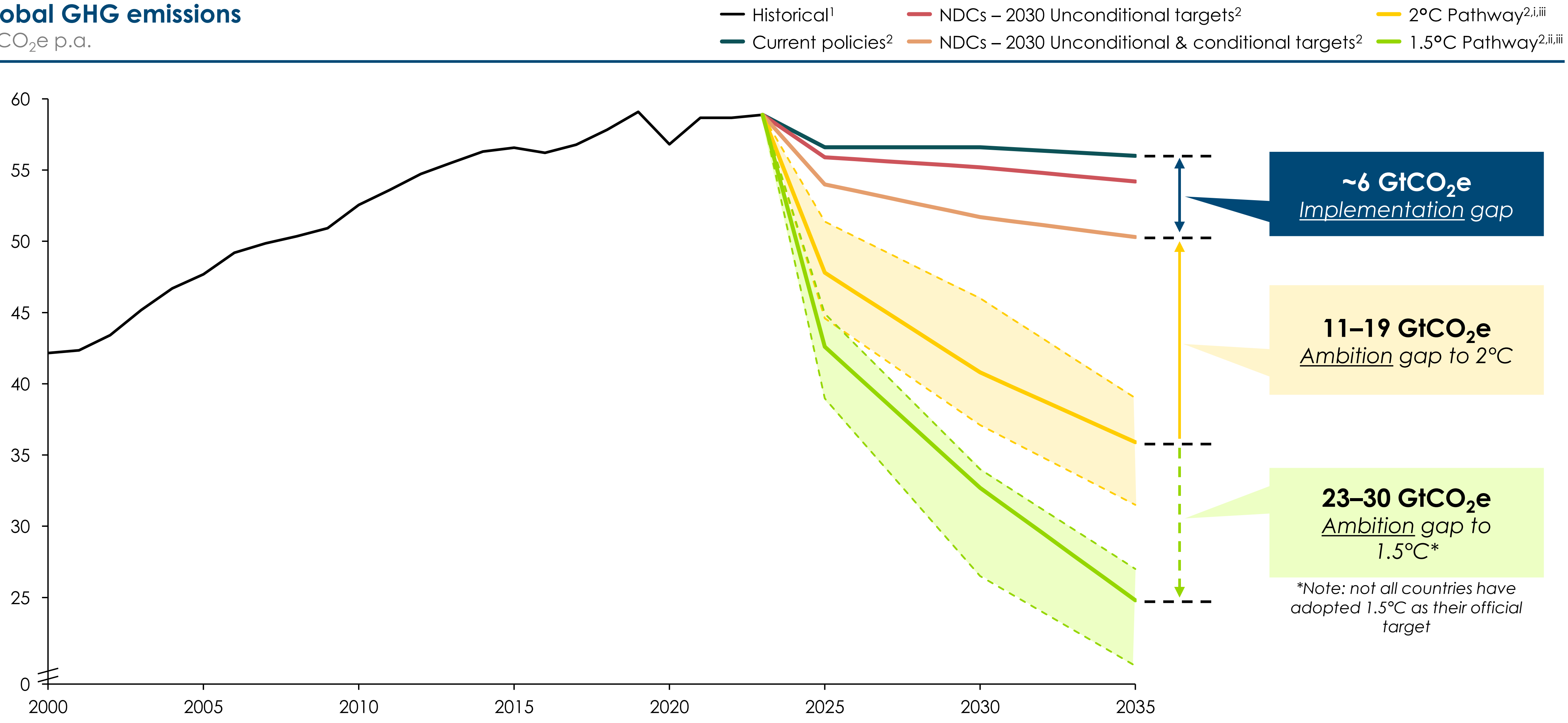
b) **Closing the 'implementation gap'** via targeted policies and company actions to drive further real-world progress, especially across coal phase out, ending deforestation, and methane;

c) **Closing the 'financing gap'**, in particular to support developing countries to peak and then reduce emissions as soon as possible, with least $300 billion/year from developed country sources to support early coal phase-out, ending deforestation, and carbon dioxide removals.

Targets of current NDCs, if fully implemented, are only expected to deliver ~6 $GtCO_2e$ of mitigation per year by 2035

Global GHG emissions

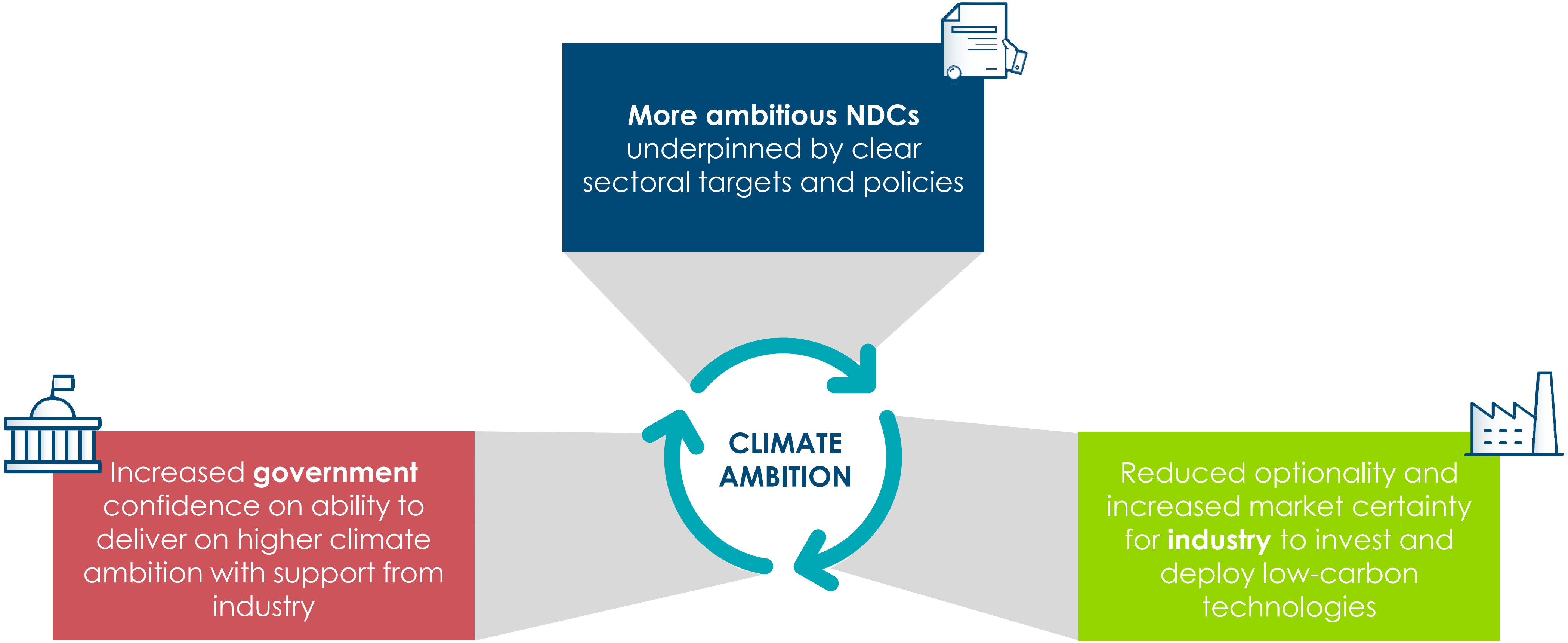
$GtCO_2e$ p.a.



Notes: [i] Based on IPCC Working Group III Sixth Assessment Report scenario class c1 (limit warming to 1.5°C (>50%) with no or limited overshoot). [ii] Based on IPCC Working Group III Sixth Assessment Report scenario class c3 (limit warming to 2°C (>67%)). [iii] Range corresponds to range between tenth and ninetieth percentile, central line corresponds to median.

Sources: Systemiq analysis for the ETC based on [1] IPCC (2022), *Metadata Browser: Data for Figure SPM.5 - Summary for Policymakers of the WGIII Contribution to the IPCC AR6*, [2] UNEP (2023), *Emissions Gap Report: Broken Record.*

The world needs much more ambitious NDCs 3.0 – a real economy ambition loop means raising ambition will increase deployment. Increased deployment also raises ambition.



Governments can significantly raise the ambition in their new NDCs

More ambitious NDCs underpinned by clear sectoral targets and policies

Rapid technology progress, reducing costs and increasing deployment

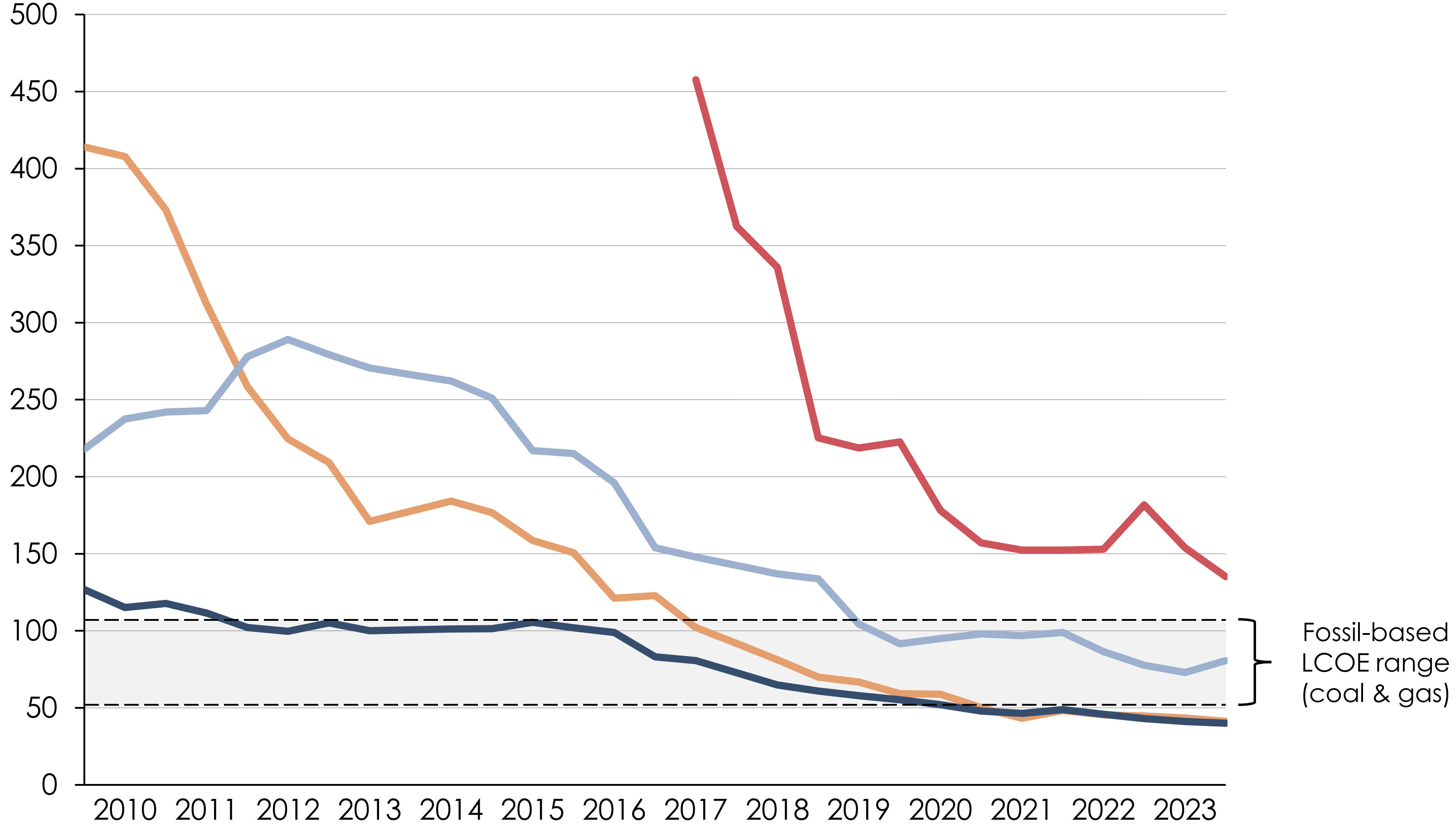
Industry commitments to scale up and decarbonise

National commitments already made (e.g. at COP28)

The cost of key technologies for the energy transition has fallen significantly over the past decade …

LCOE global benchmarks

$/MWh (2022 real)



	Current LCOE ($/MWh)	% change between 2014 - 2023
Solar PV	40	-80%
Onshore wind	40	-60%
Offshore wind	80	-70%
Battery	135	-80%

Note: the LCOE is the long-term breakeven price a power project needs to recoup all costs and meet the required rate of return. The global benchmarks are capacity-weighted averages using the latest country estimates. Solar PV refers to fixed-axis. Offshore wind includes offshore transmission costs. Battery is a 4h utility-scale battery and considers delivered power cost. Coal- and gas-fired power include carbon pricing where policies are already active. LCOEs do not include subsidies or tax credits. LCOE does not include transport, storage and distribution costs. Table values have been rounded to the nearest ten.

Source: BNEF (2023), *Levelized Cost of Electricity 2H 2023*

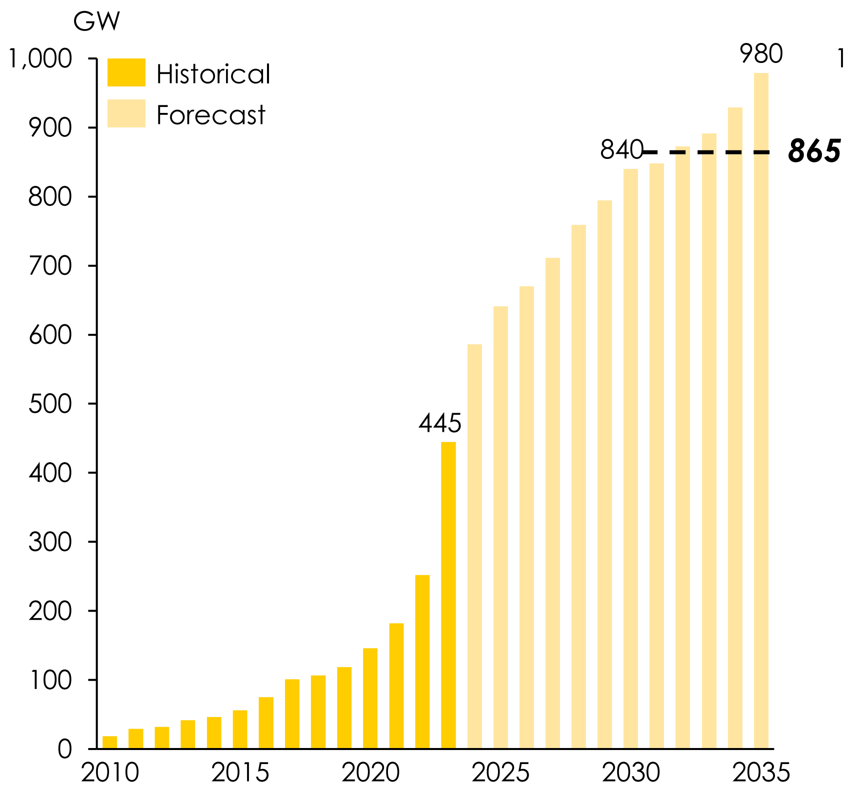
… resulting in their rapid deployment - these technologies have now likely reached tipping points in most parts of the world, making their accelerated deployment inevitable

Annual deployment of clean energy technologies

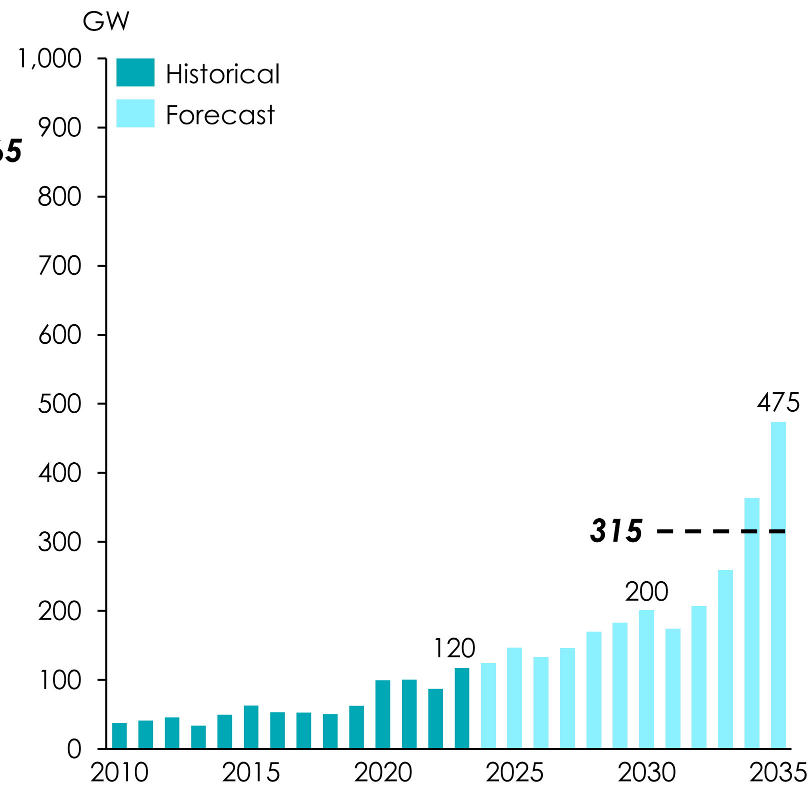
Solar and wind: global annual capacity installations; electric vehicles: global annual sales

X Average deployment for 2030-2035 in IEA Net Zero Scenario

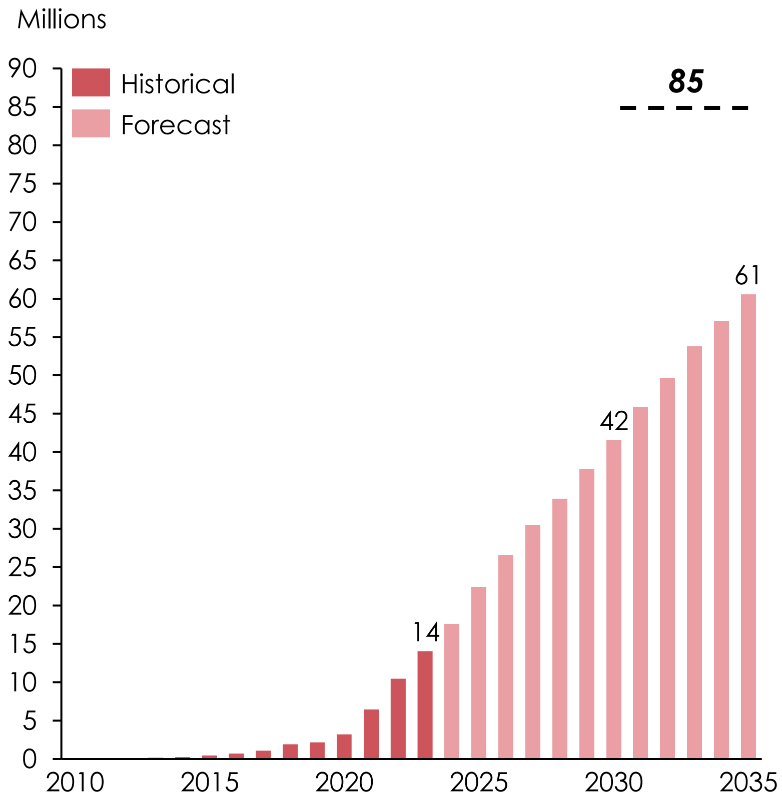
Solar PV



Wind



Electric Vehicles



Note: Data for electric vehicles includes both battery electric and plug-in hybrid passenger vehicles. Values are rounded.
Source: BNEF (2024), *2Q Global PV Market Outlook*. BNEF (2024), *1H Global Wind Market Outlook*. BNEF (2023), *Long-Term Electric Vehicle Outlook*. IEA (2023), *World Energy Outlook*. IEA (2024), *Global EV Outlook*.

The technologies to decarbonise all sectors are reaching commercial maturity; with policy, this is pushing industry to make ambitious commitments to decarbonisation

Technological readiness of decarbonisation solutions

Sectors	Share of global GHG emissions	Pilot (TRL 5)	Demonstrator (TRL 7)	Full-Scale Commercial (TRL 9)
Clean Hydrogen	n.a.			Electrolysers, SMR/ATR + CCS
Buildings	28%			Residential Heat Pumps, Electric Boilers
Light Industry	13%		Thermal Energy Storage	Industrial Heat Pumps
Aviation	2%	Hydrogen, Battery Aircraft Power-to-Liquid SAF	Non-HEFA Biofuels	HEFA Biofuels
Trucking	2%		Hydrogen Heavy Trucks	Battery Electric Mid/Heavy Trucks
Steel	7%		H_2-based DRI-EAF, BF-BOF + CCS, Smelting Reduction + CCS	EAF, Electrolysis-EAF, Electrowinning-EAF
Aluminium	2%	Electric Calcination, Hydrogen Calcination	Inert Anodes, MVR	Electric Boilers, Hydrogen Boilers
Ammonia	2%		Methane Pyrolysis	Electrolysis, Methane Reformer + CCS, Methane Pyrolysis
Cement / Concrete	8%	Alternative chemistries	Carbon Mineralisation	CCS, Industrial & Biomass Wastes
Shipping	3%	Ammonia- and Methanol-native Vessels		Ammonia-ready & Methanol-ready Engines

Note: SMR = Steam Methane Reformation; ATR = Autothermal Reformation; CCS = Carbon Capture and Storage; SAF = Sustainable Aviation Fuel; HEFA = Hydroprocessed Esters and Fatty Acids; DRI-EAF = Direct Reduced Iron-Electric Arc Furnace; BF-BOF = Blast Furnace-Basic Oxygen Furnace; MVR = Mechanical Vapour Recompression. EAF = Electric Arc Furnace.
Source: Mission Possible Partnership (2022), *Sector Transition Strategies (multiple)*. World Green Building Council (2019), *Bringing Embodied Carbon Upfront*. Our World in Data (2020), *GHG Emissions by Sector*.

Countries have made ambitious commitments at recent COPs which they must now deliver on

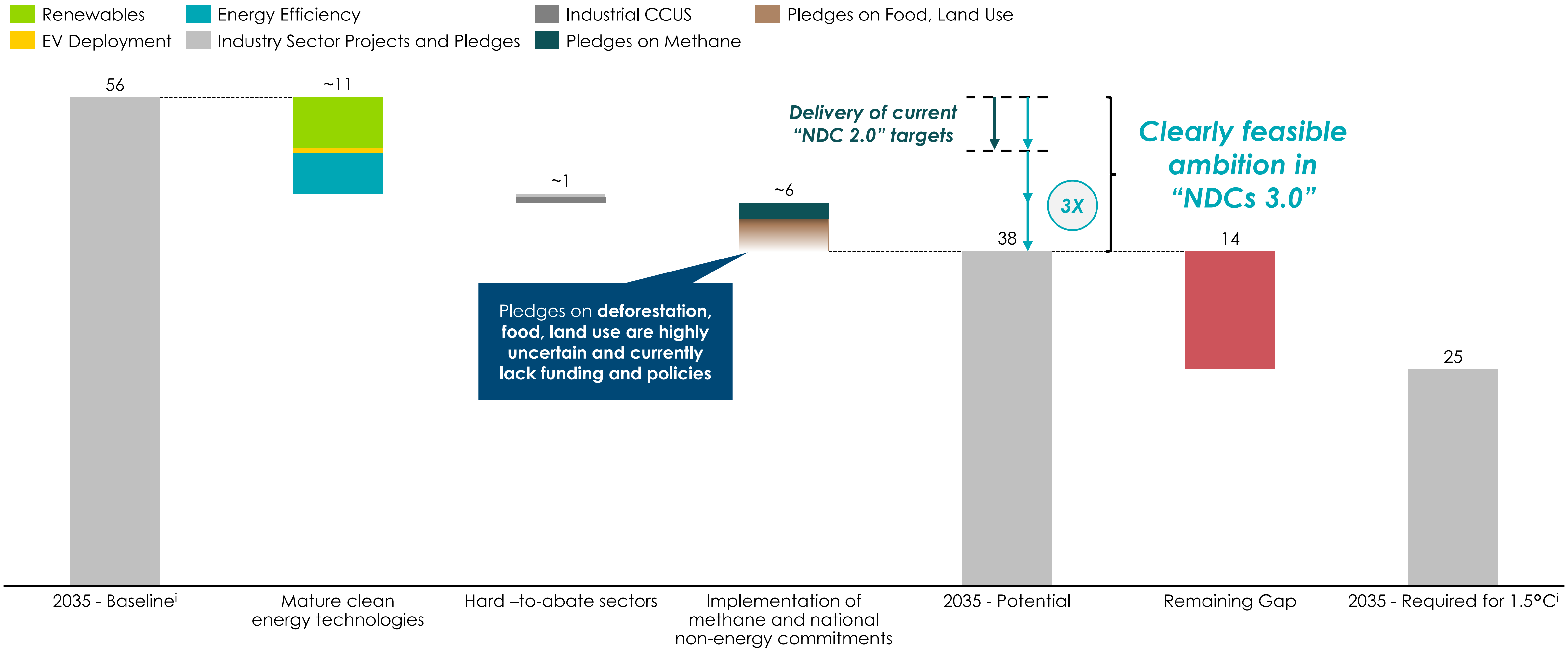
KEY COMMITMENTS FROM RECENT COPs

- Triple **renewables** by 2030
- Double rate of **energy efficiency** improvements by 2030
- Halt and reverse **deforestation** and **land degradation** by 2030
- Reduce global **methane** emissions by 30% by 2030
- Achieve near-zero **methane** emissions from oil and gas production by or before 2050

Overall ambition in upcoming NDCs could be 3x higher if they reflected technological progress, and sectoral and national commitments

GHG emissions mitigation by lever

GtCO$_2$e



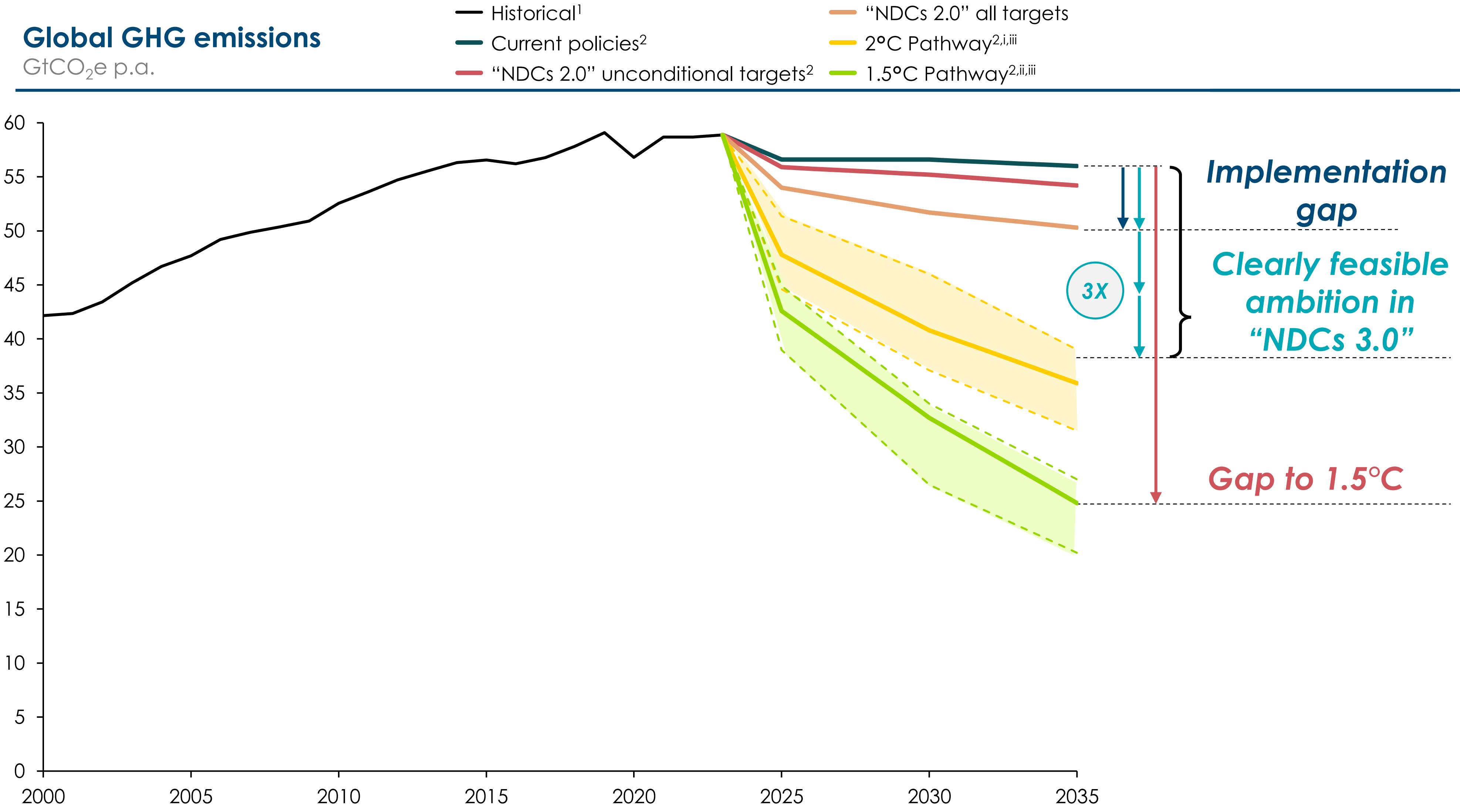
Notes: [i] Estimates are taken from UNEP (2023), *Emissions Gap Report: Broken Record,* mitigation from renewables and energy efficiency assumes the full implementation of global pledge to triple renewable capacity and double annual energy efficiency improvements by 2030 made at COP28, mitigation from hard-to-abate sectors excludes the decarbonisation of power supply which is considered under "Mature clean energy technologies". Mitigation from "Pledges on Methane" include the impact of both the Global Methane Pledge (GMP) and the Oil and Gas Decarbonization Charter (OGDC) and overlap, methane emissions from agriculture under GMP are considered in "Pledges on Food, Land Use". Projections include all GHGs, but estimates of mitigation levers focus on CO_2 and CH_4 emissions.

Sources: Systemiq analysis for the ETC, based on ETC (2023), *Fossil Fuels in Transition*; ETC (2023), *COP28: A High-Level Assessment of Mitigation Proposals*; IEA (2023), *Net Zero Roadmap – Update*; IEA (2023), *World Energy Outlook*; IEA (2023), *Global EV Data Explorer*; IEA (2024), *CCUS Projects* Database; BNEF (2024), *Interactive Data Tool – Capacity*; BNEF (2023), *Long-Term Electric Vehicle Outlook*; BNEF (2023), *CCUS Projects* Database; Mission Possible Partnership Sector Transition Strategies; IPCC (2023), *Synthesis Report Of The IPCC Sixth Assessment Report (AR6)*.

This would put the world on track for 2°C

Global GHG emissions

$GtCO_2e$ p.a.



PRIORITIES OF UPCOMING NDCs

Make clear how **implementation gap between policies and 2030 targets** will be **closed**.

Triple ambition compared to current NDC targets, reflecting:

- Globally accelerating technology deployment & policies
- Industry commitments
- National commitments already made, in particular those made at COP28

... but **further action** is still **required to reach 1.5°C**

1.5°C GAP

Notes: [i] Based on IPCC Working Group III Sixth Assessment Report scenario class c1 (limit warming to 1.5°C (>50%) with no or limited overshoot). [ii] Based on IPCC Working Group III Sixth Assessment Report scenario class c3 (limit warming to 2°C (>67%)). [iii] Range corresponds to range between tenth and ninetieth percentile, central line corresponds to median.
Sources: Systemiq analysis for the ETC based on [1] IPCC (2022), *Metadata Browser: Data for Figure SPM.5 - Summary for Policymakers of the WGIII Contribution to the IPCC AR6*, [2] UNEP (2023), *Emissions Gap Report: Broken Record.*

But ambition alone will not translate into progress: clear NDC targets and information on how they will be delivered, including investment required, will reinforce their role as roadmaps for climate action

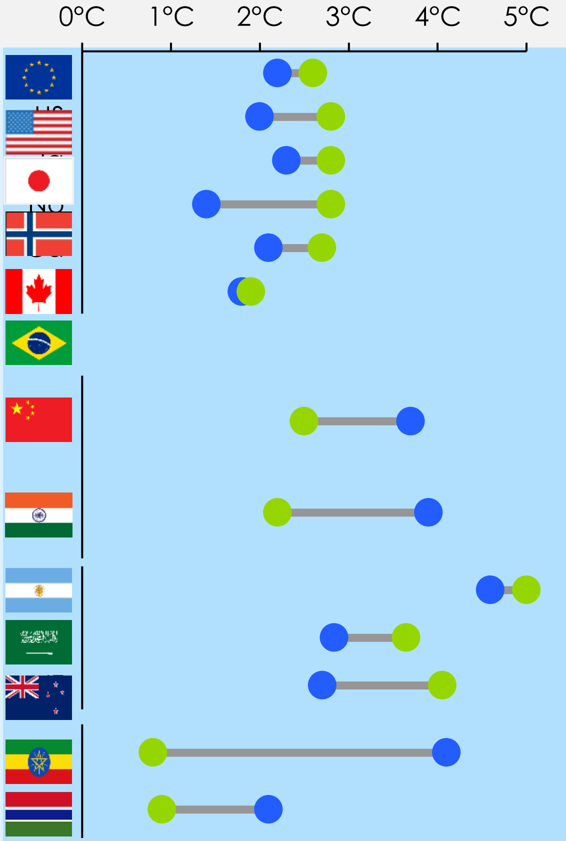
Category	Current NDCs	Ideal NDCs 3.0
Ambition	Does not reflect reality of technology deployment	Reflect pace of technological progress & ambition implied by delivery of COP commitments
Format and coverage	Unclearly defined targets with partial coverage	Absolute reduction targets (or equivalent) covering all sectors & GHGs
Implementation	Lack of details on policies required to achieve targets	Clear link between stated targets and policies required to achieve them

Outcomes:
Ambitious yet **clearly feasible ambition**
+ **Increased transparency** of target
+ **Clear plans and policies** to deliver stated ambition
= **Investable climate action plans**

Note: comparison to current NDCs applies to most but not all NDCs. Listed countries are broad examples to which current NDC shortcomings apply.

NDCs can be broadly categorised against ambition and implementation

		Share of global GHG emissions	Ambition				Implementation		
			Type of target	Conditionality	Sector and GHG coverage	CAT assessment on level of ambition (**least cost** vs. **fair share**)	Sufficient information to support target implementation	Existing national decarbonisation strategies	Existing climate policies are reflected in NDCs
Archetype 1 *Clearly defined ambition, unclear implementation*		30%	Absolute	Unconditional	Complete		No	Yes	No
Archetype 2 *Unclear ambition & implementa-tion*	**2.A**	66%	Variable – Relative to BAU or intensity-based	Mostly unconditional	Partial		No	Yes	No
	2.B		Variable – Relative to BAU or intensity-based	Mostly unconditional	Partial		No	No	No
Archetype 3 *Clear ambition & implementation, support required for delivery*		4%	Relative to BAU	Mostly conditional	Complete		Yes	Yes	Yes



NDC targets should be underpinned by a clear strategic vision of how the energy system will transition over time – NDCs could include several indicators to reflect this understanding and track progress

Economy-wide, absolute emissions reduction targets in NDCs *(or equivalent)*

Indicators to support strategic vision

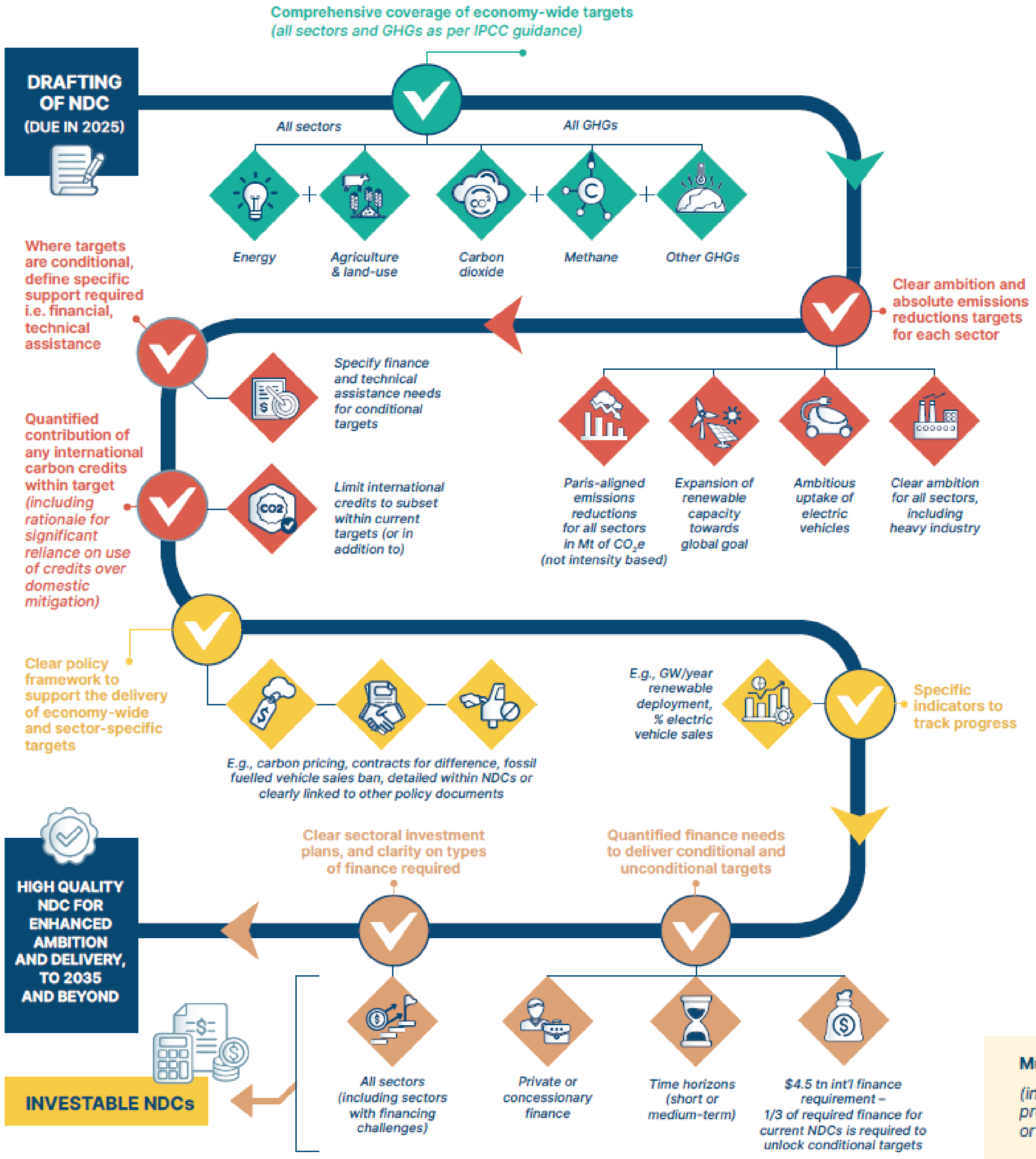
Sector		Low-carbon technology deployment	Energy demand / supply patterns	Demand for services, energy use and associated emissions
Energy supply	Power	• Installed renewables capacity (in GW) • Annual capacity addition for renewables (in GW p.a.)	• Total energy supply (in EJ or TWh) • Energy supply mix[1] (in %)	• Carbon intensity of power generation (in gCO_2/kWh)
	Hydrogen	• Share of low-carbon hydrogen in total hydrogen supply (in %)	• Total energy supply (in EJ or TWh) • Energy supply mix[2] (in %)	• Carbon intensity of hydrogen production (in gCO_2/kg)
Energy demand	Buildings	• Share of heat pumps in total home heating systems (in %) • Retrofitting rate of existing building stock (in % p.a.)	• Total final energy demand (in EJ or TWh) • Final energy demand mix[3] (in %)	• Total demand for energy services[4] • Energy intensity of energy service provided (kWh or MJ/ energy service) • Carbon intensity of energy used (gCO_2e/energy service)
	Industry	• Hydrogen-based steel production in total production (in %) • Share of low-carbon ammonia in total ammonia production (in %)		
	Transport	• Share of EVs in total passenger vehicle sales (in %) • Share of SAF in total aviation fuel demand (in %) • Share of low-carbon fuels in total shipping fuel demand (in %)		

Investable NDCs

All NDCs & related documents should strive towards this level of detail – including linking to investment needs

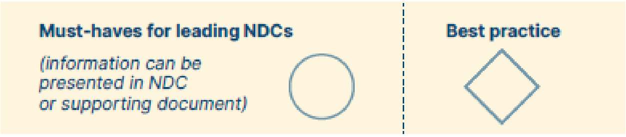
Particularly important for 'conditional' NDCs to emphasise clear link between targets and specific policies

NDCs can be a significant driver of investment

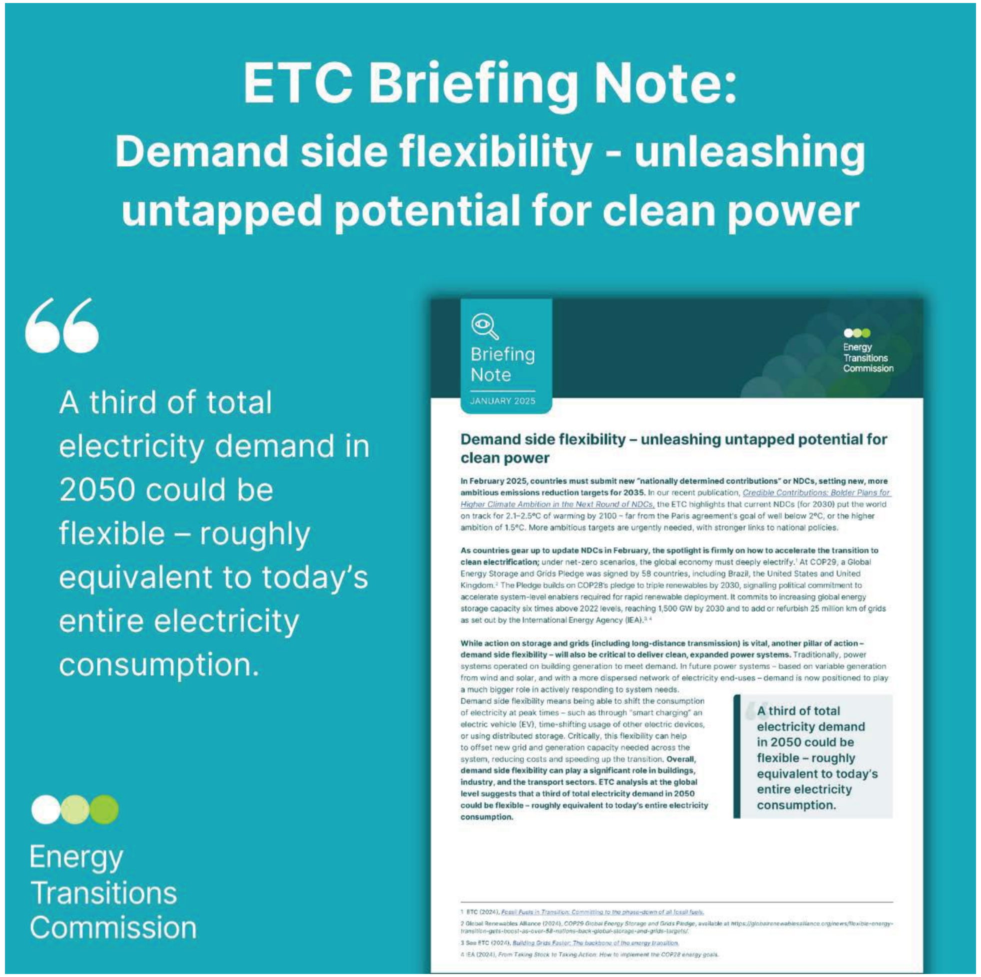


The ETC recommended that the next round of NDCs should:

- **Set more ambitious emission reduction targets** to reflect technological progress and cost reductions, and bring NDC objectives in line with policy commitments already made.
- **Define strong links between targets and supporting policy**, acting as comprehensive roadmaps for implementation.
- **Contain absolute or equivalent emissions targets** for specific sectors and cover all greenhouse gases.
- **Identify the investments required** to deliver emissions reductions and the broad balance of financing sources envisaged



To enable clean power systems, demand side flexibility also critical



Need to incorporate **grids, energy storage, and demand side flexibility into updated NDCs** and national strategies, as enablers to clean power systems

- Effective NDCs must complement **high ambition on economy-wide emissions reductions with clear sectoral decarbonisation targets** (e.g. grid emissions intensity and renewable deployment targets).
- In support, countries must develop deployment plans for **clean generation and key enabling technologies such as grids, storage and demand side flexibility.**
- These plans should be accompanied by **targeted policies and implementation strategies, including for market design and grid regulation.**

What is needed from NDCs 3.0 ?

1. SIGNIFICANTLY INCREASE THE AMBITION OF EMISSIONS REDUCTION TARGETS.

2. MAKE CLEAR HOW STATED TARGETS IN NDCS WILL BE DELIVERED, IN PARTICULAR THROUGH POLICY ACTION.

3. IMPROVE THE FORMAT OF TARGETS CONTAINED IN NDCS TO MAKE THEM MORE CONSISTENT, COMPREHENSIVE AND DETAILED.

Key recent developments

COP 29 aimed to be a “Finance COP” but ended with severe lack of clarity

ETC’s key requirements for the NCQG:

1. **Clarity on the types of finance flows** required and what is covered by any NCQG commitments.

2. **Strong focus on the very large-scale financial flows** required to support mitigation and adaptation in middle- and low-income countries.

3. **Expansion of the definition of contributing countries** to include at least China and high-income oil and gas producers such as Saudi Arabia, United Arab Emirates and Qatar.

4. **Strong support for new sources of funds** to support climate

Two unclear statements gavelled through: use slightly longer quotes from agreement

- *“Triple finance to developing countries, from the previous goal of USD 100 billion annually, to USD 300 billion annually by 2035.”*
- *“Secure efforts of all actors to work together to scale up finance to developing countries, from public and private sources, to the amount of USD 1.3 trillion per year by 2035.”*

Poor press reception:

LSE
If we can’t count the money, how can we measure the impact of international climate finance?

Carbon Copy
Not found: “Common ground” at COP29

News18
https://www.news18.com › world
'Where Is The Money?' No Clarity On Climate Finance

The Guardian
https://www.theguardian.com › environment › live › nov
Cop 29: new draft text criticised as 'totally unacceptable

Other COP29 outcomes: lack of substantial progress

Loss and damage – operationalised but pledges fall short

- Separate fund to the NCQG target
- Operationalised at COP29 – meaning **it can start financing** projects
- As of December 2024, pledges to the fund totalled **$745 million** - orders of magnitude below the **$200+ billion** that is estimated to be needed

Article 6 – operationalised but challenges remain

- After a decade of negotiations, Article 6 was operationalised, **allowing countries to transfer carbon credits** to meet NDCs
- **Weak consequences** for "inconsistencies"
- Messy compromise on the registry to track trade in credits – "dual layer" international + national system

Grids and storage pledge – official recognition of need, but lacking detail on how

- **Commitment to deploying 1,500 GW of energy storage by 2030** – a 6-fold increase from 2022
- Commitment to add or refurbish 25 million km of grids by 2030 → although **target will need to accelerate** to meet IEA's projections of 65 million km by 2040
- **Lacking in detail** on how these targets will be met (e.g., no formal investment target)

Adaptation – very little progress made

- Indicators to measure progress on adaptation were **not finalised**
- **Lack of clarity on split of NCQG** between mitigation and adaptation
- Adaptation Fund, the report of the adaptation committee (i.e. review of progress and effectiveness) were pushed to COP30

> Lack of overall progress likely to impact ambition of NDCs

What to expect at COP30

- Delivery of new ratchet of national climate targets – **NDCs 3.0**
- Position Brazil within the **global context** to understand the **opportunity to become a green supply chain leader.**
- **Biodiversity and deforestation** focus given Amazonian location – looking at the intersection of climate action and biodiversity protection.
- **Carbon credits –** further details of Article 6 to be ironed out

COP30 host Brazil aims to get 2025 climate talks back on track

With the next UN climate summit taking place in Belém, Brazil, in 2025, the host nation faces an uphill struggle to encourage more collaboration and ambition from national governments

NEWS › ENERGY AND CLIMATE

COP30 host Brazil tells EU to move up climate neutrality target

Brazilian climate chief Ana Toni told POLITICO it would display EU leadership in a tense political moment.

Prince William to attend COP30 climate conference in Brazil next year

To host COP30, Brazil will carve up an Amazonian reserve

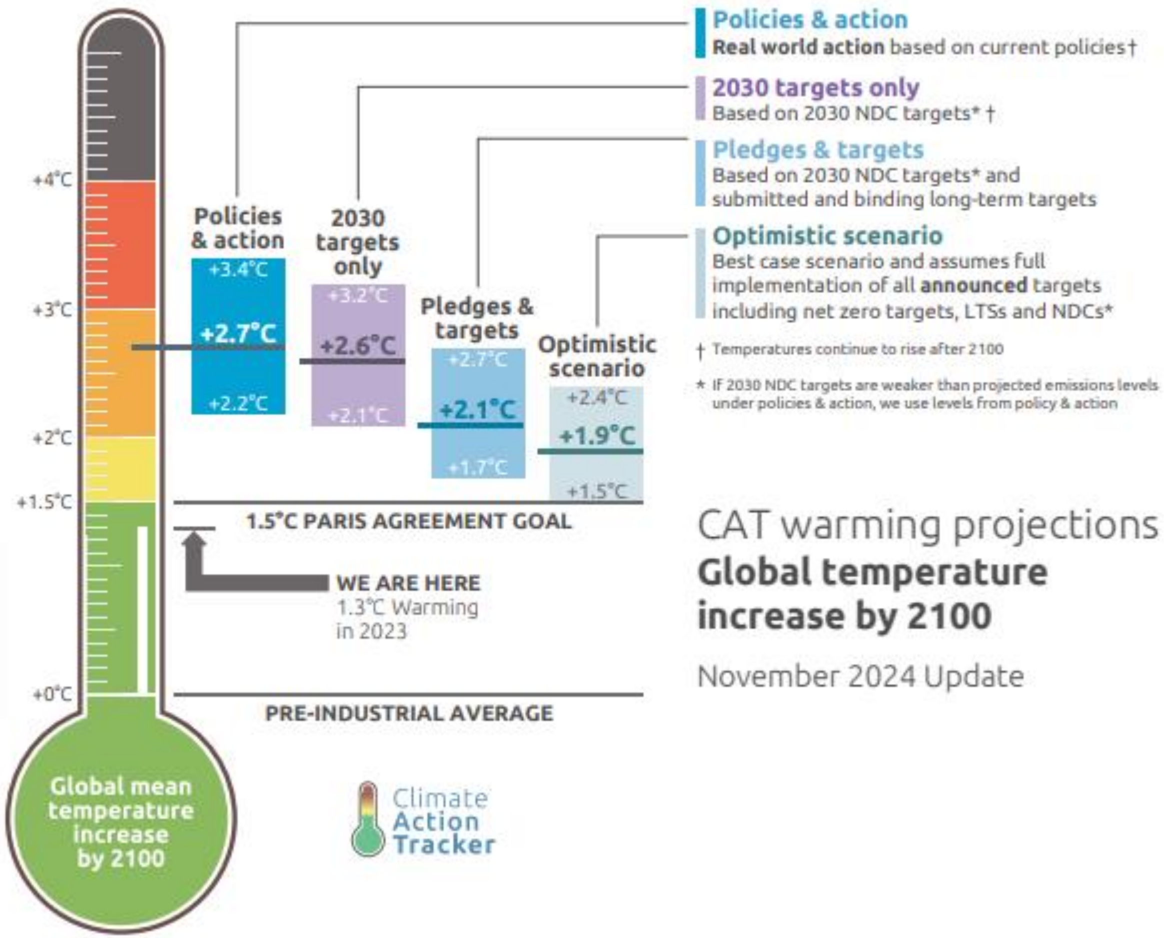
On June 15, the government of Pará state in Brazil gave the green light for the construction of the new Avenida Liberdade highway in the state capital, Belém, that will split up two conservation areas and run past a traditional Afro-Brazilian community.

Brazil will not 'shy away' from fossil fuels issue as COP30 host: envoy

Baku (AFP) – Brazil will not "shy away" from championing a phaseout of fossil fuels as host of COP30 next year, even if it is a major oil producer, the country's climate envoy said Wednesday.

Targets in 2030 NDCs, if delivered, are only expected to limit global warming by +2.6°C – an increase vs +2.5°C a year earlier

- In 2024, almost no new national climate targets (NDCs) or net zero pledges, despite agreements to strengthen 2030 targets
- Failure to align 2030 targets and action with stronger 2035 targets would make those 2035 targets lack credibility
- The election of Donald Trump as President further impacts the projected temperature levels

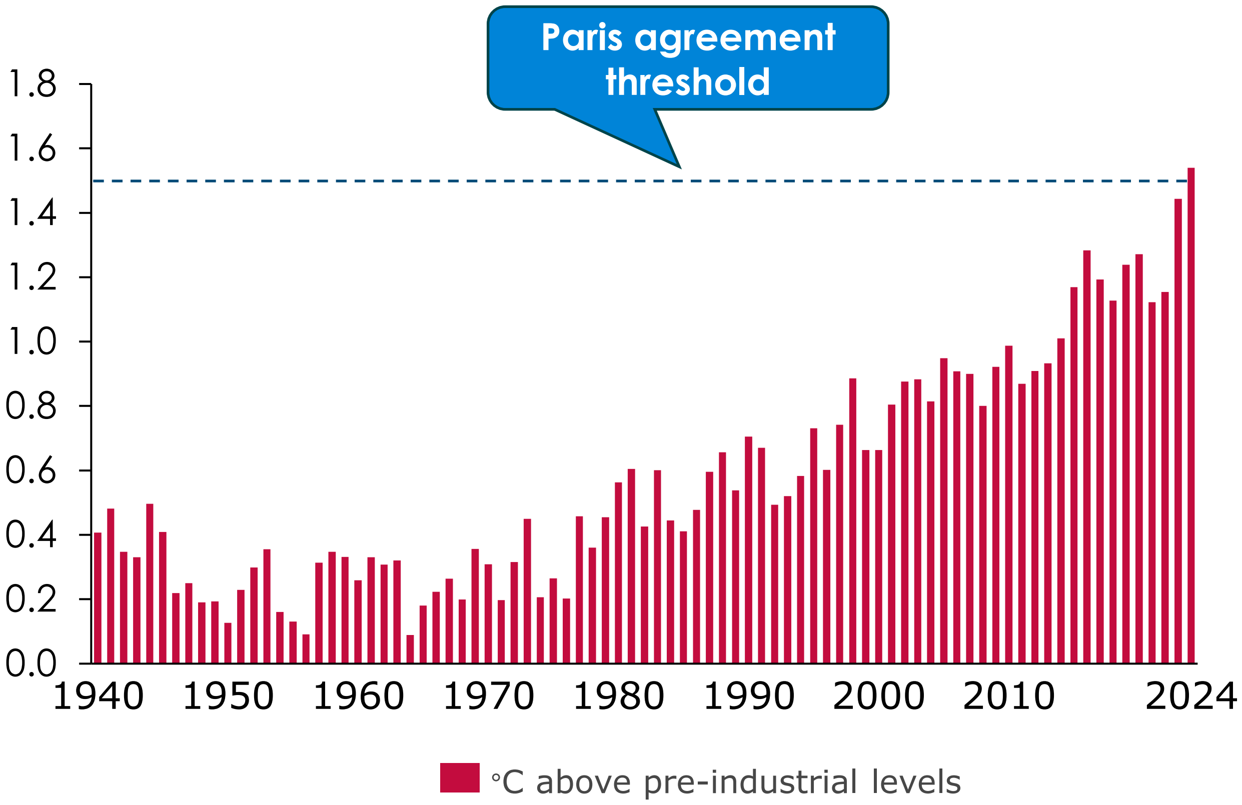


But countries are still off-track to meet 2030 NDCs, creating an even more challenging global context for 2035 NDCs

Country	2030 NDC	1.5C compatible?	Expected to meet this?
US	50-52% reduction Below 2005 levels	No	No – expected to fall 23-37% short
China	28% above 2010	No	Expected to overachieve on renewables targets, but not carbon intensity
EU	55% reduction Below 1990 levels	No	No – expected to fall 3-9% short
India	103% above 2010	No	On track to meet some elements (e.g., non-fossil capacity)

2024 saw the 1.5°C threshold breached for the first time, accompanied with many catastrophic weather events

Global surface air temperature anomalies with reference to pre-industrial period (1850-1900)



Catastrophic weather events continue to occur

BBC

More than 200 killed in Valencia floods as torrential rain hits another Spain region

The Guardian

Greek officials evacuate residents as wildfire moves 'like lightning' | Greece

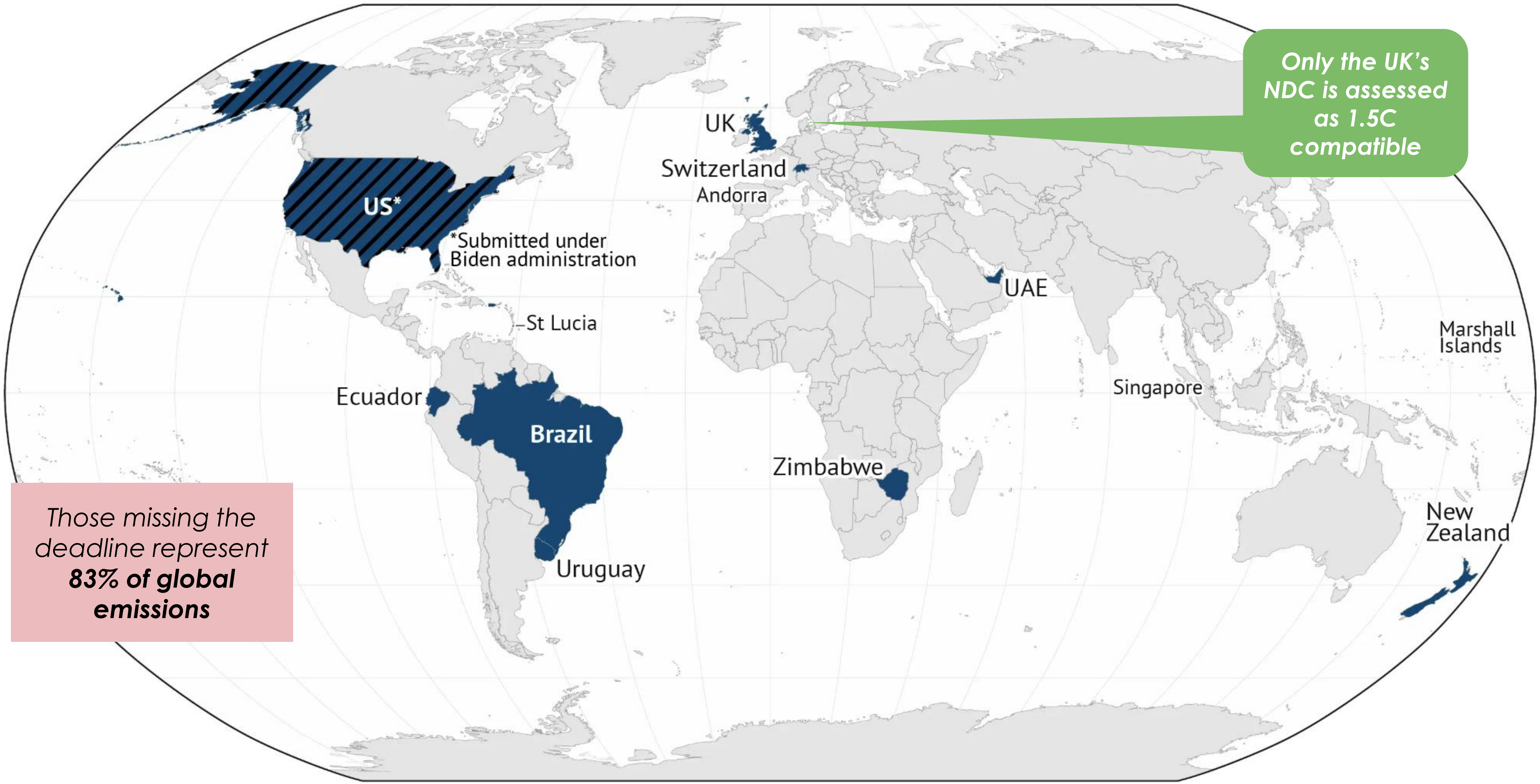
Sky News

California firefighters battling wildfire sweeping exclusive Los Angeles hillside dotted with celebrity homes

Mongabay

At least 11,500 deaths linked to extreme weather in 2024

NDCs 3.0: just 13 countries submitted new NDCs by 10 February deadline – but countries have until September to be included in the next stocktake



Only the UK's NDC is assessed as 1.5C compatible

Those missing the deadline represent ***83% of global emissions***

Key questions remain for the policies underpinning the UK's target, and the validity of the US's NDC under a Trump presidency

UK – almost sufficient

Relative to 1990 levels	**2030**	**2035**
Current target	68%	81%
1.5C compatible	70%	79%
	Almost sufficient	Sufficient

- UK's headline 2035 ambition is aligned with cost-effective pathways for 1.5C → but it does not align with the UK's "fair share"
- 2030 target is not 1.5C compatible

Policies and action – insufficient

- Huge implementation gap – existing policies are assessed as covering only 24% of the emissions reductions for 2035 target

US – insufficient

NDC submitted in December by the Biden presidency:

Reduce emissions by **61-66%**, compared to 2005 levels, by 2035

Reductions of **80%** by 2035 are needed to be 1.5C compatible

Policies and action – insufficient

- Policies and measures underpinning the NDC include the Inflation Reduction Act, the Bipartisan Infrastructure Law, and increased regulatory standards
- Current policies are assessed to be insufficient
- Key risk under a Trump presidency that US NDC will be withdrawn

Brazil's and UAE's updated NDCs are incompatible with a 1.5C pathway

Brazil – almost sufficient

<u>National action component</u>: A reduction of **59% below 2005 emissions** by 2035
<u>+ Internationally-supported component</u> (i.e. Article 6): **67% below** 2005 emissions

Assessment: <u>not 1.5C compatible</u>
*Reduction of **85% below** 2005 levels needed by 2035 (incl.LULUCF)*

Policies and action – insufficient

- Assessment based on Brazil's aim to achieve zero deforestation → eliminate illegal deforestation and compensation for the legal suppression
- Uncertainty over expected contribution of land use sector → Brazil has committed to publish detailed sector plans
- No change to 2030 mitigation target → impact on 1.5C therefore limited
- Lack of detail on policies to reduce fossil fuel production

UAE – almost sufficient

A reduction of **47% below 2019 levels** by 2035

Assessment: <u>not 1.5C compatible</u>
*Reduction is below 1.5C compatible pathway but NDC is still assessed as incompatible as it is **not credible***

Policies and action – insufficient

- No update to 2030 NDC, implies going from 7% reduction in 2030 to 44% reduction in 2035 → credibility of this?
- General lack of detail on how to achieve cuts
- Sector breakdown: most cuts expected to come from buildings, industry and transport → power sector remains largely fossil-based + unrealistic reliance on CCS
- No improvement on renewables target

Source: Climate Action Tracker

3 key countries have draft NDCs, which are insufficient for a 1.5C pathway, while others are delaying due to political uncertainty

Draft NDCs are falling short

- **Canada:** a 45-50% reduction from 2005 levels, despite Net Zero Advisory Board advising a 50-55% cut
- **Japan:** policymakers are considering a 60% target, compared to 2013 levels. Japan's current 2030 NDC is aiming for a 46% cut.
- **Indonesia:** draft NDC fails to address the increase in emissions caused by off-grid coal-fired electricity

Uncertainty surrounding other countries

- **EU**: missed deadline due to bloc's lengthy approval process
- **China**: has not confirmed when
- **India**: in "no hurry" to release its NDC
  - Its NDC will "reflect the disappointment of the climate finance outcomes at COP29"
- **Australia**: delaying until after its elections in May and in part due to uncertainty around a Trump presidency

Initial assessment of country NDCs 3.0 against ETC NDC framework

Category	What an ideal NDC would include	BRAZIL	UAE	US	UK
Target type	Absolute emissions target or equivalent	✓	✓	✓	✓
Target coverage	Coverage of all sectors and GHGs	✓	✓	✓	✓
Target granularity	Sector-specific targets	✗	✗	✗	~
	GHG-specific targets	✗	✗	~	~
Article 6 mechanisms	Quantified contribution of Article 6 to overall target	✓	✗	~	✗
Condition-ality	Clear definition of external support needed / to be provided	~	~	~	✓

✓ Fully aligned with ideal NDC ~ Partially aligned with ideal NDC ✗ Not aligned with ideal NDC

Ember identifies many NDCs lacking specificity on renewables targets

EMBER

NDC renewables data reporting quality

Of the 13 NDCs submitted:
1 has 2030+2035 RES targets
4 2030 targets, nothing for 2035
8 have no renewable targets.

Submitted NDC 3.0	What RES electricity capacity or mix is stated for 2030/2035?	Quality of renewables reporting
Saint Lucia	2030: 40% renewable electricity generation 2035: 46% renewable electricity generation	Good; although no capacity targets.
United Arab Emirates UAE Energy Strategy 2050	2030: 19.8 GW renewable energy by 2030 and 30% clean energy by 2030. 2035: None.	2030 basic capacity; nothing for 2035.
UK Clean Power 2030 Action Plan	2030: 95% clean generation. Refers to Clean Power 2030 action plan, with capacity by technology: 43-50 GW offshore, 27-29 GW onshore, 45-47 GW solar. 2035: nothing.	Detailed plan for 2030; nothing for 2035.
Singapore	2030: "on track" for 2 GW solar 2035: 6 GW imported renewable energy (33% of total energy supply)	Insufficient.
Marshall Islands RMI Electricity Roadmap	2030: 66% renewable energy generation	Detailed plan for 2030; nothing for 2035.
Andorra	RES not mentioned.	Highly insufficient.
Brazil	RES not mentioned.	Highly insufficient.
Ecuador	RES not mentioned.	Highly insufficient.
Lesotho	RES not mentioned.	Highly insufficient.
Switzerland	RES not mentioned.	Highly insufficient.
United States	RES not mentioned.	Highly insufficient.
Uruguay	RES not mentioned.	Highly insufficient.
New Zealand	RES not mentioned.	Highly insufficient.

Additional remarks

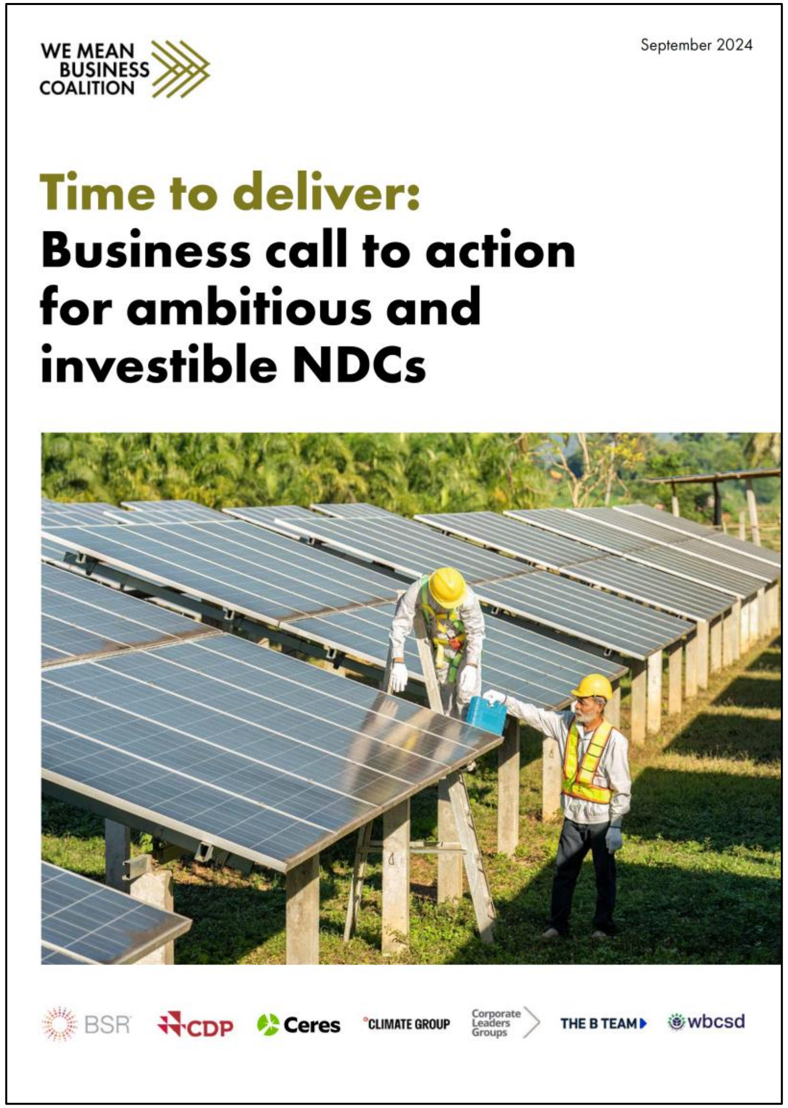
WE MEAN BUSINESS COALITION

BUSINESS CALL TO ACTION FOR AMBITIOUS AND INVESTIBLE NDCs

Greg Briner
Senior Manager, Policy, We Mean Business Coalition

BSR · Ceres · CDP DRIVING SUSTAINABLE ECONOMIES · CLIMATE GROUP · Corporate Leaders Groups · THE B TEAM · World Business Council for Sustainable Development

THE NDCs CALL TO ACTION



WE MEAN BUSINESS COALITION

September 2024

Time to deliver:
Business call to action for ambitious and investible NDCs

BSR CDP Ceres CLIMATE GROUP Corporate Leaders Groups THE B TEAM wbcsd

WE MEAN BUSINESS COALITION

September 2024

Time to deliver:
Business call to action for ambitious and investible NDCs

How governments can drive private sector investment through their climate plans[1]

Governments around the world are preparing new climate plans that will guide global action over the next critical decade. Leading business groups are calling on governments, led by the G20 countries, to make sure that these Nationally Determined Contributions (NDCs) are both ambitious and investible.

NDCs matter for businesses because they can signal the stability and direction of travel of the policy environment in which companies operate. These signals are valuable for businesses planning their investment decisions over the next decade. To be effective, NDCs must send the clearest possible signal that they will be backed up by domestic laws and regulations. Ultimately, it is these concrete policies that drive business decisions and give companies the confidence to invest.

Businesses are important for NDCs because they are the engines driving the net-zero transition. Their choices of where and how to invest matter. The business voice can be powerful in urging governments to raise the ambition of their climate targets and policies. For example, through the Fossil to Clean campaign, over 260 companies with a combined revenue of >$1.6 trillion called on governments to agree on phasing out unabated fossil fuels at COP28.[2] Companies are now looking for clear indications in NDCs of how each government plans to implement the outcome of the Global Stocktake, which includes goals to transition away from fossil fuels, triple renewable energy, and double energy efficiency globally by 2030.

The message coming from the business and investor community is clear: for NDCs to be investible, they must be backed up by clear and consistent policy frameworks. The new NDCs are an opportunity for all governments to drive private sector investment into climate-resilient, net-zero-aligned, and nature-positive economies that benefit all. For developing countries, they are also a means to set out their finance, technology and capacity building needs for an equitable transition.

1 This Call to Action has been developed by the We Mean Business Coalition secretariat with key contributions from Katherine Dixon at Bain & Company and valuable feedback from the seven founding partners of the We Mean Business Coalition as well as individual companies.
2 https://www.wemeanbusinesscoalition.org/fossil-to-clean/

BSR CDP Ceres CLIMATE GROUP Corporate Leaders Groups THE B TEAM

WE MEAN BUSINESS COALTION: CALL TO ACTION FOR AMBITIOUS AND INVESTIBLE NDCS — Page 2

The three pillars of the call to action

To unlock investment, this call to action urges governments – led by the G20 countries – to act across three pillars:

1

Put forward ambitious, 1.5°C-aligned NDCs that put governments on track to collectively achieve the goals of the Paris Agreement and the outcome of the first Global Stocktake.

- NDCs should contain economy-wide targets that chart an achievable, just, and inclusive path to net zero, and are integrated with national biodiversity strategies and action plans.
- NDCs should also include specific targets for key sectors such as power, transport, buildings, industry, agriculture, forestry, and land use. These targets should reflect current technological progress, climate commitments made by companies, and international commitments that governments have already agreed to, such as the outcome of the first Global Stocktake.
- Additionally, NDCs can help to scale up private investment in climate action by containing *clear commitments to translate targets into concrete policies.*

2

Develop clear and consistent policy frameworks to implement NDCs that unlock the full potential of the private sector.

- At the *national level*, a clear national strategy and whole-of-government approach is needed, with political leadership at the highest level backed up by a national implementation strategy and effective cross-ministry coordination.
- At the *sector level*, tailored interventions are needed to accelerate innovation and deployment and scale up investment, with mandatory disclosure for corporates in each sector as a mechanism for increasing transparency.
- *International policy coordination* matters particularly for decarbonizing globally traded products such as steel and aluminum, and finding new mitigation solutions for other challenging sectors such as agriculture.

3

Undertake transparent and inclusive dialogue with businesses, creating an integral role for business and other affected stakeholders at all stages of the NDC process.

- *Early consultation with businesses* should be embedded within the NDC development cycle to ensure that the development and implementation of NDCs reflects the realities faced by all affected stakeholders, including the private sector.
- *Co-creation of solutions and policies* between business and government will also be needed to deliver the systemic changes required and unlock investment.
- *Effective reporting and communications strategies* are also important to explain the benefits and build support for NDCs and climate policies among constituents and within the business community.

The NDC and policy implementation cycle. The three pillars are not independent of one another and can be seen as a mutually reinforcing cycle. An ambitious and clearly communicated NDC drives stronger policy development and helps to attract private investment, which accelerates implementation. This in turn motivates governments to ratchet ambition further in the next NDC cycle, while inspiring other countries toward greater ambition.

Governments and companies must now do the hard, but necessary, work together. Listening to and working with the companies leading the transition will help to build and maintain momentum.

It is time to meet the moment. Citizens and businesses want governments to put forward ambitious NDCs and translate them into policies and plans that will turn words into delivery, and commitments into investment opportunities.

The NDCs call to action is available at wemeanbusinesscoalition.org/NDCs

BUSINESS CALL TO ACTION FOR AMBITIOUS & INVESTIBLE NDCs

Pillar 1: Put forward ambitious NDCs

Pillar 2: Develop clear and consistent policy frameworks to implement NDCs

Pillar 3: Undertake transparent and inclusive dialogue with businesses

“Bold and ambitious NDCs lay the foundation for a flourishing net-zero economy, fostering innovation and unlocking unparalleled investment potential in renewable energy.”

Deepak Thakur, Managing Director & CEO, Mahindra Susten
September 2024

THE NEXT STAGE: COUNTRY-SPECIFIC BUSINESS ADVOCACY ON NDCs

Geography	In-country partner	Key upcoming events
Brazil	CEBDS	• Apr 2025: ICS High-level Climate Summit, Rio de Janeiro • TBC 2025: BRICS Summit, Brazil • 10-21 Nov 2025: COP30, Belém
India	The Energy and Resources Institute (TERI)	• 5-7 Mar 2025: TERI World Sustainable Development Summit (WSDS), New Delhi
UK	CLG UK	• 26 Feb 2025: UK CCC advice on the Seventh Carbon Budget • 24-25 Apr 2025: IEA Summit on Energy Security, London • June 2025: UK Spending Review • 21-29 June 2025: London Climate Action Week
EU	CLG Europe	• 26 Feb 2025: Clean Industrial Deal + Omnibus legislation annoucement • 18-19 Mar 2025: Berlin Energy Transition Dialogue 2025, Berlin • 27 Mar 2025: Environment Council • 11-13 June 2025: BMWK Global NDC Conference, Berlin • 17 June 2025: Environment Council
South Africa	NBI	• 26-28 Feb: Finance in Common Summit, Cape Town • 22-23 Nov 2025: G20 Leaders Summit, South Africa
Australia	BCSD Australia	• 10-16 Mar 2025: Climate Action Week Sydney • By 17 May 2025: Australian federal election
South Korea	TBC	• TBD (likely April/May): General election • Aug 2025: Clean Energy Ministerial • Nov 2025: APEC Summit, Gyeongju
Japan	TBC	
Indonesia	TBC	

IT'S TIME TO DELIVER

- **Urgency:** Historic window of opportunity to influence the new NDCs and policies that will define climate action for the next decade
- **Momentum:** Using the business voice to ensure the NDC process takes forward the Global Stocktake outcomes and accelerates transition from fossil to clean
- **Coherence:** Emphasising that while ambition of NDCs themselves matters, it is translation into concrete and consistent policies that really drives business investment

Next Generation NDCs: What's Needed, Where We Are, and Where We're Headed

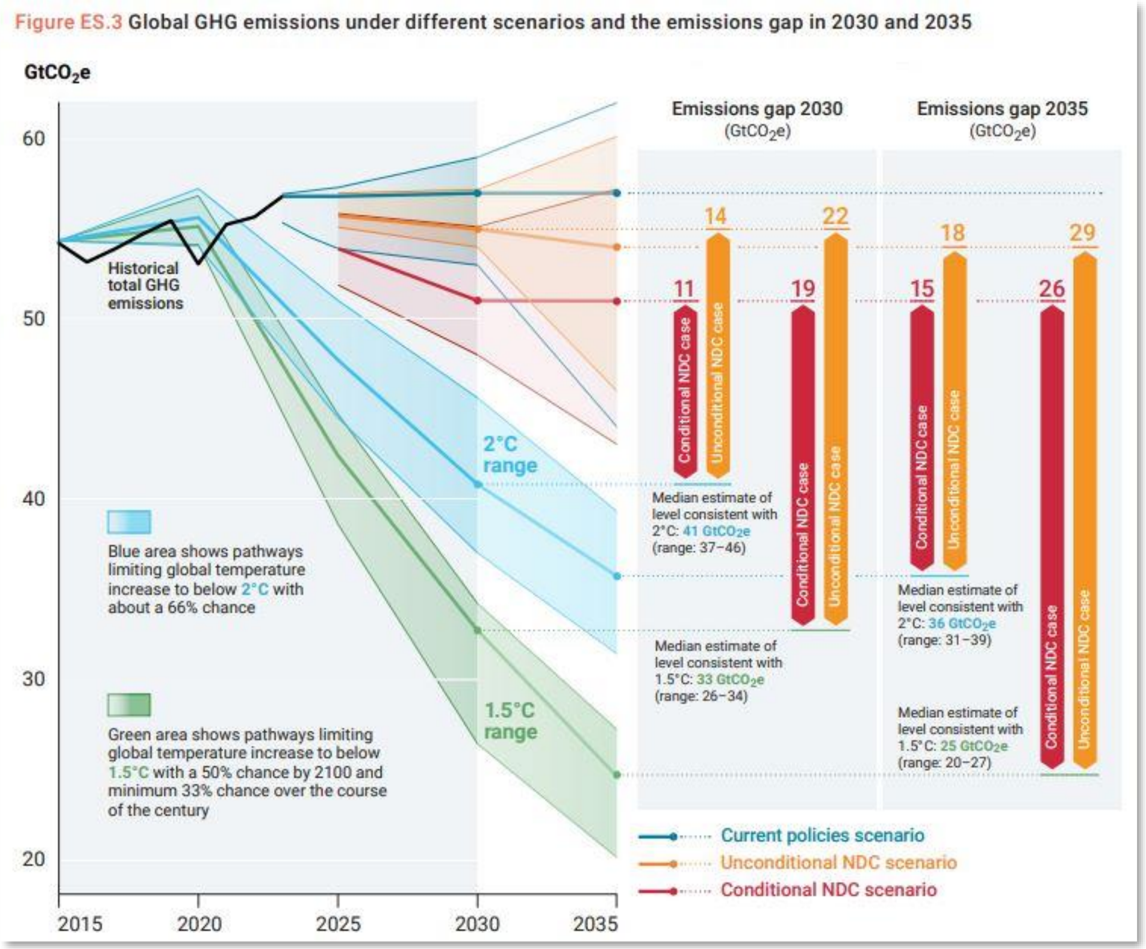
WORLD RESOURCES INSTITUTE

- **February 13th, 2025**
- Clea Schumer, Research Associate, WRI Climate Program

1.

What’s Needed?

2.6°- 3.1°C Projected Under Current Policies and Commitments



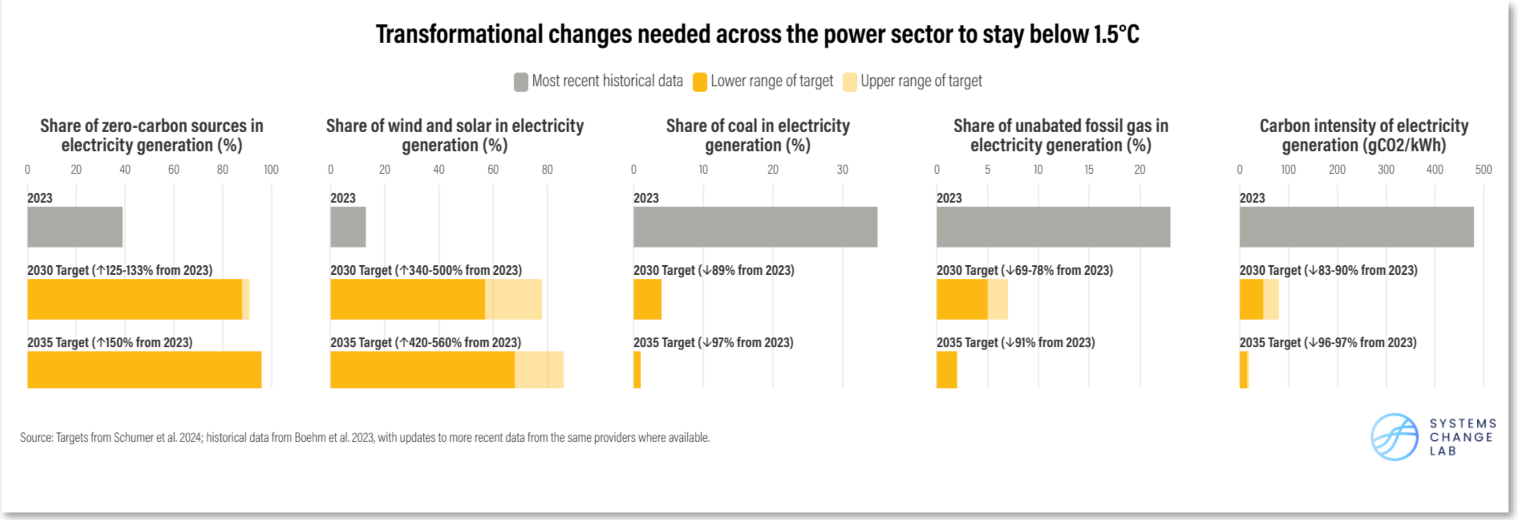
- To get on track to limiting warming to below 2°C, annual emissions in 2030 need to be 14 GtCO2e lower than what current unconditional NDCs imply, and 22 GtCO2e lower for a warming limit of 1.5°C.
- For 2035, these gaps increase by 4 GtCO2e for a 2°C warming limit, and 7 GtCO2e for a 1.5°C limit. If conditional NDCs are fully implemented, the gaps in 2030 and 2035 for both temperature limits are reduced by around 3 GtCO2e.

UNEP (2024) Emissions Gap Report 2024

WRI’s Five-Point Plan for Next Generation NDCs

https://www.wri.org/insights/next-ndcs-5-point-plan

Resources to Support Tenants of Five-Point Plan

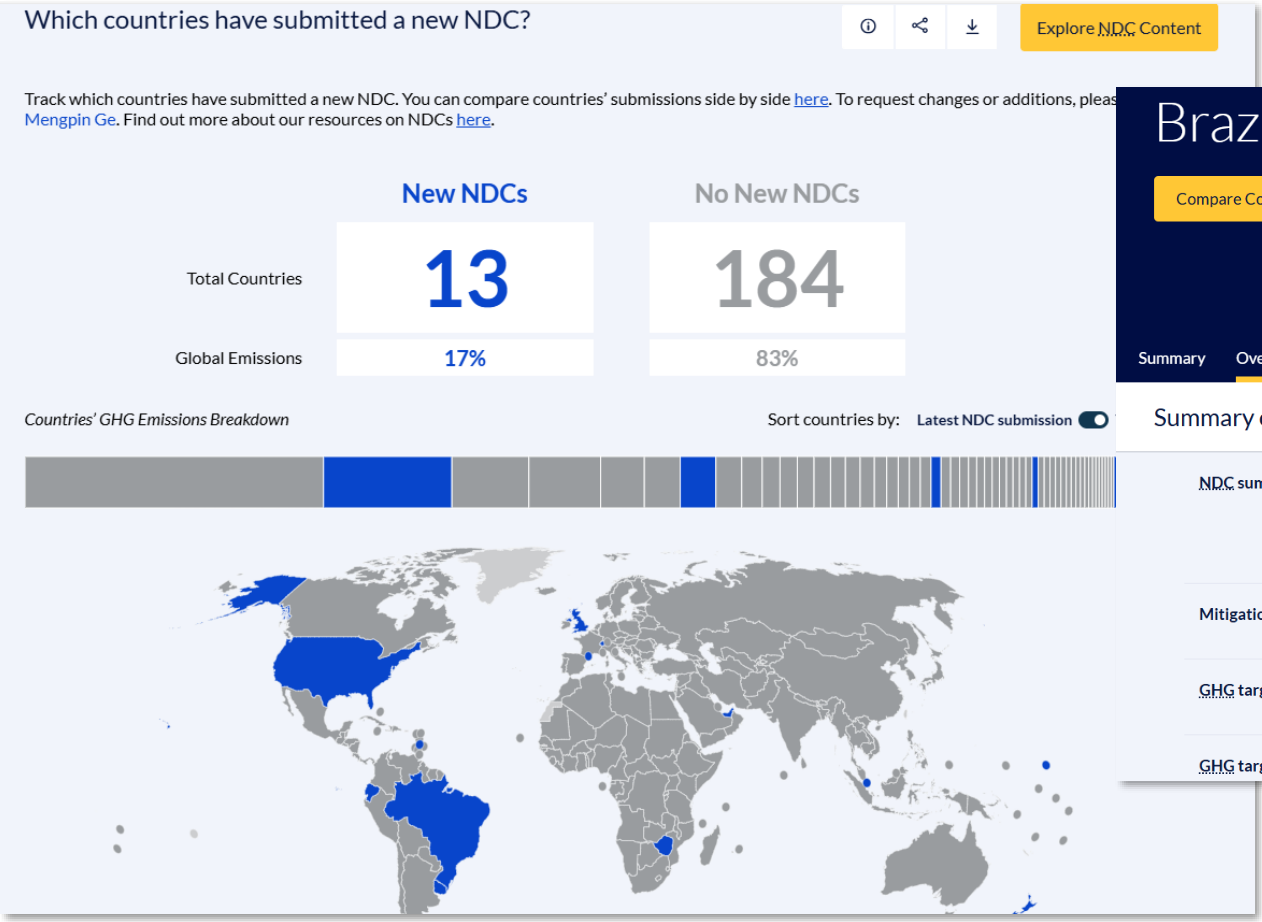


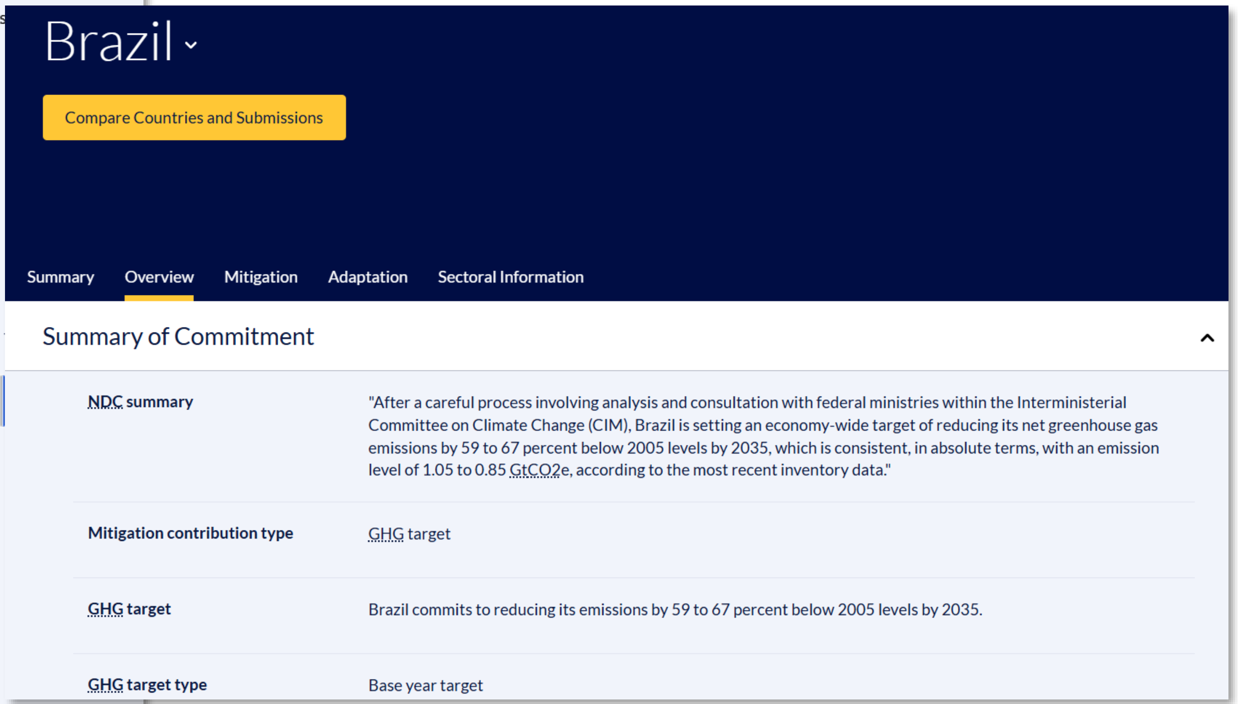
https://www.wri.org/ndcs/sectoral-opportunities and https://www.wri.org/insights/climate-action-this-decade-sectoral-emissions

2.

Where Are We Now?

Live NDC Tracking at Climate Watch





https://www.climatewatchdata.org/ndc-tracker

3.

Where Are We Headed?

Insights For the Year Ahead

- Most countries – including many of the world's largest emitters - missed the official February 10th deadline for submitting NDCs; the international community is focused on emphasizing that countries which take longer to submit their NDCs must prioritize quality and content.

- At this moment, we are expecting a large surge of NDCs before the September UN General Assembly meeting.

- As far as what we're looking out for from specific countries:

    - At COP29, several developed and developing countries—including Chile, Mexico, and the EU—indicated that they intend to submit NDCs with 2035 targets following a linear or steeper emissions reduction trajectory toward net zero. We are watching carefully to see what happens here – and if countries hold true to the commitment to go "steeper" when other modelling suggests it would be technically possible/and closer aligned to global 1.5°C-aligned pathways.

    - China's upcoming NDC is expected to include an economy-wide emissions target, which would mark an important change as it has earlier not communicated a goal in these terms. What they do on non-CO_2 emissions has significant implications for global climate.

    - … and more – see next slide!

Please join us next week for more!

https://www.wri.org/events/2025/2/temperature-check-how-new-national-climate-plans-ndcs-are-measuring-and-whats-next

Thank you!

FOR MORE INFORMATION, PLEASE VISIT:

wri.org/ndcs

Q & A

Upcoming ETC 2025 Webinars (UK time)

10 April 2025	13.00-14.30	**ETC Webinar – Achieving Net-Zero Buildings: Electric, Efficient and Flexible**
15 July 2025	13.00-14.30	**ETC Webinar – Insights across our “Barriers to clean electrification" series**
1 October 2025	13.00-14.30	**ETC Webinar – The Role of Hydrogen & Bio energy**
25 November 2025	13.00-14.30	**ETC Webinar – Reaching Climate Objectives: the role of carbon dioxide removals**