

CAT NEW RATING WEBINAR

21 October 2021

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Agenda



Tracking global action: current state of play

Overview of the new rating system

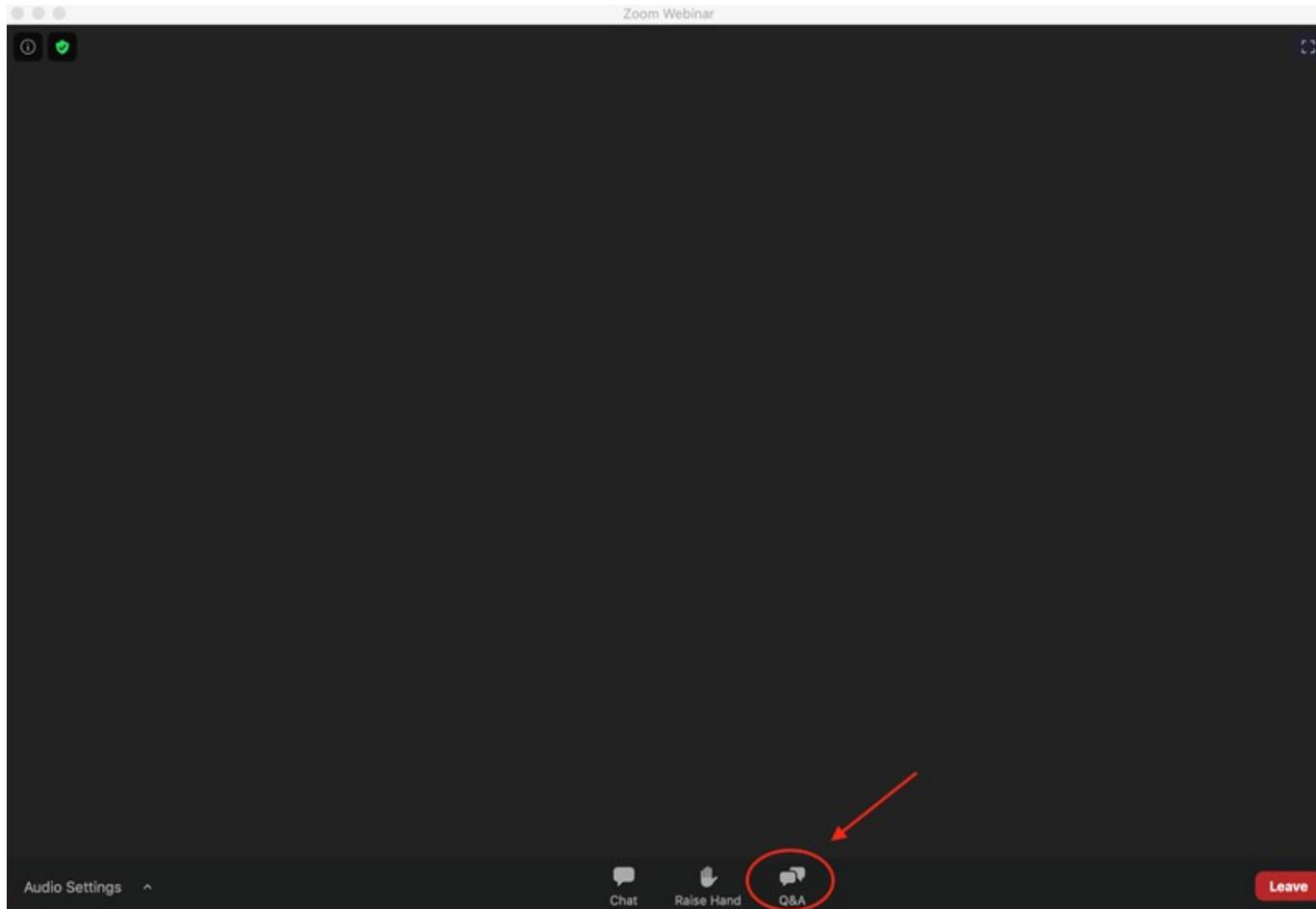
Climate finance and other components

How does this apply to key countries?

Expectations for COP26

Q & A

Q&A



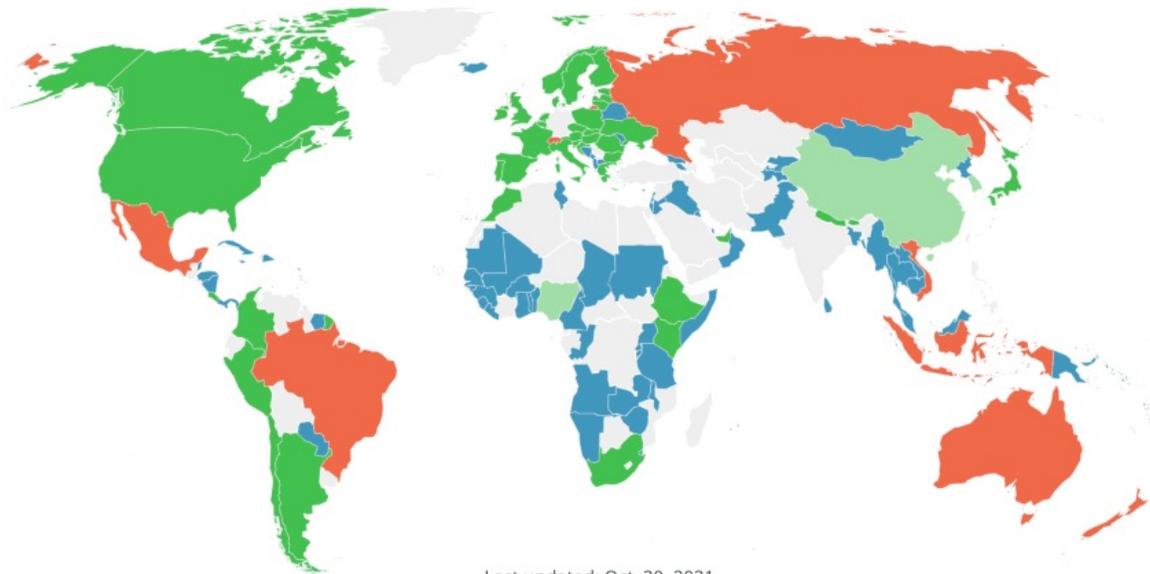
Niklas Höhne

NewClimate Institute

TRACKING GLOBAL ACTION CURRENT STATE OF PLAY

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Key NDCs outstanding, others lacked ambition



Last updated: Oct. 20, 2021
Map is for reference only

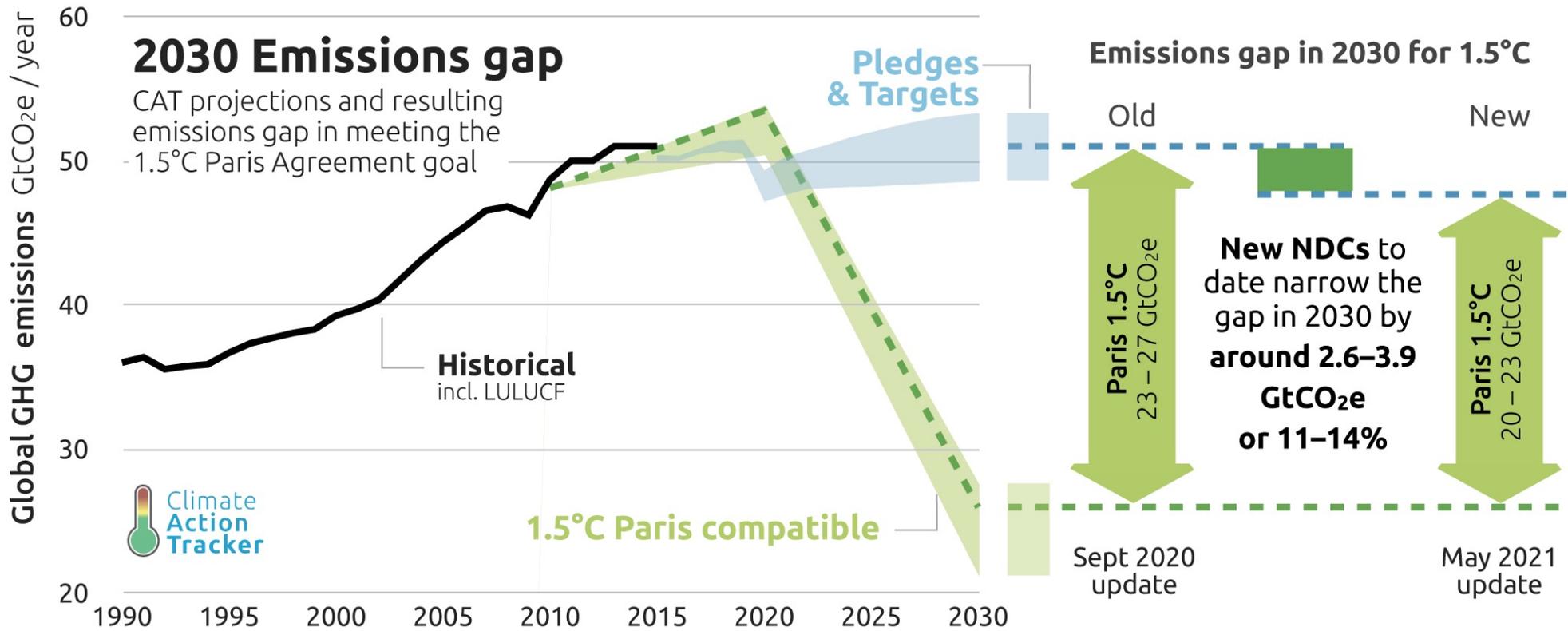
CLIMATE TARGETS

Status of the NDC update process

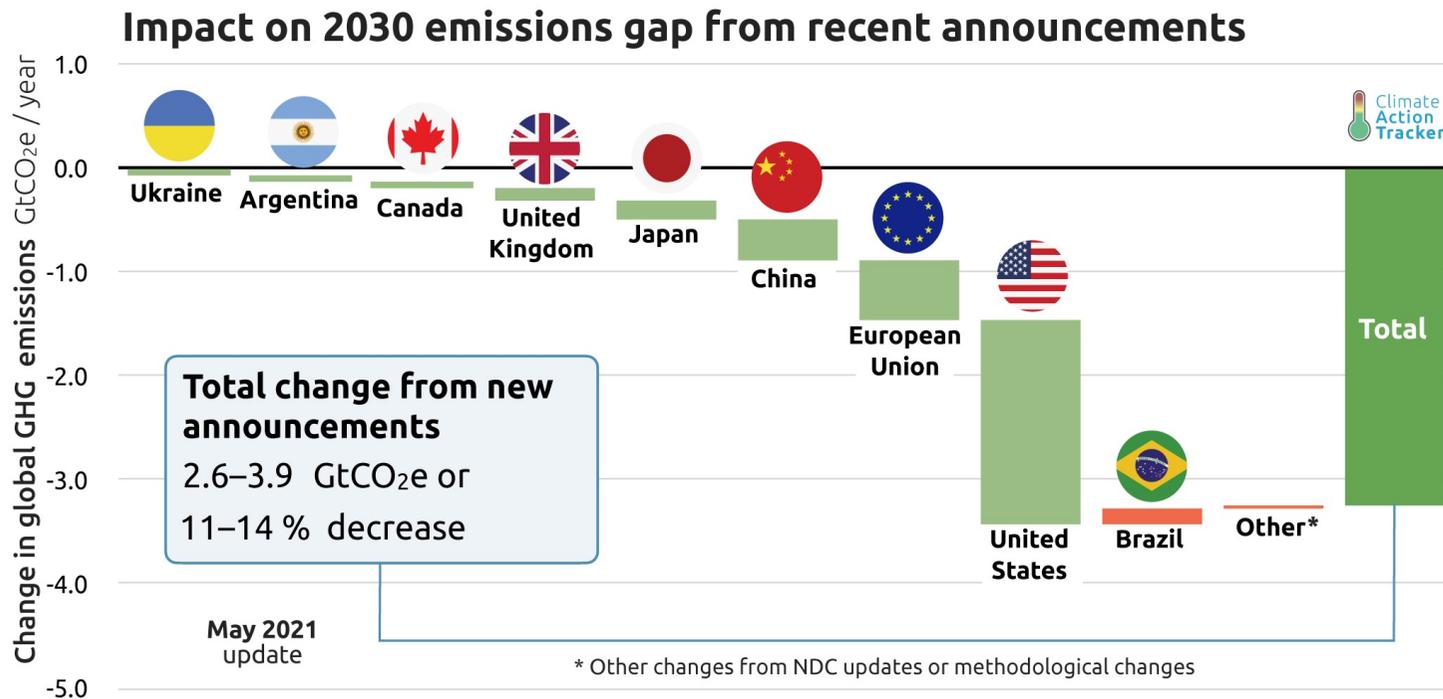
- 115** Countries have **submitted** new NDC targets (114 countries plus the EU27)
 - **19** Countries we analyse have submitted **stronger NDC targets** (18 countries plus the EU27)
 - **9** Countries we analyse **did not increase ambition**
 - **87** Countries **we do not analyse** submitted new NDC targets
- 3** Countries have **proposed** new NDC targets
 - **3** Countries we analyse have proposed **stronger NDC targets**
 - **0** Countries we analyse stated it **will not propose more ambitious targets**
 - **0** Countries **we do not analyse** proposed new NDC targets
- **47** Countries have not updated targets

SUBMITTED A STRONGER NDC TARGET		PROPOSED A STRONGER NDC TARGET		DID NOT INCREASE AMBITION*		WILL NOT PROPOSE A MORE AMBITIOUS TARGET
ARGENTINA	MOROCCO	CHINA	SOUTH KOREA	AUSTRALIA	RUSSIAN FEDERATION	
BHUTAN	NEPAL	NIGERIA		BRAZIL	SINGAPORE	
CANADA	NORWAY			INDONESIA	SWITZERLAND	
CHILE	PERU			MEXICO	VIET NAM	
COLOMBIA	SOUTH AFRICA			NEW ZEALAND		
COSTA RICA	UAE					
ETHIOPIA	UKRAINE					
EU	UNITED KINGDOM					
JAPAN	USA					
KENYA						

We have begun to narrow the gap, but only just

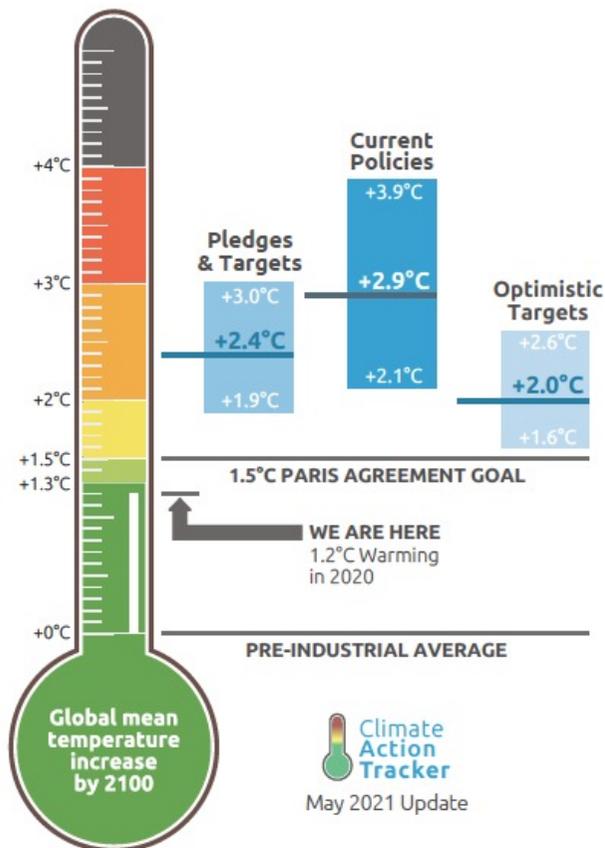


We have begun to narrow the gap, but only just



DID NOT INCREASE AMBITION*	
AUSTRALIA	RUSSIAN FEDERATION
BRAZIL	SINGAPORE
INDONESIA	SWITZERLAND
MEXICO	VIET NAM
NEW ZEALAND	

Impact of the Paris Agreement on end of century warming



- NDC announcements and updated submissions since September 2020 lead to a temperature estimate of 2.4° C - a drop of 0.2° ('Pledges and Targets' scenario).
- Assuming full implementation of the net zero targets by 131 countries, 73% of global GHG emissions, global warming by 2100 could be at 2.0° C ('Optimistic Targets' scenario).
- All targets have yet to be supported by ambitious policies. Our temperature estimate of all adopted national policies ('current policies' scenario) is 2.9° C.

Claire Fyson

Climate Analytics

OVERVIEW OF THE NEW RATING SYSTEM

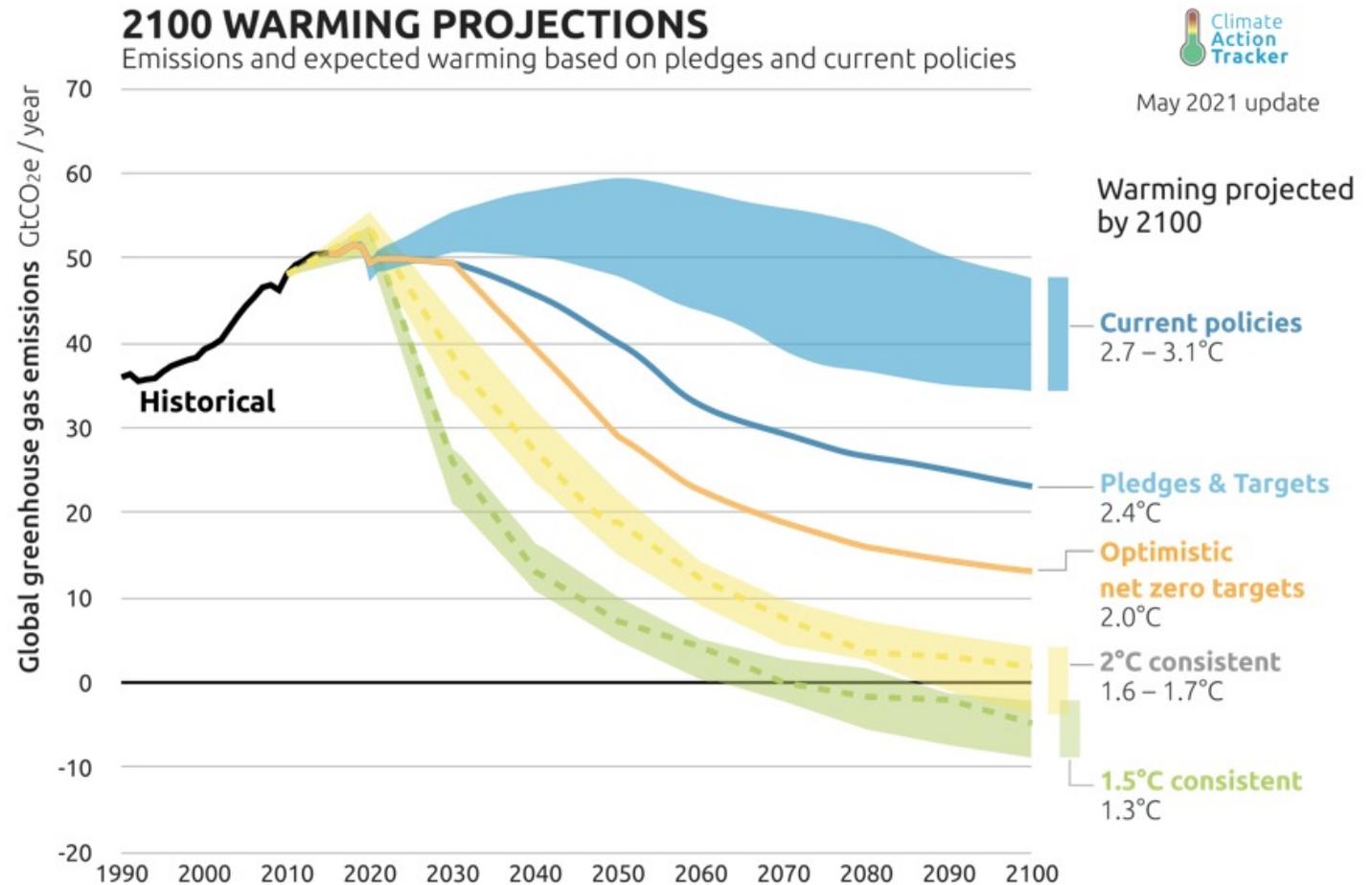
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Why are we updating our methods?

To meet 1.5°C, all countries need to reduce emissions rapidly

Important that policies and action are also ambitious

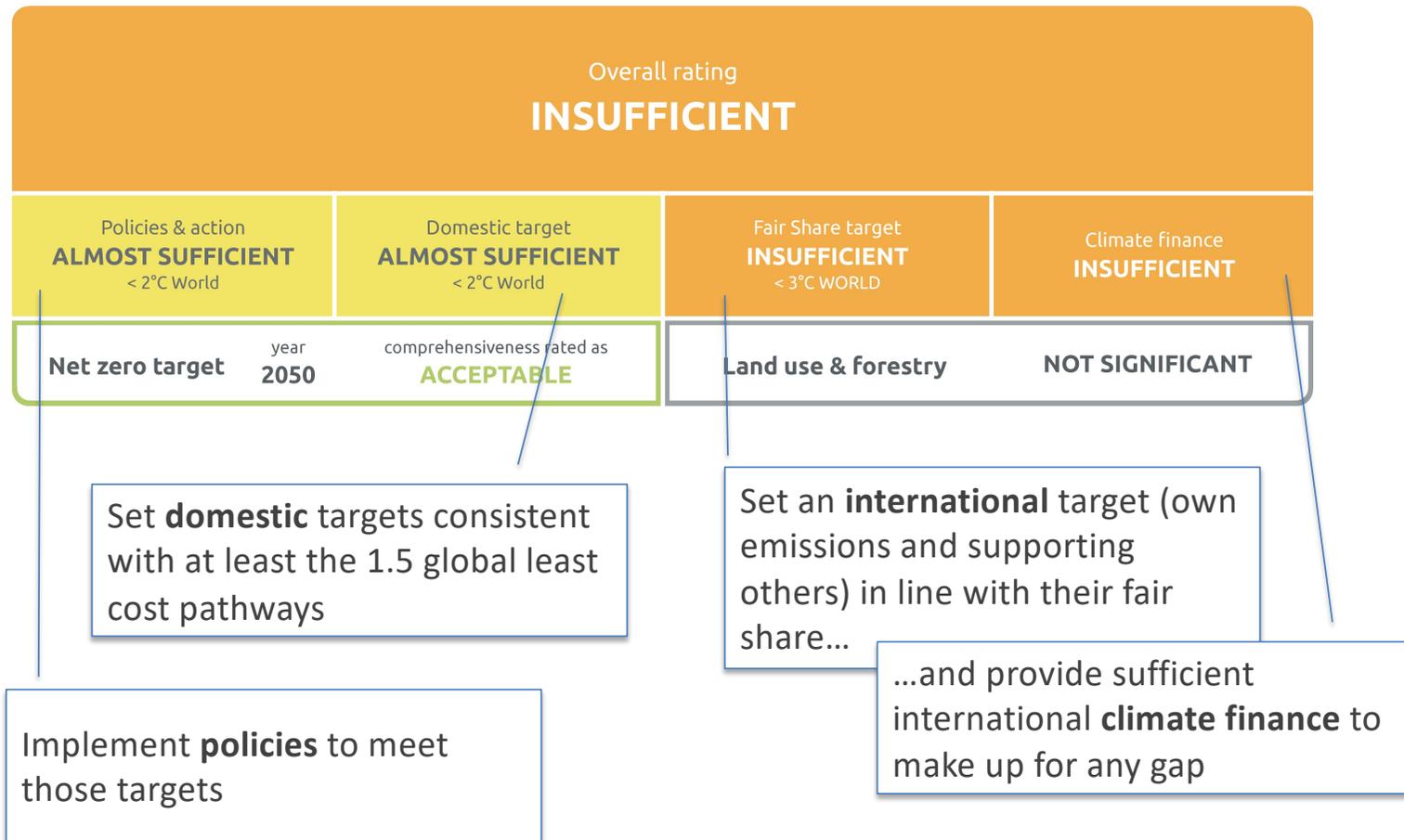
Developed countries need to support developing countries in decarbonising



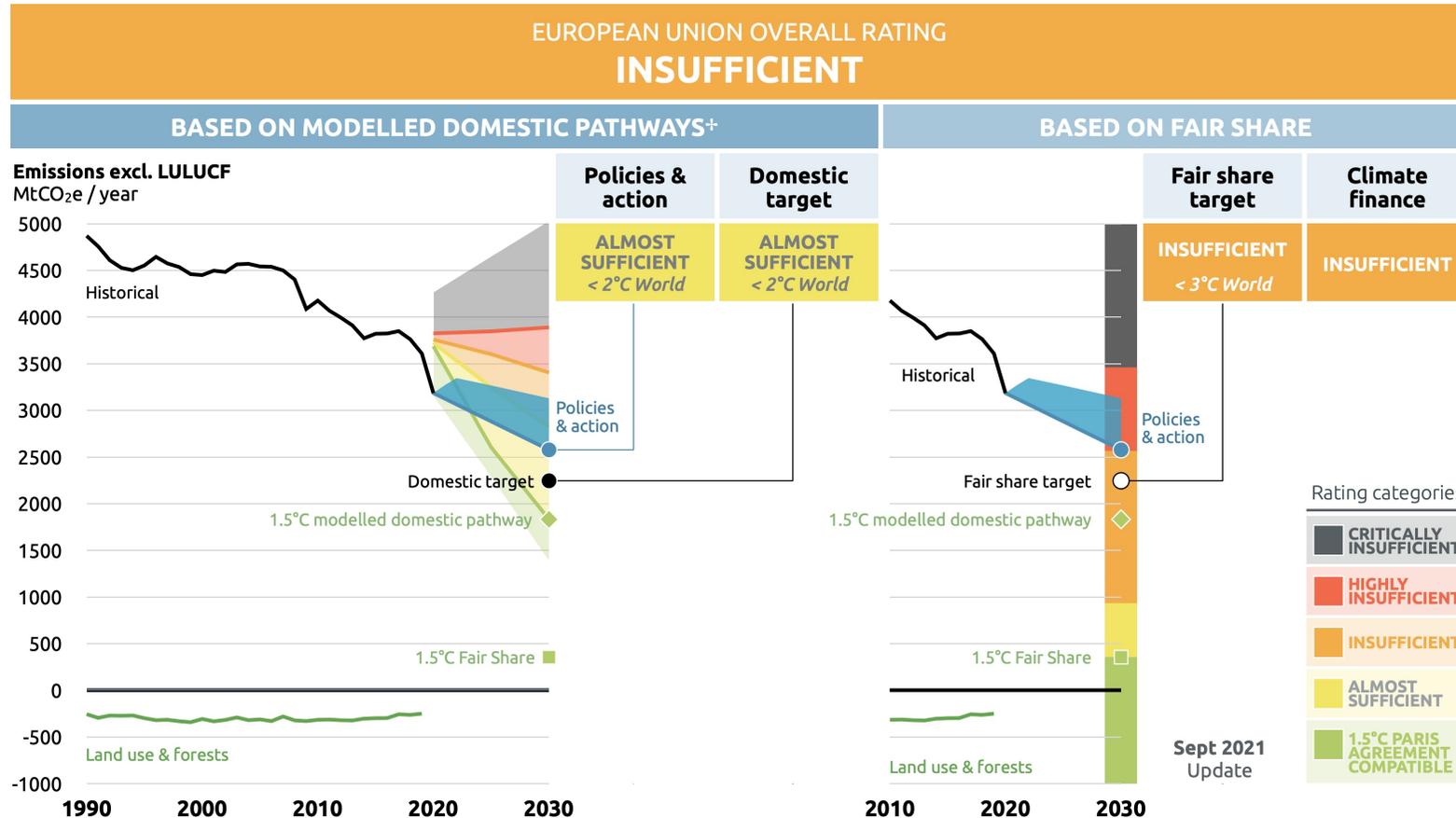
What has changed?



What a developed country would have to do to get a good rating



Developed countries need to be ambitious at home and support others



⁺ Modelled domestic pathways reflects a global economic efficiency perspective with pathways for different temperature ranges derived from global least-cost models
^{*} The grey shaded bar is an indicative representation of the amount of climate finance the country is currently providing in terms of megatonnes of carbon dioxide equivalent

Developed countries need to be ambitious at home and support others

EUROPEAN UNION OVERALL RATING INSUFFICIENT

Fair share

- Based on principles of historic responsibility, capability, need, and equality
- Derived from peer-reviewed literature and CAT's own calculations
- Indicates a countries' fair share contribution to reducing emissions
- For developed countries, the fair share may be met by a combination of domestic emissions reductions and providing support to others

Modelled domestic pathways

- Global least-cost pathways
- Downscaled to national level using GDP and population
- Gives an indication of what is needed for a country to be on track for a decarbonised economy
- Minimum effort needed from developed countries

† Modelled domestic pathways reflects a global economic efficiency perspective with pathways for different temperature ranges derived from global least-cost models

* The grey shaded bar is an indicative representation of the amount of climate finance the country is currently providing in terms of megatonnes of carbon dioxide equivalent

What a developing country would have to do to get a good rating

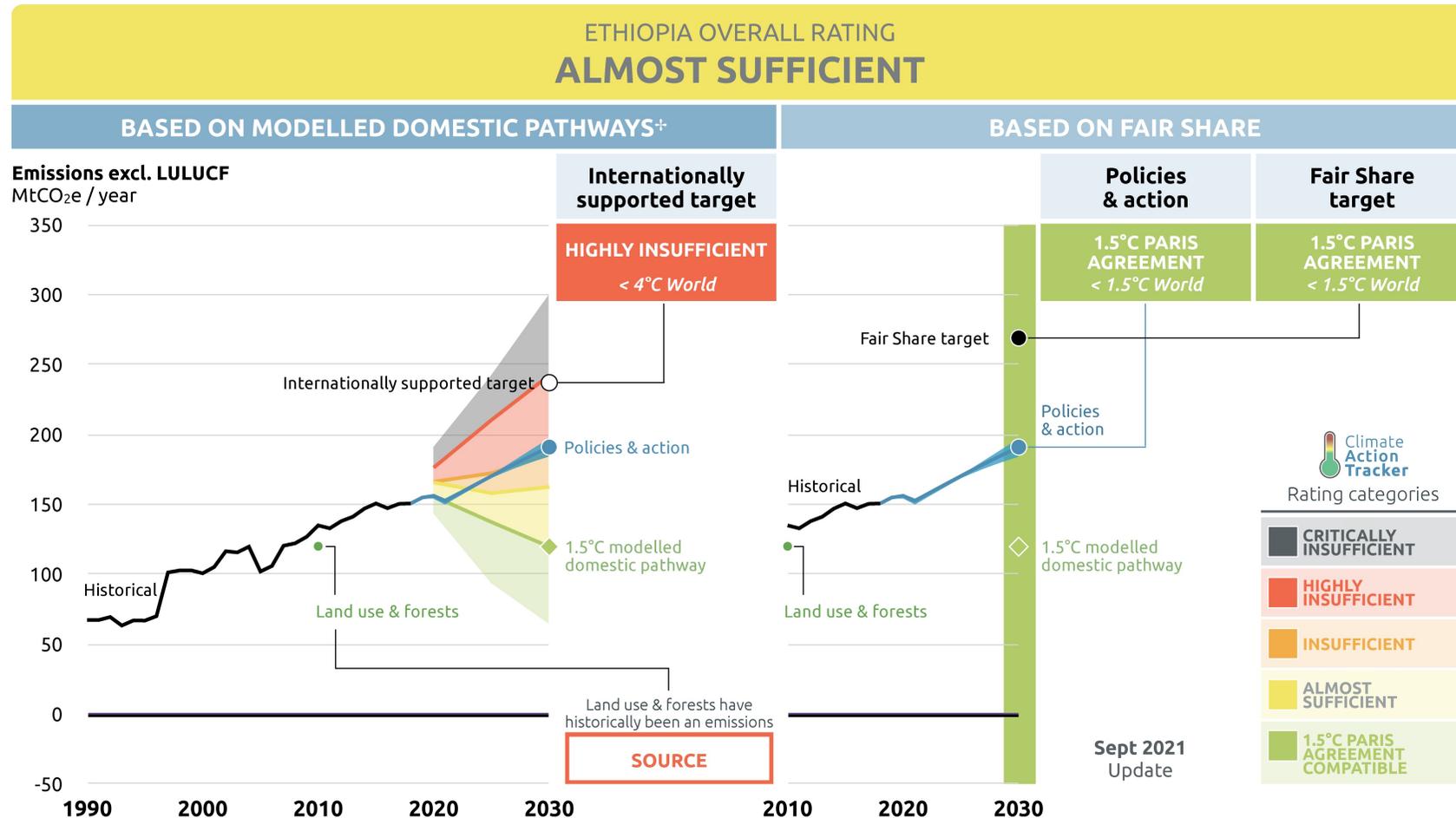


Implement **policies** to meet their fair share

Set **internationally supported** targets consistent with at least the 1.5 global least cost pathways

Set a **domestic target** (with own resources) in line with fair share

Developing countries can indicate the support they need to decarbonise



[†] Modelled domestic pathways reflects a global economic efficiency perspective with pathways for different temperature ranges derived from global least-cost models

New rating provides more details on what is happening in a country



Rating categories

	CRITICALLY INSUFFICIENT
	HIGHLY INSUFFICIENT
	INSUFFICIENT
	ALMOST SUFFICIENT
	1.5°C PARIS AGREEMENT COMPATIBLE

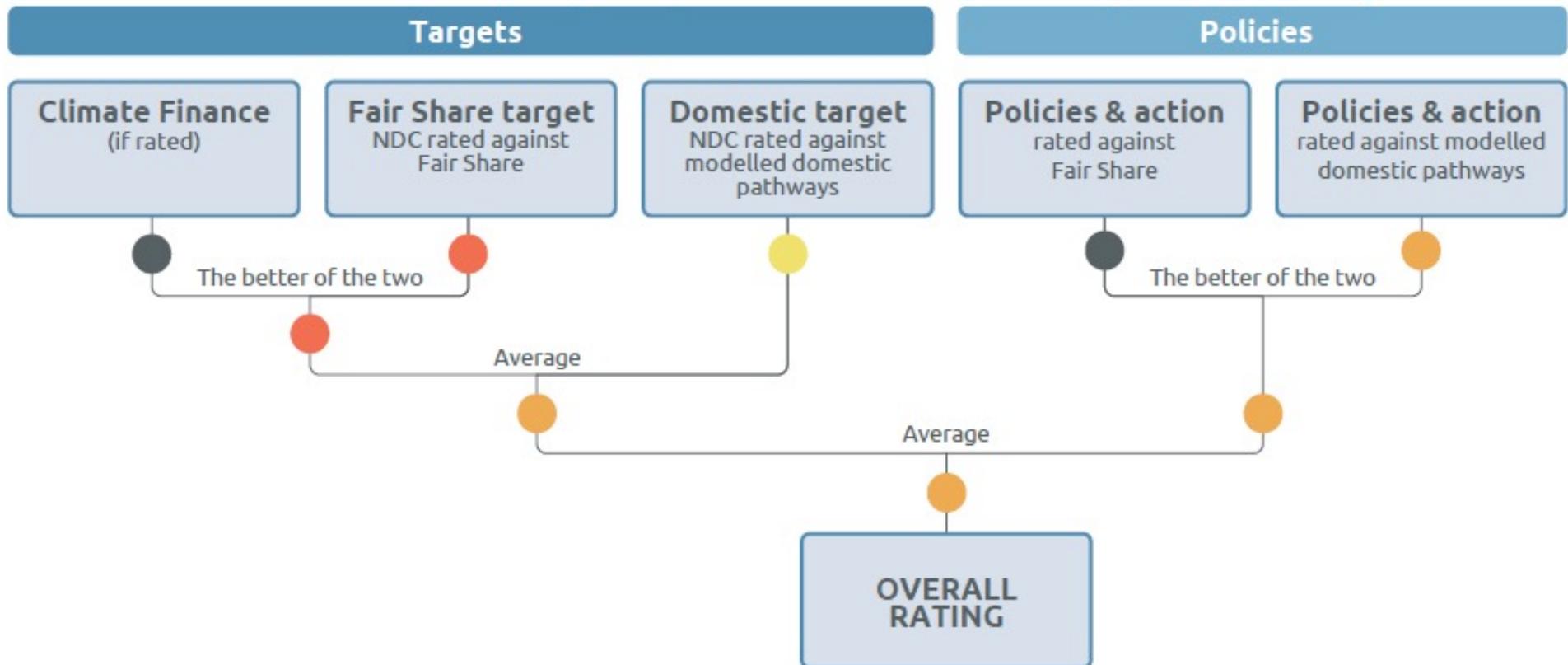
Overall rating INSUFFICIENT			
Policies & action INSUFFICIENT < 3°C WORLD	Domestic target ALMOST SUFFICIENT < 2°C World	Fair Share target INSUFFICIENT < 3°C WORLD	Climate finance CRITICALLY INSUFFICIENT
Net zero target	year 2050	comprehensiveness rated as POOR	Land use & forestry NOT SIGNIFICANT

Overall rating 1.5°C PARIS AGREEMENT COMPATIBLE			
Policies & action 1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD	Internationally supported target 1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD	Fair Share target 1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD	Climate finance NOT APPLICABLE
Net zero target	year -	comprehensiveness not rated as ASSESSMENT IN PROGRESS	Land use & forestry NOT SIGNIFICANT

How we combine the rating components

Determining an overall CAT rating

How the new Climate Action Tracker assessment framework combines individual rating components into an overall rating for each country



Overall rating



CRITICALLY INSUFFICIENT	HIGHLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	1.5°C PARIS AGREEMENT COMPATIBLE
IRAN	ARGENTINA	CHILE	COSTA RICA	THE GAMBIA
RUSSIA	AUSTRALIA	EU	ETHIOPIA	
SAUDI ARABIA	BRAZIL	GERMANY	KENYA	
SINGAPORE	CANADA	JAPAN	MOROCCO	
THAILAND	CHINA	NORWAY	NEPAL	
	COLOMBIA	PERU	NIGERIA	
	INDIA	SOUTH AFRICA	UK	
	INDONESIA	SWITZERLAND		
	KAZAKHSTAN	USA		
	MEXICO			
	NEW ZEALAND			
	SOUTH KOREA			
	UAE			
	UKRAINE			
	VIET NAM			



OVERALL RATINGS
 Overall Climate Action Tracker ratings
 Sept 2021
 Update

Louise Jeffery

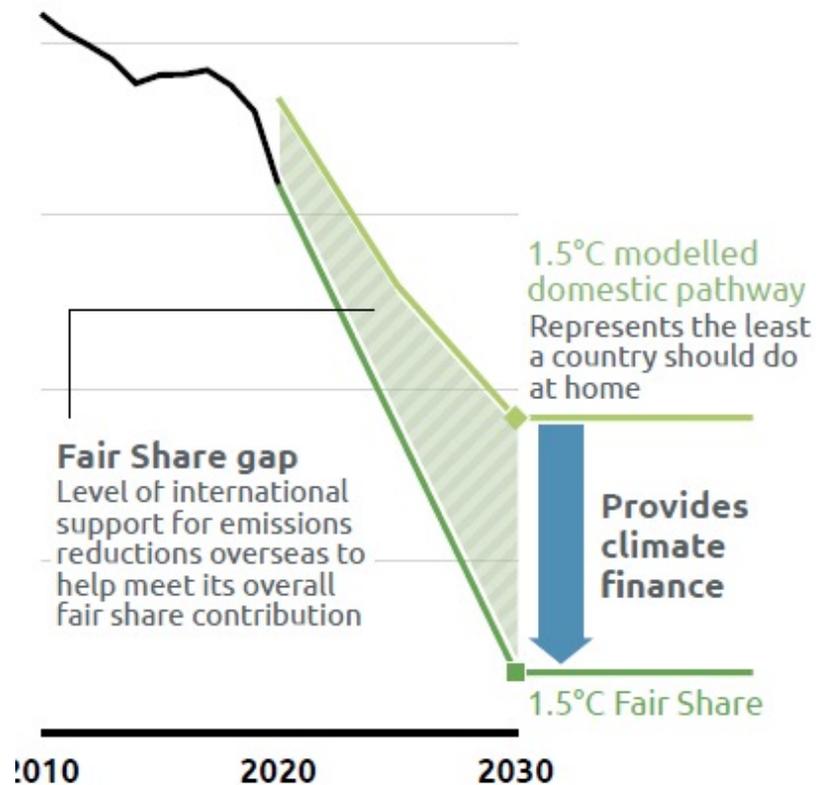
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INTERNATIONAL NDCS AND PROVIDING SUPPORT

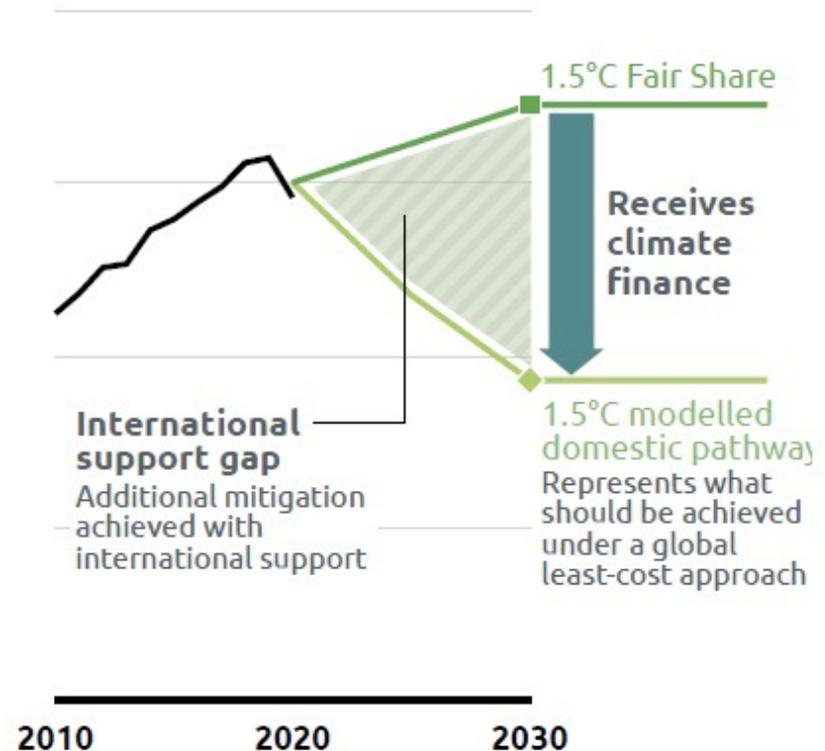
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Interplay between own emission reductions and climate finance

Example of a climate finance donor European Union



Example of a climate finance recipient India



Evaluating International Climate Mitigation Finance

Current contributions: Has the country provided sufficient climate finance to date?

Contributions' trend: Has international support for climate mitigation increased in the past years?

Future commitments: Has the country committed to further support in the future?

Fossil finance overseas: Has the country ended, or does it have a commitment to end, provision of public finance for fossil fuels internationally?

Important assumptions

- Focus on mitigation finance only – no adaptation finance (but this is also important!)
- Prioritise grants, but count 50% of loan share towards the total
- Excludes private finance and finance for fossil fuels
- Currently use data reported in DAC database

Climate finance ratings

Country	Climate finance rating Sept 2021 Update	Climate finance rating components			
		Absolute contributions	Historic trend	Future commitments	Overseas fossil finance
Norway	INSUFFICIENT	INSUFFICIENT	GOOD	ALMOST SUFFICIENT	INSUFFICIENT
Germany	INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
EU	INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
Switzerland	HIGHLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT
New Zealand	HIGHLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT
Canada	HIGHLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
UK	HIGHLY INSUFFICIENT	INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT
Japan	CRITICALLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
Australia	CRITICALLY INSUFFICIENT	INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
USA	CRITICALLY INSUFFICIENT	INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	INSUFFICIENT
Russia	CRITICALLY INSUFFICIENT	CRITICALLY INSUFFICIENT	CRITICALLY INSUFFICIENT	INSUFFICIENT	INSUFFICIENT



ADDITIONAL ELEMENTS ASSESSED

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Net zero targets

CAT separately rates countries' net zero targets.

Rating focuses on the quality of the target according to good practice criteria.

Net Zero rating does not impact the final rating of the country.

Good practice for ten key elements of national net zero target setting			
Scope	Target year		
	Emissions coverage	International aviation and shipping	Reductions or removals outside of own borders
	All sectors and gases covered	The net zero target fully covers emissions from international aviation and shipping	Reaching net zero within own borders
Architecture	Legal status	Separate reduction & removal targets	Review process
	Legally binding target	Separate targets for emission reductions and removals	Legally binding review of target and progress against it at regular intervals
Transparency	Carbon dioxide removal	Comprehensive planning	Clarity on fairness of target
	Transparent & scientifically robust assumptions on LULUCF and carbon removals & storage	Transparent and scientifically robust pathway / intermediate targets with clear measures for achieving net zero	Clear statement on why the target is fair

More info on the CAT website

<https://climateactiontracker.org/publications/evaluation-methodology-for-national-net-zero-targets/>

Land-Use & Forests

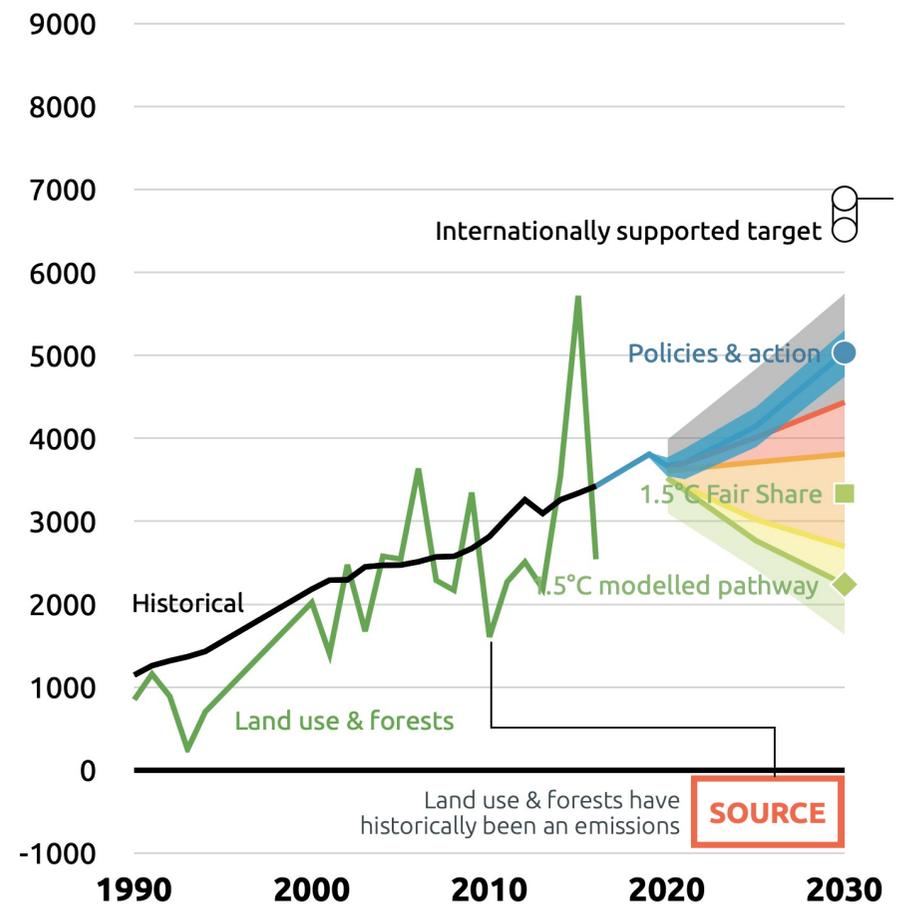
CAT rating assesses emissions **excluding** those from land-use, land-use change, and forestry (LULUCF).

Flag LULUCF if it's a significant emissions source or an emissions sink.

LULUCF flag does not impact the final rating of the country!



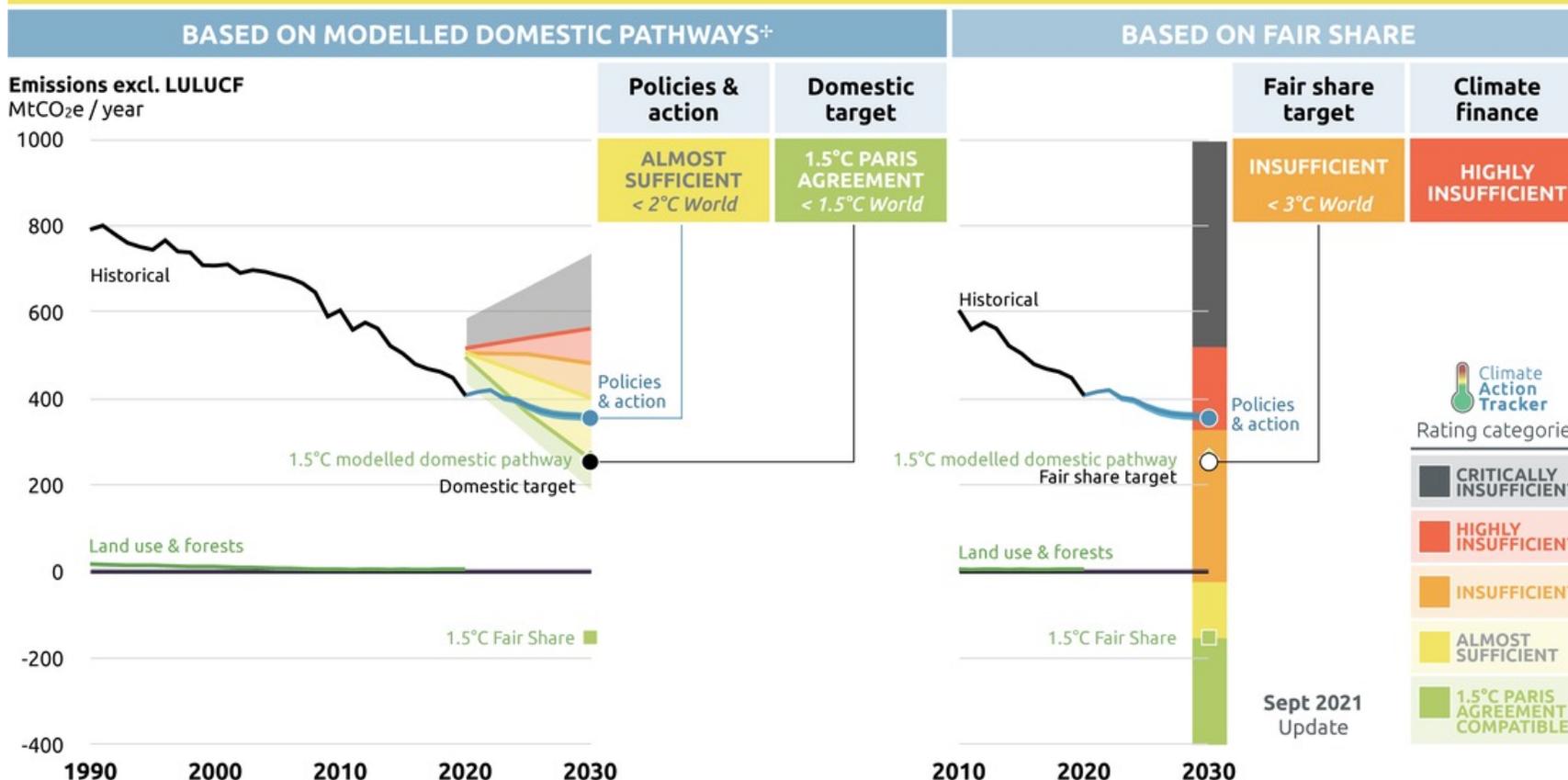
Emissions excl. LULUCF MtCO_{2e} / year



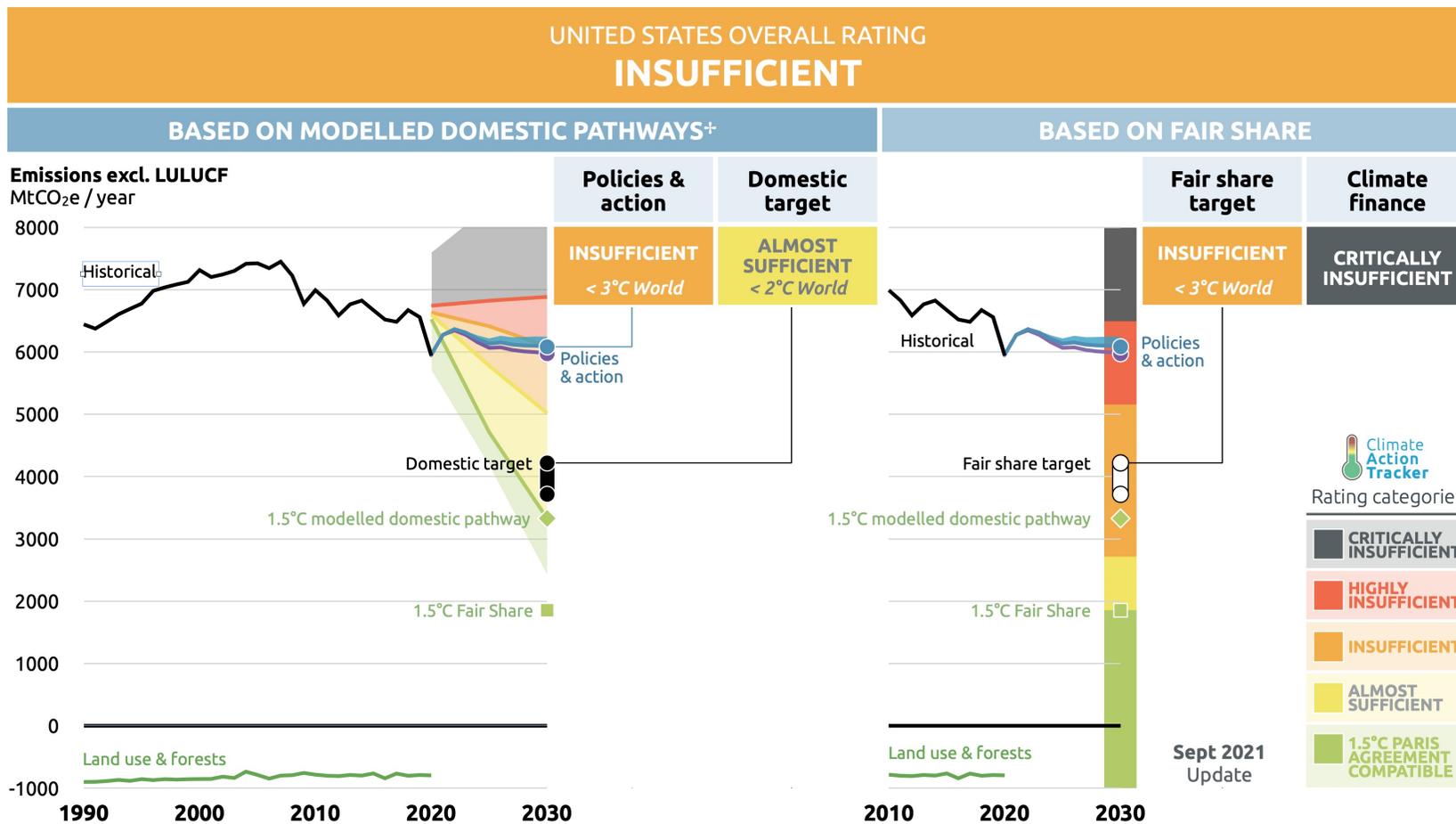
HOW DOES THIS APPLY TO KEY COUNTRIES?

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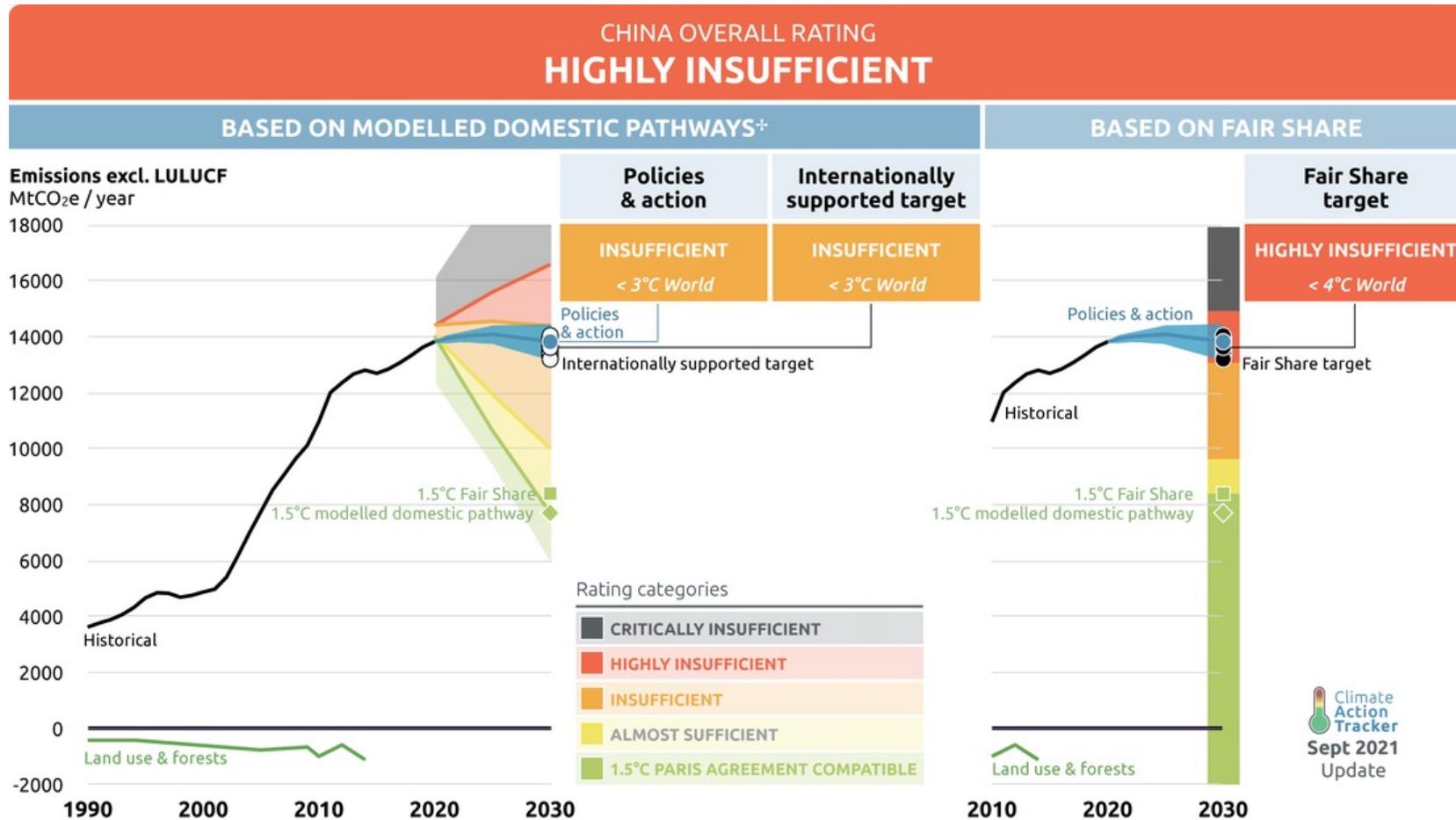
UNITED KINGDOM OVERALL RATING
ALMOST SUFFICIENT



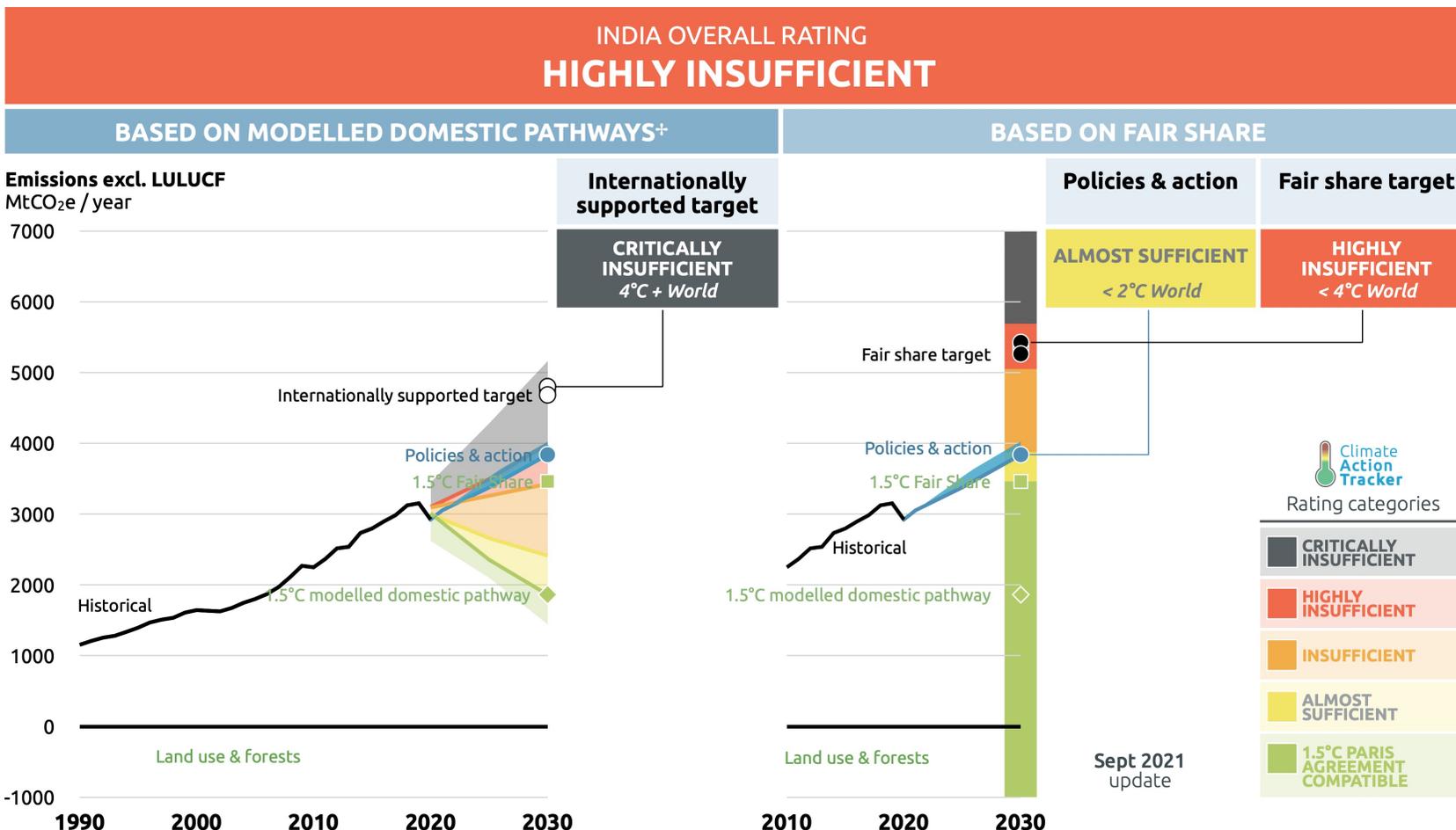
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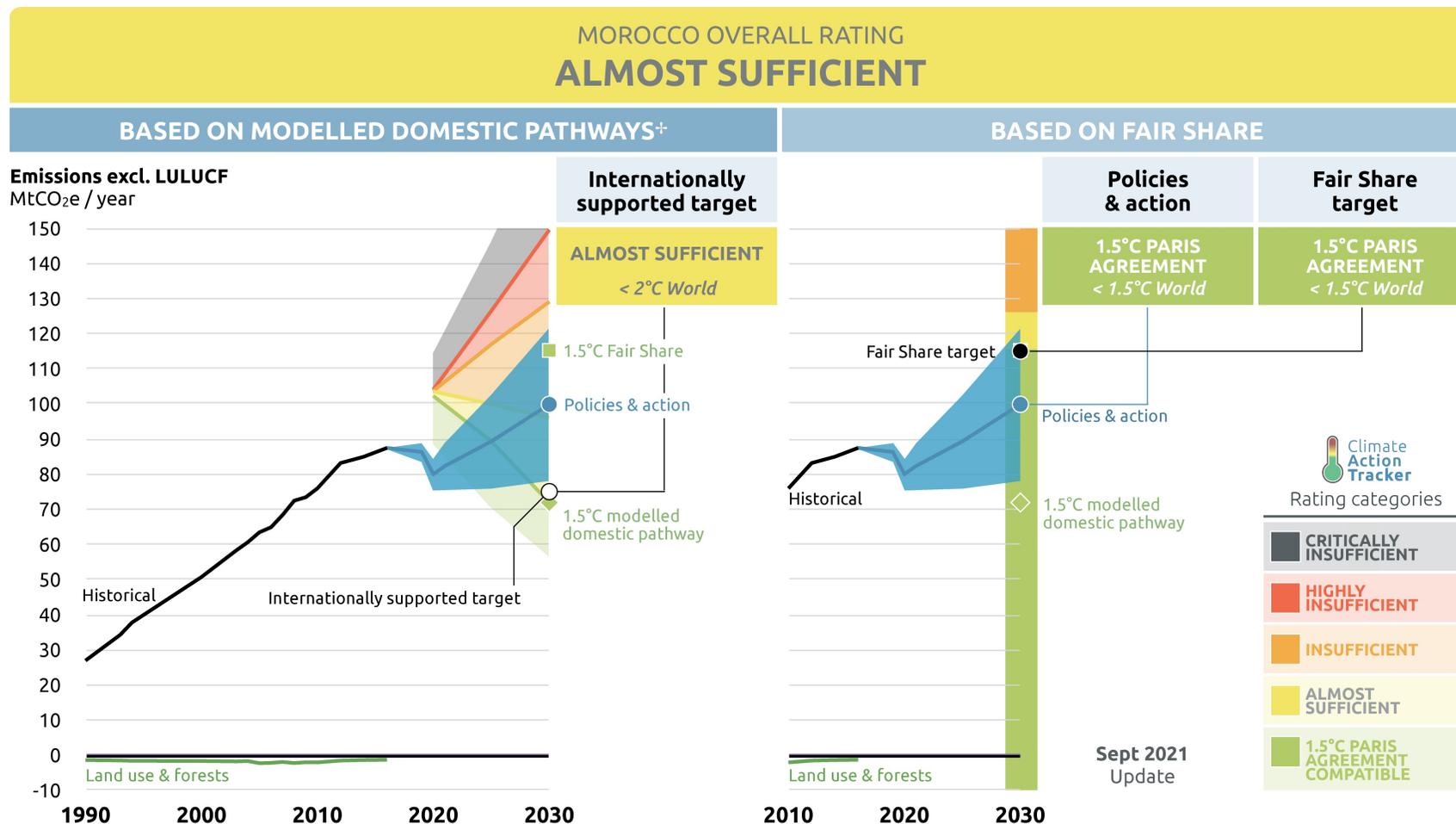
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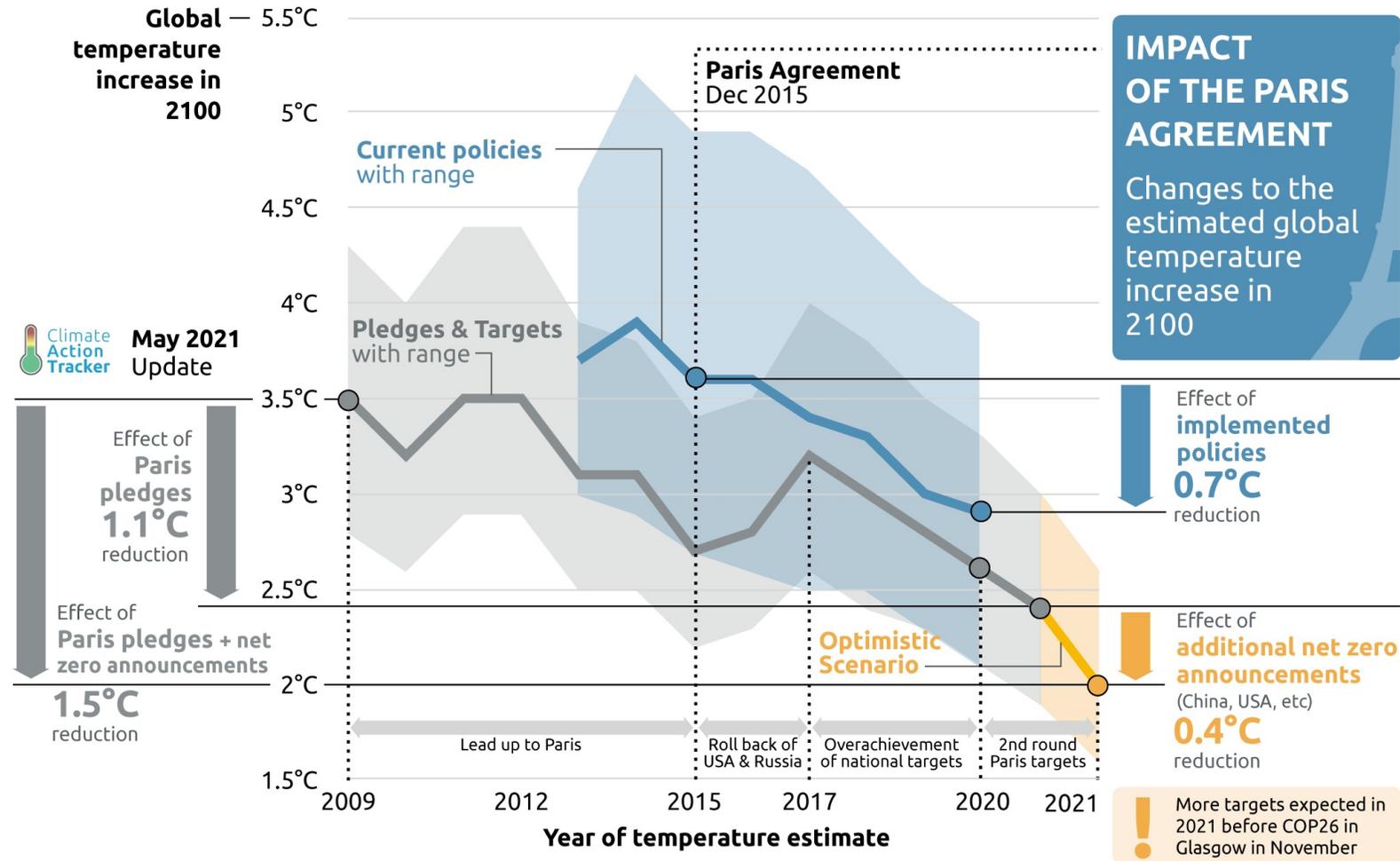
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Bill Hare

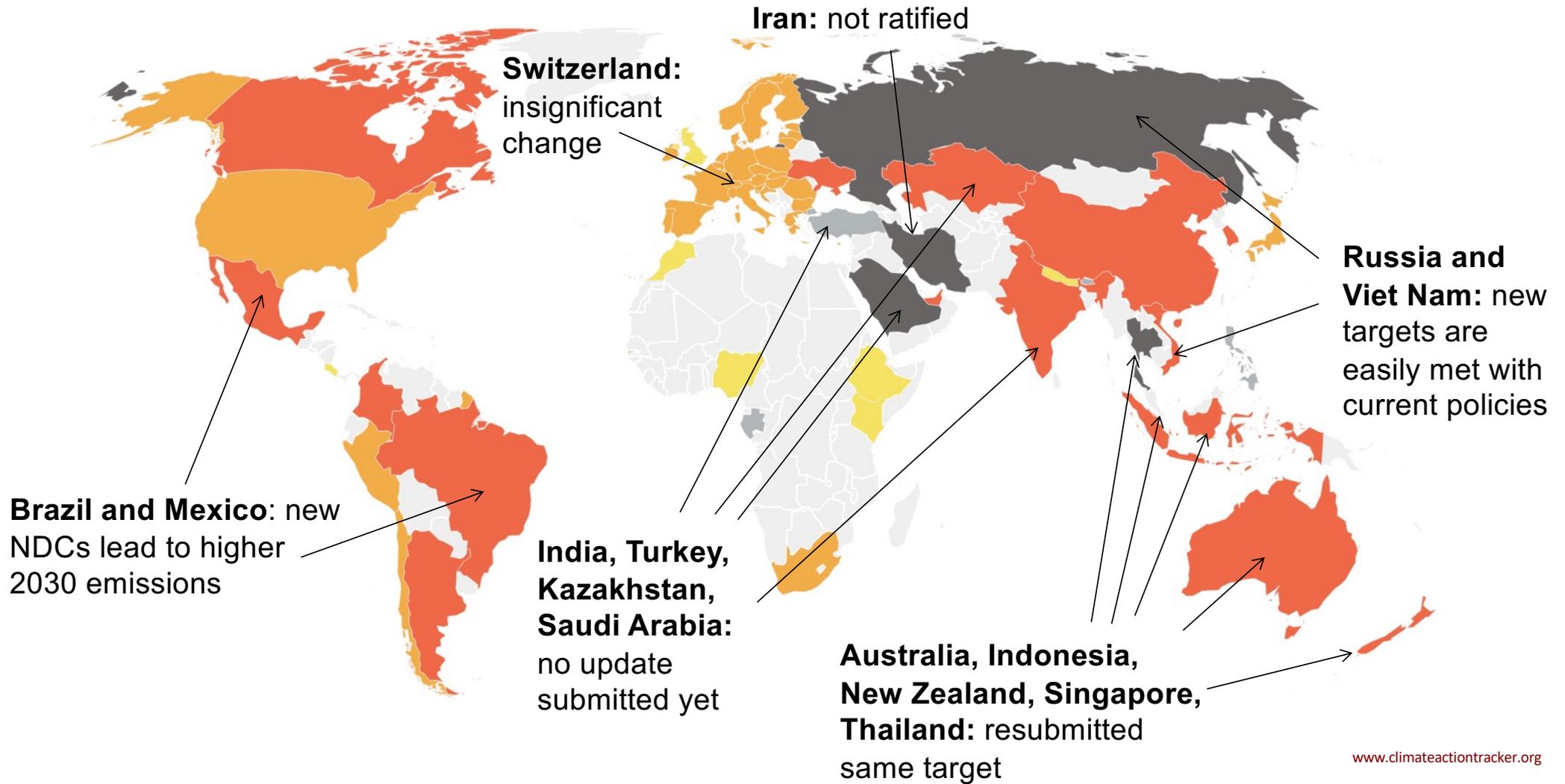
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COP26 EXPECTATIONS

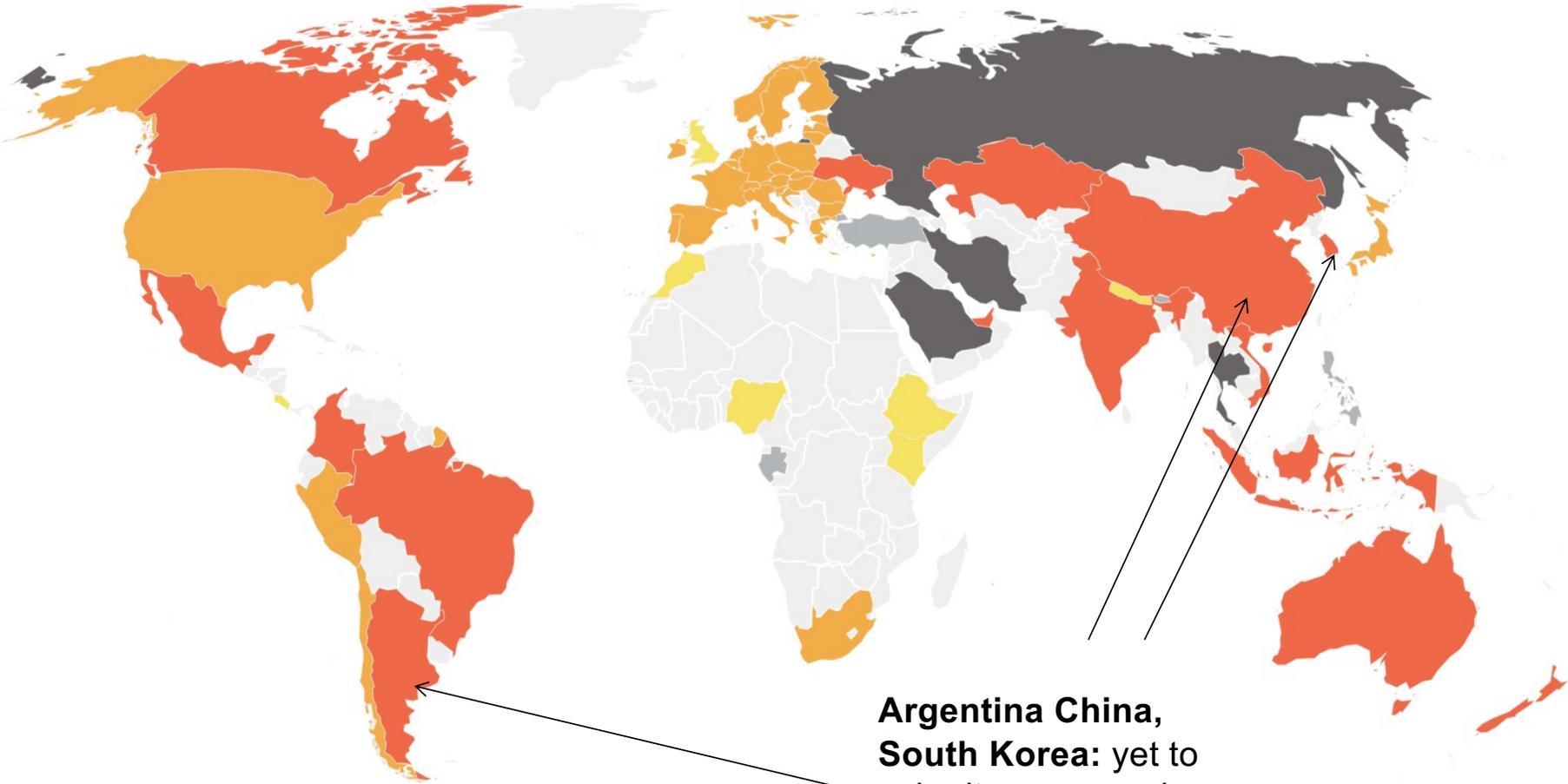
Paris Agreement is driving climate action



Outstanding NDC improvements among CAT countries



Outstanding NDC improvements among CAT countries



**Argentina China,
South Korea: yet to
submit announced
targets**



From us all

THANK YOU!

