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 World Business Council for Sustainable Development

About the We Mean Business Coalition:

The We Mean Business Coalition is a group of nonprofit organizations working with the world's most influential businesses to take action on climate change. The global coalition brings together seven organizations: BSR, CDP, Ceres, The B Team, The Climate Group, the Corporate Leaders Groups and the World Business Council for Sustainable Development. Together we catalyze business action to drive policy ambition and accelerate the transition to a zero-carbon economy.

With thanks to Katherine Dixon at Bain & Co. for her contribution to this report.

Find out more at wemeanbusinesscoalition.org

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

Summary

This call to action, led by the We Mean Business Coalition, urges governments to develop and implement Nationally Determined Contributions (NDCs) that are not only ambitious, but also drive accelerated private sector investment in the net zero economy. The next round of NDCs under the Paris Agreement, due by 2025, must represent a progression beyond the previous NDCs, reflect the highest possible ambition of each country, and align with the 1.5°C global goal.

While ambitious targets are essential, they must be followed up by policy implementation. Many companies have taken action to reduce emissions across their operations and supply chains. To go further and reach their goals as quickly as possible, businesses need governments to convert NDCs into clear and consistent policy frameworks that remove barriers to private investment.

To unlock investment, businesses are calling for action from governments, led by the G20 countries, across three pillars:

1

Put forward **ambitious 1.5°C-aligned NDCs** containing:

- Economy-wide emissions reduction targets that are aligned with 1.5°C, set a just and inclusive path to net zero, and are integrated with national biodiversity strategies and action plans.
- Sector-specific targets, including to increase clean energy and energy efficiency, phase out unabated fossil fuels, and halt and reverse deforestation and forest degradation.
- Clear commitments to actually implement policies that will scale up private investment.

2

Develop **clear and consistent policy frameworks** to implement NDCs at three levels:

- National-level strategy and planning, and cross-government institutions.
- Sector-specific policies, including for innovation and deployment.
- International coordination on policies and implementation.

3

Undertake **transparent and inclusive dialogue** with businesses, including:

- Thorough consultations with business and other stakeholders on NDC content.
- Co-creation with business and other stakeholders of solutions for implementation.
- Effective reporting and communication strategies to broaden support for a just net-zero transition.

1 This Call to Action has been developed by the We Mean Business Coalition secretariat and valuable feedback from the seven founding partners of the We Mean Business Coalition as well as individual companies.

Introduction

The next round of Nationally Determined Contributions (NDCs) under the Paris Agreement are due by February 2025. Each NDC needs to represent a progression beyond the previous one, reflect the highest possible ambition while recognizing national circumstances, and ultimately align with the 1.5°C global goal. Elevating ambition is essential given the clear warning signs from the Intergovernmental Panel on Climate Change (IPCC). Further, the first UN Global Stocktake,[2] completed in 2023, concluded that even if current NDCs were fully implemented, they would not be ambitious enough to achieve the 1.5°C global goal. Through the stocktake, governments also agreed on important collective goals that should guide new NDCs, including tripling global renewable energy capacity, doubling energy efficiency, and transitioning away from fossil fuels in energy systems.[3]

Done right, these new NDCs can represent significant opportunities for governments to drive private sector investment into climate-resilient, net-zero-aligned, and nature-positive economies - all outcomes that will ultimately help businesses thrive.

Targets alone are not enough. A **much greater focus on implementation** will ensure the forthcoming NDCs are not only ambitious but also investible. To be "investible", an NDC must not only include ambitious targets but also send the clearest possible signal that governments are serious about translating NDC ambition into actual legislation and regulation – ultimately encouraging businesses to scale up private finance and investment.

As a global coalition,[4] the We Mean Business Coalition is uniquely positioned to unite companies in this call to action for ambitious and investible NDCs. The message coming from the business and investor community is clear: for NDCs to attract private finance and investment, they must be backed up by clear and consistent implementation policies.

2 A Global Stocktake of collective progress towards the goals of the Paris Agreement was established in Article 14 of the Paris Agreement. The first Global Stocktake took place in 2023 and future Global Stocktakes will be conducted every five years.
3 https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf
4 The We Mean Business Coalition has seven founding partners (BSR, Ceres, CDP, Corporate Leaders Group, Climate Group, The B Team and the World Business Council for Sustainable Development) and works through a network of thousands of businesses.

Finance, adaptation, and biodiversity in NDCs

This call to action from the business community primarily focuses on how NDCs can accelerate the transition to net-zero emissions, but NDCs must be broader than this. For many developing countries, NDCs have been and will continue to be used to set out their finance, technology and capacity building needs.

Countries should also develop NDCs that highlight their objectives and plans for enhancing climate adaptation and resilience as well as protecting and restoring nature and biodiversity on the pathway to net zero. This can mean including information on the implementation status and progress of national adaptation plans and national biodiversity strategies and action plans, as well as synergies and co-benefits between adaptation, mitigation, and biodiversity actions. Public investment in and implementation of adaptation-related policies are particularly important for companies with supply chains at risk of being disrupted by climate change.

Why NDCs matter for business

NDCs are important for businesses because they signal the stability, predictability and direction of travel of the policy environment in which companies operate, even though they are one step removed from the legislative or regulatory policy measures that directly affect a company's day-to-day operations. These signals are valuable for businesses planning their investment decisions over the next five to ten years.

Businesses wanting to lead the transition need governments to shift gears and produce NDCs for 2035 that are significantly more ambitious than the existing NDCs for 2030. The new NDCs must be backed up by implementation of concrete policies that remove the investment barriers and challenges companies face in each sector.

A good NDC can build confidence both internationally and domestically on the transition from fossil to clean energy and ultimately reaching net zero. NDCs present opportunities for governments to commit to creating the conditions needed to drive investment into climate-resilient, net-zero-aligned and nature-positive economies. If done well, they can be a clear signal that further specific policies will follow to drive investment into reducing emissions while ensuring a just transition.[5]

5 The Just Transition Resource Platform was launched by BSR, The B Team and the We Mean Business Coalition in 2023. It provides a step-by-step approach with relevant resources for companies to advance the just transition across their climate ambition, action, advocacy and accountability. See https://www.wemeanbusinesscoalition.org/just-transition-resource-platform/

Why business matters to NDCs

The private sector will play a critical role in the implementation of NDCs and the achievement of national climate targets. They also have an important role to play in advocating for the policies they need to accelerate their own transitions. Many companies are already reducing emissions by taking ambitious measures to overcome transition barriers and accelerate climate action in their sectors. For example, over 260 companies with a combined revenue of >$1.6 trillion are working toward phasing out their use of unabated fossil fuels under the Fossil to Clean campaign.[6] Thousands of companies have also set science-based targets, developed climate transition action plans, invested in net-zero solutions, and disclosed progress.

To amplify progress, governments need to see and hear strong support from the private sector to give them confidence to create ambitious NDCs and to deliver clear and consistent policy frameworks aimed at scaling up private investment. As highlighted by the Corporate Climate Stocktake in 2023,[7] systematic collaboration between business and government is needed to overcome transition barriers and enable investment to flow into NDC implementation.

The We Mean Business Coalition's Fossil to Clean campaign

FOSSIL TO CLEAN

The Fossil to Clean campaign[8] is a global movement of businesses moving from fossil fuels to clean energy. It launched in 2023 in the run-up to COP28 in Dubai with a clear vision: by 2030, fossil fuel consumption will have peaked and declined, and the transition away from fossil fuels to clean solutions is continuing to accelerate. The campaign calls for the global phase-out of unabated fossil fuels in line with 1.5°C and advocates for a well-managed and just transition from fossil fuels to clean energy.

Before COP28, businesses delivered an advocacy letter to Heads of State that urged governments to set clear targets and timelines for the phase-out of unabated fossil fuels and the creation of policies to accelerate clean energy deployment. More than 260 companies with a combined revenue of >$1.6 trillion have already signed the letter. It remains open for signature by companies that wish to add their voice to this growing global call from business to government.

This call for ambitious and investible NDCs continues the momentum of the Fossil to Clean campaign and represents an opportunity for leading companies to step up their advocacy efforts around NDCs as well as the specific domestic policies that are needed to implement them.

6 https://www.wemeanbusinesscoalition.org/fossil-to-clean/
7 https://www.wemeanbusinesscoalition.org/corporate-climate-stocktake-2023/
8 Together, business and government can be a powerful catalyst for change. For more information or to join the campaign, visit our webpage at https://www.wemeanbusinesscoalition.org/fossil-to-clean/

Call to Action for ambitious and investible NDCs

This call to action urges governments to create ambitious and investible NDCs. It presses governments – led by the G20 countries – to act across three pillars:

1

Ambitious NDC content: Set ambitious, economy-wide targets that chart an achievable, just, and inclusive path to net zero. Complement these economy-wide targets with sector-specific targets. Additionally, scale up private investment in nature-positive climate action by backing these targets with a clear commitment to policy implementation.

2

Policies for NDC implementation: Translate NDCs into clear and consistent policy frameworks that unlock the full potential of private sector investment, with coherence across national level strategy and planning, sector-specific incentives and regulations, and international policy coordination.

3

Government-business dialogue and communication: Create an integral role for business and other stakeholders at all stages of the process for NDC development and implementation, from transparent and inclusive consultations on NDC content, to co-creating policy frameworks for implementation. Develop effective reporting and communications strategies to spotlight the benefits and broaden support for climate action across business and society.

These pillars are not independent of one another and can be seen as a cycle reminiscent of the original Ambition Loop developed by the We Mean Business Coalition in 2018.[9] The overarching goal: ensure each country's domestic policies and processes, and its global commitments to achieve its NDC, create a mutually reinforcing cycle, with business dialogue helping to build and maintain momentum.

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 even further in the next NDC cycle, while simultaneously inspiring other countries toward greater ambition.

9 https://ambitionloop.org/

Figure 1: The NDC and policy implementation cycle

1

Ambitious NDC content: Commitments that set a clear, just, and inclusive path to net zero

Recognizing that each country has unique national circumstances, with some countries requiring more support than others, the business community calls for the following targets and commitments in the next round of NDCs:

- Economy-wide emissions reduction targets that set a clear path to net zero by around the middle of the century, in line with national circumstances.
- Sector-specific targets in key sectors, such as power, transport, buildings, industry, agriculture, forestry, and land use.
- Clear commitments to implement policies that will deliver the NDC by scaling up (and expediting) private investment

Governments should also ensure their NDCs are integrated with and will contribute towards their other goals and sustainable development objectives where possible. For example, in addition to setting ambitious targets for agriculture, forestry, and land use change, countries should ensure their climate plans support efforts to protect and enhance biodiversity, and are integrated with the targets in their national biodiversity strategies and action plans.[10]

NDCs should also clarify if governments intend to use collaborative market approaches (including through Article 6 of the Paris Agreement) to meet their targets, and if so, how. Further, they should outline the anticipated role of nature-based solutions and ecosystem-based approaches, backed by information on implementation and the support required to deliver them.

10 The Nature 4 Climate Guide for Including Nature in NDCs provides helpful guidance on this subject. The second edition of this guide will be launched in the second half of 2024.

Economy-wide emissions reduction targets

The next NDCs must include ambitious, economy-wide, and absolute[11] emissions reduction targets for 2035. G20 countries represent around 80% of global greenhouse gas emissions, so their targets play a particularly significant role in determining the future of the climate. While most developed countries have already set economy-wide targets, at COP28 all countries agreed to move toward them in the next round of NDCs, according to their national capacities.

The 2035 NDC targets need to align with countries' longer-term pathways toward net-zero emissions by around the middle of the century, recognizing that developed countries must lead climate change mitigation efforts, and climate finance needs significant scaling up to help developing countries implement ambitious NDCs.[12] Framing NDCs as clear milestones on the way to net zero helps with tracking progress and maintaining public and investor confidence.

Many transition technologies have become less expensive since the last time countries formulated NDCs. This means governments can be bolder when creating NDCs, supported by businesses demonstrating how lower costs are strengthening the business case of their own transitions. Research by the Energy Transitions Commission shows that the ambition of the next round of NDCs could be tripled based on current technological progress and existing commitments by governments and industry.[13]

Setting ambitious long- and short-term targets for climate action in Brazil

The headline targets in Brazil's first NDC are to reduce its net greenhouse gas emissions by 37% by 2025 and 50% by 2030 relative to 2005. These targets were designed to help Brazil meet its long-term objective of climate neutrality by 2050. An Inter-ministerial Committee on Climate Change and Green Growth has been established to improve cross-government coordination on climate policy. Brazil has also set up civil society institutions to help implement its NDCs, including the Brazilian Forum on Climate Change and the Brazilian Research Network on Global Climate Change.

This supportive policy environment for climate action inspired Natura & Co, a Brazilian multinational company producing cosmetics, hygiene, and beauty products, to set ambitious short-term targets to work toward net zero. The short-term targets are to reduce its scope 1 and scope 2 emissions by 42% by 2030 relative to 2020; and to reduce its scope 3 emissions from purchased goods and services, upstream transportation and distribution, and end-of-life treatment of sold products by 42% by 2030 relative to 2020. It is now designing a Climate Transition Action Plan to meet these targets through six workstreams: operations, packaging materials, home and style, distribution and transportation, raw ingredients, and consultants' materials.

11 Absolute emissions reduction targets are targets expressed in terms of annual greenhouse gas emissions, as opposed to intensity-based indicators such as emissions per unit of GDP or per capita.
12 https://www.wri.org/research/paying-paris-agreement-primer-government-options-financing-nationally-determined
13 https://www.energy-transitions.org/publications/credible-contributions-bolder-plans-for-ndcs/

Sectoral targets

In addition to economy-wide targets, the next NDCs should also include targets for key sectors such as power, transport, buildings, industry, agriculture, forestry, and land use. While the precise targets will vary according to national circumstances, some examples of sector-specific targets as well as the types of sector-specific policy commitments that businesses hope to see in NDCs are summarized in Table 1, drawing on the Fossil to Clean Principles for Global Fossil Fuel Phase-out,[14] the We Mean Business Coalition policy asks[15] and the Corporate Climate Stocktake 2023.[16] These are illustrative examples only and are not a prescriptive list applicable to all countries.

The targets in each sector 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.[17] They should also acknowledge dependencies where appropriate. For example, the emissions reductions from electrification of transport and industry partly depend on the availability of clean power and the speed of the transition in the power sector. Additionally, when developing sector-specific targets, countries should evaluate and address co-benefits and trade-offs with national biodiversity strategies and action plans to ensure mutual compatibility.

An NDC sectoral target attracting private investment in solar power in India

India's first NDC sets a goal to reduce the emissions intensity of its GDP by 45% by 2030 relative to the 2005 level. The NDC also includes a goal to achieve about 50% cumulative electric power installed capacity from non-fossil-fuel-based energy resources by 2030. In the power sector, India has translated its first NDC into a package of policies with a focus on scaling up deployment of solar energy. These include competitive bidding and reverse auctions for renewable energy projects, which have led to some of the world's lowest solar tariffs and promoted significant private sector investment.

An example of such private sector investment is the portfolio of solar energy projects that has been developed by Mahindra Susten, an independent power producer and a subsidiary of the Mahindra Group. As of August 2024, Mahindra Susten had already developed more than 1.5 GW of solar plants and had 1.9 GW of renewable power plants in the development pipeline, spread across several states in India. In April 2024, it announced plans to develop one of the largest co-located solar and wind hybrid projects in Maharashtra state, with around 100 MW of wind capacity and around 50 MW of solar capacity.[18]

14 https://www.wemeanbusinesscoalition.org/fossil-to-clean-follow-the-principles/
15 https://www.wemeanbusinesscoalition.org/policy/
16 https://www.wemeanbusinesscoalition.org/corporate-climate-stocktake-2023/
17 https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf
18 https://www.mahindra.com/news-room/press-release/en/mahindra-susten-forays-into-hybrid-renewable-energy-re-segment-with-a-solar-wind-project

Commitments to implement clear and consistent policy frameworks

High ambition only matters if NDCs are effectively implemented. This requires private investment, and investment will only flow at sufficient speed and scale if the policy and regulatory landscape is supportive. To support investment, the NDC itself needs to contain clear and credible commitments to translate targets into concrete policies.

NDCs are not themselves legally binding policy documents and there are limits on the level of policy detail they can include, especially as they are developed many years before the target date (i.e. 2035 for the NDCs currently in development). Nevertheless, the more information governments can provide in NDCs on the anticipated direction of policy and the types of policy instruments they intend to implement nationally and within each sector, the stronger the signal to the private sector that policies will be clear, coherent and long-lived. Stronger signals give businesses the confidence to make long-term investments in the transition. This information doesn't necessarily need to be in an NDC itself; accompanying details can also be provided in long-term low emissions development strategies,[19] biennial transparency reports,[20] and other supporting documents.

Governments can also help drive private investment decisions by including information on sectoral pathways and macroeconomic context in their NDCs, as called for by the Institutional Investors Group on Climate Change (IIGCC).[21] Further, estimates of overall investment needs for implementing NDCs, including information on the share expected to come from public and private sources of finance, can help paint a picture of the scale of investment required to implement NDCs.

19 Under the Paris Agreement, all countries agreed to "strive to formulate and communicate" long-term low-emissions development strategies (LT-LEDS). As of 1 July 2024, 73 countries had submitted their LT-LEDS to the UNFCCC Secretariat. See https://unfccc.int/process/the-paris-agreement/long-term-strategies

20 All Parties under the Paris Agreement are required to submit biennial transparency reports (BTRs). The information to be included in BTRs includes "information necessary to track progress made in implementing and achieving NDCs". The first BTRs are due by 31 December 2024. See https://cdn.cdp.net/cdp-production/cms/policy_briefings/documents/000/007/443/original/CDP_Enhanced_Transparency_Policy_Paper.pdf?1700831191

21 https://www.iigcc.org/resources/making-ndcs-investable-the-investor-perspective

Table 1: Illustrative examples of sector-specific targets and policy commitments that business want to see in NDCs[22]

Sector	Illustrative examples of sector-specific targets and policy commitments	What businesses need to accelerate implementation (from Corporate Climate Stocktake surveys)
Cross-cutting	• Set targets for 2035 for scaling up clean energy and energy efficiency.[23] • Set clear targets and timelines for the phase-out of unabated fossil fuels in line with 1.5°C, supported by plans and policies to ensure a just transition for affected workers and communities. In many countries, this will require accelerated electrification of energy services in the transport, buildings and industry sectors. Commit to: • Reorient public and private financial flows away from fossil fuels in a nationally appropriate manner by setting a meaningful price on carbon and repurposing fossil fuel subsidies. • Make climate-related financial disclosure mandatory for corporations.[24] • Implementing a just transition for workers and communities. • Work across government to reduce siloes and bring together policy expertise and finance.	• Access to improved, modern infrastructure. • Market structural reforms that support low-emissions business models. • Improved availability of inputs and strengthened supply chains for the energy transition. • Policies to help ease workforce constraints and support a just transition among workers and communities. • Improved cross-government coordination.
Power	• Set a target to reach 100% decarbonized power systems by 2035 in advanced economies and by 2040 for other countries (at the latest). • Set a target to phase out coal-fired power generation by 2030 for advanced economies, and 2040 for other countries, at the latest. Commit to: • Invest in grid infrastructure and network upgrades. • Accelerate permitting processes for clean energy projects. • Resolve structural market issues and supply chain bottlenecks.	• Scaled up investments in modernized grid infrastructure and power system flexibility. • Levelling the playing field for clean energy producers through power market reform and carbon pricing.
Road transport	• Set a target to achieve 100% sales of zero-emission vehicles for new light-duty vehicles by 2035, and by 2040 for new heavy-duty vehicles, at the latest. Commit to: • Implement increasingly stringent emission standards aligned with the 1.5°C pathway for all modes of transport. • Adopt coherent policies across transport, energy and the built environment, and work with business to accelerate investment in electric vehicle charging standards and infrastructure that is accessible to all. • Public procurement of zero-emission vehicle fleets. • Support the growth of zero-emission vehicle value chains.	• Creation of a more level playing field for zero-emission vehicle suppliers through emissions standards and carbon pricing. • Public support for improved charging infrastructure for electric vehicles. • Public communication to improve consumer perception of electric vehicles including in relation to lifetime costs (relative to upfront costs) and range anxiety.
Buildings	• Set a target to increase deep renovation rates of the existing building stock to 3% per year by 2030 and beyond, focusing on reducing oil and gas use in heating and cooling systems, enhancing energy efficiency, and increasing use of low carbon insulation and building materials. Commit to: • Implement mandatory, performance-based building codes and planning standards. • Align public procurement standards to incentivize low carbon solutions along the value chain and build zero carbon, circular, and resilient buildings and infrastructure. • Accelerate deployment of public funding for innovation and R&D projects, for workforce development and to de-risk private sector investment in the built environment.	• Harmonized building codes and standards. • Effective policies to support and lower costs for retrofitting existing buildings.

Continued on next page

22 This table of illustrative examples is based on the Fossil to Clean Principles for Global Fossil Fuel Phase-out (https://www.wemeanbusinesscoalition.org/fossil-to-clean-follow-the-principles/), the We Mean Business Coalition Policy Asks (https://www.wemeanbusinesscoalition.org/policy/), and the Corporate Climate Stocktake 2023 (https://www.wemeanbusinesscoalition.org/corporate-climate-stocktake-2023/).

23 A 2023 IEA report highlights the key role energy efficiency policies can play in accelerating clean energy transitions, for example by enhancing energy access, reliability, responsiveness and affordability of power systems. See https://www.iea.org/reports/the-evolution-of-energy-efficiency-policy-to-support-clean-energy-transitions

24 A set of ten key principles for high-quality mandatory disclosure policy (HQMD) and regulation has been developed by CDP. An example of HQMD is India's Business Responsibility and Sustainability Report (BRSR) regulation, which requires the top 1,000 listed companies to disclose on a set of sustainability parameters. See https://www.cdp.net/en/policy/program-areas/mandatory-environmental-disclosure

Continued

Sector	Illustrative examples of sector-specific targets and policy commitments	What businesses need to accelerate implementation (from Corporate Climate Stocktake surveys)
Industry (steel, concrete and cement)	Commit to: • Drive demand for fossil-fuel-free and circular materials via sustainable public procurement policies and creation of lead markets. • Accelerate the green industrial transition through policy mandates e.g., by setting adoption targets for low- or zero-carbon materials. • Provide financing and R&D support for piloting and scaling deployment of zero emissions technologies. • Implement policies and regulations such as carbon contracts for difference to overcome the green cost premium that businesses face for production of low-CO2 steel, cement, and chemicals, and promote creation of standards to identify and label green materials to avoid greenwashing claims. • Accelerate the deployment of industrial energy efficiency technologies and solutions. • Stimulate demand through public and private procurement. • Develop international standards (for example, for green steel and clinker alternatives). • Support the development and financing of carbon capture, utilization and storage for hard-to-abate industrial processes (e.g. cement production).	• Increased demand for low- or zero-carbon materials, to help overcome higher costs for example for zero-carbon steel technologies. • Support to early-stage technologies to improve availability of low-carbon clinker substitutes for cement. • Harmonized international standards for green steel and clinker alternatives.
Hydrogen	Commit to: • Harmonize standards for green hydrogen. • Develop common approaches to safety and infrastructure development. • Coordinate demand side policy across regions, including prioritizing different use cases and hydrogen derivatives. • Align approaches to international trade of hydrogen. • Pool resources and risk for the demonstration of demand-side green hydrogen projects in high-priority sectors like shipping or steel.	• Common standards and harmonized policies that can push down costs of green hydrogen production. • Support in overcoming hydrogen distribution challenges. • Clearer hydrogen demand projections.
Aviation and shipping	Commit to: • Coordinate internationally on alternative fuels, technology choices, and infrastructure investment. • Ensure a level playing field among major airport hubs and address fiscal imbalances for aviation fuel. • Introduce sustainable aviation fuel blending mandates. • Set international carbon emissions standards and invest in bunkering infrastructure for alternative fuels at major ports. • Endorse industrial-scale demonstration projects and offering financial incentives for low-emission vessel procurement.	• Improved biofuel feedstock availability. • Clearer biofuel demand projections. • Improved infrastructure for alternative fuel production and bunkering at ports and airports. • Rebalanced fiscal frameworks for bunker fuels to remove tax exemptions. • Clear market mechanisms allowing purchase of low-carbon fuels to support achievement of corporate climate targets.
Agriculture, forestry, and land use	• Set targets to halt and reverse deforestation and forest degradation by 2030 and maintain these efforts in subsequent commitment periods. • Set targets for agricultural methane and nitrous oxide emissions. Commit to: • Ensure more sustainable demand for the underlying commodities driving land use change. • Establish new financial mechanisms to support farmers and help leverage corporate resources (e.g. through public-private partnerships). • Increase shared learning on successful approaches. • Provide support for bringing new low-emission technologies to market. • Accelerate access to training and technical assistance on regenerative agriculture. • Adopt an integrated approach to the implementation of the Rio conventions on climate, nature, and desertification, and ensure that land sector targets align with and reinforce the ambition set in NBSAPs.	• Stronger enforcement of deforestation bans. • Improved supply chain integrity. • Improved access to capital, specialized labor, and technical assistance. • Clearer demand projections for commodities such as beef, soy, and palm oil.

2

Clear and consistent policy frameworks to implement NDCs

Once an ambitious NDC is in place, what matters most to businesses is how the country's policy landscape is updated to reflect it. To mobilize private sector investment, governments need to provide a **clear and consistent enabling environment**. Failure to do so will likely dampen investment and decrease the likelihood of achieving NDC targets.

The Corporate Climate Stocktake 2023 report led by the We Mean Business Coalition and supported by the UN Climate Champions team and Bain & Company reviewed private sector progress, obstacles and opportunities for achieving net zero.[25] It highlighted barriers faced by businesses and identified sector-specific policy opportunities for accelerating the transition.

Building on the findings of the Corporate Climate Stocktake 2023, businesses call on governments to:

- Deliver national strategies and planning processes for NDC implementation, and set up cross-government institutions to facilitate policymaking across ministries.
- Launch sector-specific policies to unlock private investment, including support for innovation and deployment.
- Enhance international policy coordination.

Cross-cutting themes identified from the Corporate Climate Stocktake 2023

- The transition to clean technologies is accelerating and costs are falling, though progress remains uneven across sectors. For example, the growth in renewable electricity generation has consistently outpaced annual predictions in the power sector and passenger electric vehicle sales are growing exponentially in the transport sector, yet progress has been slower and solutions remain expensive in sectors such as agriculture, heavy industry, aviation, and shipping.
- Business investment in the transition is in many cases currently stalled due to a range of sector-specific transition barriers, such as availability of infrastructure, consumer behavior, market structure, technology constraints, availability of inputs, current business models, and workforce limitations.
- Nevertheless, leading businesses are taking action to break through transition barriers and drive forward the transition, whether through the development of new technology or business models.
- Government support is playing an instrumental role in enabling companies to transition, with over 70% of the business leaders surveyed for the stocktake identifying government regulation as being the most important driver for accelerating the energy transition.
- The business case for low carbon investment is often challenging and many business leaders would like to see more government intervention to level the playing field.

25 https://www.wemeanbusinesscoalition.org/corporate-climate-stocktake-2023/

National strategies, planning, and cross-government institutions

A clear national strategy and whole-of-government approach is needed to both develop the NDC and set the policies needed to implement it. Developing a national implementation strategy and establishing relevant institutions that guide cross-ministry collaboration and policymaking will give businesses confidence that governments will implement and stick to their NDC commitments. Political leadership from the highest level is essential, ideally coordinated from the center of government (e.g., by a President or Prime Minister's office), with strong engagement and buy-in from finance ministries. Establishing planning processes for delivery can also grant businesses greater clarity on how the NDC fits into the government's longer-term plans.

Cross-government institutional mechanisms play an important role in ensuring coordination on climate action, creating ministerial responsibilities for delivering NDC targets, and establishing independent monitoring and evaluation systems to regularly assess progress toward them. These mechanisms can foster collaboration between different ministries and establish confidence among businesses.

Clear ownership and responsibilities for meeting targets by relevant ministers ensures dedicated leadership for achieving net-zero transition goals. This accountability, together with oversight from the center of government, can ensure alignment between national targets and broader government objectives. Involving finance ministries early in the process is particularly important.

South Africa's Presidential Climate Commission

South Africa's Presidential Climate Commission (PCC) was established in 2020 to advise on the country's climate change response and support a just transition to a low-carbon, climate-resilient economy and society. Chaired by the President, its members include government ministers and 22 commissioners from business, civil society, labor organizations, and research institutions. Following the passing of the Climate Change Act in 2023, the PCC is now a listed public entity.

The PCC produced its first assessment of climate action in South Africa in 2024.[26] As part of the process, it (i) evaluated progress toward multiple indicators related to mitigation, adaptation, finance, and the just transition, (ii) interviewed experts, and (iii) surveyed more than 3,000 South Africans on their perceptions, attitudes, and support for climate action and the just transition. The key finding: although South Africa has strong commitments and public support for tackling climate change and facilitating a just transition, progress is behind the pace and scale required. The PCC is currently developing a monitoring, evaluation, and learning framework to track early indicators of the just transition progress.

In July 2024, the PCC published its recommendations on the creation of a Just Transition Financing Mechanism.[27] This will be an important mechanism for planning and directing finance to projects that demonstrate the principles of restorative, distributive and procedural justice.

26 https://www.climatecommission.org.za/publications/the-state-of-climate-action-in-south-africa
27 https://www.climatecommission.org.za/publications/pcc-recommendations-of-the-just-transition-financing-mechanism-report

Transparency and accountability can be further enhanced by establishing independent national bodies to track progress towards milestones, undertake independent assessments of climate policy frameworks, and provide robust recommendations for improvement. Regular reporting and public disclosures can also maintain trust and momentum. Examples include the UK Climate Change Committee, New Zealand's Climate Change Commission, South Africa's Presidential Climate Commission, and Costa Rica's Scientific Council on Climate Change.

As part of national strategies and planning, detailed analysis is required to identify top priority sectors, subsectors, and technologies needed for an equitable transition to net zero. This helps identify where significant investments are needed to strategically develop policies that best orient private sector investment. Such analysis should be complemented with macroeconomic impact assessments to understand the broader implications through the 2030s and 2040s. In many countries, the easiest and cheapest emissions abatement opportunities are likely to have been exhausted by the 2030s, so tackling the remaining hard-to-abate sectors may require a systems transformation approach.

Decarbonizing steel production in Sweden

Sweden has set a long-term target to reach net zero greenhouse gas emissions by 2045 at the latest. To accelerate progress toward this target, the Swedish Government established a partnership with business and other stakeholders called the Fossil Free Sweden initiative.[28] This program has produced 22 roadmaps for decarbonizing industrial sub-sectors, including an action plan for the steel industry. This pressure on the steel industry to decarbonize was reinforced by the independent Swedish Climate Policy Council, which identified steel as one of the industries for which more comprehensive policy measures are required to meet Sweden's targets.

These policies were among the factors driving the Hydrogen Breakthrough Ironmaking Technology (HYBRIT) project, a joint venture between SSAB, mining company LKAB and energy company Vattenfall. Supported by funding from the Swedish Energy Agency, the HYBRIT project is demonstrating a new steel-making method that replaces coal in the iron ore reduction process with green hydrogen. The technology could reduce Sweden's CO2 emissions by 10% and Finland's by 7%.[29]

Sector-specific policies

Within a national framework, sector-specific policies and planning are essential to set the incentives and regulations needed to drive investment decisions. To de-risk investment in clean technologies, businesses need sector-specific policy frameworks that provide opex or capex support, regulate supply or demand, and provide consistent support at all stages of the innovation and deployment process. Examples of such policies include carbon pricing, fiscal incentives, deployment support (including through improved permitting), as well as targeted innovation support. Since each sector faces unique challenges and barriers to development and deployment, tailored interventions are needed to accelerate investment.

28 Other examples of public-private partnerships elsewhere include Denmark's Climate Partnerships 2030 initiative and Brazil's Ecological Transformation Plan.
29 https://www.ssab.com/en/fossil-free-steel/insights/hybrit-a-new-revolutionary-steelmaking-technology

Sector-specific investment roadmaps and assessments of investment barriers can give the private sector a more granular understanding of finance needs. For countries seeking international climate finance, these sectoral investment roadmaps can pave the way to accessing international climate finance mechanisms.

Sector-specific investment roadmaps should be robust, data-driven and periodically updated to reflect changes in technologies and costs. The key components vary by sector but will typically include demand projections (e.g., forecasting of future demand for commodities such as steel and cement in the industry sector), supply option assessments (e.g., the potential and costs associated with various electric vehicle technologies and infrastructure in the transport sector), and long-term vision (e.g., communication of the aspirational future electricity generation mix in the power sector).

Accelerating the electrification of road transportation in the United States via the Inflation Reduction Act

The US's first NDC sets an economy-wide target of reducing net greenhouse gas emissions by 50-52% below 2005 levels by 2030.[30] This target was underpinned by a detailed sector-by-sector analysis coordinated by the National Climate Advisor and the White House Office of Domestic Climate Policy. The NDC highlights transportation as a priority sector for emissions reductions, since fossil fuels still account for more than 90% of transportation energy use. Electrifying transportation is also identified as a high priority in the US's Long-Term Strategy, which sets out emissions pathways to 2050.[31] The US Government set a sector-specific target for half of all new light-duty cars sold in 2030 to be zero-emission vehicles. The Inflation Reduction Act of 2022 will likely accelerate progress toward this target by offering tax credits for electric vehicles assembled in America.

General Motors, a multinational automotive manufacturing company headquartered in Detroit, set a target to eliminate tailpipe emissions from its new US light-duty vehicles by 2035; this is part of its push for carbon neutrality in global products and operations by 2040. This vehicle-decarbonization strategy includes a joint venture with LG Energy Solution called Ultium Cells. Ultium battery cells can be stacked vertically or horizontally inside a battery pack to produce batteries with energy storage capacities ranging from 50 to 200 kWh. This modular design means the battery technology can be incorporated into everything from small mass-market to large high-performance vehicles. In 2022, Ultium Cells announced a $2.6 billion investment to build a third battery cell manufacturing plant in Lansing, Michigan, which is scheduled to open in late 2024.[32]

Sector-specific research, science, innovation, and deployment support is also needed to reduce costs and de-risk the development and deployment of mitigation technologies in priority sectors. Policy development in this area begins with a comprehensive understanding of barriers to innovation and deployment in each sector. Some examples of how businesses see solutions to the barriers they are facing for transition across sectors are provided above in Table 1, drawn from the Corporate Climate Stocktake 2023.

30 https://unfccc.int/sites/default/files/NDC/2022-06/United%20States%20NDC%20April%2021%202021%20Final.pdf
31 https://www.whitehouse.gov/wp-content/uploads/2021/10/us-long-term-strategy.pdf
32 https://news.gm.com/newsroom.detail.html/Pages/news/us/en/2022/jan/0125-gmandlg.html

Reducing emissions from cement production in the EU

The EU's first NDC is to reduce its net greenhouse gas emissions by at least 55% by 2030 compared to the 1990 level.[33] To meet its NDC it established EU-wide policies (such as the Fit for 55 legislative framework), which are then implemented through specific legislation and regulation in members states. The EU Emissions Trading Scheme (EU ETS) is one of the main policies in place for reducing emissions from the energy sector and energy-intensive industries such as cement, steel, and aluminum. To mitigate the risk of energy-intensive industries moving their operations out of the EU in response to the emissions price, a new carbon border adjustment mechanism (CBAM) will introduce emissions-adjusted charges on selected goods being imported into the EU from 2026 (in parallel with the phasing out of free EU ETS allowances for these sectors). Another policy supporting industrial decarbonization is the EU Innovation Fund, financed by EU ETS auction revenue. It is expected to provide around EUR 40 billion of support over 2020-2030 for the demonstration of innovative low-carbon technologies.[34]

In response to this policy framework, Holcim, a multinational building materials company with extensive operations in Europe, has set targets to reduce its scope 1 and 2 emissions per tonne of cementitious materials by 26.2% by 2030 and 95% by 2050, relative to 2018. Its pathway to meet these targets focuses on clinker substitution, use of alternative fuels and raw materials, and increased use of renewable energy. Holcim launched Europe's first calcined clay[35] cement operation at its Saint-Pierre-la-Cour plant in France in 2023. It is also investing in carbon capture, utilization, and storage (CCUS) technology. It is currently undertaking six full-scale CCUS projects in Germany, Poland, Greece, France, Croatia, and Belgium, supported by the EU Innovation Fund. These are expected to capture 5 million tonnes of carbon dioxide annually by 2030.[36]

Reducing methane emissions from livestock in the United States

The US's first NDC highlights the importance of reducing non-CO2 greenhouse gases such as methane in addition to carbon dioxide, and signals that the US government will support scaling of climate-smart agricultural practices to reduce non-CO2 emissions from the agriculture sector. The policies put in place to drive these emissions reductions include the Partnerships for Climate-Smart Commodities,[37] which is investing more than $3.1 billion in 141 projects to implement climate-smart production practices, and the Regional Conservation Partnership Program (RCPP),[38] which is funding 41 locally led conservation projects.

These policies are helping Danone reduce methane emissions from its US dairy supply chain. In 2023, Danone set a target to reduce the methane emissions from its fresh milk supply chain by 30% by 2030 relative to a 2020 baseline.[39] The main levers it is focusing on to reduce methane emissions are better herd and feed management, manure management, and breakthrough methane inhibitors. To meet its 2030 target, it is accelerating progress on modelling and reporting of methane emissions, expanding its regenerative dairy program, strengthening strategic partnerships, and enhancing engagement with policymakers and consumers.[40]

33 https://unfccc.int/sites/default/files/NDC/2023-10/ES-2023-10-17%20EU%20submission%20NDC%20update.pdf
34 https://climate.ec.europa.eu/eu-action/eu-funding-climate-action/innovation-fund/what-innovation-fund_en
35 Calcined clay (also known as metakaolin) is a pozzolanic substance that can be substituted for clinker in cement production.
36 https://www.holcim.com/what-we-do/green-operations/ccus
37 https://www.usda.gov/climate-solutions/climate-smart-commodities
38 https://www.nrcs.usda.gov/programs-initiatives/rcpp-regional-conservation-partnership-program
39 https://www.danone.com/media/press-releases-list/danone-announces-an-ambitious-plan-to-reduce-its-methane-emissions.html
40 https://www.danone.com/content/dam/corp/global/danonecom/about-us-impact/policies-and-commitments/en/2023/methane-matters.pdf

Capacity building is also needed in each sector to ensure that companies and other stakeholders have the knowledge, skills, and resources needed to accelerate the net-zero transition. This can include education and training programs, tools for sharing information on new technologies and business models, and support for ensuring the financial stability of companies involved in the net zero transition. Specific tools and capacity building tailored to the needs of small and medium sized enterprises (SMEs) are also needed.

The SME Climate Hub

The SME Climate Hub is a non-profit global initiative that empowers small to medium-sized companies to take climate action and build resilient businesses for the future. It is an initiative of the We Mean Business Coalition, the Exponential Roadmap Initiative, and the United Nations Race to Zero campaign in collaboration with Normative and the Net Zero team at Oxford University. It encourages SMEs to commit to halve their emissions by 2030, achieve net zero by 2050, and report on progress yearly. It also provides free tools and resources to enable SMEs to take climate action. Examples include the Business Carbon Calculator for estimating emissions, a series of Action Guides and Action Courses, the SME Reporting Tool, and the Climate Fit online training course. As of August 2024, over 8,200 SMEs had signed up to the SME Climate Hub.[41]

International policy coordination

International coordination is particularly important for decarbonizing the production of globally-traded products, such as steel and aluminum. There is a risk that unilateral action could reduce the competitiveness of domestic industries, potentially leading to carbon leakage. International cooperation is integral to the research, development, and deployment of mitigation solutions for hard-to-abate sectors, such as agriculture, steel and aluminum, as well as inherently international sectors that have often been left out of NDCs, such as aviation and shipping. Coordinated action can help accelerate innovation and the diffusion of clean technologies, as well as create the necessary signals of economic and global demand required to deliver new mitigation solutions at scale and benefit all partners.

Governments should support and participate in international initiatives to decarbonize these sectors, including collaborating to harmonize standards and labelling systems for low- or zero-emissions products. Doing so bolsters confidence in market creation among companies operating internationally in these sectors; it also ensures aligned support measures that allow businesses to plan their investments in clean technologies.

41 https://smeclimatehub.org/

The Breakthrough Agenda

The Breakthrough Agenda was launched at COP26 in 2021. It aims to strengthen international collaboration in key sectors to make clean technologies and sustainable solutions the most affordable, accessible and attractive options in all regions by 2030. As of August 2024, 59 governments are participating in the Breakthrough Agenda. In addition to enhancing collaboration between governments, it also emphasizes the importance of public-private coalitions.

The Breakthrough Agenda is focused on seven high emitting sectors: power, road transport, steel, hydrogen, agriculture, buildings, and cement and concrete. Each sector workstream is co-led by two or three active countries. For each sector there is a specific goal for 2030, together with a set of annually agreed priority actions. Progress in each sector is summarized in an annual report prepared by the International Energy Agency, International Renewable Energy Agency, and the UN High Level Climate Action Champions. [42]

Reforming fiscal incentives presents another avenue to enhance international coordination. The world currently spends at least $1.8 trillion a year on environmentally harmful subsidies, much of which is support for fossil fuel production and consumption.[43] While such subsidies generally operate within national jurisdictions, improved international coordination could greatly facilitate the reform and repurposing of subsidies to incentivize investment in low-emissions and nature-positive solutions.

International coordination does not necessarily require agreement across all nations. It needs the painstaking pragmatism of smaller groups of governments and businesses willing and able to advance change. Fora such as the G20 can play a particularly important role in supporting ambitious and investible national plans through reform of international financial architecture. In many hard-to-abate sectors, creating the right incentives means working in small groups, in tightly defined sectors, and across industry and government boundaries. In addition to working with businesses, governments can also collaborate more closely together to leverage public finance and use it to de-risk private investment in low-emissions solutions (e.g., by providing loan guarantees).

42 https://www.iea.org/reports/breakthrough-agenda-report-2023
43 https://www.bteam.org/our-thinking/news/reform-1-8-trillion-yearly-environmentally-harmful-subsidies-to-deliver-a-nature-positive-economy. This estimate is from 2022; an updated estimate is forthcoming.

Incentivizing sustainable aviation fuel production in the EU

Sustainable aviation fuel (SAF) is likely to play a key role in decarbonizing aviation. But SAF remains significantly more expensive than regular aviation fuels. In a highly competitive industry, adoption at scale will be challenging without effective international coordination.

The EU is leading the way in this area. CO2 emissions from flights within the EU have been included in the EU ETS since 2012. A decision will be taken in 2026 on whether to expand the EU ETS to also cover long-haul flights departing from the EU. Further, the ReFuelEU Aviation regulation, adopted in 2023 as part of the "Fit for 55" legislative package, includes an SAF blending mandate. Aviation fuel suppliers must provide a minimum blend of SAF in kerosene of 2% in 2025, rising to 70% in 2050. Various sources of funding for SAF innovation and deployment are also available, such as the Clean Aviation Joint Undertaking, the EU Innovation Fund, and a mechanism for reinvesting some revenue from the EU ETS into support for SAF production.

Together with increasing demand for SAF from companies and consumers, this supportive policy environment in the EU has encouraged Finnish fuel producer Neste to invest in SAF production. Neste's MY SAF product is a direct replacement for fossil kerosene made from sustainably sourced renewable waste and residues such as used cooking oil and animal fat waste. MY SAF is already commercially available at over 25 airports worldwide including San Francisco International Airport, Los Angeles International Airport, Frankfurt Airport, Amsterdam Airport Schiphol, Changi Airport, and Narita International Airport. [44]

3

Transparent and inclusive dialogue between governments and businesses

Ambitious NDCs that are supported by clear and consistent policy frameworks will be easier to achieve if businesses and other stakeholders co-create them alongside governments. All key stakeholders including business should be consulted both on the NDC development and policy design. By ensuring that different perspectives are considered, transparent and inclusive NDC and policy development processes are likely to deliver higher quality and more robust and future-proofed NDCs and policies. This is important given that the next round of NDCs will be developed and communicated ten years in advance of their end date. Clear communication to businesses and the wider public about measures in place to ensure a just transition will also be important for securing broader buy in and durability for net zero policies.

Ongoing dialogue between governments and business is needed at all stages of the NDC and policy implementation cycle:

- **Early consultation with businesses should be embedded within the NDC development cycle**, given the central role of private finance and investment in implementing NDCs. In particular, the ministry leading the development of the NDC should engage with business associations and conduct consultations with private sector leaders to ensure that the views of the domestic business community are heard and taken into account. This ensures that the development and implementation of NDCs reflects the realities and challenges faced by the private sector. Companies of all sizes should be engaged, from large corporations to SMEs.

44 https://www.neste.com/products-and-innovation/sustainable-aviation/sustainable-aviation-fuel

- **Co-creation of solutions between business and government will be needed to deliver the systemic changes required** and to ensure policies that are attuned to the business realities of companies seeking to lead and accelerate investment in the transition. Regular dialogues, surveys, and collaborative platforms should be established to gather input from businesses and inform NDC and policy development. This will help identify barriers and developing policies that address these concerns, facilitating smoother transitions.
- **Effective reporting and communication strategies are also crucial to build support for NDCs and climate policies among the general public and within the business community.** Public awareness campaigns that highlight the benefits as well as the costs of climate action can help to create a more stable and supportive environment for climate policy development. More in-depth engagement sessions with business and other stakeholders, transparent information sharing and reporting, and consistent and clear communication from the government regarding policy directions and long-term commitments can help to reduce uncertainty, foster innovation and enable businesses to plan their investments with greater confidence. In addition to large companies, SMEs should be included as key stakeholders in government communication and engagement strategies.

Responding to the climate challenge demands systems-wide transformation. To achieve this radical change quickly we need a step-change in thinking around public-private co-creation.

The public and private sectors will be dependent on one another to achieve their shared transition goals. However, there is currently limited joint problem-solving, with governments focusing on delivering national transition plans and companies focused on corporate transition plans.

There are already success stories of joint problem-solving initiatives between the public and private sectors that have created the conditions to deliver a successful transition. For example, alignment behind strategic missions to decarbonize industry in Sweden (Fossil Free Sweden) and Denmark (the Danish Climate Partnerships), as previously referenced in this paper.

However, this type of collaborative work is still piecemeal. Scaling this up could help countries and companies to deliver on their transition plans more rapidly, create broader economic and social investment in climate and nature-positive outcomes, and strengthen the ambition loop.

Several organizations, including We Mean Business Coalition partners, are already exploring what this new frontier of public-private co-creation looks like and how it can deliver the strategic alignment, investment and policies needed to deliver on the next round of NDCs (see the Annex for more details).

Businesses stand ready to invest in ambitious NDCs

While high ambition is important, NDC implementation is most important from a business perspective.

Companies and financial institutions are seeking opportunities to invest in the delivery of NDCs. For example, over 5,800 companies have taken on science-based targets under the Science Based Targets initiative, and over 8,200 SMEs have already joined the SME Climate Hub. There is also growing awareness of the need for closer alignment between companies' lobbying positions and their public climate targets and advocacy positions, thanks in part to the We Mean Business Coalition's Responsible Policy Engagement framework.[45]

These are promising developments, but to accelerate progress, companies need clear and consistent green investment policy frameworks and confidence that governments will implement credible policies and measures to meet their NDCs.

Every country has different national circumstances and faces a unique set of barriers to the transition. This call to action will therefore be followed by more country-specific analysis and examples of how the call to action could be implemented in different country contexts. Globally, though, one thing is clear: by working together, governments and businesses can ensure that the next round of NDCs fulfill their potential and unlock much larger flows of private investment into the net zero transition.

45 https://www.wemeanbusinesscoalition.org/blog/the-rpe-framework-turns-one-as-the-corporate-climate-advocacy-landscape-continues-to-evolve/

Annex: Mapping of relevant work on NDCs by other organizations

Organizations	Description
C2ES	A C2ES discussion paper entitled "What are 'investible' NDCs?"[46] identified the following lessons from previous NDCs: • Ensure a stable domestic policy and regulatory framework. • Accompany NDCs with implementation and investment plans. • Assess capacity. • Include sectoral differentiation and sector-specific targets. • Prioritizes social inclusion. • Engage the whole of government.
CDP and GRI	In 2020, CDP and GRI published a briefing providing an analysis of the first round of NDCs and what they meant for business action and reporting.[47] It called on governments to: • Include clear targets in NDCs for the private sector's contribution. • Set up efficient and transparent monitoring processes that include private sector data. • Provide support to ensure the engagement of the private sector.
Coalition of Finance Ministers for Climate Action	In April 2024, the Coalition presented a Joint Call to Action with the NDC Partnership Co-Chairs and UN agencies on proactively engaging Ministries of Finance from an early stage in the update of NDCs to ensure the next round is investible, implementable and ambitious.[48] A 2024 thematic policy note, written by the Coalition's Helsinki Principles 1/6 Workstream Co-Leads and the NDC Partnership, highlighted key takeaways and strategies for Finance Ministries to bolster their engagement in NDC processes and available resources.[49]
Energy Transitions Commission (ETC)	In an insights briefing published in June 2024,[50] the ETC called on governments to: • Significantly raise the ambition of emissions reduction targets, in line with the goals of the Paris Agreement. • Make clear how stated targets in NDCs will be delivered, including how existing policies will be enhanced to drive and support the required investments. • Improve the format of targets contained in NDCs, to make them more consistent, comprehensive, and detailed, in line with the Paris Agreement. It also contained country-specific recommendations for different groups of countries.
Glasgow Financial Alliance for Net Zero (GFANZ)	GFANZ has identified the following four "essential ingredients" of NDCs:[51] • Set out clear pathways to net zero, prioritize the steps the government wants to take, and lay out the emissions trajectory and opportunities for investment. • Outline enabling policy measures to encourage investment and explain how finance will be used. • Describe project pipeline development, explain which projects are critical to NDC implementation, and what financial and technological support is available/needed. • Identify investment needs and financing options with a capital raising plan, which outlines what sources of finance the government wants to use and how public finance will be used to catalyze private finance.
Global Renewables Alliance (GRA)	The GRA has developed an open letter to world leaders calling on them to incorporate ambitious, specific, and actionable renewable energy targets into their NDCs in alignment with the 1.5°C climate goal.[52]
UN Climate Change High-Level Champions	The UN Climate Change High Level Champions have consolidated non-state actor leadership, tools, and enabling asks in a way that is readily available for countries to leverage in the design and implementation of their NDCs and country implementation plans. In September 2024, they published the "Whole-of Society Rallies to Support Strong National Climate Plans Dashboard", which builds on the "2030 Climate Solutions: Implementation Roadmap" published in 2023.[53]
International Emissions Trading Association (IETA)	In a policy checklist for countries released in November 2023,[54] IETA called on countries to announce whether and how they plan to engage with Article 6 to achieve their NDCs and increase their climate ambition.

Continued on next page

46 https://www.c2es.org/wp-content/uploads/2024/07/20240723-C2ES-Investable-NDCs-FINAL.pdf
47 https://www.cfainstitute.org/-/media/regional/arx/post-pdf/2020/04/14/policy-engaging-business-in-the-ndcs-paris-agreement.ashx
48 https://www.financeministersforclimate.org/node/990
49 https://www.financeministersforclimate.org/node/1072
50 https://www.energy-transitions.org/publications/credible-contributions-bolder-plans-for-ndcs/
51 Intervention at UNFCCC "Road map to Mission 1.5: NDC Incubator" event in Bonn, 11 June 2024.
52 https://globalrenewablesalliance.org/wp-content/uploads/2024/08/GRA-Open-letter_NDC.pdf
53 https://climatechampions.unfccc.int/
54 https://ieta.b-cdn.net/wp-content/uploads/2023/11/IETA_DiscussionPaper_Article-6_Nov23.pdf

Continued

Organizations	Description
Institutional Investor Group on Climate Change (IIGCC)	The IIGCC released a summary in June 2024[55] of investor views on how to develop investible NDCs. It called on governments to: • Provide more granular detail on the sectoral pathways and underlying macroeconomic context in a country. • Quantify investment needs and prepare financing strategies alongside NDCs. • Set out supporting policy and regulatory frameworks to achieve NDC targets. • Strengthen governance and the stakeholder engagement process around NDC development and implementation. • Enhance global harmonization and consistency across NDCs.
International Climate Politics Hub (ICPH)	The ICPH has developed a Checklist for the Next Generation of NDCs, a Checklist for High Integrity NDCs, and Accelerating the Energy Transition: Ensuring Robust Energy Integration into 1.5-aligned NDCs and Beyond. For more information, please contact the ICPH.
Mission 2025	The Mission 2025 coalition was launched at London Climate Action Week in June 2024.[56] It is convened by Groundswell, a collaboration between non-profits Global Optimism, Systems Change Lab, and the Bezos Earth Fund. It aims to support high ambition around NDCs and best practices for a co-creation approach.
Nature4Climate	Nature4Climate is developing a second edition of the Guide to Including Nature in NDCs. The guide highlights the contribution nature-based solutions can make to achieving NDCs, outlines the issues governments need to consider when including nature-based solutions in their next NDCs, and provides a summary of the resources and information available on this topic. For more information, please contact Nature4Climate.
World Business Council for Sustainable Development (WBCSD)	In 2022, WBCSD launched a Business Call to Action for Food and Climate.[57] It called on government leaders to: • Support the Emirates Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action. • Integrate food and land use into NDCs and National Adaptation Plans (NAPS). • Strengthen climate policies to align them with the Global Biodiversity Framework (GBF), committing to halt and reverse nature loss by 2030, and including explicit references to biodiversity and nature-based solutions in their NDCs under the Paris Agreement. Also, building on existing experiences of success (including the Zero Emissions Vehicle Emerging Markets Initiative and Farmers First Cluster), the WBCSD embarked on an extended research and engagement program at the beginning of 2024 to explore the potential to deliver a new era of public-private cooperation that unlocks transition plan ambitions. Following an initial research and co-design phase with partners, WBCSD has developed emerging thinking around the concept of a "COLAB" – a collaborative platform with multiple mechanisms and tools to enable the private sector to engage and support the delivery of country transition planning, with the aim that this could demonstrate a new era of public-private cooperation by COP30. For more information, please contact pamm@wbcsd.org.
World Green Building Council (WorldGBC)	The WorldGBC is developing a Sustainable Buildings Scorecard for NDCs and Policies. The development of this Scorecard will enable the WorldGBC's network of green building councils and wider stakeholders (including cities, regional governments and the private sector) to support governments in strengthening their NDCs using a bottom-up approach that builds on existing national/local policies. For more information, please contact the World GBC.
WRI	WRI issued a five-point plan for NDCs in April 2024:[58] • Set 2035 and strengthen 2030 emissions-reduction targets aligned with 1.5°C and net-zero emissions goals. • Accelerate system-wide transformations by establishing ambitious, timebound sectoral targets. • Build resilience to increasingly dangerous and irreversible impacts. • Spur investment and strengthen governance to turn targets into practice. • Put people at the center, ensuring climate action creates jobs, improves health and more. The next phase of the work will focus on the benefits of including sector-specific targets in countries' next generation NDCs and lay out specific examples for how to approach targets for key sectors like energy, transport, buildings, food, agriculture, and land use.

55 https://www.iigcc.org/resources/making-ndcs-investable-the-investor-perspective
56 https://www.reuters.com/sustainability/mission-2025-group-urges-governments-set-more-ambitious-climate-goals-2024-06-23/
57 https://www.wbcsd.org/wp-content/uploads/2023/10/Business_Call_to_Action_Nov2022.pdf
58 https://www.wri.org/insights/next-ndcs-5-point-plan

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