

## Frequently Asked Questions – Nationally Determined Contributions

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### Section 1: About the ETC

#### **What is the Energy Transitions Commission and what is its mission?**

The Energy Transitions Commission (ETC) is a global coalition of leaders from across the energy landscape committed to achieving net-zero emissions by mid-century in order to limit global warming to well below 2°C and as close as possible to 1.5°C.

Our Commissioners come from a range of organisations – energy producers, energy-intensive industries, technology providers, finance players and environmental NGOs – which operate across developed and developing countries and play different roles in the energy transition. This diversity of viewpoints informs our work: our analyses are developed with a systems perspective through extensive exchanges with experts and practitioners. Our ambition is to inform the decisions of public and private decision-makers and support the leaders at the forefront of climate action to speed up the deployment of low and zero-carbon solutions.

A list of our commissioners can be found here: <http://www.energy-transitions.org/who/>  
Our ambition is set out here: <https://www.energy-transitions.org/ambition/>

#### **Who funds the ETC?**

The ETC is primarily funded by the organisations with which our Commissioners are affiliated. Membership fee levels depend on the size and nature (for-profit or not-for-profit) of the organisation. Commissioners all have equal voice and representation on the Commission regardless of whether their affiliate organisation finances the ETC or not. In addition, some of the ETC's work programmes, in particular in China and India, are funded by philanthropic organisations.

The funding we receive finances the ETC's secretariat, analytical programmes, stakeholder outreach and communications.

#### **Who are the Commissioners and how were they selected?**

As of May 2024, the Commission's membership includes over 50 leaders coming from energy companies, energy-intensive industries, technology providers, financial institutions, environmental NGOs and academia. They operate across developed and developing countries and play different roles in the energy transition. Commissioners are selected based on their commitment to working towards a net-zero-emissions economy by mid-century.

We endeavour to diversify the Commission's membership in terms of sector, nationality and gender. The Commission is chaired by Lord Adair Turner who works alongside the ETC's senior leadership team. A list of Commissioners can be found on our website at: <http://www.energy-transitions.org/who/>

#### **Are the organisations with which your members are affiliated backing this report?**

This report was developed in consultation with ETC Members but it should not be taken as members agreeing with every finding or recommendation.

### **Why have ETC Commissioners not been asked to endorse this report?**

This report is part of an ETC Insight series which looks at current issues in the energy transition. ETC members have not been asked to formally endorse the report but have been consulted with and have played an active role in the development of this work.

### **Does the ETC speak to the challenges of both developed and developing countries?**

The ETC believes that all rich developed economies should and can reach net-zero emissions by 2050 and all developing countries by 2060 at the latest, but that developing countries will require development finance to de-risk and crowd-in private investment. However, some developing countries may be able to achieve full decarbonisation by 2050 or earlier, for example, because they have significant potential solar and wind resources, dramatically reducing decarbonisation costs.

This insights briefing highlights opportunities for reducing emissions across the globe and breaks down opportunities for higher ambition and improved NDCs for specific groups of countries. The ETC assesses 3 broad country groups' relevant priorities with respect to ambition and implementation:

- **Countries with strong ambition but lacking on implementation**, should focus on making clear how NDC targets will be met, in particular the contribution of current policies and how they will deliver further progress (e.g., United States, European Union, Brazil).
- **Countries with weaker ambition and lacking on implementation**, should reflect the rapid technological progress and commitments made in their new target, and lay out how this more ambitious targets will be met (e.g., China, India).
- **Countries with strong ambition and clear delivery, but whose targets are mostly conditional**, should make clear what they require to deliver these conditional targets and ensure they have the governance in place to deliver ambitious targets (e.g., Ethiopia, the Gambia).

In general, the ETC develops global roadmaps while highlighting differences between regional pathways, especially between developed and developing countries. We work with local partners – in Australia, Canada, China, Europe, India, Japan, India, Indonesia and the United States – who have deep country knowledge and play a key role in strengthening and stress-testing our global analyses in light of regional specificities.

## **Section 2: About the Insights Briefing and its impact**

### **Who is the paper aimed at? Who is your target audience?**

This insights briefing is aimed at policymakers, industry and finance decisionmakers. Its audience also includes the climate NGO community advising on NDCs and climate policy, and the UNFCCC which provides guidance to nations on technical NDCs.

The official guidance for NDC setting, known as the Katowice Climate Package, was adopted in 2018 at COP24. Though it preserves the flexibility endowed to countries, it provides a unified framework for setting NDCs, and includes provisions for capacity building and support to assist developing economies in implementing and enhancing their NDCs. The Katowice guidance has been used by many but not all countries; this guidance will become mandatory in the third round of NDCs, due in 2025 ahead of COP30 in Brazil.

Our paper offers recommendations on how this guidance can be improved on, including how increased consistency and transparency across NDCs can make them actionable implementation plans.

### **How much of the paper is constituted of new analyses vs. integration of previous publications?**

The report builds on existing ETC analyses and other external analysis by Climate Action Tracker, BloombergNEF, IEA, IPCC, WBCSD and the UNFCCC to produce a perspective on the requirements of a 1.5°C trajectory, the level of decarbonisation that is feasible by 2035 and the actions required to deliver it.

### **Who has carried out the underlying analysis?**

The ETC secretariat, provided by Systemiq conducted the underlying analysis. The analysis has been tested with relevant experts including the UNFCCC, Global Optimism, WBCSD, European Climate Foundation, WRI and We Mean Business Coalition, as well as the ETC's broader membership.

### **What are NDCs?**

Since the Paris Agreement was signed at COP21, countries are required to submit and ratchet up national climate pledges every five years. Nationally determined contributions (NDCs) are at the heart of the Paris Agreement and the achievement of its long-term goals. NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. These NDCs serve as high-level roadmaps for national climate action by establishing targets for emissions reductions over 10-year periods.

### **Why are NDCs important?**

Global greenhouse gas emissions are at a record high and continue to rise, prompting the need for countries to submit new, more ambitious emission reduction targets, known as NDCs 3.0, by COP30 in 2025. NDCs serve as a roadmap for necessary policies and investments to achieve the targeted reductions. The successful delivery of current NDCs, along with long-term emissions commitments, could limit global warming to +2.1°C by 2100, compared to pre-industrial levels. "NDCs 3.0" can, and should, evolve to catalyse much needed climate action to keep 1.5°C within reach.

### **What are the challenges with NDCs?**

The current NDCs 2.0 do not meet the requirements of the Paris Agreement and lack detailed policies for achieving their stated ambitions. The Katowice guidance on NDCs has not fully resolved the shortcomings regarding consistency, coverage and granularity of NDCs. These discrepancies limit cross-country comparisons and hinder assessment of progress towards the goals of the Paris Agreement, as well as impede private sector investment decisions.

### **Why does the ETC's report not detail AFOLU and adaptation commitments in NDCs?**

Recognising the remit of ETC's expertise, this report focuses on energy-related components of NDCs, and briefly discusses actions in tangential sectors such as the agriculture, forestry and land use (AFOLU) sector. The ETC would welcome complementary analysis from others on sectors not fully covered in this report.

### **Which countries have the most/least ambitious NDCs currently?**

Assessing the ambition of an individual NDC is challenging, because it relies on a point of view on how the remaining carbon budget should be allocated across countries but there is no global

consensus on the “fair” basis for that allocation. As a result, each country can assume a different allocation basis, and each can claim that its NDC is compatible with a specific global temperature limit, even though the aggregate of all NDCs greatly exceeds that limit.

The ETC has not taken a position on what constitutes the correct/fair approach to carbon budget allocation across countries but for the purposes of illustration, we refer to two approaches developed by Climate Action Tracker (CAT), an organisation which assesses both the ambition and content of selected NDCs. In their assessments, CAT compare individual country NDC targets with the those which would be compatible with specific global temperature objectives on the basis of either a “least-cost approach” or a “fair share approach”.

### **Is it really feasible for all countries to triple their NDC ambition?**

Targets in current NDCs (“NDCs 2.0”) are only expected to deliver approximately 6 GtCO<sub>2</sub>e of mitigation per year by 2035 relative to those that current policies are expected to deliver. If governments were to reflect the rapid technological progress already being made, existing national policies, existing commitments from industry and the ambitious commitments governments made at recent COPs in their NDCs 3.0, overall ambition levels could be almost three times higher – delivering 18 GtCO<sub>2</sub>e of mitigation per year in 2035, assuming commitments are delivered. This level of ambition would be roughly compatible with a +2°C trajectory, but further action on halting deforestation, early thermal coal phase-out, and faster progress in hard-to-abate industry and transport sectors is required to align to 1.5°C.

The extent that the next round of NDC will multiply the ambition of current NDCs will vary by country. And each country will have its unique priorities. But this ETC report states that all countries can reasonably target some step change in ambition given existing technology and commitments made.

### **Is limiting global warming to 1.5°C still within reach?**

Some voices are challenging whether a 1.5°C trajectory is still feasible. However, each 0.1°C rise above 1.5°C will have hugely significant climate change impacts. The world must continue to aim for this target, and to ensure that any overshoot of it is as low as possible. Both full implementation of COP28 commitments and further progress at COP29 and COP30 are therefore essential if the world is to have a chance of limiting global warming to 1.5°C. This report sets out that ambition must go beyond tripling current commitments, in order to limit warming to 1.5°C. It will require halting deforestation and use of coal in power systems, increased flows of finance and accelerated decarbonisation of heavy industry and transport.

### **How do you expect this paper to influence conversations in the lead up to and during COP29 and COP30?**

This report highlights that despite positive progress at COP28, current country pledges and commitments, even if fully implemented, still do not put the world on trajectory to limit global warming to 1.5°C. Governments can and must raise ambition in the next round of Nationally Determined Contributions if we are to limit the impact of climate change. The next round of NDCs must be submitted ahead of COP30; ideally by February 2025.

Success in the low-carbon transition to date has been driven by industry's response to ambitious government targets - accelerating deployment and driving down costs. Industry recognises the opportunity in the next round of NDCs and calls on governments to prioritise delivering high-

ambition NDCs which will provide certainty, unlock investment and accelerate technology deployment.

In turn industry can help government be confident that progress towards a net-zero economy is both technically and economically possible – the technology is in place, commitments are being made, and the focus must now be on deployment. We hope this report will be used to encourage actions in key areas and to promote and overall increase in climate ambition. We expect the conclusions of this paper will remain valid all the way through to COP30.

### **Countries are already off-track to existing NDCs (2.0) to 2030. How can they realistically increase ambition in “NDCs 3.0” to 2035?**

Real world progress in the energy transition is accelerating at pace around the world, giving increasing confidence in the delivery of emissions reductions across many but not all areas of decarbonisation. Governments should harness this momentum to ensure existing NDCs are fully implemented. For some developing countries, delivering current NDCs also depends on developed countries realizing their commitment to provide the necessary climate finance, including increasing these flows of finance beyond today’s levels – a key focus of COP29..

By developing supportive policy to enable faster deployment of decarbonisation technology and unlocking investment flows required, governments can drive confidence in delivery to 2030. This can in turn ground confidence in delivery towards 2035 (NDCs 3.0).

### **Why are NDCs important if countries already have net zero targets and policies outside NDCs?**

NDCs remain crucial even in countries with net-zero targets and national climate policies because they serve as international benchmarks, signalling commitment to global climate action and encouraging others to follow suit. By participating in the NDC process, countries contribute to building trust and cooperation among nations. This lays the foundation for negotiations and agreements by demonstrating a commitment to multilateralism and collective action.

NDCs also act as mid-term milestones towards net-zero in countries, and when properly aligned with policies and targets they can give increased confidence on the direction of travel in the country. NDCs enhance transparency by requiring countries to regularly report their emissions and progress towards their targets. This transparency and accountability encourages nations to stay on track.

Furthermore, the ratchet mechanism within NDCs requires ambition to increase with each submission and prevents back-tracking on climate commitments, which isn't assured solely by national policies. NDCs provide industries with greater certainty about the long-term commitment to climate action, essential for sustainable investment and planning.

## **Section 3: Geo-politics and macro-economics and the energy transition**

### **How will 2024 global elections impact climate commitments?**

The impact of the 2024 global elections on climate commitments will largely depend on the policies and priorities of the leaders and parties elected during that time. The outcomes of global elections this year may create significant regional differences in climate strategy with some governments pushing for more climate ambition and some for less.

The global elections may impact medium-term policy decisions and the amount of investment flowing to renewable energy deployment, but in the short-term, there is less risk of a global shock from election results given the time required for policy changes to occur.

No matter the outcome of the 2024 global elections, the cost of generation from wind and solar will still be on a strong downward trajectory, whilst the benefits of clean energy are felt throughout the whole population. Potential new leaders of countries should realise this and continue to back the increased deployment of clean energy technologies or be at risk of getting left behind.

#### **Section 4: Conference of the Parties (COP)**

##### **Why is COP important?**

COP stands for Conference of the Parties and it often refers to the United Nations Framework Convention on Climate Change (UNFCCC) international meeting focusing on climate. COP is the main decision-making body of the UNFCCC. It includes representatives of all the 'Parties', i.e. countries that have agreed to participate in and be bound by the UNFCCC. The UNFCCC COP takes place every year, and is an opportunity to negotiate new measures, and review Parties' progress against the overall goal of the UNFCCC to limit climate change. Generally, each COP agrees a statement or a binding agreement which is publicly released at the end of the conference. At COP28 in 2023, the Parties' agreed the UAE Consensus ([Source](#)).

##### **How significant is COP29 going to be in the next round of NDCs?**

COP29 is being dubbed the "Finance COP". It has the potential to improve climate finance mechanisms and unlock the scale of investment needed to deliver on higher climate ambitions. Outcomes from this COP will in-part determine the level of confidence countries have to increase their NDCs in the next round. New NDCs must be submitted before COP30.

##### **How significant is the Bonn Intersessional in the NDCs process?**

The 60th sessions of the UN Climate Change Subsidiary Body for Scientific and Technological Advice (SBSTA) and Subsidiary Body for Implementation (SBI) will be held from 3 to 13 June 2024 in Bonn, Germany. This conference will gather policy makers, experts, COP presidencies, and NGOs in various dialogues and negotiations on climate action. It's an opportunity to influence many involved with setting NDCs and the COP process.