CAT NEW RATING WEBINAR

21 October 2021
www.climateactiontracker.org
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
Niklas Höhne
NewClimate Institute

TRACKING GLOBAL ACTION
CURRENT STATE OF PLAY

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Key NDCs outstanding, others lacked ambition

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

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

<table>
<thead>
<tr>
<th>Submitted a Stronger NDC Target</th>
<th>Proposed a Stronger NDC Target</th>
<th>Did Not Increase Ambition</th>
<th>Will Not Propose a More Ambitious Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARGENTINA BHUTAN CANADA CHILE COLOMBIA COSTA RICA ETHIOPIA EU JAPAN KENYA</td>
<td>MOROCCO NEPAL NORWAY PERU SOUTH AFRICA UAE UKRAINE UNITED KINGDOM USA</td>
<td>CHINA NIGERIA SOUTH KOREA</td>
<td>AUSTRALIA BRAZIL INDONESIA MEXICO NEW ZEALAND RUSSIAN FEDERATION SINGAPORE SWITZERLAND VIET NAM</td>
</tr>
</tbody>
</table>
We have begun to narrow the gap, but only just

We have begun to narrow the gap, but only just

Impact on 2030 emissions gap from recent announcements

Change in global GHG emissions GtCO₂e/year

Total change from new announcements
2.6–3.9 GtCO₂e or
11–14 % decrease

May 2021 update

* Other changes from NDC updates or methodological changes

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°C (‘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.

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OVERVIEW OF THE NEW RATING SYSTEM

Claire Fyson
Climate Analytics

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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?

2009

FAIR SHARE TARGET

2021

OVERALL RATING

DOMESTIC TARGET
FAIR SHARE TARGET
POLICIES & ACTION
CLIMATE FINANCE
NET ZERO TARGET
LAND USE & FORESTRY
What a developed country would have to do to get a good rating

Overall rating
INSUFFICIENT

- Policies & action: ALMOST SUFFICIENT < 2°C World
- Domestic target: ALMOST SUFFICIENT < 2°C World
- Fair Share target: INSUFFICIENT < 3°C WORLD
- Climate finance: INSUFFICIENT

Set domestic targets consistent with at least the 1.5 global least cost pathways.

Implement policies to meet those targets.

Set an international target (own emissions and supporting others) in line with their fair share...

...and provide sufficient international climate finance to make up for any gap.

Net zero target year 2050 comprehensiveness rated as ACCEPTABLE

Land use & forestry NOT SIGNIFICANT

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Developed countries need to be ambitious at home and support others.

**EUROPEAN UNION OVERALL RATING**

**INSUFFICIENT**

<table>
<thead>
<tr>
<th>Based on Modelled Domestic Pathways†</th>
<th>Based on Fair Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions excl. LULUCF (Mt CO₂e/year)</td>
<td>Policies &amp; action</td>
</tr>
<tr>
<td>Historical</td>
<td>ALMOST SUFFICIENT &lt; 2°C World</td>
</tr>
<tr>
<td>Domestic target</td>
<td>1.5°C modelled domestic pathway</td>
</tr>
<tr>
<td>Land use &amp; forests</td>
<td>1.5°C Fair Share</td>
</tr>
</tbody>
</table>

† 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.

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Developed countries need to be ambitious at home and support others

<table>
<thead>
<tr>
<th>EUROPLEAN UNION OVERALL RATING</th>
<th>INNSUFFICIENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair share</strong></td>
<td><strong>Modelled domestic pathways</strong></td>
</tr>
<tr>
<td>• Based on principles of historic responsibility, capability, need, and equality</td>
<td>• Global least-cost pathways</td>
</tr>
<tr>
<td>• Derived from peer-reviewed literature and CAT’s own calculations</td>
<td>• Downscaled to national level using GDP and population</td>
</tr>
<tr>
<td>• Indicates a countries’ fair share contribution to reducing emissions</td>
<td>• Gives and indication of what is needed for a country to be on track for a decarbonised economy</td>
</tr>
<tr>
<td>• For developed countries, the fair share may be met by a combination of domestic emissions reductions and providing support to others</td>
<td>• Minimum effort needed from developed countries</td>
</tr>
</tbody>
</table>

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

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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

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**Overall rating**

**ALMOST SUFFICIENT**

- **Policies & action**
  - 1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD

- **Internationally supported target**
  - HIGHLY INSUFFICIENT < 4°C WORLD
  - comprehensiveness not rated as ASSESSMENT IN PROGRESS

- **Fair Share target**
  - 1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD

- **Climate finance**
  - NOT APPLICABLE

- **Net zero target** year -

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Visit www.climateactiontracker.org
Developing countries can indicate the support they need to decarbonise
New rating provides more details on what is happening in a country

### Rating categories
- **CRITICALLY 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)
- **HIGHLY INSUFFICIENT**: Net zero target year 2050, comprehensiveness rated as POOR, Land use & forestry NOT SIGNIFICANT
- **INSUFFICIENT**: Policies & action (INSUFFICIENT 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
- **ALMOST SUFFICIENT**: Net zero target year - comprehensiveness not rated as ASSESSMENT IN PROGRESS, Land use & forestry NOT SIGNIFICANT
- **1.5°C PARIS AGREEMENT COMPATIBLE**: Policies & action (1.5°C PARIS AGREEMENT COMPATIBLE < 1.5°C WORLD)

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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

Targets
- Climate Finance (if rated)
- Fair Share target
  - NDC rated against Fair Share
- Domestic target
  - NDC rated against modelled domestic pathways

Policies
- Policies & action
  - rated against Fair Share
  - rated against modelled domestic pathways

The better of the two

Average

OVERALL RATING
Overall rating

CRITICALLY INSUFFICIENT
- Iran
- Russia
- Saudi Arabia
- Singapore
- Thailand

HIGHLY INSUFFICIENT
- Argentina
- Australia
- Brazil
- Canada
- China
- Colombia
- India
- Indonesia
- Kazakhstan
- Mexico
- New Zealand
- South Korea
- UAE
- Ukraine
- Vietnam

INSUFFICIENT
- Chile
- EU
- Germany
- Japan
- Norway
- Peru
- South Africa
- Switzerland
- USA

ALMOST SUFFICIENT
- Costa Rica
- Ethiopia
- Kenya
- Morocco
- Nepal
- Nigeria
- UK

1.5°C PARIS AGREEMENT COMPATIBLE
- The Gambia

OVERALL RATINGS
Overall Climate Action Tracker ratings
Sept 2021 Update

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INTERNATIONAL NDCS AND PROVIDING SUPPORT
Interplay between own emission reductions and climate finance

Example of a climate finance donor
European Union

1.5°C modelled domestic pathway
Represents the least a country should do at home

Fair Share gap
Level of international support for emissions reductions overseas to help meet its overall fair share contribution

Provides climate finance

1.5°C Fair Share

2010 2020 2030

Example of a climate finance recipient
India

1.5°C Fair Share

Receives climate finance

International support gap
Additional mitigation achieved with international support

1.5°C modelled domestic pathway
Represents what should be achieved under a global least-cost approach

2010 2020 2030
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

<table>
<thead>
<tr>
<th>Country</th>
<th>Climate finance rating</th>
<th>Climate finance rating components</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sept 2021 Update</td>
<td>Absolute contributions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Historic trend</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Future commitments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overseas fossil finance</td>
</tr>
<tr>
<td>Norway</td>
<td>INSUFFICIENT</td>
<td>GREEN</td>
</tr>
<tr>
<td>Germany</td>
<td>INSUFFICIENT</td>
<td>RED</td>
</tr>
<tr>
<td>EU</td>
<td>INSUFFICIENT</td>
<td>GEM</td>
</tr>
<tr>
<td>Switzerland</td>
<td>HIGHLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>New Zealand</td>
<td>HIGHLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>Canada</td>
<td>HIGHLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>UK</td>
<td>HIGHLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>Japan</td>
<td>CRITICALLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>Australia</td>
<td>CRITICALLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>USA</td>
<td>CRITICALLY INSUFFICIENT</td>
<td>orange</td>
</tr>
<tr>
<td>Russia</td>
<td>CRITICALLY INSUFFICIENT</td>
<td>orange</td>
</tr>
</tbody>
</table>

**Climate finance rating categories**

- GOOD
- ALMOST SUFFICIENT
- INSUFFICIENT
- HIGHLY INSUFFICIENT
- CRITICALLY INSUFFICIENT

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ADDITIONAL ELEMENTS ASSESSED

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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.

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!
HOW DOES THIS APPLY TO KEY COUNTRIES?

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UK

UNITED KINGDOM OVERALL RATING

ALMOST SUFFICIENT

BASED ON MODELLED DOMESTIC PATHWAYS+

<table>
<thead>
<tr>
<th>Emissions excl. LULUCF MtCO₂e/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policies &amp; action</th>
<th>Domestic target</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALMOST SUFFICIENT</td>
<td>1.5°C PARIS AGREEMENT</td>
</tr>
<tr>
<td>&lt; 2°C World</td>
<td>&lt; 1.5°C World</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fair share target</th>
<th>Climate finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSUFFICIENT</td>
<td>HIGHLY INSUFFICIENT</td>
</tr>
<tr>
<td>&lt; 3°C World</td>
<td></td>
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</table>

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

www.climateactiontracker.org
Based on modelled domestic pathways, the United States overall rating is insufficient. This rating is based on emissions excluding LULUCF (MtCO₂e/year) and policy action. The chart shows historical emissions and projected pathways for different temperature targets. For fair share target, the US rating is also insufficient. Climate finance is also insufficient.

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China

**CHINA OVERALL RATING**

**HIGHLY INSUFFICIENT**

**BASED ON MODELLED DOMESTIC PATHWAYS**

<table>
<thead>
<tr>
<th>Emissions excl. LULUCF MtCO₂e / year</th>
<th>Policies &amp; action</th>
<th>Internationally supported target</th>
<th>Fair Share target</th>
</tr>
</thead>
<tbody>
<tr>
<td>18000</td>
<td>INSUFFICIENT</td>
<td>INSUFFICIENT</td>
<td>CRITICALLY INSUFFICIENT</td>
</tr>
<tr>
<td>15000</td>
<td>Policies &amp; action</td>
<td>Internationally supported target</td>
<td>1.5°C Fair Share</td>
</tr>
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</table>

**BASED ON FAIR SHARE**

<table>
<thead>
<tr>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

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

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India

INDIA OVERALL RATING
HIGHLY INSUFFICIENT

BASED ON MODELLED DOMESTIC PATHWAYS+

<table>
<thead>
<tr>
<th>Emissions excl. LULUCF MtCO₂e/year</th>
<th>Internationally supported target</th>
</tr>
</thead>
<tbody>
<tr>
<td>7000</td>
<td>CRITICALLY INSUFFICIENT 4°C + World</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policies &amp; action</th>
<th>Fair share target</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALMOST SUFFICIENT</td>
<td>HIGHLY INSUFFICIENT &lt; 4°C World</td>
</tr>
</tbody>
</table>

Historical 1.5°C modelled domestic pathway

Policies & action 1.5°C Fair Share

Fair share target

Sept 2021 update

+ Modelled domestic pathways refers to a globally economically efficient perspective with pathways for different temperature ranges derived from global least-cost models

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Morocco

MOROCCO OVERALL RATING
ALMOST SUFFICIENT

BASED ON MODELLED DOMESTIC PATHWAYS

INTERNATIONALLY SUPPORTED TARGET

ALMOST SUFFICIENT
< 2°C World

1.5°C Fair Share
Policies & action

1.5°C modelled domestic pathway

BASED ON FAIR SHARE

POLICIES & ACTION

1.5°C PARIS AGREEMENT
< 1.5°C World

FAIR SHARE TARGET

1.5°C modelled domestic pathway

Emissions excl. LULUCF
MtCO₂e / year

150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0

1990
2000
2010
2020
2030

Land use & forests

Historical
Internationally supported target

1.5°C modelled domestic pathway

2010
2020
2030

Historical

Land use & forests

Sept 2021 Update

1.5°C modelled domestic pathway

Rating categories

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

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

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COP26 EXPECTATIONS

Bill Hare
Climate Analytics
Paris Agreement is driving climate action

IMPACT OF THE PARIS AGREEMENT
Changes to the estimated global temperature increase in 2100

- Effect of implemented policies: 0.7°C reduction
- Effect of additional net zero announcements (China, USA, etc): 0.4°C reduction

More targets expected in 2021 before COP26 in Glasgow in November

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Outstanding NDC improvements among CAT countries

**Brazil and Mexico**: new NDCs lead to higher 2030 emissions

**India, Turkey, Kazakhstan, Saudi Arabia**: no update submitted yet

**Australia, Indonesia, New Zealand, Singapore, Thailand**: resubmitted same target

**Switzerland**: insignificant change

**Iran**: not ratified

**Russia and Viet Nam**: new targets are easily met with current policies
Outstanding NDC improvements among CAT countries

Argentina, China, South Korea: yet to submit announced targets
THANK YOU!