



Quarterly
Forecast Tracker
Global progress against
IPR policy scenarios

Quarterly Forecast Tracker

Update of energy and land use policy developments


April-June 2024


Q2 2024


July 10, 2024


EXECUTIVE SUMMARY: TRACKING POLICY DEVELOPMENTS


Policy momentum has slowed in terms of overall announcements when compared to Q1 2024, while key policy areas like clean power and agriculture have become transition battlegrounds, creating uncertainty in the global policy environment


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IPR tracked **74 credible and material policy announcements in Q2 2024**, a 24% decrease from policies tracked in Q1 2024. Changes in leadership, pre-election activity shifts, and summer recesses are likely contributing to this decrease in activity.
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60% of cumulatively tracked policies are in line with a well below 2°C outcome. Developing economies are closing their gap with new energy and land use policies. The largest policy gap by emissions in advanced economies is in the land use sector.
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The **vast majority** of tracked announcements are **supportive of IPR FPS policy forecasts (59)** with some **policies confirming the IPR forecast**, aligning closely with the FPS forecast thereby moving the forecast into “current policies” **(7)** or **showing evidence of acceleration (1)** but with also some **signals of deceleration (7)**. While supportive or confirmatory policies have dominated over the period of Q2 2024, **progress in low-carbon agriculture** has experienced setbacks in the EU and is at risk in the US.
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IPR is introducing a **watch-list** for policies that may impact **short-term** deployment, but where there is insufficient evidence on impacts to the longer-term FPS forecast. These sectors will be further assessed later this year based on cumulative policy evidence and the annual forecast survey. IPR is also introducing an '**achieved**' category to **highlight where a country has effectively achieved an FPS forecast today**.
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A special report by Kaya Partners '[Trade, Trump, and Tractors: 2024 Battlefronts in the Climate Transition](#)' provide in-depth analysis of 4 transition 'battlefronts' expected to have the most material impact on IPR forecasts across global clean energy supply chains, carbon border trade, climate policy following the US elections, and the land/agriculture sectors. Medium term risks are rising.
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The recent June 2024 **US Supreme Court overturning of the Chevron Doctrine** reduces the ability of EPA and other agencies to enforce environmental protections, introducing risk to US climate policy and outcomes.

See [Slide 3](#)

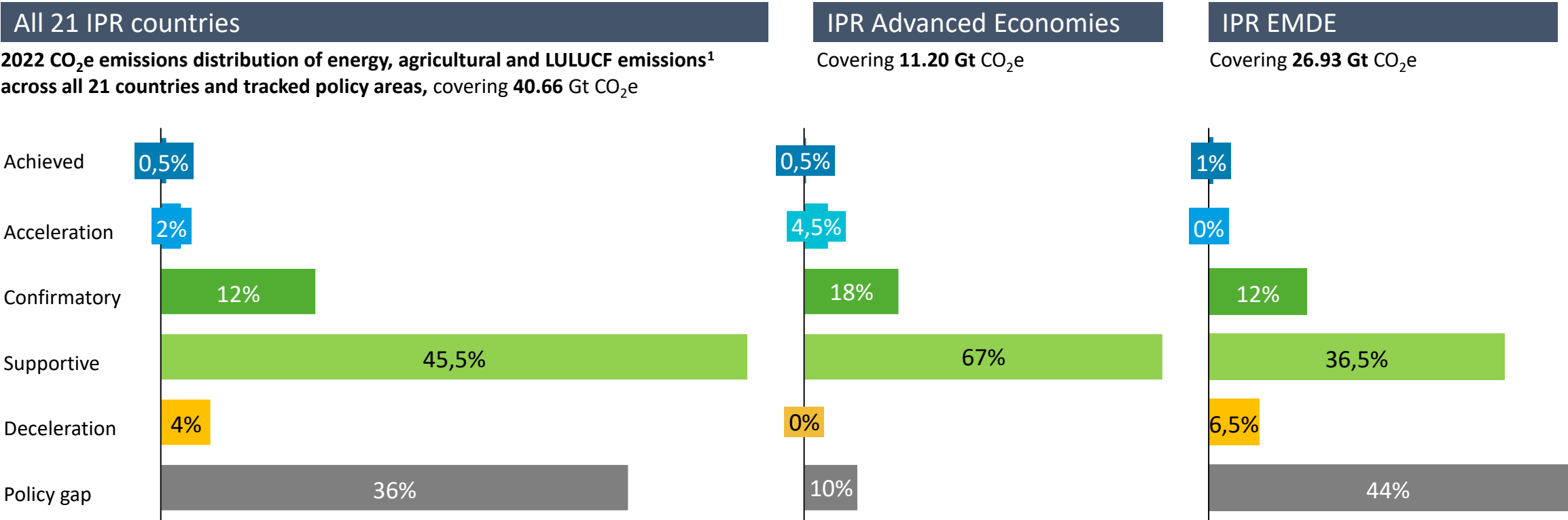
See [Slide 12](#) for new method

See [Slide 4](#)

Deep dive on [Slide 27](#)

WEIGHTED BY EMISSIONS, 60% OF TRACKED POLICIES SINCE 2022 ARE IN LINE WITH A WELL BELOW 2°C* OUTCOME

See [Technical Annex](#) for more details on policy gap analysis



Developing economies are closing their gap with new energy and land use policies. Most emissions gaps in advanced economies are from land.

* Weighted by emissions coverage of tracked policies
1. Sources for emission data: EDGAR Database (2022); FAOstat (2021); 2. Data on announced/legislated status of policies can be found at page 25 and in the annex/previous publications

IPR COMMISSIONED REPORT BY KAYA PARTNERS THIS QUARTER EXPLORES KEY CHALLENGES AND RISKS TO THE CLIMATE TRANSITION OVER THE NEXT DECADE

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‘Trump, Trade & Tractors: 2024 Battle Fronts in the Climate Transition’ explores 4 transition ‘battlefronts’ with most material impact on IPR forecasts across global clean energy supply chains, carbon border trade, climate policy following the US elections, and the land/agriculture sectors.

- **Battlefront 1: *Maximizing decarbonization, minimizing China’s hold on clean energy and supply dependence*** examines the global trade rift between fast and cheap renewable energy dependent on Chinese manufacturing versus geopolitical security (i.e. US and EU policies to curb Chinese imports risk slowing of transition). A clean energy trade war may be consistent with the IPR forecast given its relative pessimism on renewables deployment until 2030 compared to the IEA and COP 28 pledges.
- **Battlefront 2: *Incorporation of embodied carbon into global trade*** explores the medium to long term positive impacts of carbon border adjustment mechanisms, with the EU CBAM serving as useful negotiating tool for other countries to reduce emissions intensity. The top ten challenges to the US ‘Climate Club’ alternative are defined, with a focus on steel negotiations.
- **Battlefront 3: *US 2024 Elections and implications for the climate beyond the Inflation Reduction Act***: While the IRA is unlikely to be repealed in full, \$100s of billions in Department of Energy Loan Program Office funds risk going unused and impacts are assessed on grid permitting and transmission negotiations. Given uncertainty, IPR is postponing its 2024 policy forecast update until after the US elections, as it recognizes that risks around US politics are rising.
- **Battlefront 4: *Finding a workable climate solution for agricultural emissions***: Limited progress has been made in reducing agricultural emissions, with efforts to date in the EU being challenged by agriculture lobbyists. The next Common Agricultural Policy and potential creation of an ‘Agricultural’ ETS are crucial. Dutch and Danish policies and experience offer insights into roadblocks and solutions. Continued challenges to agricultural policy represent one of the biggest threats to the IPR forecast.



Kaya paper: [Trade, Trump & Tractors](#)

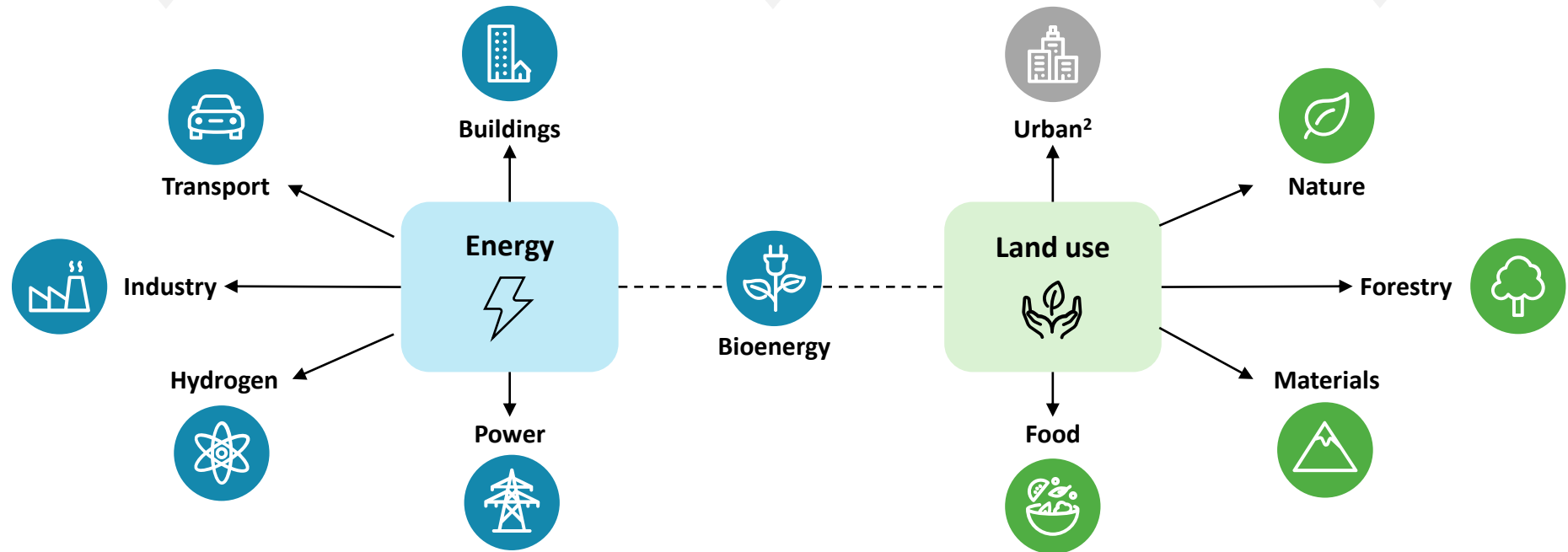
IPR’s assessment of the transition battlefronts outlined in Kaya’s paper and its half-year forecast review can be found [here](#):

IPR OFFERS A RANGE OF APPLICATIONS TO HELP FINANCIAL INSTITUTIONS NAVIGATE THE CLIMATE TRANSITION

Policy Forecast

IPR produces **>300 high-conviction policy forecasts** covering 21 countries and 14 policy areas across energy and land use. Policy forecasts are incorporated into a fully **integrated climate and nature scenario model** that identifies the impact of the forecasted policies on the energy, land use and nature systems up to 2050, tracing detailed effects on all emitting sectors¹.

Modeling



Value drivers

IPR's integrated scenario model outputs detail value drivers across energy and land use. See [Value Driver Visualizer](#)

Applications

Fitch Ratings, Morningstar, Paris Agreement Capital Transition Assessment (PACTA), tilt (Climate data for SMEs)

1. IPR also develops a '1.5°C Required Policy Scenario'(1.5°C RPS) building on the IEA NZE by deepening analysis on policy, land use, emerging economies, NETs and value drivers. The RPS scenario is also run through the model and can be used by those looking to align to 1.5°C.; 2. Urban areas are not modelled in detail in IPR

INEVITABLE POLICY RESPONSE NETWORK

IPR is commissioned by the Principles for Responsible Investment (PRI) to develop a realistic forecast of climate policy and derive a quantitative scenario that reflects it

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PRI commissioned the Inevitable Policy Response in 2018 to advance the industry's knowledge of climate transition risk and to support investors' efforts to incorporate climate risk into their portfolio assessments



The IPR consortium is led by Energy Transition Advisers (ETA) & Theia Finance Labs. Analytics support is provided by Deloitte who is part of a **Research Partner Group** which includes the Carbon Tracker Initiative, Climate Bonds Initiative & Planet Tracker Initiative.

The consortium was given the mandate to bring leading analytical tools & an independent perspective to assess the drivers of likely climate policy action & their implications on the market.



INEVITABLE POLICY RESPONSE NETWORK

IPR is supported by a number of different leading financial institutions as well as world-class research partners

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Leading financial institutions have joined the IPR in 2024 to provide more in-depth industry input and to further strengthen its relevance to the financial industry.

FitchRatings



TEMASEK

Core philanthropic support since IPR began in 2018. The IPR is funded in part by the Gordon and Betty Moore Foundation through The Finance Hub, which was created to advance sustainable finance and the ClimateWorks Foundation striving to innovate and accelerate climate solutions at scale. In 2024 The Bezos Earth Fund has become the main supporter.

GORDON AND BETTY
MOORE
FOUNDATION



ROCKEFELLER
Philanthropy
Advisors





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IPR QUARTERLY FORECAST TRACKER: ASSESSING POLICY ANNOUNCEMENTS FOR IMPACT AND MOMENTUM AGAINST THE WELL BELOW 2°C FPS SCENARIO

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The Quarterly Forecast Tracker aims to compare current policies trends with the forecast to understand the state, speed and quality of the energy transition as well as the remaining policy gaps. Most important policies will be used to update the forecast to adjust for changing ambition levels.



IPR categorizes policy announcements according to the following:

- **Legislated** covers any enforceable or funded policy from policymakers or regulators
- **Announced** but not yet legislated



Legislated or announced policies can:

- **Support for** our policy forecasts, although further strengthening of policies may be required
- **Be confirmatory**, or align closely with 1.8°C FPS forecast thereby moving the forecast into current policies
- Signal an **acceleration** or **deceleration** in policy forecast



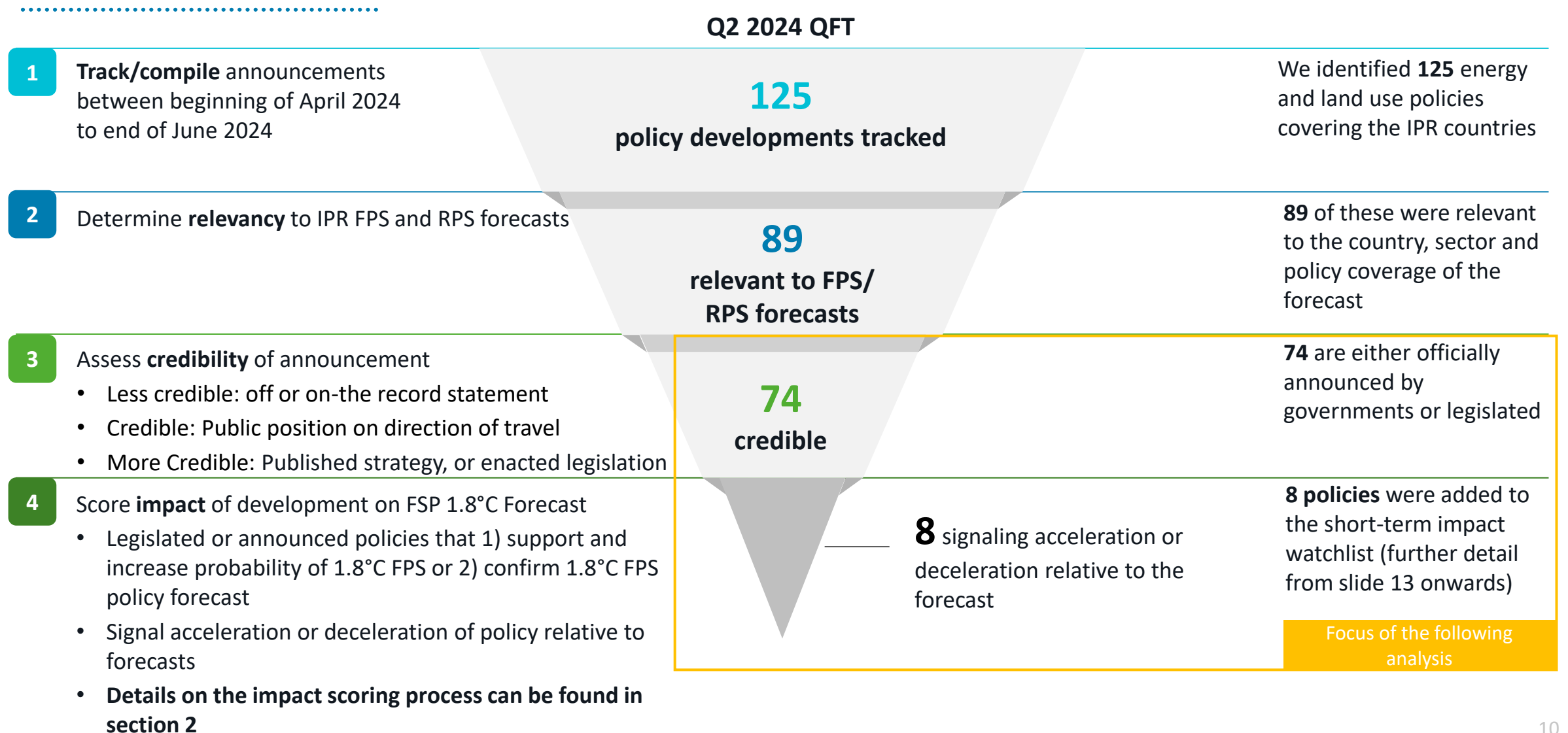
In addition to legislative policy, IPR policy forecasts are based on the assumption that selected announced measures that have a supportive or confirmatory effect will either flow directly into legislation or have an impact on the real economy.

On top of this the IPR 1.8C FPS forecasts policies expected but not yet announced.

The IPR FPS Policy Forecast therefore goes beyond NDCs, and current policy commitments and ambitions.

POLICY DEVELOPMENTS FROM APRIL 2024 UNTIL JUNE 2024

We identified 89 policies relevant to the IPR policy forecast, focusing on the 74 most credible and material, with 8 of these policies signaling an acceleration or deceleration relative to the forecast





Policy watch-list for Q2 2024

List of policies with the potential to affect short term forecast developments

IPR IS INTRODUCING A SYSTEM TO TRACK POLICIES THAT MAY AFFECT SHORT TERM FORECAST DEVELOPMENTS WHILE BEING UNLIKELY TO CHANGE FINAL FORECAST TARGETS

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- IPR Policy Forecasts typically focus on **end/completion dates in specific sectors and countries**, generally in the 2040s (i.e. year of LDV phase outs, end to coal generation, achievement of 97% clean power – see [FPS policy forecast table](#)).
- However policy developments tracked in QFTs can also impact short to medium term **technology deployment rates**, often characterized by S-curves whereby technologies, after reaching tipping points can subsequently rapidly reach a high market share. In some instances, policy developments can accelerate or decelerate short to medium term technology deployment while not impacting the longer-term FPS policy forecast date, while in others they do.
- The table below summarizes IPR’s approach to categorizing policy developments based on their potential impacts over different time horizons.





Type	(1) Potential for Change at annual review ‘WATCH-LIST’	(2) LONGER TERM POLICY FORECAST CHANGE IN QFT
Description	Policy development signals potential for acceleration/deceleration in S curve and scored as a downgrade/upgrade (1-2 or 4-5 on scoring system) but insufficient evidence to impact longer-term forecast. Sector to be placed on a potential change ‘watch-list’ to be further assessed later in year based on cumulative policy evidence and annual forecast survey.	Policy development signals acceleration/deceleration in short to medium term technology deployment rates in S curve relative to FPS and further than being on watch (2) now indicates sufficient policy evidence to accelerate or decelerate longer-term policy forecast date.
Impact to FPS Policy Forecast and Scenario	<ul style="list-style-type: none"> • Changes to short/medium term ‘S-Curve’ deployment rate* • On watch but no changes to long-term forecast date 	<ul style="list-style-type: none"> • Changes to short/medium term ‘S-Curve’ deployment rate* • Changes to long-term forecast date*

*Can also impact short/medium term deployment rates in other sectors (i.e. coal phase out delays can impact clean power and net zero policy forecast dates)

Q2 2024 POLICY IMPACT ON WATCH – POTENTIAL DECELERATION

During the second quarter of 2024, 8 policies were placed on a watch-list to be further assessed at year end for a potential deceleration or acceleration based on cumulative policy evidence and IPR's annual forecast survey



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Region	Policy Area	Development	Forecast	Impact	Details
 EU	Low carbon agriculture	EU Parliament backed proposals to relax green conditions for farming subsidies.	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock (by 2025 for France, Italy and Germany).	2	Easing farming subsidy sustainability conditions puts decarbonization of the sector in the EU at risk.
	Light duty vehicles	The EU introduced a proposed 38.1% tariff on Chinese EVs, up from 10% previously.	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions by 2035 (for FR, IT, DE).	2	Tariffs could negatively affect the dynamic of EV sales in the short term. However, assessing the impact on the ultimate forecast targets for EU states requires further observation and evidence.
 Germany	Net zero emissions	Changes in Climate Protection Act.	Policy delivers net zero CO ₂ emissions by 2045.	2	Controversial decision shifts focus from sector-specific to cross-economy emissions targets which could lead to a lagged decarbonization for some sectors.
 Italy	Clean power	Italy introduces regulation adding additional hurdles to agrovoltatics deployment.	Policy delivers dispatched generation of 97% low-carbon power by 2045.	2	This decree is disruptive to distributed solar power deployment in the short term, potentially slowing the addition of multiple GW of solar PV in Italy.
 Russia	Clean power	Russia is contemplating the relaxation of environmental fuel standards to address potential domestic gasoline shortages.	Policy delivers dispatched generation of 97% low-carbon power by 2060.	2	This adjustment could increase the domestic gasoline supply by additional 10%, potentially leading to a delay of Russia's net zero transition.

Q2 2024 POLICY IMPACT ON WATCH – POTENTIAL DECELERATION AND ACCELERATION

The US and EU initiative to introduce tariffs on manufactured goods relevant to the transition (see [summary of Kaya paper](#) for further details). In addition, 1 policy with the potential to accelerate the forecast was identified

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Region	Policy Area	Development	Forecast	Impact	Details
 US	Light duty vehicles	U.S. announced tariffs on Chinese imports, including EVs, batteries, critical minerals, and steel, due to concerns about Chinese manufacturing 'overcapacity'.	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions by 2040. (I.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	2	This policy captures trade war dynamics further analyzed in Kaya Partner's paper (link). Although electric vehicle prices are falling while the U.S. develops domestic capacity and is importing EVs and components from other markets, and given the Chinese market accounts for only 2% of U.S. imports, this policy could slightly decrease the speed at which technologies like solar panels, batteries or EVs are taken up in the US.
	Low-carbon agriculture	U.S. House committee advances contentious \$1.5 trillion farm bill which would expand farm commodity supports while reducing SNAP funding and reallocating \$20 billion intended for climate-smart farm practices.	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock by 2030.	2	This would shift away focus away from 'climate-smart' agriculture funding, signaling a deceleration in the policy forecast for U.S. agriculture, but would direct funding towards nature conservation activities on farm, and therefore support the policy forecast for U.S. protection and restoration.
 Japan	All coal phase-out	G7 jointly pledged to phasing out unabated coal power.	Policy delivers net zero CO ₂ emissions by 2045.	4	The communiqué has formalized the previously discussed coal exit, which could indicate a significant acceleration of Japan's unabated coal phase-out, currently forecasted for 2045. However, before adjusting the Japanese forecast, direct national communication on and legislative formalization of said pledge is needed to justify the change.




1. Upcoming UK elections may significantly affect target dates of key UK forecasts, most prominently the ICE phase-out dates. Adjustments to the forecast in this (and other) therefore depend on the results of the July 4 vote.

Notes: Q1 2024 Policies on Watch are synthesized in the Technical Annex ([link](#))

Q2 2024 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

In addition to the regular policy tracking, IPR has identified 8 non-policy developments related to key transition technologies and implementation activities

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Region	Policy Area	Development	Forecast	Details
 Australia	Clean power	The Australian Energy Market Operator (AEMO) warns of potential power shortages due to delays in installing transmission lines linked to wind and solar farms.	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Grid buildout/integration challenges could lead to delays in coal phase out and bigger shift to gas in short term. <i>This present the risk of grids becoming an important bottleneck, which could lead to a significant delay in clean power roll-outs.</i>
 China	Clean power	The world's largest solar farm, sufficient to power a country the size of Luxembourg or Papua New Guinea, went online in China.	Policy delivers dispatched generation of 97% low-carbon power by 2050.	China's largest solar plant, has commenced operations, capable of producing over 6 billion kilowatt hours annually. The facility spans 200,000 acres, equivalent to the area of New York City, and boasts a capacity of 5GW. <i>This marks a major step on the road towards clean power.</i>
 EU	Light duty vehicles	Top executives at BMW and Volkswagen caution against EU import duties on electric vehicles from Chinese automakers, warning of potential harm to the bloc's Green Deal plan and to automakers reliant on importing cars made in China.	Policy ends the sale of 97% of new heavy-duty vehicles with CO ₂ emissions. (I.e., 97% of new sales are ZEVs) by 2040 in Germany, Italy, France (no EU-specific FPS forecast).	Auto manufacturers are concerned that tariffs could lead to retaliatory measures and disrupt global automotive supply chains undermining EU's effort to cut carbon emissions and develop technology necessary to do so (particularly given EU move towards EV manufacturing reliant on Chinese components). <i>Alongside the actual EU tariffs, this could point to a deceleration in EU EV adoption.</i>

Note: The technology and implementation developments are tracked as part of the regular policy tracking process

Q2 2024 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT (CONTINUED)

The target of tripling renewable energy at a global level is likely to be missed, with Germany's achievement of the 2030 net zero targets and India's coal exit targets already being at risk

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Region	Policy Area	Development	Forecast	Details
 Germany	Net zero targets	Germany's ability to hit its 2030 emissions targets is being called into question.	Net zero by 2045.	The Climate Protection Act mandates corrective measures if the Expert Council confirms the findings in its 2025 report, highlighting the urgency for additional policy actions. Earlier, a 2023 UBA study outlined a possible pathway to still reach the targets. IPR will monitor further.
Global	Clean power	IEA analysis indicates that renewable energy targets for 2030 at risk and studies report slower implementation of renewable energies in 2023 due to regulatory gaps, political pressures, and lack of clear targets.	Policy delivers dispatched generation of 97% low-carbon power between 2035-2060 in different regions.	As analyzed in Q1, IPR forecasts the tripling of renewables pledge will be missed but we expect significant acceleration in renewables relative to the 2023 FPS forecast (see special Theia Finance Labs paper). However, present-day slowdowns could impact deployment of clean power in the short term (2030).
 India	All coal phase out	India's coal-based power demand hit an all-time high, increasing by 7.3% this fiscal year.	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent.	India's demand for coal-based power has surged by 7.3% this fiscal year to a record high. With over 75% of power generation dependent on coal, the government is committed to increasing coal production and transportation to ensure sufficient supply for power plants. However, India will have to find a way to reduce its dependence on coal power to meet its coal and power targets.

Note: The technology and implementation developments are tracked as part of the regular policy tracking process

Q2 2024 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT (CONTINUED)

In the US, automakers drive towards lower EV prices for new models amid facing fierce competition and market challenges

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Region	Policy Area	Development	Forecast	Details
 US	Light duty vehicles	Bloomberg analysis shows slowdown in EV adoption has led to US auto manufacturer delays in new EV production and reduction in prices and extension of ICE production plans.	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions by 2040. (I.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	Automakers are grappling with inflation, an end to EV purchase subsidies and slower growth, however the medium term outlook to EV sales remains unchanged. Recent price parity developments with ICE vehicles suggest that competition could lead to lower prices in the short term.
	Light duty vehicles	Bloomberg research indicates lower costs for new long-range EVs in the US due to fierce competition within in the sector.	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions by 2040. (I.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	The automotive industry is in a competitive phase of the electric vehicle (EV) transition, resulting in the first EVs with over 300 miles of range being cheaper than the average gas-powered car. This push for affordability, driven by intense competition and evolving consumer demands, is seen as essential for broad EV adoption.

Note: The technology and implementation developments are tracked as part of the regular policy tracking process

AS PART OF THE REGULAR REVIEW PROCESS, IPR IS INTRODUCING AN ‘ACHIEVED’ FORECAST CATEGORY TO IDENTIFY WHERE FPS POLICY FORECASTS HAVE EFFECTIVELY BEEN MET TODAY

“Achieved” forecast methodology

Forecast areas currently qualifying for the 'achieved' rating*


	 New coal build phase-out	 All coal generation phase-out	 Clean power	 Net deforestation
REVIEW CRITERIA	<p>New coal phase-out is considered achieved in two cases.</p> <ul style="list-style-type: none"> De-facto share in the national power mix has been stable at below 3% and no new projects are found in the construction pipeline. Formalized law prohibiting unabated coal power plants by at the latest Q4 2024. 	<ul style="list-style-type: none"> Coal generation is considered phased-out if share in the national electricity generation mix remain below 3% of the national power supply for a sufficiently long period. 	<ul style="list-style-type: none"> Clean power considered achieved if the share of low-carbon energy sources in the national electricity mix remained $\geq 97\%$ for a sufficiently long period including the last available reporting year (national statistics offices). 	<ul style="list-style-type: none"> No net deforestation is considered achieved if net tree top cover remained either stable (within 0.01% margin change) or increased over a sufficiently long time period including the most recent year available of statistical data or the total forested area either remained stable or increased over a sufficiently long period.
HIGHLIGHTS	<ul style="list-style-type: none"> France, UK, Nigeria, Argentina and Brazil qualify for achieved in this category due to no new coal plants likely to be built. 	<ul style="list-style-type: none"> France, UK, Nigeria, Argentina and Brazil qualify for achieved in this category due to low share ($<3\%$) in generation mix. 	<ul style="list-style-type: none"> No IPR countries qualify for clean power achievement yet, but France and Brazil require only a few further percentage points. 	<ul style="list-style-type: none"> Among IPR countries, only France qualifies for the achieved category due to consistent net increases in total forest area since the year 2000.¹





















* IPR will regularly review data relevant to the achieved status, which may lead to re-classifications in case of significant changes

¹ World Bank Group (2024): [Forest area \(% of land area\) - France](#)

IPR HAS REVIEWED THE CURRENT PROGRESS OF NATIONS AND IS ADJUSTING FPS 2023 FORECASTS BASED ON AVAILABLE EVIDENCE AND STABILITY OF ACHIEVEMENT

Adjusted baseline

Forecast change relative to IPR FPS 2023:  Forecast changes (previous quarters) Consistent Acceleration Achieved Deceleration

			Economy wide		Power		Buildings	Transport		Industry	Agri	Land use	Nature		
			Net Zero CO ₂ emissions	Carbon price	New coal phase-out	All coal phase-out	Clean power	Zero-carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Low-carbon agriculture	Net deforestation	Deforestation-free supply	Protection & Nature restoration incentives
Asia Pacific excl. China		Australia	2050	\$70	2023	2038-40	2045	2035	2040	2045	2065	2030	2025-30	2030	2030 2025
		Indonesia	2060	\$50	2025	2055	2055	N/A	2045	2050	>2070	2035	2030	>2035	>2040 2035
		India	2065	\$50	2030	2060	2060	N/A	2040	2045	>2070	2035	2025-35	>2035	2040 >2035
		Japan	2050	\$70	2025	2045	2045	2040	2040	2040	2065	2025	2025	2035	2030 2030
		South Korea	2050	\$70	2025	2045	2045	2040	2035	2040	2065	2030	2030	>2035	2040 2030
		Vietnam	2060	\$50	2025	2045	2050	N/A	2040	2045	>2070	2030	2025	>2035	>2040 2030
China		China	2060	\$50	2030	2045	2050	2045	2035	2040	>2070	2030	2025	2035	2035 2030
Europe		France	2050	\$120	Achieved	Achieved	2035	2035	2035	2040	2065	2025	Achieved	2030	2030 2025
		Germany	2045	\$120	<2023	2035	2040	2030	2035	2040	2060	2025	2025-30	2030	2025 2030
		Italy	2050	\$120	<2023	<2030	2045	2035	2035	2040	2070	2025	2025	2030	2030 2030
		UK	2050	\$120	Achieved	2024	2035	2035	2030	2040	2065	2025	2025	2030	2030 2025
Eurasia		Russia	>2065	\$0	2030	2060	2060	2050	2050	2055	>2070	2035	2025-35	>2035	>2040 >2035
Middle East and Africa		Nigeria	>2065	\$20	Achieved	Achieved	2050	N/A	2045	2050	>2070	2035	2035	>2035	>2040 >2035
		Saudi Arabia	2060	\$20	N/A	N/A	2060	N/A	2040	2045	>2070	N/A	2030	>2035	2040 >2035
		South Africa	>2065	\$30	2030	2055	2055	2050	2040	2045	>2070	2035	2035	>2035	2040 2035
		Turkey	2060	\$30	2030	2045	2050	2050	2040	2045	>2070	2035	2025	>2035	>2040 >2035
North America		Canada	2050	\$100	<2023	2030	2035	2035	2035	2040	2065	2025	2025	2035	2035 2030
		Mexico	>2065	\$30	<2023	2038-40	2050	N/A	2040	2045	>2070	2035	2030	>2035	2040 2035
		US	2050	\$30	<2023	2035	2040	2040	2040	2045	2065	2030	2025	2035	2035 2030
South America		Argentina	2060	\$30	Achieved	Achieved	2050	2045	2040	2045	>2070	2035	2030	>2035	2040 2035
		Brazil	2050	\$50	Achieved	Achieved	2030*	N/A	2045	2050	2070	2030	2030	2035	2030 2030

*Brazil's coal power share has declined since Q4 2021, sitting at around [1.2% since February 2024](#). Overall fossil shares fluctuate between 3 – 6% since 2022, prompting IPR to adjust the Clean power date to 2030

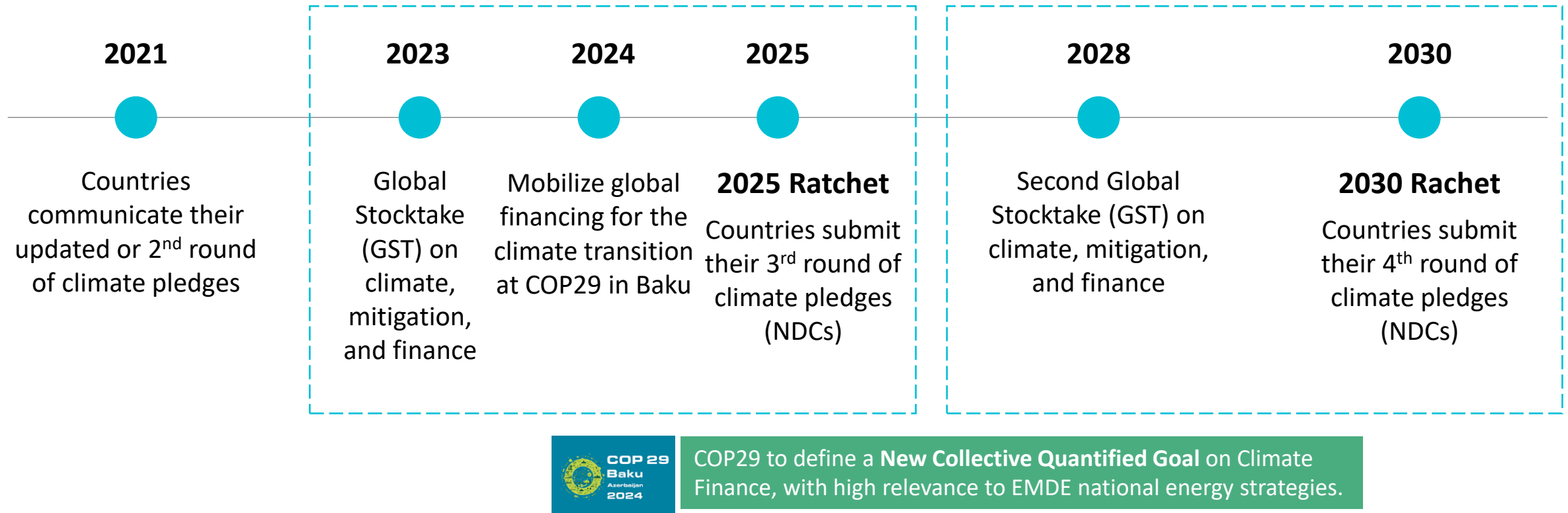
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PARIS RATCHET PRESSURES INCREASE THE LIKELIHOOD OF STRENGTHENED POLICY ACTION

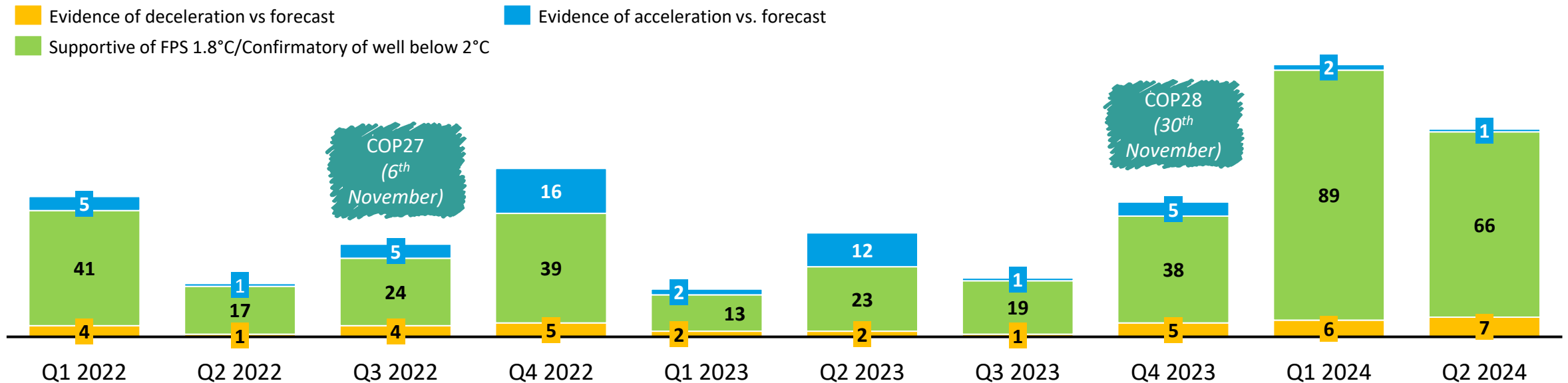
The COP29 will see a push towards a New Collective Quantified Goal (NCQG) on Climate Finance, following which the Paris Ratchet process will trigger a cumulating policy response into 2025, 2030, and beyond



IPR TRACKED 74 CREDIBLE & MATERIAL POLICY ANNOUNCEMENTS IN Q2 2024, A ~24% DECREASE COMPARED TO POLICIES TRACKED IN Q1 2024 BUT HIGHER THAN Q2 2022 & 2023

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Number of policies tracked by quarter since 2022: Energy and land use policy announcements



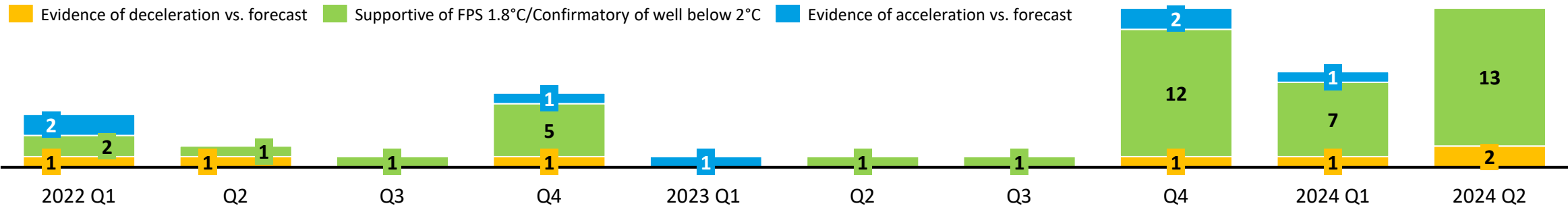
- Tracked policy announcements and finalized legislation counts have declined in comparison to Q1, likely affected by a mixture of activity changes in some jurisdictions in the immediate run-up to elections and the beginning of summer recess for many institutions.
- A **2x increase** in credible/material policies relative to Q2 2023 (and almost **4x increase** relative to Q2 2022) suggesting increased policy momentum this year.

CUMULATIVELY TRACKED CREDIBLE AND MATERIAL POLICIES FOR LAND INCREASED BY 66% SINCE Q1 2024, WHILE TRACKED ENERGY POLICIES DECREASED BY 33% SINCE Q1 2024

Access the full Land use and Nature QFT [here](#)

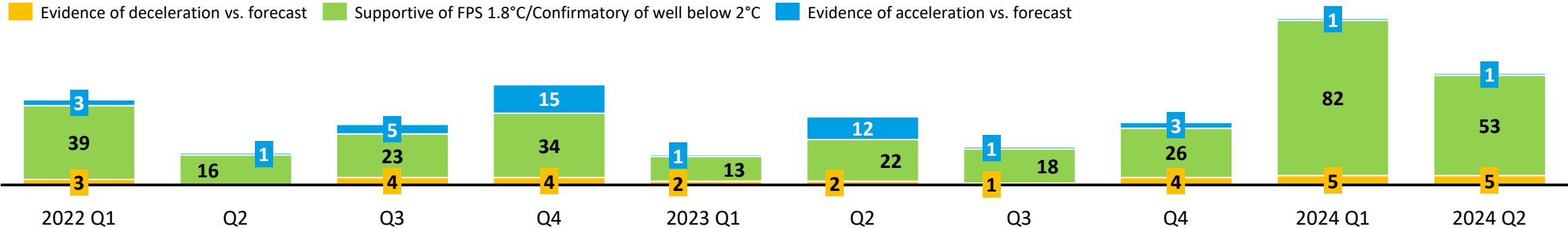
Land Use and Nature Policies

Number of land use policies tracked by quarter: momentum is building in the land use sector with peaks surrounding climate and biodiversity COPs



Energy Policies

Number of energy policies tracked by quarter: a policy push in the 'mega election year' 2024



POLICY TRACKING AGAINST THE FPS 2023 FORECAST INCLUDING NEW 'ACHIEVED' CATEGORY








■ Achieved
 ■ Acceleration
 ■ Confirmatory
 ■ Supportive
 ■ Deceleration
 ■ FPS policy gap

			Economy wide		Power			Buildings		Transport		Industry	Agri	Land use	Nature	
			Net Zero CO ₂ emissions	Carbon price	New coal phase-out	All coal phase-out	Clean power	Zero-carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Low-carbon agriculture	Net deforestation	Deforestation free supply	Protection & restoration	Nature incentives
Asia Pacific excl. China		Australia	Legislated	Legislated	Policy gap	Policy gap	Announced	Policy gap	Announced	Policy gap	Legislated	Legislated	Legislated	Policy gap	Announced	Announced
		Indonesia	Announced	Announced	Announced	Announced	Announced	N/A	Announced	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Legislated	Policy gap
		India	Announced	Announced	Announced	Policy gap	Announced	N/A	Policy gap	Policy gap	Legislated	Policy gap	Announced	Policy gap	Legislated	Policy gap
		Japan	Announced	Announced	Policy gap	Announced	Announced	Announced	Announced	Policy gap	Announced	Legislated	Policy gap	Policy gap	Legislated	Policy gap
		South Korea	Legislated	Legislated	Announced	Announced	Announced	Policy gap	Announced	Policy gap	Announced	Announced	Policy gap	Policy gap	Legislated	Policy gap
		Vietnam	Announced	Announced	Announced	Announced	Legislated	N/A	Announced	Announced	Announced	Announced	Announced	Policy gap	Legislated	Legislated
China		China	Announced	Legislated	Policy gap	Policy gap	Announced	Announced	Announced	Policy gap	Legislated	Legislated	Announced	Policy gap	Legislated	Legislated
Europe		France	Legislated	Legislated	Achieved	Achieved	Legislated	Announced	Legislated	Legislated	Legislated	Legislated	Achieved	Legislated	Legislated	Legislated
		Germany	Legislated	Legislated	Legislated	Announced	Announced	Announced	Legislated	Legislated	Announced	Legislated	Legislated	Legislated	Legislated	Legislated
		Italy	Legislated	Legislated	Announced	Announced	Announced	Announced	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
		UK	Legislated	Legislated	Legislated	Legislated	Announced	Announced	Announced	Announced	Legislated	Legislated	Legislated	Legislated	Announced	Legislated
Eurasia		Russia	Announced	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Legislated	Policy gap
Middle East and Africa		Nigeria	Legislated	Policy gap	Achieved	Achieved	Announced	N/A	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Legislated	Policy gap
		Saudi Arabia	Announced	Policy gap	N/A	N/A	Announced	N/A	Policy gap	Policy gap	Announced	N/A	N/A	Policy gap	Announced	Policy gap
		South Africa	Announced	Announced	Announced	Announced	Announced	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Policy gap	Legislated	Announced
		Turkey	Announced	Announced	Policy gap	Policy gap	Announced	Policy gap	Policy gap	Policy gap	Announced	Policy gap	Announced	Policy gap	Legislated	Policy gap
North America		Canada	Legislated	Legislated	Legislated	Legislated	Announced	Announced	Announced	Announced	Legislated	Legislated	Legislated	Policy gap	Announced	Legislated
		Mexico	Policy gap	Legislated	Policy gap	Policy gap	Policy gap	N/A	Announced	Policy gap	Policy gap	Policy gap	Announced	Policy gap	Legislated	Announced
		US	Announced	Policy gap	Legislated	Announced	Announced	Announced	Announced	Announced	Legislated	Legislated	Announced	Policy gap	Announced	Legislated
South America		Argentina	Announced	Policy gap	Achieved	Achieved	Policy gap	Policy gap	Announced	Policy gap	Policy gap	Policy gap	Announced	Policy gap	Announced	Legislated
		Brazil	Announced	Announced	Achieved	Achieved	Legislated	N/A	Policy gap	Policy gap	Announced	Announced	Announced	Policy gap	Legislated	Announced

Note: Changes from IPR's previous Gap Analyses are the result of new policy developments. Countries sorted alphabetically, by region. n/a indicates sectoral policy forecast not relevant to regional forecast (e.g. for zero-carbon heating, space heating less relevant in certain jurisdictions).

TRACKING Q2 2024: GLOBAL POLICY UPDATE BY POLICY AREA








Q2 saw political clashes on tariffs and agricultural policies, leading to a decline in ambition in nature-related and economy-wide policy areas, while industry decarbonization was supported through hydrogen investment schemes

Policy area	Tracked policy developments ²	Synthesis
 Economy-wide	Adjustments to existing policy in EU, while Asia Pacific countries (and China) announced new decarbonization targets and approaches.	Overall mixed trend with a share of policies increasing ambition (esp. Asia Pacific) and others lowering ambition.
 Power	The EU is focusing on hydrogen networks, Japan is updating its energy policy, and the U.S. is implementing new EPA standards to curb power plant emissions.	Minor easing of fossil fuel rules is contrasted by larger investment commitments in clean power infrastructure.
 Industry	Europe experienced a public-private push towards hydrogen and CCS investments, while Asia Pacific countries are tackling heavy industry emissions, especially in the cement industry.	Largely positive developments with multi-billion USD commitments and industry stakeholder coalitions.
 Transport	Tariffs imposed on Chinese-made EVs by both the US and the EU were juxtaposed by finalized regulation on HDV decarbonization in the EU and tailpipe emission standards in the US	Mostly positive, if not confirmatory developments for HDVs, while LDVs may be affected by trade policy.
 Agriculture	Climate positive regulation-contested in North America and Europe, backed by strong agriculture lobbies.	Political opposition from agricultural interest groups has decelerating spill-over effects on nature policy overall.
 Land use	Forest protection legislation advanced in Russia, including provisions for voluntary protection schemes.	While some policy activity was recorded, ambition levels remained insufficient to affect the IPR forecast.
 Nature & biodiversity	Setbacks in Europe are counteracted by protection schemes in Brazil, China and the U.S.	Steady advances towards the Kunming Goals, but some policies negatively impacted by political tensions.

1. See IPR FPS 1.8°C forecast set out in slide 28; 2. See detailed policy tracking in section 1; 3. See impact on IPR forecast in section 2 and legend on the impact scales in the [annex](#)

TRACKING Q2 2024: GLOBAL POLICY UPDATE BY REGION

Europe and Asia Pacific lead on supportive and confirmatory policy announcements, while Europe also presented the largest amount of evidence for potential policy slowdowns

Policy area	Tracked policy developments ²	Synthesis
 Asia Pacific	Economy-wide climate plans laid out investment budgets for Australia, Japan and South Korea, while energy stability concerns were answered with fossil fuel and nuclear policies.	A spike in funds committed to the climate transition in the region could help close policy gaps in key advanced economies.
 China	Chinese policy announcements included nature protection incentives, carbon measurement standards and national industry efficiency goals.	Policy changes were concrete and addressed key transition areas, mostly supporting the IPR forecast.
 Europe	The EU tightened CO ₂ targets, endorsed carbon removal and legislated HDV decarbonization plans, while delaying nature and green farming policies. Nations pushed forward hydrogen plans; ICE phase-out dates in the UK are contested.	European nature and agricultural policy experienced setbacks driven by political tensions, while industrial and mobility policy saw activity for both the EU and UK.
 Eurasia	Russia lowered fuel standards amidst energy supply concerns, while issuing further forest protection guidelines.	Despite the policy developments in Russia, Eurasia's climate targets remain unaffected.
 Middle East and Africa	No major policy activity beyond further coal phase-out postponement negotiations in South Africa.	After the forecast adjustments to SA's coal development in the last QFT, no significant deviation was observed.
 North America	North America, specifically the U.S., saw significant announcement and legislation activity in transport, industry, power, nature and agriculture policies, likely in preparation for the upcoming elections.	The U.S. has arguably experienced the highest degree of policy dynamism, albeit with mixed outcomes.
 South America	South America saw little significant policy activity, with rainforest protection programs being among the most noteworthy entries.	South American policy has not experienced any deceleration or acceleration in Q2 2024.

1. See IPR FPS 1.8°C forecast set out in slide 28; 2. See detailed policy tracking in section 1; 3. See impact on IPR forecast in section 2 and legend on the impact scales in the [annex](#)

US JUNE 2024 OVERTURNING OF CHEVRON DOCTRINE REDUCES ABILITY OF EPA AND AGENCIES TO ENFORCE ENVIRONMENTAL PROTECTIONS AND INTRODUCES RISK TO CLIMATE POLICY AND OUTCOMES

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- The 40-year-old 'Chevron Doctrine' established in 1983 has enabled US agencies to interpret Congressional legislation which has historically enabled US agencies such as the EPA to carry out regulations including those related to climate. The US Supreme Court ruling in *Loper Bright Enterprises v. Raimondo* means that US courts have much more power over the implementation of Regulation.
- While this will take time to play out and will depend on how courts apply the Chevron deference in future cases, implementation or upholding of climate regulations may be more challenging. This could embolden legal challenges from industry and interest groups seeking to roll back environmental protections. Key sectoral risks include:
 - **Clean power:** EPA proposals for new carbon pollution standards for fossil fuel-fired power plants could be at risk, although market forces including high costs and increased cost-competitiveness of renewables have led to coal decline.
 - **Clean transport:** EPA fuel standards for vehicles could be challenged (i.e. proposed 2027 standards for light-duty and medium-duty vehicles).
 - **Methane:** EPA methane guidelines under the Clean Air Act including policies for banning routine flaring at new wells and introducing waste emissions charge on large emitters could be challenged legally by oil & gas sector.
- Although it is too early to speculate on potential impacts and put particular US sectors on watch, this ruling is a major future risk factor to be closely monitored.

Kaya Partners and IPR further assess potential risks of the Chevron Doctrine overturning in the following papers

- ['Trade, Trump, and Tractors: 2024 Battlefronts in the Climate Transition'](#)
- [IPR Policy Forecast Mid Year 2024 Assessment](#)

IPR HAS DEVELOPED GLOBAL, POLICY-BASED FORECASTS OF FORCEFUL POLICY RESPONSES TO CLIMATE CHANGE AND IMPLICATIONS FOR ENERGY, AGRICULTURE AND LAND USE

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Please see the IPR [Home Page](#) for further details

Scenario	Policy Forecast Details	Open Access Database
 IPR 2023 Forecast Policy Scenario (FPS) <ul style="list-style-type: none">Models impact of forecasted policies on the real economy	IPR FPS 2023 Summary Report IPR 2023 Policy Forecast IPR FPS 2023 Detailed Energy Results IPR FPS 2023 Detailed Land Use and Nature Results IPR 2023 Bioenergy Report	Updated Value Driver database to be published mid-July 2024
 IPR 1.5°C Required Policy Scenario (RPS) <ul style="list-style-type: none">Required policies to align to a 1.5°C objective building on the IEA's Net Zero scenario and deepening analysis on policy, land use, emerging economies and value drivers	IPR 1.5°C RPS Energy and Land Use System Results including Policy Details	IPR RPS 2021 Value Drivers
 IPR Forecast Policy Scenario + Nature (FPS + Nature) <ul style="list-style-type: none">First integrated climate and nature scenario for use by investors	IPR 2022 FPS + Nature detailed results	IPR FPS + Nature Value Drivers

IPR has published a set of publicly available outputs from the FPS and 1.5°C RPS that offer significant granularity at the sector/country level, allowing investors to assess their own climate risk across 4,000+ variables

Disclaimer: This is not intended to constitute policy advice, financial advice or any specific advice.



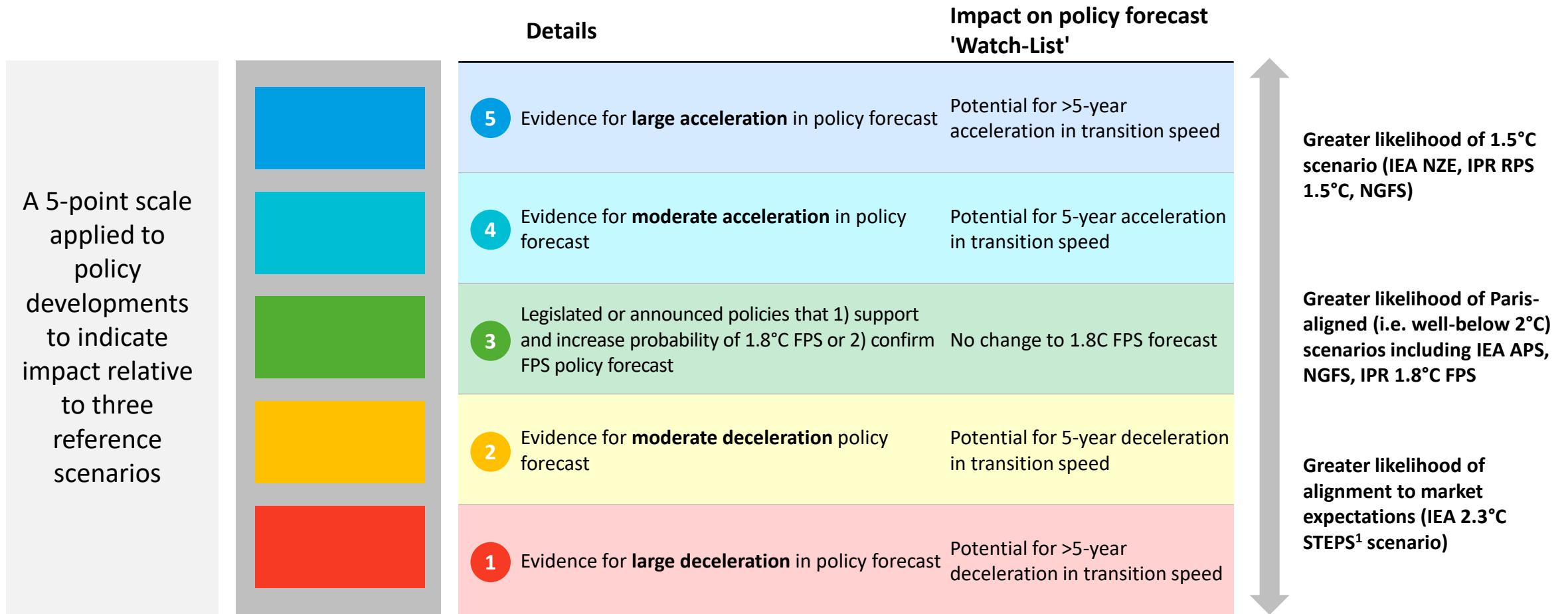
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- ⓧ IPR background and key QFT findings
- ① Energy and land use policy forecast tracking for Q2 2024
- ② Detailed individual policies & methods for key credible and material policy announcements during Q2 2024**

IMPACT SCALE FOR IPR POLICY FORECAST


Assessing policy impact on 5-step scoring scale relative to three reference scenarios

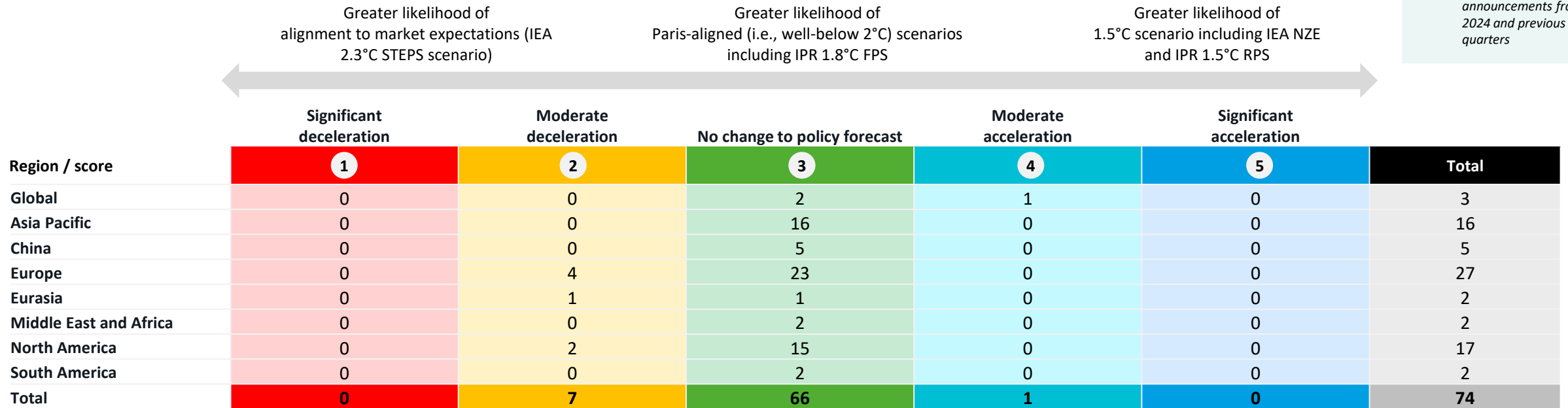
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IPR QFT: KEY Q2 2024 POLICY DEVELOPMENTS BY REGION

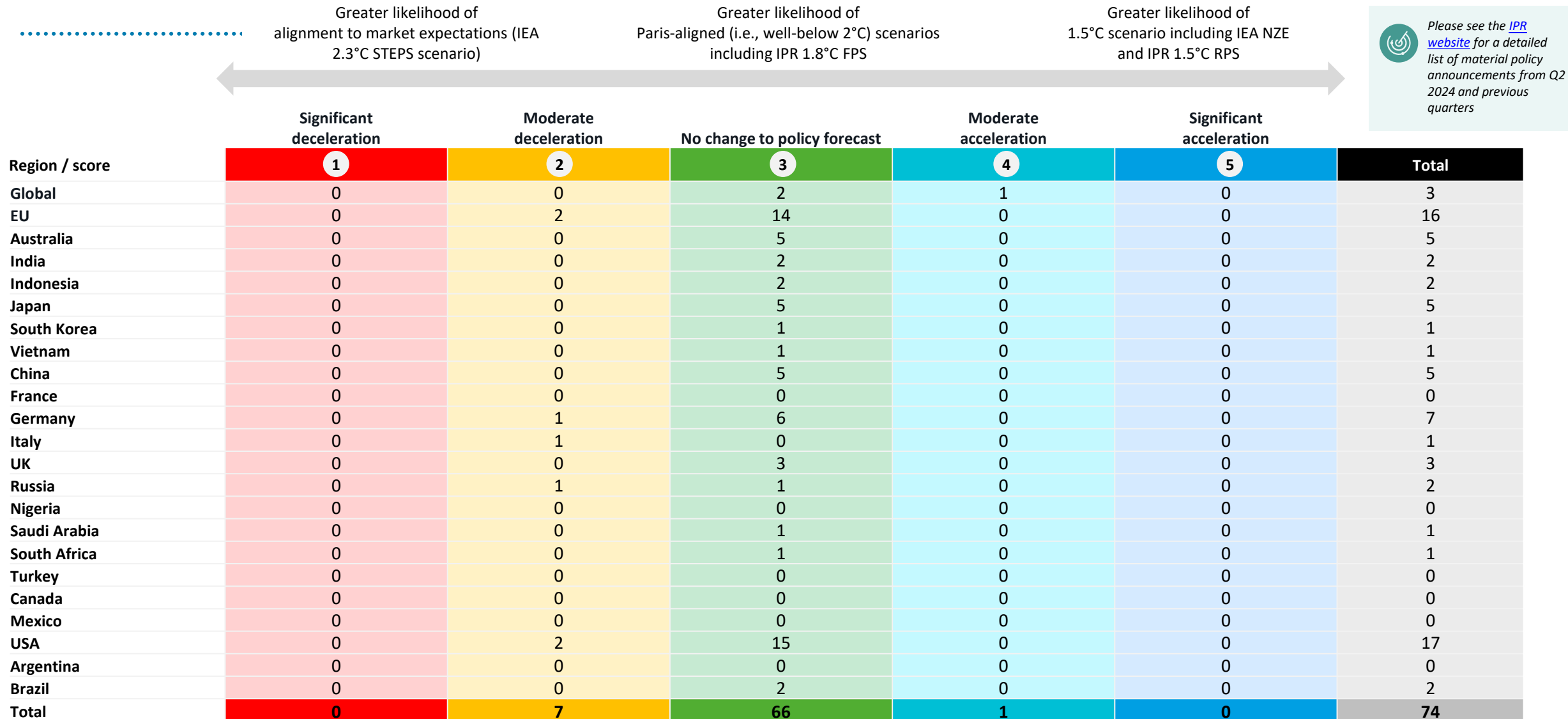
The findings of IPR's Quarterly forecast tracker show that most of the key credible and material policies are in line with the Paris Agreement

 Please see the [IPR website](#) for a detailed list of material policy announcements from Q2 2024 and previous quarters



IPR QFT: KEY Q2 2024 POLICY DEVELOPMENTS BY COUNTRY

While 16 countries have implemented supportive climate policies, 5 countries did not announce or legislate new policies











Key policy developments for Q2 2024

Detailed overview of the most important credible
and material policy developments



GLOBAL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Global	All coal phase out 	G7 agreement on coal phase out by 2035 <ul style="list-style-type: none"> Energy ministers from the G7 nations commit to ending the use of unabated coal power plants by the first half of the 2030s, with flexibility granted to coal-reliant countries and an option to align with the goal of limiting global temperature increases to 1.5°C above pre-industrial levels. Italy's Minister of the Environment and Energy Security, Gilberto Pichetto Fratin, emphasizes the significance of this commitment, describing it as a strong signal from industrialized countries to reduce coal usage. The pledge follows a broader agreement at COP28 by nearly 200 countries to transition away from fossil fuels in energy systems, with renewable energy sources surpassing 30% of global electricity use in 2023, driven by significant increases in solar and wind power. 	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent.	Legislated and supportive. The decision is supportive of the G7's average coal phase-out targets. However, granting exemptions for coal-reliant countries makes it harder to put the G7's 2035 coal phase-out target into action.	Score 3
	All coal phase out 	G7 Commits to Phasing Out Unabated Coal Power <ul style="list-style-type: none"> As one key aspect of their joint statement, G7 members pledged to phase out unabated coal power generation by the first half of the 2030s. However, members denied to make similar concrete pledges on oil or natural gas phase-out targets. 	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent.	Announced. The formalized coal exit pledge, indicating a significant increase in Japan's coal exit. However, a 10-year increase in speed does not seem warranted due to the uncertain nature of political pledges.	Score 4 <i>* On watch</i>
	Clean power 	G7 Accelerates Clean Energy Transition to Combat Climate Change <ul style="list-style-type: none"> The G7 is intensifying efforts to tackle climate change; In their joint statement from June 14 2024 in Apulia, Italy, the signatories reaffirmed COP28 commitments to triple renewable energy capacity, double global energy efficiency by 2030, and enhance energy security Furthermore, members set a goal to deploy 1500 GW of long-duration energy storage by 2030. 	Policy delivers dispatched generation of 97% low-carbon power.	Announced and supportive. IPR has previously outlined why tripling renewables is imprecise, as countries won't need to triple renewable capacity to allow for a global tripling.	Score 3





AUSTRALIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Australia 	Clean power 	\$566 million over 10-years to incentivize a clean energy transition <ul style="list-style-type: none"> Australia commits to transitioning to net-zero emissions, emphasizing clean energy investment as a top priority in moving away from fossil fuels. In 2022, 68% of total electricity generation in Australia came from fossil fuels, with coal contributing 47%. Prime Minister Anthony Albanese announced a AUD \$566 million, 10-year plan to develop a continental map of rare earth deposits, aiding in clean energy production, carbon capture, and storage initiatives, while also supporting tax reforms to incentivize private investment in clean energy technologies. 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Announced and supportive. Supportive but further investment and policies are required to achieve 97% clean power by 2045.	Score 3
	Clean power 	Australia Launches \$653 Million Fund for Solar Panel Manufacturing Expansion <ul style="list-style-type: none"> Australia announced an AUD \$1 billion initiative to boost local solar panel production, aiming to strengthen the transition towards renewable energy. Prime Minister Anthony Albanese emphasized moving away from being the last link in the global solar supply chain and leveraging Australia's rich mineral resources. The fund targets converting locations like the Liddell Power Station for domestic manufacturing, and ensuring job transitions from coal to renewable sectors. Managed by the Australian Renewable Energy Agency (ARENA), the initiative seeks to cover the full solar panel production chain, from materials to assembly, promoting self-reliance and job security amidst the renewable shift. 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Announced and supportive. Announced funding is likely to contribute positively to achieving Australia's clean power objective, but further funding and policies will be required to achieve policy forecast.	Score 3




AUSTRALIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Clean power 	New investment in clean power <ul style="list-style-type: none"> The Australian federal government's 2024-2025 budget, announced by Treasurer Dr. Jim Chalmers, focuses on addressing the cost-of-living crisis and investing in the green economy, particularly in clean energy manufacturing. The budget includes a non-means-tested AUD \$300 energy bill rebate for all households and AUD \$325 for small businesses over the next financial year, paid quarterly. Additionally, the Labor government's plan, "Future Made in Australia", involves investing AUD \$22.7 billion over the next decade to maximize economic and industrial benefits from the global shift to net zero emissions and secure Australia's position in the changing global economic and strategic landscape. 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Announced and supportive. The announcement entails a AUD \$22.7 billion investment over the next decade to achieve clean power by 2045.	Score 3
	Light duty vehicles 	Australia Proposes Revised Fuel Efficiency Standards <ul style="list-style-type: none"> Australia's government introduces draft legislation for fuel efficiency standards for new passenger and light commercial vehicles, aiming to reduce high-polluting car usage and encourage cleaner imports. The rules are set to take effect on January 1, 2025, with a grace period until July 1, 2025, for earning credits or incurring penalties. The draft includes reclassifying certain SUVs for easier emission target compliance, reflecting similar adjustments by the US EPA to aid in EV production ramp-up. The new standards are projected to cut greenhouse gas emissions from new passenger vehicles by over 60% and light commercial vehicles by nearly half by the end of the decade (2030). While environmental groups recognize the effort to address transport pollution, Greenpeace notes the legislation will achieve only 80% of the original emissions reduction target for commercial vehicles. 	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions. (i.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2040.	Announced and supportive. Although the bill was reduced in ambition compared to previous iterations, 60% emissions reduction by 2030 is a significant commitment.	Score 3




AUSTRALIA & INDONESIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	\$330M for heavy industry for clean energy <ul style="list-style-type: none"> The Australian government is investing AUD \$330 million in clean energy and emissions reduction projects to support heavy industrial sites, ensuring the country's industry remains competitive as demand for low emissions products increases globally. Nine projects receiving funding will create new construction jobs, benefiting industries such as cement, aluminium, mining, iron and steel processing, chemicals manufacturing, and food processing. These projects are expected to cut 830,000 tCO₂ annually, equivalent to removing over a quarter of a million cars from Australian roads and aim to future-proof Australia's heavy industries in a decarbonising world. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and supportive. Supportive of the IPR target, however more investment and clear intermittent targets on how to decarbonize individual industries is needed.	Score 3
	Industry decarbonization 	Queensland Budget Includes Push for Energy Transition and Resources Sector <ul style="list-style-type: none"> The budget introduced key initiatives and funding measures to support the resources sector, focusing on energy transition sectors such as critical minerals, hydrogen, and gas. Significant legislative reforms were made, including changes to financial provisioning, hydrogen transportation, carbon capture and storage, and royalties. \$17.5 million was allocated to the Collaboration Exploration Initiative for critical minerals, with additional funding for hydrogen and gas projects. The new financial provisioning reforms introduced a 'moderate/high' risk category with a 6.5% contribution rate. \$70.6 million was set aside for abandoned mines, and \$1 million for a technical panel on greenhouse gas storage. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and supportive. The budget provides further local detail on Australia's recent push to speed up the decarbonization of hard-to-abate sectors.	Score 3
Indonesia 	Clean power 	\$3bn green energy transition investment planned <ul style="list-style-type: none"> Indonesia's sovereign wealth fund, plans to invest up to \$1 billion this year with a focus on green energy, leveraging the country's vast nickel reserves to become a hub for energy transition. They are in talks for potential investments in the electric vehicle ecosystem, geothermal energy, and financing the early retirement of coal-fired power plants. They have received an initial state injection of \$5 billion and aim to draw foreign investors to Indonesia, focusing on economically significant industries. They are also partnering with Global Infrastructure Partners for infrastructure development in ports, power generation, and digital infrastructure. 	Policy delivers dispatched generation of 97% low-carbon power by 2055.	Announced and supportive. The policy demonstrates a good commitment, however, compared to JETP funding provided, the investment is not sufficient to ensure that the targets are fully met.	Score 3



INDONESIA & INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	Roadmap for cement industry decarbonization by 2050 <ul style="list-style-type: none"> The Ministry of Industry is drafting a decarbonization roadmap for the cement industry, aiming for implementation through a Ministerial Regulation by 2025, with a focus on achieving net zero emissions (NZE) by 2050. The roadmap will detail technical aspects of carbon emission reduction, including interval decarbonization targets and strategies such as reducing clinker-to-cement ratio, utilizing alternative fuels, enhancing energy efficiency, and fostering innovative technologies, supported by government policies. Efforts to reduce emissions in the cement sector have already begun, including energy efficiency measures and the adoption of alternative fuels like biomass. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2070.	Announced and supportive. Supports Indonesia's 2050 net zero emissions target without accelerating timeline. The decarbonization roadmap for cement industry offers strategies and interim targets but does not significantly speed up overall transition.	Score 3
India 	New coal phase out 	Extended mandate on imported coal-based power plants <ul style="list-style-type: none"> India has issued government orders requiring companies to operate underutilised gas-based power plants in May and June and extend operations of imported coal-based plants until October 15 to meet anticipated high electricity demand. The orders come in response to an 8% rise in electricity consumption in the recently ended financial year, with demand expected to increase during the hot summer months. The government invoked emergency clauses to mandate the operation of these power plants, aiming to address the country's idling or underused 24 gigawatts of gas-based power plants due to fuel shortages and to continue operations of imported coal-fired plants with a capacity of nearly 16 gigawatts. 	Actual policy and anticipated policy signals end new unabated coal from being built. Coal is abated when installed with CCS with a capture rate of 90% or equivalent by 2030.	Announced and supportive. Though this policy proposes an extended use of coal-based plants, it is still in line with the FPS 2030 forecast, which was adjusted in the last QFT from 2025).	Score 3



INDIA & JAPAN POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Low-carbon agriculture 	Punjab Allocates Rs64 Billion to Boost Agriculture Sector <ul style="list-style-type: none"> The Punjab government announced a budget allocation of over \$226 million for the agriculture sector, including \$105 million for subsidies, \$31.5 million for solarizing tube-wells, and \$262.5 million in interest-free loans to farmers This represents a 126% increase from last year's allocation, aimed at combating inflation and supporting 500,000 farmers through the 'Kissan Card Scheme' The shift of over 7,000 tube-wells to solar energy is expected to save significant diesel and electricity costs and reduce environmental pollution The four-year Agriculture Transformation Plan will receive \$45.5 million this year, focusing on mechanization and quality seed production. 	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock by 2035.	Announced and supportive. Albeit not being a nationwide initiative, the Punjab government measures provide a concrete way forward on decarbonizing small-hold farming.	Score 3
Japan 	Clean power 	Japan and U.S. Plan Joint Support for Decarbonization Investments <ul style="list-style-type: none"> Japan and the United States shared plans to introduce a framework providing subsidies and tax breaks for decarbonization efforts, targeting electric vehicles and hydrogen projects. Under the agreement, Japan will contribute \$784 million to develop floating wind technology, while the U.S. has set a goal of installing 15 gigawatts of floating offshore wind capacity by 2035, enough to power more than 5 million homes. The U.S. plan also calls for cutting the cost of floating offshore wind installations operating in deep waters by more than 70% to \$45 per megawatt-hour over the next decade. 	Policy delivers dispatched generation of 97% low-carbon power by 2055.	Announced and supportive. Ambitious plans to provide subsidies & tax breaks for decarbonization efforts.	Score 3






JAPAN POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Net zero CO₂ emissions 	2040 decarbonization strategy being crafted <ul style="list-style-type: none"> By the end of March next year, the Japanese government will develop a comprehensive national strategy focusing on decarbonization and industrial policy targeting 2040. This strategy aims to accelerate investment in decarbonization efforts and enhance the competitiveness of domestic industries. Japan aims to reduce carbon emissions by 46% from 2013 levels by 2030 and achieve net zero by 2050. The new strategy will build on last year's plan, which promotes over 150 trillion yen (\$962 billion) in decarbonization investments over 10 years, providing predictability for long-term investments and fostering economic growth. 	Policy delivers net zero CO ₂ emissions by 2050.	Announced and confirmatory. The national decarbonization strategy announced is in line with Japan's goal of achieving net-zero by 2050, with sufficient investment, namely \$962bn, being provided.	Score 3
	Clean power 	Nuclear power back in discussion due to energy security fears <ul style="list-style-type: none"> Japan plans to increase its reliance on nuclear power in its energy policy update next year to ensure stable electricity supply amidst growing demand and geopolitical risks, pivoting away from fossil fuels due to concerns over energy security. Despite the intention to boost nuclear power, Japan faces regulatory hurdles, public opposition, high costs, and lengthy development timeframes, making it challenging to meet its nuclear energy targets. Japan aims to accelerate renewables growth and reduce fossil fuel generation to meet greenhouse gas emissions reduction targets for 2035 and beyond. A shift towards renewable energy is seen as crucial for lowering energy prices, enhancing energy security, and improving the competitiveness of Japanese companies amid global decarbonization efforts. 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Announced and confirmatory. Increasing nuclear power reliance aims to ensure energy security & reduce fossil fuel dependency. Regulatory, financial, and social challenges may delay its impact. Accelerating renewable energy growth aligns with Japan's emissions reduction targets but does not introduce more ambitious targets that would warrant a higher impact rating.	Score 3



JAPAN POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	Rules for the procurement in decarbonization sector with EU <ul style="list-style-type: none"> The EU-Japan Memorandum of Cooperation on Hydrogen and subsequent agreements signify a deepening collaboration between Japan and the EU in hydrogen business and technology development, aligning with their shared goals of carbon neutrality. Minister Ken Saito and Commissioner Kadri Simson agreed to cooperate on supply and demand-side policies in clean energy sectors, emphasizing transparency, diversity, safety, sustainability, and reliability. Both parties intend to continue deepening cooperation in the hydrogen field by formulating a joint working plan, exchanging information on supporting schemes, standardizing work, and regulatory requirements. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and confirmatory. Hydrogen Cooperation represents a positive step towards carbon neutrality by allowing for enhanced collaboration on hydrogen technology and business development. However, the policy's focus on planning and cooperation rather than immediate, large-scale implementation means its impact on reducing emissions in heavy industry remains supportive but not transformative.	Score 3
	Protection & restoration 	Cooperation with Brazil to protect Amazon rainforest <ul style="list-style-type: none"> Japanese Prime Minister Fumio Kishida and Brazilian President Luiz Inacio Lula da Silva agree to bolster efforts in combating climate change, particularly focusing on enhancing the protection of the Amazon rainforest. During their meeting in Brasilia, they sign a comprehensive cooperation agreement under the Green Partnership Initiative, which includes financial contributions and assistance for regenerating degraded farmland to prevent deforestation and promote sustainable agriculture. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2030.	Announced and supportive. Builds on the announced policy commitment to collaborate on the protection of the Amazon rainforest without specific details provided.	Score 3



SOUTH KOREA & VIETNAM POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
South Korea 	Net zero CO₂ emissions 	South Korea vows to commit 315 bn USD to green technology and the energy transition <ul style="list-style-type: none"> South Korea's Financial Services Commission declared a W420 trillion (US \$315 billion) initiative on March 19, 2024, to advance sustainable energy build-outs in the country. The plan is backed by significant policy loans, a future energy fund, and a climate technology fund; Major institutions like the Korea Development Bank and Kexim will augment their green funds supply by 67%. Additionally, the Ministry of Environment seeks to foster W30 trillion in private green investments by 2027. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2050.	Announced and confirmatory. This large funding commitment is strongly confirmatory of South Korea's forecast (with potential for acceleration) as it mobilizes huge investment to advance sustainable energy build-out.	Score 3
	Clean power 	\$5.67 trillion VC fund for green growth <ul style="list-style-type: none"> South Korea plans to establish venture capital funds worth 23 trillion won (US \$16.57 billion) in clean energy fields to boost investment in green growth. Finance Minister Choi Sangmok announced the initiative during a G20 meeting in Washington, emphasizing support for private entities' investment in green technology and clean energy projects through financial incentives. Choi reaffirmed South Korea's commitment to multilateral climate funds and called for policy coordination among G-20 nations to address geopolitical uncertainties, interest rate differentials, and reform of Multilateral Development Banks (MDBs). 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Announced and supportive. Funding commitment is supportive of FPS forecast but further details on the specific use of the investment are currently not available.	Score 3
Vietnam 	Carbon price 	5 million forest carbon credits to be sold <ul style="list-style-type: none"> Vietnam will transfer 5.15 million tons of CO₂ emissions reduction credits from forests in the South-Central region and Central Highlands to LEAF/Emergent between 2022-2026 at a minimum price of \$10 per ton. The Ministry of Agriculture and Rural Development has submitted an application for credit granting under the TREES (REDD+ Environmental Excellence Standard) and is in technical negotiations with the Emergent Organization. Vietnam recently received over \$51 million from the World Bank's Forest Carbon Partnership Facility for emissions reduction results in six North Central provinces, making it the first country in the East Asia-Pacific region to do so. 	Explicit carbon price signal (\$50) or backstop covering industry and power by 2030.	Announced and supportive. The policy shows good progress towards the carbon price target, nevertheless industry and power are not yet covered to the extent required.	Score 3



CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
China 	Net zero CO ₂ emissions 	New carbon measurement standards to be defined <ul style="list-style-type: none"> China announced the implementation of a "carbon footprint management system" in 2027 to measure carbon emissions for approximately 100 key products, focusing initially on high-emitting and export products like coal, natural gas, steel, aluminum, lithium batteries, and electric vehicles, with plans to expand to 200 products by 2030. The new standards aim to promote low-carbon consumption, encouraging local governments to develop pilot programs and policies for lower-emissions products, helping China meet its climate goals. Analysts highlight that the system will aid China in reducing manufacturing emissions and avoiding trade tensions, particularly with the EU's upcoming carbon border tax. 	Policy delivers net zero CO ₂ emissions by 2060.	Announced and supportive. Policy aligns with China's 2060 net-zero target but does not accelerate the timeline. Implementation of carbon footprint management system is a supportive measure that will aid emissions reduction, mainly in high-emitting sectors. However, it merely structures existing goals without introducing ambitious targets or timelines; its impact on transition speed therefore remains neutral.	<div>Score 3</div>



CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Net zero CO₂ emissions 	China aims to cut CO₂ emissions in heavy industry by 1% of 2023 levels <ul style="list-style-type: none"> China aims to reduce carbon dioxide emissions from key industries by about 1% of the 2023 national total through efficiency gains. This includes measures in industries such as steel production and transportation to align with President Xi Jinping's push for increased energy efficiency and reduced emissions. The government plans to make economic growth more energy efficient, targeting a 2.5% reduction in energy required for every unit of GDP growth in 2024. China aims for non-fossil energy sources to account for around 20% of total energy use by 2025, with an emphasis on large-scale renewable power complexes and offshore wind power. 	Policy delivers net zero CO ₂ emissions by 2060.	Announced and supportive. With the IEA's estimate of 12.6 billion metric tons of CO ₂ emissions for China in 2023, a 1% reduction translates to 126 million metric tons. This equates roughly to the 2021 emissions of Belgium. As such, the measure is significant but insufficient to warrant acceleration in the case of China.	Score 3
	Industry decarbonization 	China Targets Significant Emissions Reductions in Heavy Industries <ul style="list-style-type: none"> Beijing has pledged to cut emissions from the steel, oil refining, ammonia, and cement industries by 84 million tonnes by the end of 2025. The steel industry, contributing 15-20% of China's emissions, will reduce energy consumption per tonne by more than 2% compared to 2023 levels. Cement and ammonia industries, which account for 10% and 1.5% of emissions respectively, will see a 3.7% reduction in energy use per unit of cement clinker compared to 2020 levels. The initiative expects to save 32 million tonnes of standard coal equivalent, translating to 84 million tonnes in carbon dioxide emissions reductions. By 2030, China plans for these industries to reach advanced international energy efficiency levels. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by later than 2070.	Announced and supportive. The announcement at the National People's Congress in Beijing is expected to save millions of tons of CO ₂ , reducing the net zero emissions target by up to 4 years.	Score 3



CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	<div>Protection & restoration</div> <div></div>	<div>China and Mongolia join forces against desertification</div> <ul style="list-style-type: none">Mongolia and China signed an agreement establishing a cooperation centre aimed at combating desertification, supported by a Chinese government grant.This collaboration aligns with both nations' commitments under the UN Convention to Combat Desertification, aiming to mitigate climate change impacts and enhance green development through increased afforestation.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	Announced and supportive. Agreement on cooperation centre but with no intermittent targets and clear outcomes defined yet.	<div>Score 3</div>
	<div>Protection & restoration</div> <div></div>	<div>China Introduces Ecological Protection Compensation Regulations to Foster Environmental Conservation</div> <ul style="list-style-type: none">The regulations, signed by Premier Li Qiang, introduce detailed measures for ecological protection and compensation, set to take effect on June 1, 2024.The Chinese government mandates greater organizational leadership and responsibility from higher-level governments and State Council departments for ecological efforts.Financial incentives will be offered to both individuals and entities contributing to ecological preservation, through various compensation mechanisms.The new regulations emphasize the use of market mechanisms and the active participation of social forces and local governments in purchasing ecological products and services.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	Announced and supportive. Affirms China's commitment to Global Biodiversity Framework through introduction of incentives.	<div>Score 3</div>




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	Net zero CO ₂ emissions 	New Methane Regulation <ul style="list-style-type: none">The EU has enacted its first-ever rules to curb methane emissions from the energy sector, both domestically and globally.The legislation mandates the fossil gas, oil, and coal industry in Europe to measure, monitor, report, and verify methane emissions using the highest monitoring standards.It requires operators to minimize avoidable and routine flaring and to reduce flaring and venting in specific situations, such as emergencies or technical malfunctions.With Europe being a significant importer of fossil fuels, the regulation aims to reduce methane emissions from imported sources as well.	Policy delivers net zero CO ₂ emissions by 2045 in Germany, and 2050 in France and Italy (no EU-wide policy forecast).	Legislated and supportive. By mandating, monitoring and reduction of methane emissions from domestic and imported fossil fuels, the policy enhances transparency and accountability within energy sector, aligning with current net zero objectives. The policy does not introduce new CO ₂ emission reduction targets or mechanisms for speeding up transition beyond EU's established goals.	<div>Score 3</div>




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Net zero CO₂ emissions 	MoU with the EU on critical minerals <ul style="list-style-type: none"> The European Union and Australia have signed a memorandum of understanding (MoU) to collaborate on critical and strategic minerals, aiming to diversify the EU's suppliers and reduce dependence on China and Russia. The MoU encompasses activities related to exploration, extraction, processing, refining, recycling, and handling of extractive waste, highlighting Australia's leadership in critical raw materials. This partnership supports the EU's efforts to secure a sustainable supply of critical raw materials essential for the green and digital transitions, building on similar agreements with multiple countries since 2021. 	Policy delivers net zero CO ₂ emissions by 2045 in Germany, and 2050 in France and Italy (no EU-wide policy forecast).	Announced and supportive. While not a concrete plan of action, this policy supports EU efforts by securing a more reliable partnership for crucial resources required in the transition.	Score 3
	Net zero CO₂ emissions 	European Parliament endorses first-ever carbon removal certification scheme to combat climate change <ul style="list-style-type: none"> The new law aims to establish a registry for carbon dioxide removals, potentially creating a new market for captured CO₂. Lead lawmaker Lídia Pereira highlights the scheme's benefit for farmers, offering them an additional revenue source. The European Commission's 2040 target requires the capture of 280 million tons of CO₂ to achieve a 90% reduction in greenhouse gases. Environmental groups express concerns over the potential for greenwashing and delays in climate action. 	Policy delivers net zero CO ₂ emissions by 2045 in Germany, and 2050 in France and Italy.	Announced and supportive. Supportive of the EU 90% reduction in GHG by 2040 target and EU net zero target.	Score 3




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Carbon price 	Emission removal credits <ul style="list-style-type: none"> The European Union is considering whether to incorporate emissions removal credits into its carbon market, potentially allowing the market to include carbon credits in the future. While adding removal credits could offer industries a way to address the emissions they cannot eliminate, critics caution that it might discourage companies from reducing their emissions directly, and the EU has been strict about not allowing international carbon offsets in its emissions market since 2020. 	Explicit carbon price signal or backstop covering industry and power in 2030.	Announced and supportive. The policy shows good progress towards broadening the carbon market, nevertheless explicit carbon price signals are currently not included.	Score 3
	Clean power 	European Solar Charter <ul style="list-style-type: none"> The European Union countries are planning to increase support for Europe's struggling solar panel manufacturers without imposing restrictions on cheap solar panel imports from China. The draft 'European Solar Charter' aims to utilize more EU funding and national aid to support solar manufacturing projects, incorporating criteria like cybersecurity and sustainability in renewable energy auctions to aid local manufacturers. While the charter avoids commitments on trade tariffs or restrictions, the European Commission plans to collaborate with the European Investment Bank and consider launching a cross-border European solar manufacturing project to bolster the industry. 	Policy delivers dispatched generation of 97% low-carbon power (by 2035 in France, 2040 in Germany, and 2045 in Italy; no EU wide policy forecast).	Announced and supportive. Increased guidance and support for solar power in the EU, however measurable objectives or a clear timeline linking the solar power development to the overall clean energy goals are missing.	Score 3
	Clean power 	European Commission announces first combined list of key energy projects to bolster European Green Deal ambitions <ul style="list-style-type: none"> The list features 166 Projects of Common Interest and Projects of Mutual Interest, paving the way for streamlined support and EU financing to meet ambitious 2050 climate neutrality goals. With a focus on electricity, hydrogen, and CO₂ network projects, these initiatives are crucial for accelerating the EU's transition to a renewable and decarbonized energy system. Set under the revised TEN-E Regulation, the list aims to ensure that cross-border energy infrastructure aligns with EU climate objectives, enhancing the Union's energy security and sustainability. 	Policy delivers dispatched generation of 97% low-carbon power (by 2035 in France, 2040 in Germany, and 2045 in Italy; no EU wide policy forecast).	Announced and supportive. Cross-border collaboration on energy-infrastructure to support the EU's goal of climate neutrality by 2050.	Score 3




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Clean power 	European Parliament passes landmark electricity market reform for enhanced consumer protection and investment in renewable energy <ul style="list-style-type: none"> The new legislation, aimed at making the EU electricity market more affordable and consumer-friendly, introduces mechanisms such as "Contracts for Difference" to support energy investments and provides protections against volatile pricing, focusing on the needs of vulnerable customers and the promotion of renewable sources amidst the backdrop of rising energy prices and geopolitical tensions. The legislation still awaits council approval. 	Policy delivers dispatched generation of 97% low-carbon power (by 2035 in France, 2040 in Germany, and 2045 in Italy; no EU wide policy forecast).	Announced and supportive. Increasing affordability of clean power for consumers may initiate demand growth, which is supportive of the IPR forecast.	Score 3
	Clean power 	Plan to quit energy charter treaty approved <ul style="list-style-type: none"> The European Parliament consented to the EU exiting the Energy Charter Treaty, citing concerns over its impact on climate change efforts. The treaty allows energy companies to sue governments over policies affecting their investments, with recent disputes involving fossil fuel plant closures. EU countries are expected to finalize the exit in May, with reforms to modernize the treaty considered before departure. 	Policy delivers dispatched generation of 97% low-carbon power (by 2035 in France, 2040 in Germany, and 2045 in Italy; no EU wide policy forecast).	Legislated and supportive. Legislation of previously announced policy.	Score 3
	Light duty vehicles 	European Commission Threatens Higher Tariffs on Chinese Electric Cars <ul style="list-style-type: none"> The European Commission plans to impose tariffs up to 38.1% on Chinese electric vehicles due to illegal subsidies, potentially affecting manufacturers like BYD, Geely, and SAIC. Current EU tariffs for non-EU cars are 10%. The move, criticized by Germany's automotive industry, may trigger Chinese retaliation. If no resolution is reached, the tariffs will take effect on July 4. This follows the U.S.'s 100% tariff on Chinese EVs amid global tensions over green tech subsidies. 	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions. (I.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV	Announced and supportive. Similar to tariffs announced by the US, this may negatively affect the dynamic of EV sales in the short term. However, assessing the impact on the ultimate forecast targets for EU states requires further observation and evidence.	Score 2 <i>* On watch</i>




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Heavy duty vehicles 	EU voted to impose stricter CO₂ emissions targets on trucks and buses to combat climate change and improve air quality <ul style="list-style-type: none"> According to the adopted regulation, new trucks, buses, and trailers must achieve a 45% emissions reduction by 2030-2034, with the goal reaching a 90% reduction by 2040. Urban buses are required to become zero-emission by 2035. The initiative is part of the EU's broader effort to achieve climate neutrality by 2050 and lessen reliance on imported fossil fuels. The Council's formal approval is pending before the regulation can become law. 	Policy ends the sale of 97% of new heavy-duty vehicles with CO ₂ emissions. (i.e., 97% of new sales are ZEVs) by 2040 in Germany, Italy, France (no EU-specific FPS forecast).	Announced and confirmatory. This policy will drive HDV decarbonization in line with the EU's goal of Net Zero by 2050.	Score 3
	Heavy duty vehicles 	Law to slash truck's CO₂ emissions approved <ul style="list-style-type: none"> European Union countries have approved a law mandating a 90% reduction in CO₂ emissions from new heavy-duty vehicles by 2040, requiring most new trucks sold in the EU from that year to be emissions-free. This law aims to address the significant contribution of heavy-duty vehicles to road transport emissions in Europe. Truck manufacturers will need to reduce the CO₂ emissions of their fleets by 45% by 2030 (replacing an existing 30% target) and by 65% by 2035. Additionally, from 2030 onwards, 90% of new urban buses sold in the EU must be emissions-free, increasing to 100% by 2035. The policy also emphasizes the need for a rapid rollout of 50,000 truck-suitable public electric charging points by 2030 to meet the ambitious targets. 	Policy ends the sale of 97% of new heavy-duty vehicles with CO ₂ emissions. (i.e., 97% of new sales are ZEVs) by 2040 in Germany, Italy, France (no EU-specific FPS forecast).	Legislated and supportive. The policy announced in April has now been legislated and is still supportive of the EU's 90% reduction in GHG by 2040 target.	Score 3
	Industry decarbonization 	\$1.5bln hydrogen project <ul style="list-style-type: none"> Seven EU countries, including Estonia, France, Germany, Italy, Netherlands, Slovakia, and Spain, will provide 1.4 billion euros in public funding for a joint hydrogen project. This initiative aims to attract an additional 3.3 billion euros in private investments. Thirteen projects involving 11 companies, such as Airbus, BMW, and Michelin, will participate. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2060 in Germany, 2065 in France, and 2070 in Italy (no EU-specific FPS forecast).	Announced and supportive. While significant for the project, in the context of total IPCEI funding already earmarked for hydrogen development (17.5 bn EUR), the measure only supports industry decarbonization activities.	Score 3




EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	Cooperation deal with Germany, Italy and Austria on hydrogen link <ul style="list-style-type: none"> Italy, Germany, and Austria have signed an agreement to collaborate on developing a network for transporting hydrogen from the southern Mediterranean to northern Europe, aiming to support the EU's strategy for renewable hydrogen supplies by 2030. The network, known as the Southern Hydrogen Corridor or SouthH2, will facilitate the import of renewable hydrogen from North Africa through southern Italy and connect it to major hydrogen demand hubs in Italy, Austria, and Germany. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2060 in Germany, 2065 in France, and 2070 in Italy (no EU-specific FPS forecast)	Announced and supportive. A concrete financial commitment of ca. 4.3 billion EUR make this policy relevant to overall EU industry decarbonization goals.	Score 3
	Low carbon agriculture 	Rules for green farming approved <ul style="list-style-type: none"> The European Parliament backed proposals to relax green conditions for farming subsidies, reducing environmental rules linked to billions of euros in subsidies. Changes include eliminating the requirement for farmers to leave 4% of their land fallow for biodiversity, allowing crop diversification instead of rotation, and providing exemptions for extreme weather and small farms below 10 hectares. The move aims to address farmers' protests over issues like cheap imports and EU regulations ahead of European Parliament elections, but has faced criticism from Green lawmakers and campaigners for weakening environmental protections. 	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock (by 2025 in France, Italy and Germany, no EU-wide forecast).	Legislated. The ease of sustainable conditions for farming subsidies and reducing environmental rules for agriculture puts the decarbonization of the sector in the EU at risk.	Score 2 <i>* On watch</i>
	Low carbon agriculture 	Extended subsidies to farmers <ul style="list-style-type: none"> The European Union will extend subsidy allowances until the end of 2024 to support the agricultural sector, responding to protests from farmers regarding regulations and competition. The EU members can provide up to 280,000 euros per agricultural firm affected by market disturbances, including sanctions, and up to 335,000 euros in the fisheries sector. Additionally, the Commission will review the maximum support level that states can provide without prior approval. 	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock (by 2025 in France, Italy and Germany, no EU-wide forecast).	Announced and supportive. Though the subsidies are extended until the end of 2024, the EU announced that they will simultaneously reduce environmental rules for agriculture.	Score 3




EU & GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Protection & restoration 	After Forced Pause, EU Adopts Landmark Nature Restoration Law <ul style="list-style-type: none"> The EU Council has formally adopted the first-of-its-kind Nature Restoration Law, aiming to restore 20% of the EU's land and sea areas by 2030 and all ecosystems needing restoration by 2050. The regulation sets legally binding targets for restoring terrestrial, marine, freshwater, and urban ecosystems, prioritizing Natura 2000 sites. By 2030, member states must restore at least 30% of degraded habitats, increasing to 60% by 2040 and 90% by 2050. Specific measures include reversing the decline of pollinators, enhancing agricultural and forest biodiversity, restoring peatlands, planting three billion trees, and removing barriers to create 25,000 km of free-flowing rivers. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	Legislated and supportive. With the legislation leaving its previous stalled development, the EU now has a formal framework for protection and restoration. However, the nations to which this is applicable within IPR (DE, FR, IT) already have more ambitious forecast targets.	Score 3
Germany 	Net zero CO₂ emissions 	Changed climate protection law <ul style="list-style-type: none"> The reform of the Climate Protection Act entails significant changes, shifting from retrospective monitoring of sector-specific carbon dioxide emission targets to forward-looking, multi-year, and cross-sectoral assessment. If certain sectors fail to meet their emission targets, other sectors with lower CO₂ balance can compensate for the shortfall, aiming to maintain overall targets. The law aims to facilitate a 65% reduction in CO₂ emissions by 2030 and achieve climate neutrality by 2045. The proposed measures include introducing annual emission totals across all sectors to provide a comprehensive view of emissions from 2021 to 2030, enabling adjustments as needed to meet the targets. 	Policy delivers net zero CO ₂ emissions by 2045.	Legislated. Controversial decision, as the measures for annual emissions are no longer defined for the individual sectors, but for all together, which could lead to sectoral lags.	Score 2 <i>* On watch</i>




GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	All coal phase out 	€1.75bn for eastern coal exit from the EU <ul style="list-style-type: none"> Germany's economy ministry secured European Commission's clearance to compensate power company LEAG with up to 1.75 billion euros for exiting coal by 2038, aligning with Berlin's decarbonization efforts. The Commission initially had concerns about the state payment, leading to an investigation in 2021 to ensure it didn't distort free competition in the EU's internal market. However, it ultimately approved the compensation package, which includes funds for social costs and repurposing mines. Despite the approval, the transition away from coal, especially in eastern mining regions like Lusatia, faces skepticism regarding its social, ecological, and technical implications. LEAG, while set to exit coal by 2038, aims to invest in renewables, with plans to bring online 7 GW of solar and wind output facilities by 2030 as part of a broader decarbonization strategy. 	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent by 2035.	Announced and supportive. While this signifies an important step to help the east of Germany to transition away from coal, efforts are barely sufficient to meet forecast timelines.	Score 3
	Clean Power 	Financing for hydrogen network <ul style="list-style-type: none"> Germany's ruling coalition agreed on a financing mechanism for the country's future hydrogen network, extending the construction deadline by five years to 2037 and providing investor protection in case of bankruptcy. The hydrogen network, spanning over 9,700 km and costing around 20 billion euros, will primarily use existing gas pipelines, with private companies financing its construction through user fees. To encourage investment in this emerging technology, network operators won't be liable if one goes bankrupt, and the government guarantees a return on equity of around 6.7% before taxes. However, if demand is weak, operators may bear up to 24% of the costs, with the government partially liable. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. This policy defines a financing mechanism and provides investor protection in case of bankruptcy, both important to guarantee the hydrogen network expansion.	Score 3
	Clean Power 	Plans for domestic solar industry subsidies dropped <ul style="list-style-type: none"> Germany has abandoned plans to subsidize its domestic solar manufacturing sector by incentivizing consumers to buy European-made panels, as its ruling coalition parties couldn't reach an agreement on the policy. The proposal aimed to boost demand for European solar components amid complaints from German manufacturers about cheap Chinese panels flooding the market, leading to production downsizing or closures. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced. This could put industry at risk of supply shortages in medium term.	Score 2 <i>* On watch</i>




GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Clean Power 	\$488bn account for power grid expansion <ul style="list-style-type: none"> Germany is considering establishing a special government account to distribute the costs of expanding its electricity network across generations more equitably. The expansion of the electricity transmission and distribution network is necessary due to the planned phase-out of fossil fuels and the increase in decentralized solar and wind power. With estimated costs of around 450 billion euros by 2045, consumers would bear these expenses through their energy bills, prompting the consideration of an amortization account to spread the costs over a longer period and prevent a significant increase in network fees for current consumers. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. This policy aims to distribute the costs of expanding Germany's electricity network across generations, which is important to ensure that the power grid expansion can be carried out.	Score 3
	Clean Power 	Germany to Increase Offshore Wind Ambitions for 2035 <ul style="list-style-type: none"> Germany plans to increase its offshore wind energy capacity to 70 gigawatts (GW) by 2045, according to a draft plan by the Maritime and Hydrographic Agency (BSH). The draft specifies an expansion to 60 GW by 2037, up from the originally planned 40 GW by 2035. Of the 60 GW, 36 GW will be built in acceleration areas with relaxed construction and operation permits. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. The plan would be on track to meet the targets, but would only marginally improve them.	Score 3
	Industry decarbonization 	Carbon transport and storage plans approved <ul style="list-style-type: none"> Germany's cabinet approved a draft bill to allow carbon dioxide capture and storage for select industrial sectors as part of the country's goal to achieve carbon neutrality by 2045. Carbon-intensive industries unable to be electrified, excluding coal-fired power plants, will have access to CCS technology under the new bill. The bill also aims to establish a legal framework for developing a CO₂ pipeline infrastructure to support the transportation and storage of captured carbon dioxide. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2060.	Legislated and confirmatory. In conjunction with the hydrogen efforts undertaken, this bill further strengthens the confirmatory picture of Germany's industry decarbonization goal. The evolution of the draft will have to be monitored closely.	Score 3





GERMANY & ITALY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	Hydrogen power expansion bill approved <ul style="list-style-type: none"> Germany's cabinet has approved a bill to expedite the development of hydrogen infrastructure, import, and production facilities, aiming to leverage hydrogen as a key element in decarbonizing the economy. The Hydrogen Acceleration Law grants hydrogen infrastructure an "overriding public interest" status, prioritizing it in the approval process. Permitting procedures will be simplified, digitized, and expedited, including shortened legal challenges for hydrogen projects and environmental assessments. The government has allocated significant public funds, up to 3.53 billion euros, to procure green hydrogen and its derivatives between 2027 and 2036. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2060.	Legislated and confirmatory. Taken together with other announced hydrogen measures undertaken by EU states, this policy has the potential to act as a confirmatory step in the procurement of key resources for Germany's industry decarbonization. Hence, a confirmatory rating seems warranted for now, with the need to watch the policy closely.	<div>Score 3</div>
Italy 	Clean power 	Italy's Solar Energy Expansion Faces Setbacks Under New Government Regulations <ul style="list-style-type: none"> Italy's government has imposed restrictions on ground-mounted solar panels on farmland, requiring installations to be at least 2.1 meters above ground, which could raise costs by 20-40%. The decree, championed by Agriculture Minister Francesco Lollobrigida, aims to protect "food sovereignty" but is criticized for hindering progress towards the country's goal of 80GW of solar capacity by 2030. Solar industry experts argue that the new regulations make solar projects less attractive, potentially jeopardizing Italy's green energy transition. 	Policy delivers dispatched generation of 97% low-carbon power by 2045.	Legislated. While a long term disruption of clean power goals is unlikely, this decree is disruptive to distributed solar power deployment in the short term.	<div>Score 2</div> <p><i>* On watch</i></p>





UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Net zero CO ₂ emissions 	Climate action plan classified as "unlawful" by court <ul style="list-style-type: none"> Britain's High Court ruled that the country's latest climate action plan, aimed at achieving net zero emissions by 2050, is unlawful due to ministers not being informed of the risk that key policies might not be achievable. This ruling requires Britain to submit a new plan for the second time, following legal action by environmental groups who argued that the plan was based on incorrect assumptions about its viability. 	Policy delivers net zero CO ₂ emissions by 2050.	Announced and supportive. The recently upheld court ruling shows that the UK's efforts to achieve net zero have not been sufficient so far and that more ambition in their strategy is required.	Score 3
	Carbon price 	Planned update of carbon border tax <ul style="list-style-type: none"> Britain has initiated a consultation process regarding the implementation of a new carbon import levy on certain products starting from 2027. This levy aims to protect domestic businesses from cheaper imports originating from countries with less stringent climate policies. The proposed carbon border adjustment mechanism (CBAM) will apply to imports in sectors such as iron and steel, aluminium, fertilisers, hydrogen, ceramics, glass, and cement. The consultation document outlines seven tax rates for each sector, with the methodology based on the carbon emissions associated with the production of imported goods and the price differential between the carbon markets of the exporting country and the UK. 	Explicit carbon price signal (\$120) or backstop covering industry and power by 2030.	Announced and supportive. Protecting domestic businesses from cheaper imports from countries with less stringent climate policies is supportive of a robust carbon market.	Score 3




UK & RUSSIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Protection & restoration 	Nature recovery plan <ul style="list-style-type: none"> The Nature Recovery Plan from the Ministry of Justice delineates nine principles aimed at safeguarding and improving nature while also facilitating justice-related objectives. These principles include establishing priority habitats, fostering best practices throughout operations, providing skill development opportunities for offenders, and directing community sentencing initiatives towards nature enhancement in local areas. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2030.	Legislated and supportive. In line with the EU biodiversity strategy by 2030.	Score 3
Russia 	Clean power 	Russia Considers Easing Environmental Fuel Standards Amid Threat of Shortages <ul style="list-style-type: none"> The Russian government is contemplating the relaxation of environmental fuel standards to address potential domestic gasoline shortages. This adjustment could increase the domestic gasoline supply by an additional 10%, translating to between 300,000 and 350,000 metric tons per month. Proposed changes include lowering the criteria for certain gasoline additives and ethanol content, while sulphur standards are expected to remain unchanged. 	Policy delivers net zero CO ₂ emissions after 2065.	Announced. The relaxation of environmental fuel standards to address potential domestic gasoline shortages could lead to a delay of Russia's net zero and clean power forecast.	Score 2 <i>* On watch</i>
	Net deforestation 	Russian State Duma Advances Legislation on Forest Climate Projects for Emission Control <ul style="list-style-type: none"> The State Duma Committee on Ecology endorsed new legislation on forest climate projects, aiming to increase forest absorption of greenhouse gases and contribute to Russia's carbon neutrality by 2060. It mandates detailed protocols for fire prevention, disease control, and reforestation, expected to increase the annual forest restoration and afforestation areas from 1,506 thousand hectares to 7,000 thousand hectares by 2030. The legislation also sets a framework for voluntary project agreements and periodic monitoring, essential for the verification and continuation of these initiatives. 	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2025-2035.	Announced and supportive. The rule shows a strong commitment to protection local forests, however similar goals must be set on a national level to ensure that the 2025-2035 forecast can be achieved.	Score 3




SAUDI ARABIA & SOUTH AFRICA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Saudi Arabia 	Protection & restoration 	Allocation of \$2.5 billion to the Middle East Green Initiative <ul style="list-style-type: none"> Minister of State for Foreign Affairs emphasizes Saudi Arabia's commitment to environmental protection, highlighting its significant allocation of \$2.5 billion to the Middle East Green Initiative and the charter issued for the initiative. Al-Jubeir emphasizes the importance of afforestation in Saudi Arabia's strategy to address climate change and achieve the goals outlined in the Saudi Vision 2030. Afforestation and land rehabilitation are crucial not only for environmental reasons but also for security and stability, as climate change-related challenges like droughts can impact regional security plans. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040.	Announced and supportive. Funding allocation supportive of FPS target.	Score 3
South Africa 	All coal phase out 	Talks over delaying coal plant closures <ul style="list-style-type: none"> South Africa is negotiating with international funders to delay the closure of some coal plants to boost power supplies, despite prior commitments to reduce emissions. Eskom, the state electricity utility, faces challenges in maintaining electricity supply while transitioning to greener energy, leading to delays in decommissioning coal-fired power stations like Camden, Grootvlei, and Hendrina until March 2030. The utility aims to improve the energy availability factor at existing coal plants, having already shut some units at Hendrina, while ensuring rolling power outages are suspended ahead of an election that could impact the ruling party's majority. 	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent by 2055.	Announced and supportive. South Africa's plan to delay the closure of some coal plants is in line with the prior developments and supports the adjustment of the forecast in the last QFT from 2050 to 2055.	Score 3



US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Economy-wide 	Reform of green law <ul style="list-style-type: none"> The White House announced reforms to the U.S. environmental review process for major projects, aiming to expedite approval for initiatives ranging from renewable energy transmission to semiconductor manufacturing. These reforms constitute the final phase of adjustments to the National Environmental Policy Act (NEPA) under President Joe Biden's administration, in response to changes made by former President Donald Trump in 2021. The reforms include clear one- and two-year deadlines for federal agencies, page limits for reviews, and a focus on lead agencies coordinating the process. They also introduce categorical exclusions for projects like transmission lines in areas with existing land disturbances, aiming to streamline reviews where environmental impacts are minimal. 	Multiple including Clean power.	Announced and supportive. The revised review process enables sustainability initiatives to be implemented more quickly and the necessary funding to be obtained.	Score 3
	Carbon price 	Carbon tariffs as focus for the White House <ul style="list-style-type: none"> President Biden announced tariffs on Chinese imports, including EVs, batteries, critical minerals, and steel, due to concerns about Chinese manufacturing "overcapacity" affecting U.S. production of green goods. The tariffs aim to protect U.S. manufacturing jobs and reduce reliance on China for modern technologies, using executive authority as legislative avenues are limited before the November election. The primary goal is to safeguard the U.S. auto industry's competitiveness in electrification, encouraging domestic sourcing of components and signaling a preference for U.S.-produced EV batteries over cheaper Chinese alternatives. 	Explicit carbon price signal or backstop covering industry and power in 2030 by \$30.	Legislated. Although electric vehicle prices are falling while the U.S. develops domestic capacity and is importing EVs and components from other markets, given the Chinese market accounts for only 2% of U.S imports, this policy could slightly decrease the speed at which technologies like solar panels, batteries or EVs are taken up in the U.S.	Score 2 <i>* On watch</i>



US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	All coal phase out 	EPA Mandates Major Carbon Capture for Coal Power by 2032 <ul style="list-style-type: none"> The EPA's new rule requires significant carbon dioxide capture from coal-fired power plants by 2032 as part of broader efforts to tackle climate change. This initiative is set to prevent 1.38 billion metric tons of carbon emissions by 2047, enhancing both climate and public health. Coal plants planning to operate beyond 2039 must cut or capture 90% of their emissions by 2032. Less stringent standards apply to plants retiring by 2039, and those closing by 2032 are exempt. 	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal. Coal is abated when installed with CCS with a capture rate of 90% or equivalent by 2035.	Legislated and supportive. The rule is indeed ahead of schedule with significant requirements, but it lacks explicit evidence or projections showing that it will ensure achieving or exceeding the 97% target by 2035.	Score 3
	Clean power 	Biden-Harris Administration Unveils Comprehensive Measures to Bolster U.S. Electric Grid and Accelerate Clean Energy Rollout <ul style="list-style-type: none"> New EPA standards set to cut significant pollution from power plants, preventing emissions equivalent to those from 328 million cars annually. \$331 million allocated for constructing a major new transmission line between Idaho and Nevada. Administration promotes upgrading of 100,000 miles of transmission lines to enhance grid reliability. Investments close to \$80 billion drive major growth in U.S. clean energy manufacturing, supporting America's leadership in green technology. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. The policy demonstrates a strong commitment to reducing emissions and promoting clean energy, however, specific projections and timelines linked to the 2040 target are missing.	Score 3
	Clean power 	U.S. unveils rules for subsidies to boost clean energy wages <ul style="list-style-type: none"> President Biden's administration has finalized rules for clean energy subsidies, aiming to make jobs in green industries competitive with oil and gas. Companies paying prevailing wages and hiring apprentices can receive up to five times the base credit under the Inflation Reduction Act. This is part of Biden's effort to create well-paying jobs and combat climate change. The rules encourage project labor agreements and will be enforced by the IRS. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. These guidelines may indirectly impact the forecast by enhancing competitiveness of clean power undertakings against fossil fuel companies by cutting wage cost.	Score 3




US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Clean power 	\$71M for American solar manufacturing sector <ul style="list-style-type: none"> The U.S. Department of Energy, under President Biden's Investing in America agenda, is investing \$71 million, including \$16 million from the Bipartisan Infrastructure Law, to enhance domestic solar energy supply chain manufacturing, addressing gaps in equipment and materials like silicon wafers and thin-film solar cells. The funding supports projects that develop silicon wafer and cell manufacturing, dual-use photovoltaic applications (e.g., building-integrated PV, agrivoltaics), and thin-film technologies such as cadmium telluride (CdTe) and perovskites. These efforts aim to reduce costs, increase efficiency, and open new markets for solar technologies. The initiative aligns with the Biden-Harris Administration's goal of achieving net-zero emissions by 2050 and the Justice40 initiative, which ensures 40% of benefits from federal climate and clean energy investments flow to disadvantaged communities. The projects are expected to boost American innovation, create jobs, and enhance the competitiveness of U.S. solar manufacturing. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. The policy shows commitment to enhance the domestic solar energy supply chain manufacturing, however, more funding is needed to achieve >97% low-carbon power.	Score 3
	Clean power 	US may revive some shut nuclear plants to help meet emissions goal, energy chief says <ul style="list-style-type: none"> The U.S. may revive recently retired nuclear power plants or add reactors to existing sites to meet the demand for zero-emissions electricity. The Department of Energy's Loan Programs Office (LPO) issued a \$1.52 billion conditional loan to Holtec International to reopen the Palisades reactor in Michigan, potentially setting a precedent for other shuttered plants. Energy Secretary Jennifer Granholm mentioned that more discussions could be happening with operators of other closed plants, although specifics were not disclosed. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. Given the lengthy timelines typically associated with nuclear projects, this policy's impact on the 2040 target is supportive but not transformative. As the initiative is still in the discussion and conditional phases, it primarily supports the ongoing transition rather than accelerating it substantially.	Score 3




US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Clean power 	US Senate Passes Legislation to Speed Nuclear Deployment <ul style="list-style-type: none"> The bipartisan Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act, aiming to expedite the development and deployment of advanced nuclear technologies, passed the Senate on June 18, 2024. The act seeks to streamline regulatory approvals, reduce costs, incentivize new technologies, and support international cooperation. It also includes measures for redeveloping conventional energy sites and enhancing nuclear safety standards. The legislation now awaits the President's signature. 	Policy delivers dispatched generation of 97% low-carbon power by 2040.	Announced and supportive. While somewhat supportive of the US clean power targets, nuclear power timelines, even if expedited, are long. Additionally, nuclear build out comes with additional concerns of waste storage, a problem that remains unsolved as of yet.	Score 3
	Heavy duty vehicles 	USDOT Finalizes New Fuel Economy Standards for Model Years 2027-2031 <ul style="list-style-type: none"> The U.S. Department of Transportation's NHTSA announced new fuel economy standards, increasing passenger car fuel economy by 2% per year from 2027-2031 and light trucks from 2029-2031, aiming for an average of 50.4 miles per gallon by 2031. Heavy-duty vehicles will see a 10% annual increase from 2030-2032. These measures are expected to save Americans \$23 billion in fuel costs and reduce carbon emissions by 710 million metric tons by 2050. 	Policy ends the sale of 97% of new heavy-duty vehicles with CO ₂ emissions. (I.e., 97% of new sales are ZEVs) by 2045.	Announced and supportive. The announced standards could serve as an additional building block in the push for greater EV uptake in the US. While technically about ICE vehicles, manufacturers only must comply on a fleet level. Producing and selling more EVs, hybrids or even fuel-cell vehicles could therefore become more attractive.	Score 3



US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Heavy duty vehicles 	Tailpipe emissions limits finalized <ul style="list-style-type: none"> The U.S. government is finalizing new tailpipe emissions standards for heavy-duty vehicles, including semi-trucks and buses, for the 2027 through 2032 model years. These standards are less strict than initially proposed but still aim to avoid 1 billion tons of greenhouse gas emissions through 2055, with \$13 billion in annualized net benefits. The new standards come after similar regulations for light and medium-duty vehicles were finalized, with reduced targets for electric vehicle adoption. 	Policy ends the sale of 97% of new heavy-duty vehicles with CO ₂ emissions. (i.e., 97% of new sales are ZEVs) by 2045.	Announced and supportive. Less ambitious policy than initially planned but still supportive of the IPR forecast.	Score 3
	Industry decarbonization 	New rule to minimize methane leaks from oil and gas drilling <ul style="list-style-type: none"> The Biden administration has finalized rules to limit methane leaks from oil and gas drilling on public lands, aiming to reduce emissions of this potent greenhouse gas. These rules require drillers to develop plans to detect leaks, make repairs, and minimize waste, as well as pay royalties for lost natural gas. The Interior Department estimates that the rules will conserve billions of cubic feet of gas and generate over \$50 million in additional royalty payments annually. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and supportive. While it is essential to minimize methane leaks, measures aiming to reduce GHG emissions along the whole oil/gas production would have an even bigger impact.	Score 3
	Industry decarbonization 	\$6 billion for industrial emission reduction projects as part of a \$20 billion clean energy investments in low-income communities <ul style="list-style-type: none"> The U.S. Energy Department has announced \$6 billion in federal funding for 33 industrial projects across 20 states aimed at reducing carbon emissions. These investments, described as the largest industrial decarbonization initiative in U.S. history, are expected to leverage a total of \$20 billion, with projects set to eliminate 14 million metric tons of pollution annually. Projects span various industries including steel, cement, aluminium, chemicals, food, beverages, pulp, and paper, targeting about a third of U.S. carbon emissions. These initiatives are expected to reduce or avoid up to 40 million metric tons of climate pollution annually over seven years. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and supportive. This marks the first time federal funds will directly support local nonprofit organizations. By targeting most heavy industries, which account for one third of the U.S. carbon emissions, this policy is supportive.	Score 3




US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Industry decarbonization 	U.S. Establishes New Climate Task Force to Combat Manufacturing and Trade Emissions <ul style="list-style-type: none"> On April 16, 2024, John Podesta announced the creation of a U.S. trade task force at Columbia University. The task force is aimed at reducing emissions from global commerce and manufacturing. It will focus on standardized emission measurements and international collaboration. Podesta cited significant emission discrepancies in aluminium production between the U.S. and China. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2065.	Announced and supportive. While a taskforce has been formed, no specific policies, targets or objectives have been set yet to ensure that CO ₂ emissions will be reduced through the work.	Score 3
	Low-carbon agriculture 	Advancements on the farm bill draft <ul style="list-style-type: none"> U.S. House committee advances contentious \$1.5 trillion farm bill with minimal Democratic backing. The Republican-led House Agriculture Committee passed the bill 33-21, with only 4 Democratic votes. The bill would expand farm commodity supports while reducing SNAP funding and reallocating \$20 billion intended for climate-smart farm practices. Democrats in both the House and Senate have stated that cuts to food aid and reallocation of climate funds are non-negotiable. Senate Agriculture Committee chair Debbie Stabenow believes the House bill divides the Farm Bill coalition, making it unlikely to garner enough votes to pass into law. 	Policy delivers significant nationwide market incentives to encourage farmers to reduce emissions from crop production and livestock by 2030.	Announced. The Farm, Food, and National Security Act of 2024 is heavily contested, with the current bill completely removing climate-positive agriculture funding. Further changes are being monitored.	Score 2 <i>* On watch</i>
	Protection & restoration 	Biden Administration Sets New Conservation Measures in Alaska <ul style="list-style-type: none"> The U.S. government introduced significant restrictions on drilling and mining in Alaska's wilderness. These measures aim to protect 40% of the National Petroleum Reserve and reject development projects like the Ambler Access Road. State leaders and Republican senators argue the restrictions could harm jobs and national energy security. Despite opposition, these restrictions align with broader conservation efforts to address climate change. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	Legislated and supportive. The policy shows a good intent to protect wildlife and ecosystems from degradation from drilling and mining.	Score 3

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
	Protection & restoration 	Endangered species protection restored <ul style="list-style-type: none"> The U.S. government restored some protections under the Endangered Species Act, which were rolled back under Trump to ease costs. More animals and plants can be classified as threatened or endangered again. In addition, under the so-called blanket rule, threatened and endangered species will be protected the same way. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	Announced and supportive. Restoration of protection rules rolled back under the Trump government.	Score 3
	Protection & restoration 	Biden Administration Announces Major Initiative to Protect U.S. Water Sources <ul style="list-style-type: none"> The Biden administration has announced a goal to protect, restore, and reconnect 8 million acres of wetlands and 100,000 miles of rivers and streams. Additionally, a \$1 billion commitment was made to provide clean water on Native American lands. These announcements were part of a broader Earth Week effort to address environmental and climate-related challenges. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	Announced and supportive. There is a total of 3.5 million miles of rivers and streams in the U.S, 110 million acres, therefore the policy is only supportive of the target.	Score 3

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Industry decarbonization 	Brazil's Green Hydrogen Framework Advances to Senate <ul style="list-style-type: none"> Brazil's Special Committee has approved Bill 2,308/2023, which establishes regulations for green hydrogen production, now moving to the Federal Senate for urgent consideration. The bill aims to promote decarbonization by offering tax breaks and financial incentives, creating programs like the National Hydrogen Program and the Low Carbon Emission Hydrogen Development Program. Amendments include extending tax credit benefits to 2032 and prioritizing low-emission projects. The National Petroleum Agency will oversee hydrogen production, ensuring it's managed by Brazilian companies. 	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2070.	Announced and supportive. Introducing a legal framework for industry decarbonization, with a particular provision for hydrogen production and usage, is supportive of the IPR forecast.	Score 3
	Protection & restoration 	\$1.1bn Amazon rainforest protection with France <ul style="list-style-type: none"> Brazil and France have launched a 1 billion euro investment program aimed at protecting the Amazon rainforest in Brazil and Guyana over the next four years. The two countries have pledged to collaborate on an international roadmap to combat deforestation in the Amazon by 2030, ahead of Brazil hosting the COP30 climate negotiations in 2025. Their joint efforts include developing financial instruments and market mechanisms to support conservation, restoration, and sustainable management of tropical forests. 	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2030.	Announced and supportive. Sizable commitment however specific protection and restoration goals and measures are not explicitly mentioned in the policy.	Score 3



Technical Annex

Methodology, deep dive assessments, and references

WEIGHTED POLICY GAP ANALYSIS (SLIDE 3) METHODOLOGY AND KEY FINDINGS

[Back to main FPS policy gap analysis section](#)

Legend (chart of Slide 20)

- **Acceleration:** Policy increases likelihood of 1.5°C scenario (IEA NZE, IPR RPS 1.5°C).
- **Confirmatory:** Policy fulfils forecasted IPR outcome, increasing likelihood of Paris-aligned (i.e. well-below 2°C) scenarios including IEA APS, IPR 1.8°C FPS.
- **Supportive:** Policy increases likelihood of Paris-aligned scenarios, but requires further policy to comply with IPR FPS.
- **Deceleration:** Greater likelihood of alignment to market expectations (IEA 2.3°C STEPS1 scenario).
- **Policy gap:** Emissions are not covered by climate policy.

Global

- 60% of emissions of the 21 IPR countries are covered by announced or legislated² climate policy that is faster, confirmatory or supportive of the IPR FPS 1.8°C
- 40% of emissions are decelerating in ambition or not covered by climate policy

Advanced Economies

- 23% of emissions in advanced economies are covered climate policy that meets at least the forecasted IPR targets
- 67% of emissions are addressed by policies that are supportive but not yet sufficient to meet the IPR FPS 1.8°C
- A majority of the 10% of gaps by emissions for advanced economies fall into the LULUCF, agriculture and power

Emerging and Development Economies

- Emerging markets and developing economies (EMDE) are responsible for 66% of all emissions in the IPR countries
- 49% of emissions are covered by policies that at least support the IPR FPS forecast, which is representative for the increasing policy coverage among EMDE
- 50.5% of emissions are not yet covered or fall under policies with potentially decelerating effects



* Weighted by emissions coverage of tracked policies

1. Sources for emission data: EDGAR Database (2022); FAOstat (2021); 2. Data on announced/legislated status of policies can be found at page 25 and in the annex/previous publications

Q1 2024 POLICY IMPACT ON WATCH – POTENTIAL DECELERATION

In the first quarter of the 2024, IPR has tracked two policies which were deemed to have a potentially decelerating effect in the short-term and are henceforth being monitored more closely





[Link to Q2 Policies on watch](#)

Region	Policy Area	Development	Forecast	Impact	Details
 Argentina	Protection and restoration	Argentinian government announces to end incentive scheme for forest owners	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040	2	Taking back financial incentives for sustainable forest managements undermines trust in state support programs in the long term, making it harder to achieve 2035 target.
 France	Light duty vehicles	New tax/support scheme announced for purchasing electric vehicles based on carbon emission of manufacturing process.	Policy ends the sale of 97% of new cars and vans with CO ₂ emissions by 2035. (I.e., 97% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV	2	Could be considered a hinderance for EV adoption in some cases, as the measure has a protectionist character (higher emissions producers are mostly situated outside of the EU)

Q1 2024 POLICY IMPACT ON WATCH – POTENTIAL ACCELERATION

For Q1 2024, five policies were logged as signaling potential acceleration in the short term, warranting closer monitoring

[Link](#) to Q2 Policies on watch

Region	Policy Area	Development	Forecast	Impact	Details
 Indonesia	Clean power	Indonesia launches \$20 billion renewable energy investment plan to decarbonize power sector.	Policy delivers net zero CO ₂ emissions by 2045.	4	This policy has the potential to accelerate Indonesia's clean power development. However, captive plants need to be addressed to adjust the forecast.
 China	Protection & restoration	China commits to revitalizing 30% of degraded ecosystems by 2030 in new biodiversity plan.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035.	4	Announced - If followed through until 2030 as announced, this could contribute to achieving the land protection forecast 5 years earlier.
 EU	Protection & restoration	Nature restoration law mandates EU countries to restore a minimum of 30% of habitats in poor condition by 2030, escalating to 60% by 2040 and 90% by 2050.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	4	Signals a much needed acceleration in EU habitat restoration efforts.
	Industrial process	EU agrees on Net Zero Industry Act.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions.	4	While the original draft was more ambitious, the legislated policy promises to set significant clean energy investment in industry in motion.
 UK	Carbon pricing	The UK ETS Authority announced new steps for increasing the cap stringency of the UK ETS and expanding its coverage.	Explicit carbon price signal or backstop covering industry and power of US\$120 by 2030.	4	The expansion, which includes new sectors and gases, is likely to improve carbon market depth and diversity, which in turn could drive up carbon prices by increasing demand for allowances while tightening supply.

TRACKED POLICY SOURCES

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