
Quarterly Policy Forecast Tracker

‘Policy Momentum and Public Sentiment ahead of COP30’

Is the US decline spilling over?

Q3 2025

October 16, 2025

INEVITABLE POLICY RESPONSE NETWORK

The Principles for Responsible Investment (PRI) commissioned the Inevitable Policy Response in 2018 to advance the finance 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.

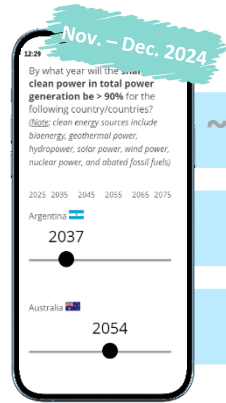


IPR benefits from the support of philanthropic funders, corporate and financial industry partners, and independent non-profit NGO research institutions.



THE IPR PROGRAMME CONSISTS OF TWO COMPONENTS: AN ANNUAL TRANSITION FORECAST REPRESENTING THE 'MEDIAN' VIEW OF CLIMATE TRANSITION EXPERTS AROUND THE WORLD AND A QUARTERLY TRACKING OF POLICY DEVELOPMENTS

Climate Transition Expert Survey



~250 Total climate expert participants

21 Number of countries covered (G20 + Vietnam + Nigeria)

15 Sectors covered

Survey Result Analysis

- 1 Review of Survey Response Robustness
- 2 Calculation of Median Transition Forecast Targets
- 3 Definition of Target Ranges based on the median to acknowledge variability in transition pathways

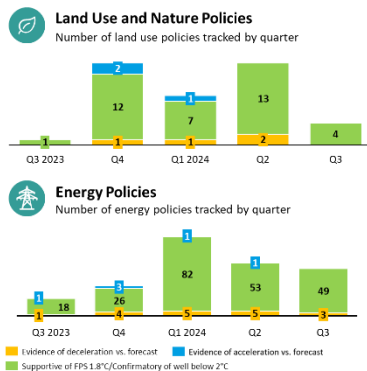
Transition Forecast

The median results of the 2024 Climate Transition Expert Survey are used to update forecast targets.



Quarterly Forecast Trackers (QFTs)

New update



IPR monitors **energy and land use policies** on a quarterly basis, to contextualize market and expert sentiment around the transition and **identify key policy gaps & investment opportunities.**

Policy Analysis

Assessment of the significance of shifts in policy announcements relative to the previous year.

- ↑ Acceleration
- Policy Aligned
- ↓ Deceleration

Policy Momentum (+/-)

Relative assessment of tracked policies against IPR's January 2025 Transition Forecast



Policy Sentiment

Absolute assessment of tracked policies based on the general messaging



EXECUTIVE SUMMARY: THE DIVERGING GLOBAL POLICY LANDSCAPE JULY-SEPTEMBER 2025

The ongoing reversal of US climate policy is driving a record global slowdown in climate action, but at least for now we do not see significant spillovers. Nevertheless, the slowdown is driving worsening sentiment

.....



Global climate policy momentum continues to significantly decelerate. But a closer look at policy trends in Q3 2025 and across 2025 more broadly reveal a **stark divide between the United States and the rest of the world**. While US policy is in reversal, there is no systematic reversal in climate policy momentum anywhere else. With a few limited exceptions, climate policy momentum outside of the US across 2025 largely tracks our expert forecast.



While momentum is largely keeping pace with 2024 benchmarks, **‘policy sentiment’** – what we define as the narrative around policy actions and announcements – is clearly **spilling over to other markets**, raising questions for the broader outlook: Is sentiment a canary in the coal mine for decelerating policy momentum outside the US moving forward? Does it signal a **broader shift from policy to technology drivers** as policy becomes less important? Or does it suggest a more general break between the ‘signal’ and the ‘noise’ when it comes to climate policy actions.



The global **cancellation of hydrogen projects**, represents a global re-evaluation of green hydrogen’s role and timeline in the energy transition for heavy industries. While economically advanced nations such as the EU and Germany are adopting more pragmatic hydrogen plans, the developments overall suggest that **investments may pivot to other more mature, cost-effective technologies**, such as electrification.



Policy Momentum

Relative assessment of tracked policies against IPR's
2025 Transition Forecast

IPR'S JANUARY 2025 TRANSITION FORECAST IS BUILT ON ~250 EXPERT VIEWS ON WHAT THE ENERGY & LAND TRANSITION WILL LOOK LIKE IN A POST-US ELECTION WORLD

 Insufficient responses were received to deem results robust, hence actual policy targets were applied instead (N/A if no policy target is available)

				 Economy wide	 Power	 Buildings	 Transport	 Industry	 Agri	 Land use	 Nature				
% of world CO ₂ emissions				Net Zero CO ₂ emissions	Carbon price*	All coal phase-out	Clean power	Zero-carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Low-carbon agriculture	Net defores-tation	Protection**	Nature incentives
Asia Pacific excl. China		Australia	1.0%	2050-2054	\$70-\$82	2035-2039	2040-2044	2035-2039	2040-2044	2045-2049	2045-2049	by 2040	by 2040	2035-2039	2030-2034
		Indonesia	1.8%	2065-2069	\$37-\$50	2045-2049	2055-2059	N/A	2050-2054	2050-2054	2050-2054	> 2040	>2040	2040-2044	2040-2044
		India	7.0%	2070-2074	\$50-\$74	2045-2049	2055-2059	N/A	2050-2054	2055-2059	2055-2059	> 2040	Achieved	2050-2054	2050-2054
		Japan	3%	2050-2054	\$35-\$70	2040-2044	2045-2049	2045-2049	2040-2044	2045-2049	2045-2049	by 2040	by 2030	Achieved	2035-2039
		South Korea	1.6%	2055-2059	\$43-\$70	2045-2049	2050-2054	2050-2054	2050-2054	2050-2054	2055-2059	> 2040	>2040	2040-2044	2040-2044
		Vietnam	0.8%	2060-2064	N/A	2050	2045-2049	N/A	2040-2044	2050	>2050	> 2040	by 2030	2030	N/A
China		China	33.9%	2060-2064	\$50-\$62	2035-2039	2045-2049	2045-2049	2035-2039	2045-2049	2045-2049	by 2040	Achieved	2030-2034	2040-2044
Europe		France	0.8%	2050-2054	\$95-\$120	Achieved	Achieved	2035-2039	2035-2039	2045-2049	2045-2049	by 2035	Achieved	2030-2034	2035-2039
		Germany	1.7%	2050-2054	\$85-\$120	2035-2039	2035-2039	2035-2039	2040-2044	2040-2044	2040-2044	by 2040	Achieved	Achieved	2035-2039
		Italy	0.8%	2055-2059	\$71-\$120	2030-2034	2040-2044	2040-2044	2040-2044	2045-2049	2045-2049	by 2040	Achieved	2030-2034	2040-2044
		UK	0.9%	2050-2054	\$95-\$120	Achieved	2035-2039	2040-2044	2040-2044	2045-2049	2040-2044	> 2040	Achieved	2035-2039	2040-2044
Eurasia		Russia	5%	2065-2069	N/A	2050-2054	2060-2064	2050-2054	2055-2059	2060-2064	2055-2059	> 2040	Achieved	2035-2039	2040-2044
Middle East and Africa		Nigeria	0.3%	2065-2069	N/A	Achieved	2050-2054	N/A	2055-2059	2060-2064	2060-2064	> 2040	>2040	2050-2054	2045-2049
		Saudi Arabia	1.6%	2060-2064	\$20-\$43	N/A	2050-2054	N/A	2055-2059	2050-2054	2050-2054	N/A	Achieved	2035-2039	2045-2049
		South Africa	1.0%	2060-2064	\$30-\$60	2045-2049	2045-2049	2045-2049	2050-2054	2045-2049	2045-2049	> 2040	>2040	2035-2039	2040-2044
		Türkiye	1.2%	2060-2064	\$30-\$40	2040-2044	2045-2049	2050-2054	N/A	2050-2054	2045-2049	N/A	Achieved	2030	N/A
North America		Canada	1.5%	2050-2054	\$100-\$146	2030-2034	2040-2044	2040-2044	2040-2044	2045-2049	2050-2054	> 2040	>2040	2040-2044	2035-2039
		Mexico	1.3%	2065-2069	\$30-\$42	2045-2049	2055-2059	N/A	2055-2059	2055-2059	2050-2054	> 2040	>2040	2045-2049	2045-2049
		US	12.6%	2060-2064	N/A***	2040-2044	2045-2049	2045-2049	2045-2049	2050-2054	2050-2054	> 2040	>2040	2045-2049	2045-2049
South America		Argentina	0.5%	2055-2059	\$30-\$43	Achieved	2045-2049	2045-2049	2050-2054	2045-2049	2050-2054	> 2040	>2040	2045-2049	2050-2054
		Brazil	1.2%	2060-2064	\$48-\$50	Achieved	Achieved	N/A	2050-2054	2055-2059	2050-2054	> 2040	>2040	Achieved	2035-2039

* A different methodology was applied to define the carbon price ranges (span between the FPS 2023 and the average survey result). ** This projection aligns with GBF's Target 3, which seeks to protect 30% of the planet's land and oceans by establishing protected areas and implementing effective area-based conservation measures. *** The survey responses for the US were defective, hence the forecast was descope.

IPR USES A FIVE-POINT SCORING SYSTEM TO RATE THE ALIGNMENT OF TRACKED POLICY DEVELOPMENTS RELATIVE TO EXPERTS' VIEWS COVERED IN THE JANUARY 2025 TRANSITION FORECAST AS A MEASURE OF POLICY MOMENTUM

.....

The Quarterly Forecast Tracker (QFT) provides a **quarterly scoring** relative to the Transition Forecast. IPR scores each policy **based on the relation of the policy** to the IPR January 2025 Transition Forecast.

See next slide for details on the forecasting process

1

FIVE-POINT SCORING SYSTEM

IPR uses a five-point scoring system where '3' are policies that are **consistent with the forecast**, '1' is a policy expected to **delay the achievement** of the forecast outcome by >10 years and '5' policies expected to **accelerate the achievement** of the forecast outcome by >10 years. In addition, policy announcements are categorized as legislated if the policy covers any enforceable or funded policy from policymakers and announced if it has not yet been legislated.

2

SCORING APPROACH

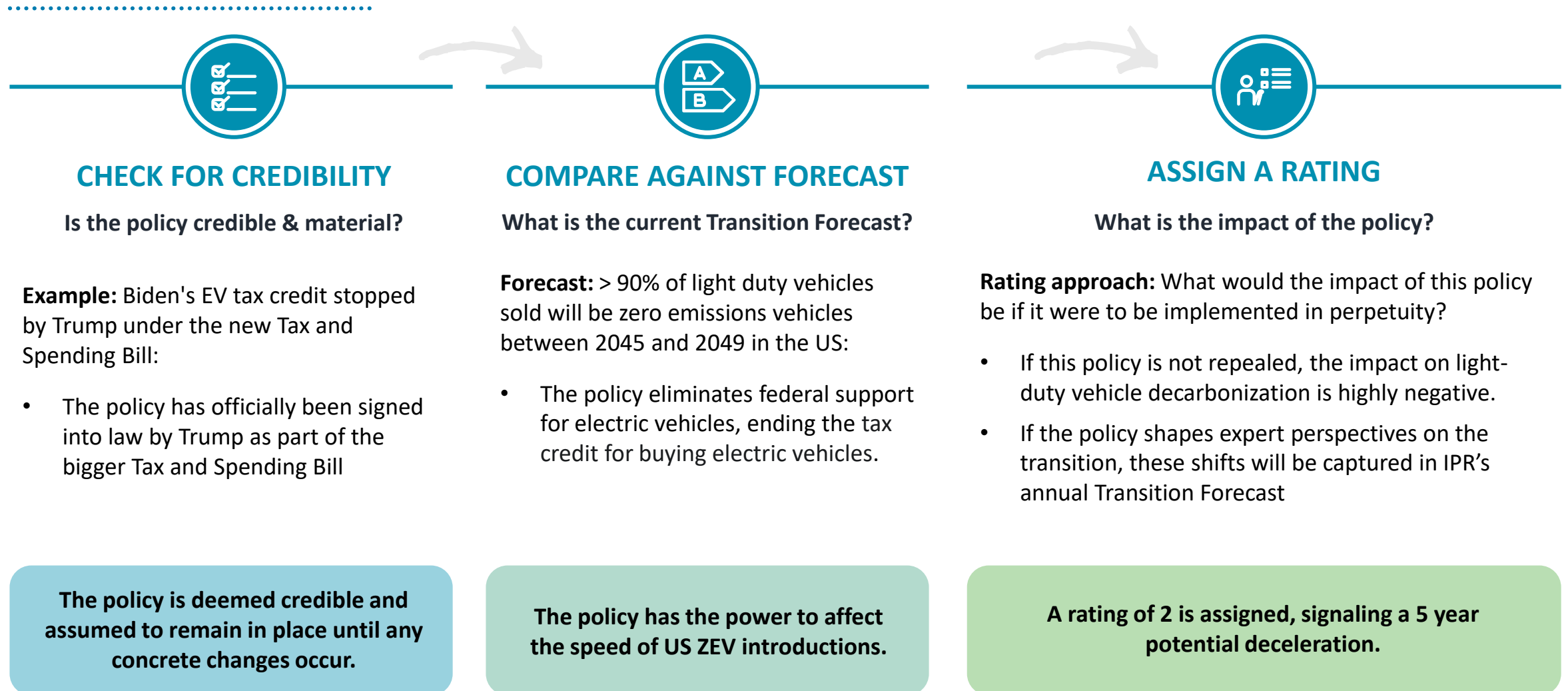
The 'scoring approach' is based on **the policy as is**. It does not assess **a)** whether the policy is **likely to be overturned** due to a judicial process (if implemented), **b)** Whether the policy **will remain in place in the future** under new jurisdictions, nor **c)** whether the policy will eventually **become 'irrelevant'** due to changes in market conditions (e.g. cost competitiveness of clean technologies).

3

EXAMPLE OF SCORING APPROACH

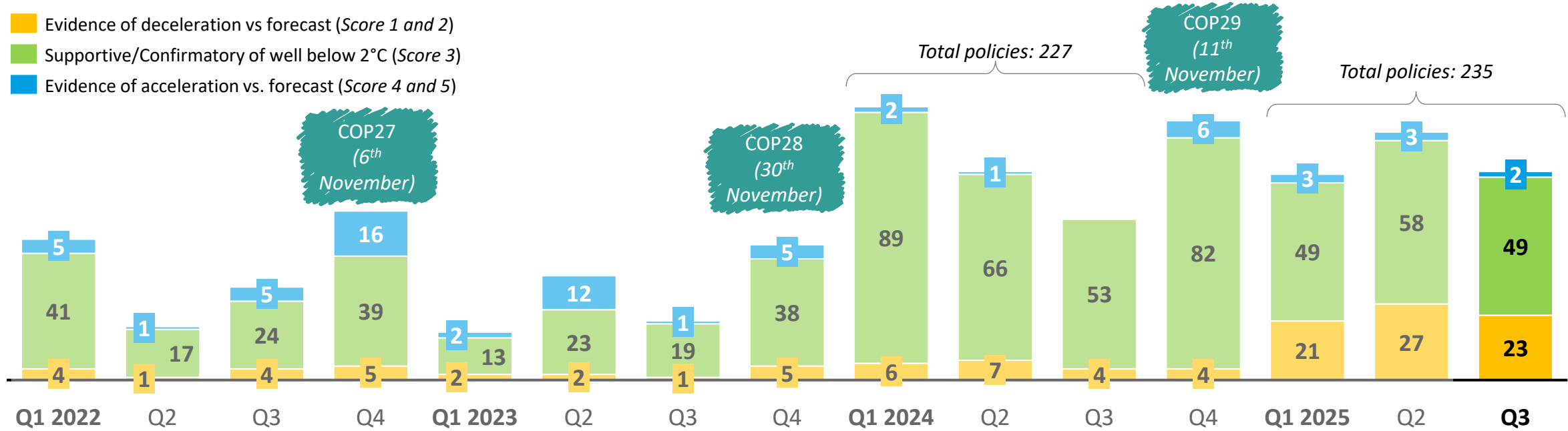
Example: A policy may be put in place and **scored as a '1'** suggesting that if maintained it is most likely to shift experts view as it could lead to a delay in the planned transition, meaning that the forecast will not be achieved (our annual Transition Forecast Report captures the definitive expert consensus on the global climate transition).

THE REPEAL OF THE BIDEN-ERA EV TAX CREDITS SERVES AS A PRACTICAL EXAMPLE OF IPR'S THREE-STEP POLICY ASSESSMENT FRAMEWORK



IPR TRACKED 74 CREDIBLE & MATERIAL POLICY ANNOUNCEMENTS IN Q3 2025, WITH A 15% INCREASE IN DECELERATING POLICIES COMPARED TO Q2 2025 BUT A 9% DECREASE COMPARED TO Q1 2025

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



- Despite an 30% rise in total policy announcements compared to Q3 2024, climate action reversed as decelerating policies soared by 575%, while supportive policies fell by 7.5%. Nevertheless, the cumulative policies from Q1, Q2, and Q3 2025 remained at a similar level to 2024 (2025: 227 policies vs. 2024: 235 policies).
- The US accounted for the majority of this policy reversal (70%), with other nations such as Australia, Canada, India, Brazil, Germany, and the EU softening climate disclosure rules, stopping clean energy projects or easing environmental licensing rules.

BASED ON THE POLICIES TRACKED ON THE PREVIOUS PAGE, THE OVERALL POLICY DYNAMIC REMAINS FRAGMENTED, WITH THE EXCEPTION OF THE UNITED STATES

Average policy momentum tracked by IPR in Q3 2025 compared to Transition Forecast: ↑ Acceleration → Momentum maintained ↓ Deceleration Yellow box Policies tracked before Q3 2025 Grey box No policies tracked

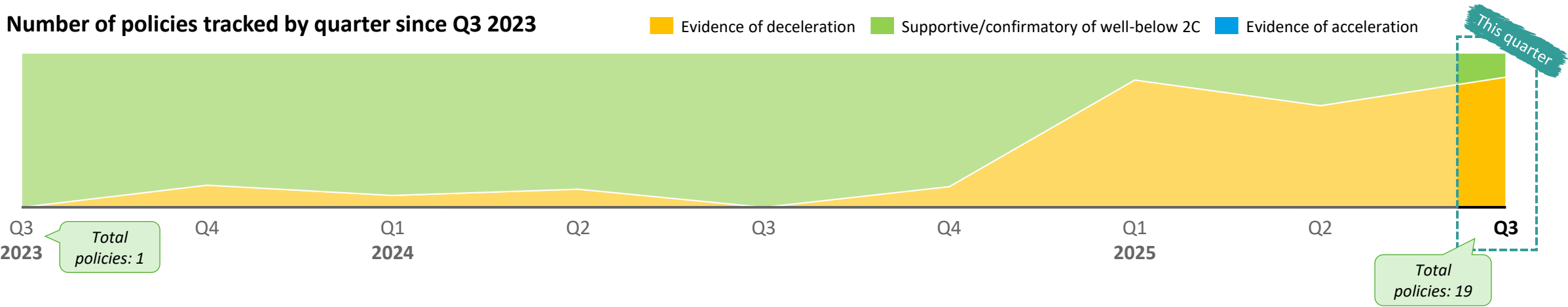
				 Economy wide	 Power	 Buildings	 Transport	 Industry	 Agri	 Land use	 Nature				
% of world CO ₂ emissions				Net Zero CO ₂ emissions	Carbon price	All coal phase-out	Clean power	Zero-carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Low-carbon agriculture	Net deforestation	Protection	Nature incentives
Asia Pacific excl. China		Australia	1.0%	→							↓				
		Indonesia	1.8%					N/A			→		↑		
		India	7.0%	↓			↓	N/A	→						
		Japan	3%				→								
		South Korea	1.6%						→						
		Vietnam	0.8%					N/A							
China		China	33.9%	→			→								
Europe		France	0.8%				→								
		Germany	1.7%				→	→	↓		→				
		Italy	0.8%			→	→								
		UK	0.9%				→		→						
Eurasia		Russia	5%	→											
Middle East and Africa		Nigeria	0.3%	→				N/A							
		Saudi Arabia	1.6%			N/A		N/A				N/A			
		South Africa	1.0%								→				
		Türkiye	1.2%												
North America		Canada	1.5%		↓		→								
		Mexico	1.3%	→				N/A							
		US	12.6%	↓	↓	↓	↓		↓		↓	↓	↓	↓	
South America		Argentina	0.5%												
		Brazil	1.2%		→			N/A						↓	

US POLICY ANNOUNCEMENTS ARE THE PRIMARY DRIVER OF THE INCREASE IN DECELERATING POLICIES SINCE Q1 2025, WHILE THE SHARE OF SUCH POLICIES FROM OTHER COUNTRIES HAS REMAINED STABLE SINCE Q3 2023

US: Energy and land use policy announcements

Number of policies tracked by quarter since Q3 2023

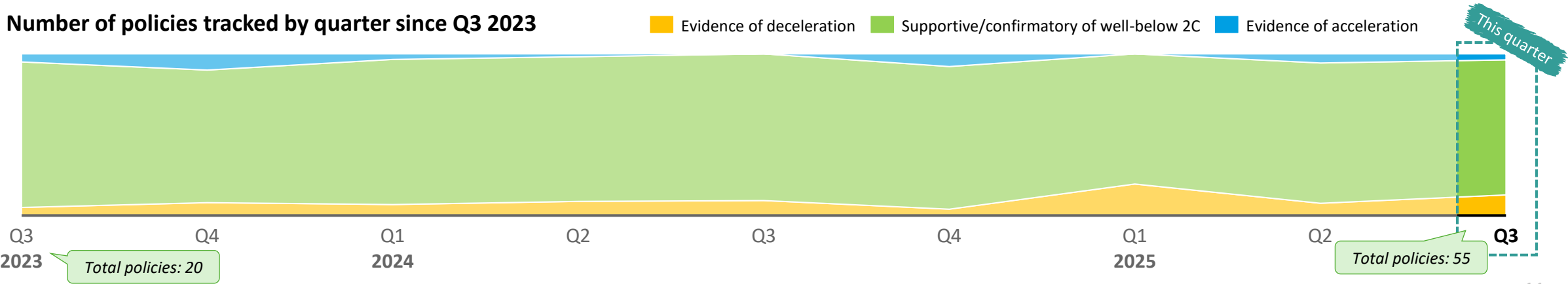
■ Evidence of deceleration
 ■ Supportive/confirmatory of well-below 2C
 ■ Evidence of acceleration



Global (excl. US): Energy and land use policy announcements

Number of policies tracked by quarter since Q3 2023

■ Evidence of deceleration
 ■ Supportive/confirmatory of well-below 2C
 ■ Evidence of acceleration

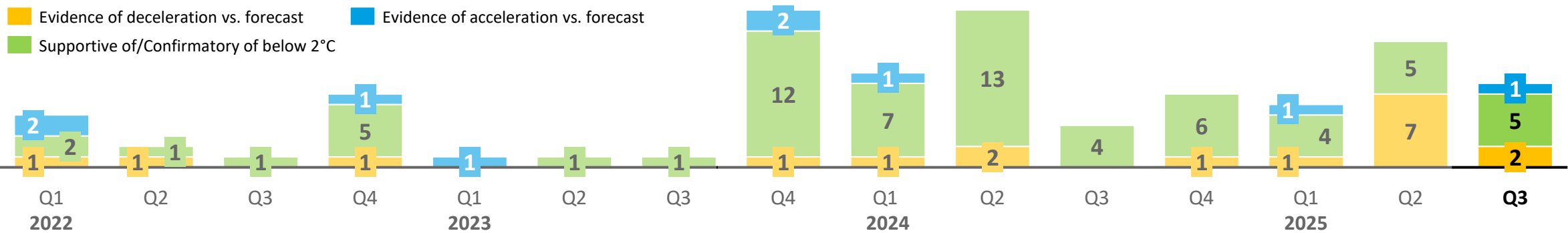


TRACKED CREDIBLE & MATERIAL POLICIES FOR LAND HAS DOUBLED SINCE Q3 2024 COMPARATIVELY, WHILE TRACKED ENERGY POLICIES INCREASED BY 16% SINCE Q3 2024



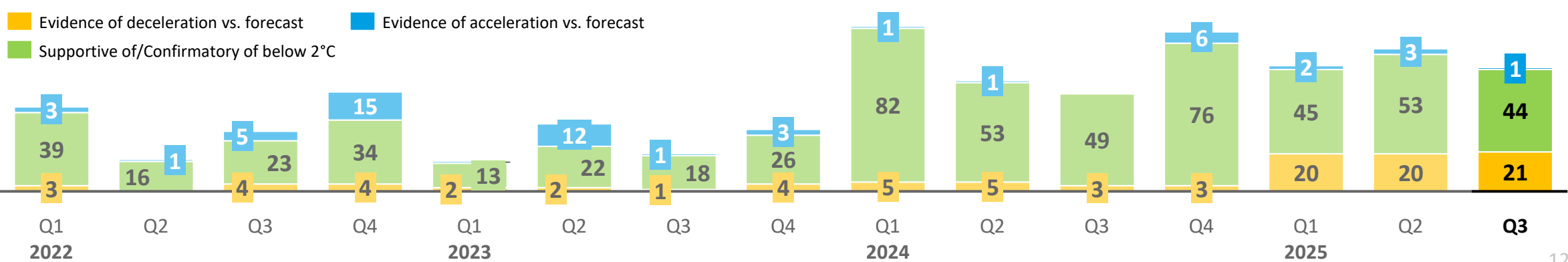
Land Use and Nature Policies

Number of land use policies tracked by quarter



Energy Policies

Number of energy policies tracked by quarter





Policy Sentiment

Absolute assessment of tracked policies based on the general messaging

POLICY SENTIMENT: ASSESSING THE ABSOLUTE AND WIDER MESSAGING OF POLICIES

To understand how tracked policies shape public opinion on climate action, we have assessed the absolute policy signalling of all material policy developments since 2022

.....

Neutral / Mixed Sentiment

The policy's messaging conveys a neutral or mixed intent to continue climate action as it either includes **no clear positive or negative direction** or contains **both positive and negative elements** that balance each other out.

Negative Sentiment

The policy's messaging conveys the intent to moderately slowdown climate action, creating new **obstacles, implementation delays** or **insufficient measures** that impede progress.

Positive Sentiment

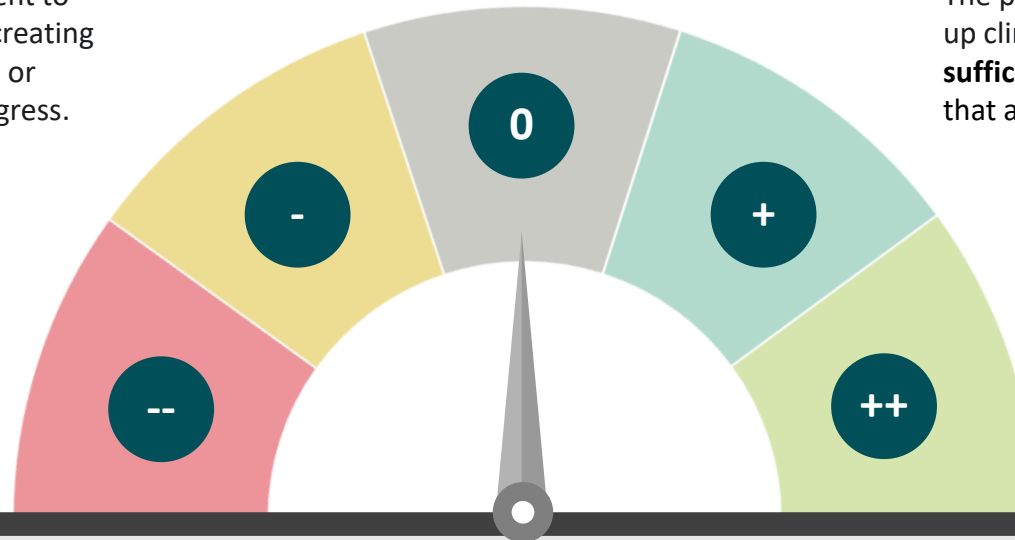
The policy's messaging conveys the intent to mildly step up climate action, describing **new policy commitments, sufficient investments, or successful implementations** that are in line with climate goals.

Strongly Negative Sentiment

The policy's messaging conveys the intent to substantially impede climate action, entailing **significant setbacks, rollbacks of essential measures, or policy downfalls** that strongly undermine climate goals.

Strongly Positive Sentiment

The policy's messaging conveys the intent to significantly accelerate climate action, highlighting **major breakthroughs, substantial achievements or strong international leadership** that substantially advances progress towards meeting climate goals.



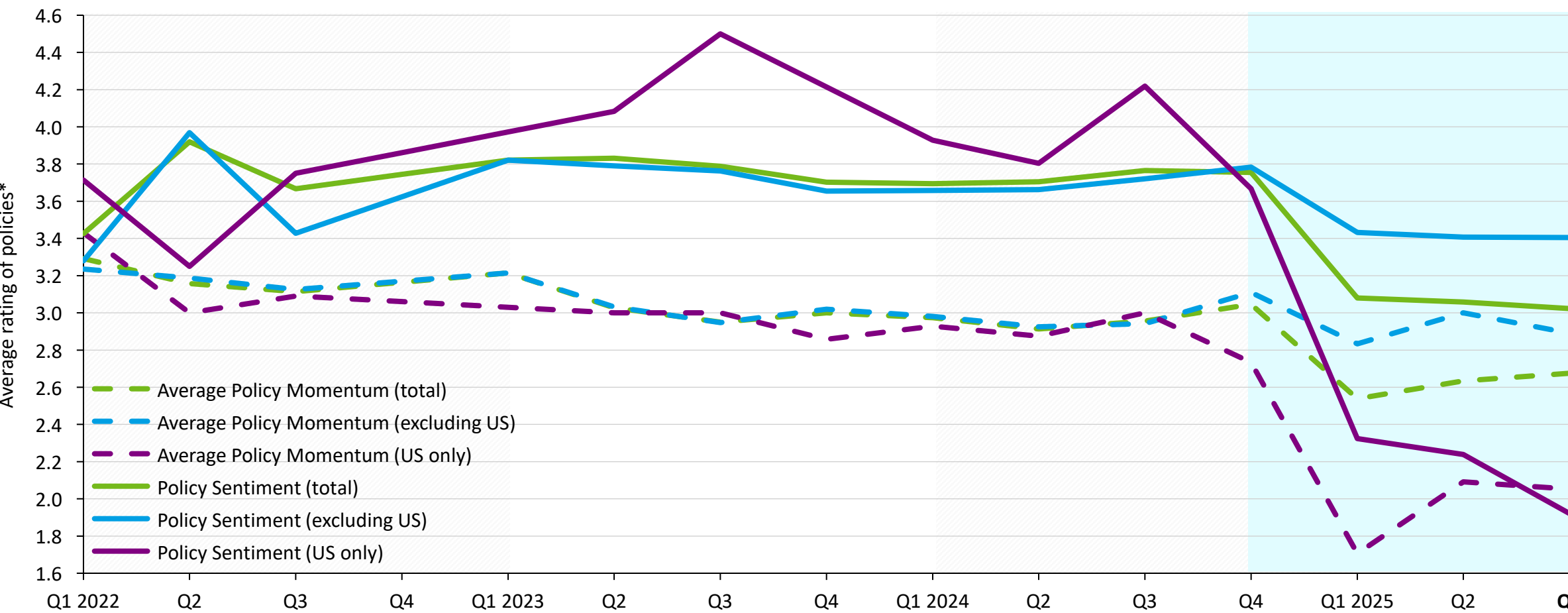
POLICY SENTIMENT SCORE

= The 'Policy Sentiment' score assesses to what extent a tracked policy's messaging conveys the intent to impede or step up climate action.

Note: The general messaging of the tracked policies was assessed using a combination of human and AI analysis.

COMPARISON OF QUARTERLY POLICY SENTIMENT AND POLICY MOMENTUM CHANGES

The decline in US Policy Sentiment is again substantial in Q3 and has collapsed from its Q3 24 high. US Policy Momentum (vs. Forecast) was at its worst in Q1. Non US Policy momentum (vs. Forecast) has been more stable. But a slow decline in non US Policy Sentiment is evident since Q4



* Note: Scores are derived from the quarterly average of policy ratings across all included countries and sectors. The Policy Momentum is based on the rating scale detailed [here](#). The **Policy Sentiment** score is quantified by converting its qualitative scale into numerical values: ++ (5), + (4), 0 (3), - (2), and -- (1). The original qualitative scale is available [here](#).



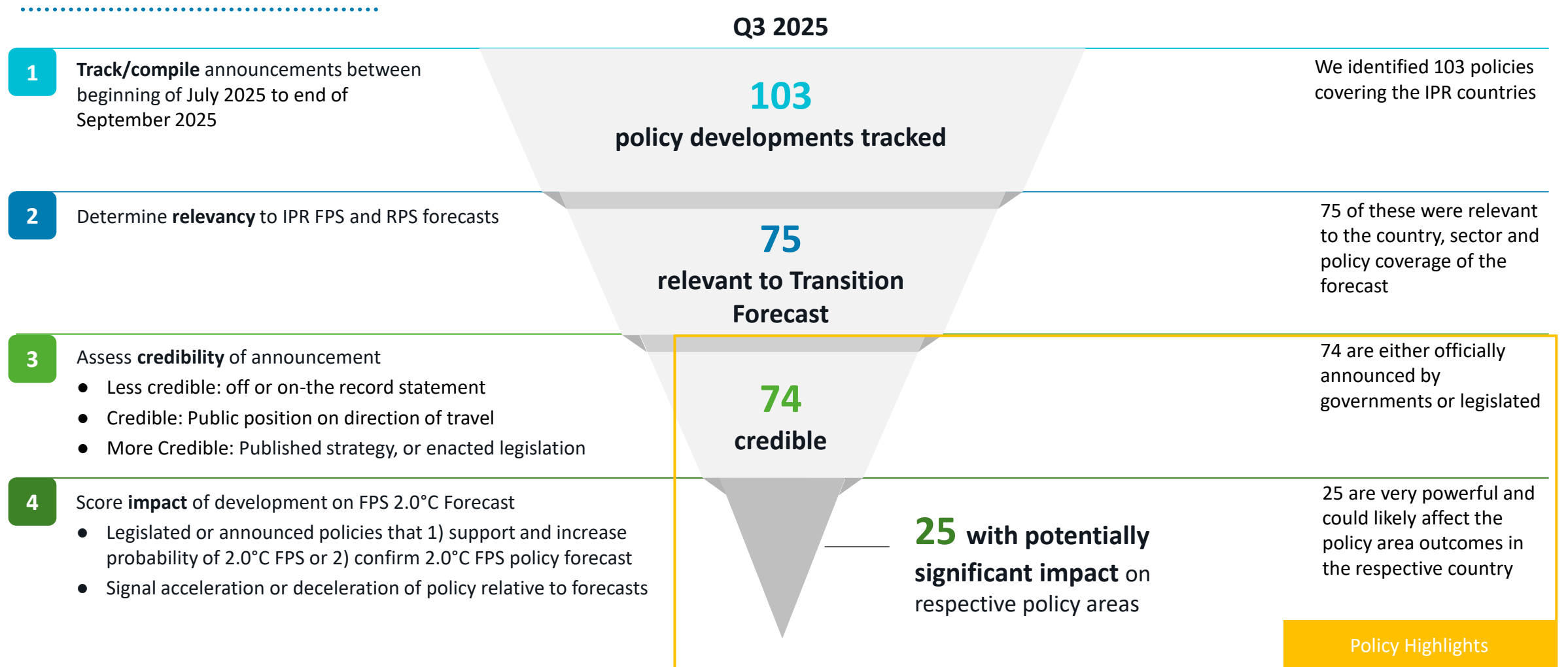
TABLE OF CONTENTS

X Q3 2025 Key Policy Signals

- 1 Key regional and sectoral policy developments
- 2 Detailed individual policies & methods for key credible and material policy announcements

103 POLICY DEVELOPMENTS FROM JULY 2025 – SEPTEMBER 2025

We identified 103 policies of interest, focusing on the 74 most credible and material, with 25 of these policies likely impacting policy area outcomes





Policy Highlights

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

POLICY HIGHLIGHTS – POTENTIAL ACCELERATION

The European Commission proposed a 2040 intermittent emissions reduction target, while Indonesia will launch a crackdown of illegal mines in forests

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 EU	Net zero CO ₂ emissions ANN	The European Commission has proposed a new 2040 climate target to reduce net GHG emissions by 90%.	Policy delivers net zero CO2 emissions.	4	This policy drives the energy transition by targeting a 90% GHG cut by 2040 and full decarbonization by 2050. The policy is currently still under discussion and implementation remains uncertain.
 Indonesia	Net deforestation ANN	Indonesia to launch crackdown on illegal mines in forests.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	4	Indonesia's forestry task force is initiating a crackdown on illegal mines operating within approximately 4.27 million hectares of forest areas.

*: Policy ANN = Announced / Policy LEG = Legislated

POLICY HIGHLIGHTS – POTENTIAL SIGNIFICANT DECELERATION

Recent US policy changes are weakening climate action by cutting more than \$16 billion in climate grants and rolling back legal foundations for all major climate regulations. Simultaneously, Canada is considering dropping its oil emission cap

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 US	Economy-wide LEG	US appeals court allows Trump's EPA to nix climate grants.	N/A	1	This policy defunds community climate action by terminating \$16 billion in grants from the Greenhouse Gas Reduction Fund, blocking support for nonprofits, and reversing IRA investments.
	Net zero CO ₂ emissions ANN	EPA to withdraw foundation of greenhouse gas rules, sources say.	Policy delivers net zero CO ₂ emissions by 2060-2064.	1	This policy dismantles climate protections by revoking the EPA's endangerment finding, stripping the legal basis for emissions rules, and paving the way to eliminate safeguards across key sectors.
 Canada	Net zero CO ₂ emissions ANN	Canada is reportedly considering dropping its oil emission cap as part of a new climate plan.	Policy delivers net zero CO ₂ emissions by 2050-2054.	1	The removal of the legal cap target, shall be replaced with industry promises and renewed commitments, which are inherently less reliable and harder to enforce.

*: Policy ANN = Announced / Policy LEG = Legislated

POLICY HIGHLIGHTS – POTENTIAL DECELERATION

While Australia is planning to pause its SEC climate rule, India is softening emission rules for coal power plants and pausing or cancelling existing clean power initiative

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 Australia	Industry decarbonization ANN	Australia's largest green hydrogen project collapses.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	2	This project's reversal highlights the key challenge in scaling green hydrogen: investors want guaranteed buyers, while users need assured supply before committing.
 India	Protection & restoration ANN	India eases sulphur emission rules for coal power plants.	Policy delivers net zero CO ₂ emissions by 2070-2074.	2	The policy exempts the majority of coal plants from installing essential sulphur dioxide regulating systems, needed to limit major air pollutant in areas surrounding these plants.
	Industry decarbonization LEG	Assam pauses green hydrogen policy in setback to investors.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	2	The suspension of the green hydrogen policy stems from inadequate subsidies for renewable energy generation and transmission infrastructure, both of which are critical to scaling production.
	Clean power LEG	India cancels tenders for 4,500 MW of offshore wind projects.	Policy delivers dispatched generation of >90% low-carbon power.	2	The cancellation of 4,500 MW of offshore wind tenders is a setback for India's renewable energy ambitions. The decision reveals a disconnect between the government's long-term targets and its current capacity to create a viable framework for project execution.
	Clean power LEG	The state of Assam in India has repealed its Renewable Energy Policy.	Policy delivers dispatched generation of >90% low-carbon power.	2	By repealing the policy and offering no timeline for a replacement, the Assam government has removed their renewable energy capacity target for 2027.

*: Policy ANN = Announced / Policy LEG = Legislated

POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Brazil is easing its environmental licensing rules ahead of COP30. At the same time, recent US policies are slowing the decarbonization speed and clean energy transition

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 Brazil	Protection & restoration LEG	Brazil lawmakers weaken environmental permitting ahead of COP30 summit.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	2	Ahead of hosting COP30, Brazil is easing environmental licensing rules —a strategy aimed at improving Brazil's green credentials by labelling more projects sustainable.
 US	Economy-wide ANN	US appeals court hits pause on challenges to SEC climate rule.	N/A	2	This policy delays climate transparency by pausing SEC rules that require emissions reporting, weakening corporate accountability, and dropping key supply chain disclosures.
	Economy-wide LEG	Trump administration cuts funding for climate adaptation centers.	N/A	2	The proposed \$1 billion cut to NOAA's overall budget is part of a broader climate investment cut under the Trump administration.
	Net zero CO ₂ emissions ANN	EPA to stop collecting emissions data from polluters.	Policy delivers net zero CO ₂ emissions by 2060-2064.	2	This policy erases climate accountability by ending emissions reporting for most industrial sectors, slashing data collection from 8,000 to 2,300 facilities, and gutting a key EPA tracking program.
	All coal phase-out ANN	Trump is handing out public land to revive big coal	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal.	2	The Department of Justice's lawsuits aims to halt the implementation of the nation's most stringent rules for both heavy-duty trucks and passenger vehicles.
	All coal phase-out ANN	Trump throws \$625 million lifeline to coal industry and opens federal lands to mining.	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal.	2	This policy could potentially slow the pace of the US coal phase out. Nevertheless \$625 million is a small amount of money for reversing the retirement of plants.

*: Policy ANN = Announced / Policy LEG = Legislated

POLICY HIGHLIGHTS – POTENTIAL DECELERATION

The US is continuing its political agenda of shifting away from renewables to fossil fuels as primary energy source, cancelling renewable energy projects and blocking clean energy investments

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 US	Clean power ANN	Trump administration plans to cancel approval of Maryland offshore wind project.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy obstructs offshore wind development by appealing a court ruling that revived a key permit, aiming to cancel a Maryland project capable of powering thousands of homes.
	Clean power ANN	Trump admin cancels \$679M for offshore wind projects Funding for projects in 11 states was rescinded.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy halts offshore wind expansion by canceling \$679 million in federal support, withdrawing funding from 11 states, and dismissing clean energy as too costly and unproven.
	Clean power ANN	Planned Halt of U.S. Solar Grant Program.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy blocks solar access for vulnerable communities by halting the \$7 billion "Solar for All" program, cutting EPA funding, and reversing IRA support for equitable clean energy.
	Clean power LEG	Trump agencies team up to review offshore wind.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy undermines offshore wind development by launching a sweeping federal review, adding new regulatory barriers, and risking delays or cancellations of coastal wind projects.
	Clean power ANN	US intends to cancel \$13 billion in funds for green energy	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	The \$13 billion in federal funds was designed to leverage a much larger amount of private capital by setting a clear and stable policy signal. The cancellation signals a reversal of the green transition.

*: Policy ANN = Announced / Policy LEG = Legislated

POLICY HIGHLIGHTS – POTENTIAL DECELERATION

While imposing stricter rules on clean energy projects, the U.S. is also working to dismantle key environmental protections by challenging California's vehicle emission standards and withdrawing from global biodiversity agreements

.....

Region	Policy Area*	Development	Forecast	Impact	Details
 US	Clean power ANN	Trump administration unveils stricter subsidy rules for wind, solar projects.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy slows renewable energy growth by tightening subsidy rules, raising construction requirements, and shortening safe harbor periods for wind and solar projects.
	Clean power ANN	Solar, wind projects on US lands will get extra scrutiny.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy undermines clean energy development by hiking land rental fees, imposing steep capacity charges, and mandating costly reclamation bonds for solar and wind projects.
	Heavy duty vehicles ANN	US sues California to block tough emissions standards for trucks.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	This policy attacks climate progress by suing California to block stricter truck emissions standards, overturning EPA waivers, and undermining state-led clean air initiatives.
	Protection & restoration ANN	Trump pulls US out of UN cultural agency UNESCO for second time.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	2	This policy isolates the U.S. from global cultural cooperation by withdrawing from UNESCO, ending global cooperation on heritage protection and restoration.

*: Policy ANN = Announced / Policy LEG = Legislated

Technology and Implementation Development

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



Q3 2025 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

The global push for clean power confronts divergent national strategies, major hydrogen market reset, and the staggering financial reality of ambition

.....

Region	Policy Area	Development	Forecast	Details	Trend
 Global	Industry decarbonization	Global Hydrogen Project Cancellations Signal Industry Reset.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions.	Over \$10 billion in hydrogen projects were cancelled across six major economies, cutting more than 1 million tonnes of planned annual capacity. <i>The widespread cancellation represents a re-evaluation of green hydrogen's role and timeline in the energy transition, suggesting that investments may pivot to more mature, cost-effective technologies.</i>	
 China	Clean power	China embarks on world's largest hydropower dam.	Policy delivers dispatched generation of > 90 % low carbon power.	China has begun building the world's largest hydropower dam on the Tibetan Plateau, costing at least \$170 billion. <i>The project will generate 300 billion kWh annually, matching the UK's 2024 electricity use.</i>	
 India	Clean power	India needs \$1.5 trillion investment by 2030 for climate and energy transition.	Policy delivers dispatched generation of > 90 % low carbon power.	India faces a \$1.5 trillion investment need by 2030 for climate action, including \$200–250 billion for 300 GW of renewable energy and \$250–300 billion for energy storage. <i>Financial policy and international partnerships will become highly critical for India's energy transition.</i>	
	Clean power	India hits 50% non-fossil power milestone ahead of 2030 clean energy target.	Policy delivers dispatched generation of > 90 % low carbon power.	India has reached 50% non-fossil fuel electricity capacity five years ahead of its 2030 Paris target. <i>Achieving this milestone years ahead of schedule validates India's policy course.</i>	

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

Q3 2025 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

The EU's climate strategy reveals a divide between the success of targeted industrial regulations and the slow implementation of broader, macroeconomic goals

.....

Region	Policy Area	Development	Forecast	Details	Trend
 EU	Light duty vehicles	EU carmakers close in on emission goals, but Mercedes lags, says report.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	Nine of the EU's 12 largest carmakers are on track to meet the 2025 target of cutting fleet emissions 25%. <i>The auto industry's progress reflects the EU's strategy of using binding, sector-specific regulations to force technological shifts.</i>	
	General	EU missed U.N. deadline for new climate targets.	Economy-wide policies.	The EU missed the UN's September deadline for submitting its 2035 climate target draft. <i>This delay highlights the political difficulty of escalating economy-wide climate ambition across the entire member nations.</i>	
 Italy	General	Italy could struggle to meet 2030 green goals.	Economy-wide policies.	A study warns Italy may miss its 2030 EU carbon targets due to renewable and storage delays, potentially lagging 10 years. <i>Italy's struggle highlights the gap between the EU's ambition and the on-the-ground implementation capacity of individual member states.</i>	
 US	Net zero CO ₂ emissions	Trump's attack on clean energy could halve the pace of US decarbonization.	Policy delivers net zero CO ₂ emissions.	The projected U.S. emissions reduction by 2035 has been lowered from 38-56% to a new forecast of just 26-35%. The average annual rate of reduction is expected to fall sharply from 1.1% to as low as 0.4%. <i>The pace of U.S. decarbonization is projected to be cut by more than half over the next 15 years.</i>	

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

TABLE OF CONTENTS

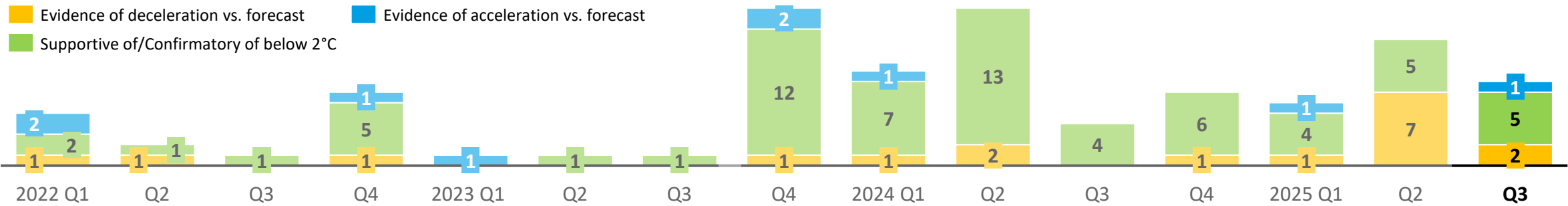
- ⓧ Q3 2025 Key Policy Signals
- 1 Key regional and sectoral policy developments**
- 2 Detailed individual policies & methods for key credible and material policy announcements



TRACKED CREDIBLE & MATERIAL POLICIES FOR LAND HAS DOUBLED SINCE Q3 2024 COMPARATIVELY, WHILE TRACKED ENERGY POLICIES INCREASED BY 16% SINCE Q3 2024

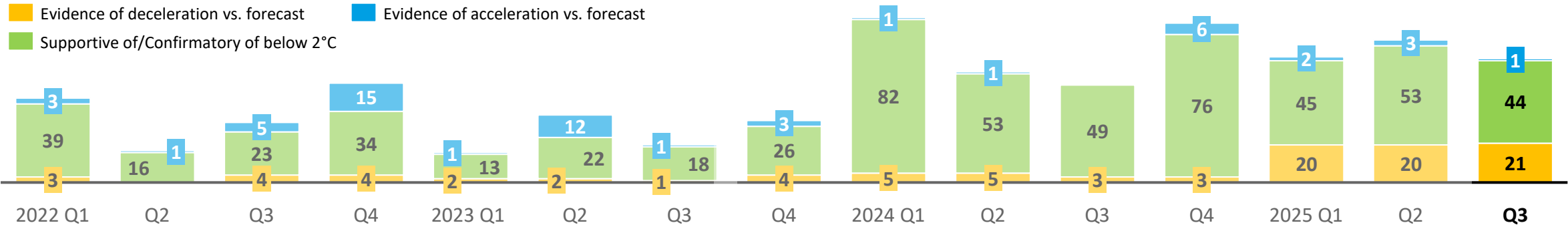
Land Use and Nature Policies

Number of land use policies tracked by quarter



Energy Policies

Number of energy policies tracked by quarter



TRACKING Q3 2025: GLOBAL POLICY UPDATE BY POLICY AREA

Political backlash and economic pressures are fracturing the global green transition, stalling key technologies and reversing environmental protections while deepening the divergence in international climate policy.

 Policy Development Summary

Policy area	Tracked policy developments ²	Synthesis
 Economy-wide	Global net-zero ambitions are fracturing. The U.S. is dismantling its climate regulations and the EU faces internal resistance and pressure to ease industrial burdens, while other major economies like Australia, China, and Brazil continue to advance their climate frameworks with new targets.	The tracked developments highlight the underlying divergence in global climate politics regarding the pace and economic implications of the green transition.
 Power	The US is systematically dismantling support for renewables including cancelling federal funding and creating new regulatory hurdles for offshore wind. In contrast, European and Asian nations are progressing their clean energy transition through new financing, projects, and initiatives.	A profound divergence is shaping global clean power policy, defined by a U.S. retreat from renewables contrasted with accelerated efforts in Europe and Asia.
 Buildings	Germany's economy and energy ministry has introduced a draft law to accelerate the expansion of large heat pumps, heat storage units, and district heating grids.	Looking at the global development, the rollout of heat pumps has stalled. In order to decarbonize the building sector, more policies need to be announced in the coming months.
 Industry	The industrial sector shows diverging fortunes for green hydrogen in Australia, Germany, Saudi Arabia, and the EU but growing interest for CCS as a primary decarbonization lever. Indonesia and Germany are creating legal frameworks and offering incentives to promote CCS development.	The decisions indicate that since large-scale green hydrogen projects face significant financial and political hurdles, governments are increasingly focusing on CCS as lever.
 Transport	The EU decided to review its 2035 combustion engine ban ahead of schedule, driven by Germany's influential auto industry. Similarly, the US is challenging California's truck emission standards in the courts. In contrast, India is planning to align its vehicle emission standards with international norms.	While strategic investment in EV supply chains continues, political and legal challenges in key Western markets are creating significant uncertainty.
 Agriculture	No significant policy developments were tracked in Q3 2025.	
 Land use	Indonesia is launching a major enforcement action against illegal mining, targeting operations within 4.27 million hectares of protected forest. In the EU, the EUDR has been paused for another year.	The lack of progress against deforestation makes it essential for the upcoming COP30 to put the issue front and centre.
 Nature & biodiversity	While Brazil passed a bill to significantly weaken environmental licensing requirements, the country simultaneously plans to invest \$1 billion in its new global forest conservation fund. In addition, the US decided to withdraw from UNESCO for the second time.	Domestic economic pressures are weakening environmental rules, creating significant uncertainty for global forest protection efforts.

1. See IPR FPS 2.0°C forecast set out in slide 5; 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 Q3 2025: GLOBAL POLICY UPDATE BY REGION

Climate policies worldwide show a mixed trend of ambitious goals and strategic actions, but progress is uneven due to political shifts, practical challenges, and regional disparities

 Policy Development Summary

Policy area	Tracked policy developments ²	Synthesis
 Asia Pacific	Climate policy reveal a highly-mixed pattern. While Australia set a 2035 emission reduction target, they also terminated a major green hydrogen project similar to Japan and South Korea. Likewise, India pushes clean energy projects while easing emission rules for coal plants.	Nations in Asia-Pacific are navigating the energy transition with diverging strategies, where national economic priorities often lead to conflicting policy signals.
 China	China is continuing to follow its climate agenda even as its geopolitical relationships, particularly with the EU, are strained by trade disputes. The most significant developments are the reform plan for its national ETS by 2027, energy sector action plan, and updated Nationally Determined Contribution.	China is continuing to implement industrial and market-based policies to push its energy transition and secure global technological leadership.
 Europe	Key EU climate targets, like the 2040 emissions goal and the 2035 car ban, are facing strong industry pressure and a broader push to ease regulatory burdens for companies. Nevertheless, the EU, Germany, and France are still moving forward with good financial climate commitments.	Recent European policies reveal a major tension between the EU's ambitious long-term climate goals and mounting political resistance from key member states.
 Eurasia	Russia submitted its updated Nationally Determined Contribution to the United Nations, aiming for a greenhouse gas emissions reduction of 65-67% by 2035, compared to 1990 levels.	Not much progress has been tracked in Russia across the sectors, potentially due to the ongoing geopolitical conflicts.
 Middle East and Africa	Saudi Arabia announced a plan for a second gigawatt-scale green hydrogen project, which will be similar in size to the massive \$8.5 billion Neom facility already underway. Additionally, Nigeria submitted its updated Nationally Determined Contribution to the United Nations.	Progress on the region's climate transition is being hindered by a slowdown in new policy announcements.
 North America	North America is dominated by a systematic reversal in the US, where the government is dismantling the legal foundation for climate rules and halting renewable energy support. While Mexico is increasing its decarbonization ambition, Canada is wavering its emission cap targets.	The deep divergence creates a fractured policy landscape across the continent, with the U.S. actively reversing climate action while its neighbours navigate their own paths forward.
 South America	Recent developments in Brazil reveal a contradictory strategy, simultaneously weakening domestic environmental protections while building frameworks for green finance and conservation and planning to invest \$1 billion in its new global forest conservation fund.	The dual approach highlights a tension between leveraging traditional resource extraction and positioning the nation as a leader in the emerging global green economy before the upcoming COP30.

1. See IPR FPS 2.0°C forecast set out in slide 5; 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](#)



TABLE OF CONTENTS

- ⓧ Q3 2025 Key Policy Signals
- 1 Key regional and sectoral policy developments
- 2 Detailed individual policies & methods for key credible and material policy announcements**



Key Policy Developments

Detailed overview of the most important credible and material policy developments

GLOBAL & AUSTRALIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Global 	Net zero CO₂ emissions 	UN vote to phase out fossil fuels tests climate commitments - On July 8, 2025, the UN Human Rights Council voted on a non-binding motion to phase out fossil fuels, stemming from an amendment introduced by the Marshall Islands. - The Marshall Islands has an average elevation of just two meters above sea level, making it highly vulnerable to climate change.	Policy delivers net zero CO ₂ emissions.	Legislated and supportive. While not legally binding, the pledge to phase out fossil fuels serves as a litmus test of whether nations will follow the commitments made at the COP28 summit.	Score 3
Australia 	Net zero CO₂ emissions 	2035 climate target - Australia's 2035 climate change target has been set at a 62% to 70% reduction in emissions compared to 2005 levels. - To support this goal, the government is announcing new funding initiatives totaling over \$8.2 billion. - The major components of this new funding include a \$5 billion Net Zero Fund, \$2 billion for the Clean Energy Finance Corporation, and \$1.1 billion to promote the production of clean fuels. - Smaller, targeted funding includes \$40 million for EV charging infrastructure, \$85 million for energy performance frameworks, and \$50 million for sports clubs to decarbonize.	Policy delivers net zero CO ₂ emissions by 2050-2054.	Announced and supportive. By setting a mid-term goal and backing it with significant investment, the government is aligning the country with its Net Zero climate ambitions.	Score 3
	Industry decarbonization 	Australia's largest green hydrogen project collapses - The Central Queensland Hydrogen Project (CQ-H2), valued at \$12.5 billion, has been officially terminated. - A crucial funding request of \$1.6 billion was denied by the newly elected LNP government in Queensland. - The project aimed to produce 800 tonnes of green hydrogen daily by the 2030s for export to Japan and Singapore. - A key Japanese partner, Kansai Electric Power Company, withdrew from the project in late 2024, weakening its financial stability.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Announced. This project's reversal highlights the key challenge in scaling green hydrogen: investors want guaranteed buyers, while users need assured supply before committing.	Score 2

AUSTRALIA & INDONESIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Australia 	Economy-wide 	Australia pledges \$6 billion investment in climate adaptation by 2030 - The Australian government has pledged A\$9billion (approximately US\$6 billion) for a new national fund to address climate-related disasters. - The funds are earmarked for spending between now and 2030 on projects aimed at climate adaptation and disaster resilience. - A recent government report indicated that Australia experiences an average of A\$35 billion in losses annually due to natural disasters. - Without further investment in adaptation, this annual cost is projected to increase to A\$73 billion by 2060.	N/A	Announced and supportive. This policy allocates good resources and investments to address climate disasters through a climate adaptation and resilience strategy.	Score 3
Indonesia 	Industry decarbonization 	Indonesia eyes CCS for emissions cuts, investment - The 5th Asia Carbon Capture, Utilization, and Storage (CCUS) Network Forum was held in Jakarta from September 10-11, 2025, to enhance regional collaboration on CCUS technology. - Indonesia's government is prioritizing the development of the carbon capture and storage (CCS) industry to both reduce emissions and create new investment opportunities. - The country aims to become a CCS hub in Southeast Asia, leveraging its significant geological potential and a supportive regulatory framework.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced and supportive. Indonesia's strategic prioritization of CCS is an ambitious and economically-driven policy aimed at establishing the country as a central hub for carbon management in Southeast Asia.	Score 3
	Net deforestation 	Indonesia to launch crackdown on illegal mines in forests - Starting September 1, Indonesia's forestry task force is initiating a crackdown on illegal mines operating within approximately 4.27 million hectares of forest areas. - This action follows a "disciplinary operation" launched in March against illegal palm oil production, which resulted in the state taking over 3.3 million hectares of plantations. - The owners of these illegal businesses will be required to return their profits to the state, and the seized mines will be temporarily managed by the State-Owned Enterprises Ministry.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040-2044.	Announced. Indonesia's policy aims at reclaiming state control over vast natural resources, combating systemic corruption, and enforcing environmental law.	Score 4

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Economy-wide 	India to issue climate risk disclosure rules for banks - The Reserve Bank of India (RBI) is set to finalize rules for banks and financial institutions on disclosing and managing climate-related risks. - These disclosures are expected to be voluntary starting in the 2027 fiscal year and will become mandatory from fiscal year 2028. - The new regulations will require banks to calculate and disclose the gross emissions of their borrowers, categorized by asset classes and industries.	N/A	Announced and supportive. The 2028 mandate requiring banks to disclose climate-related risks is a supportive step toward enhancing market transparency and accountability.	Score 3
	Protection & restoration 	India eases sulphur emission rules for coal power plants - The Indian government has relaxed sulphur emission regulations for most of its coal-fired power plants, reversing a policy from a decade ago. - The new order exempts 79% of coal power plants from the mandate to install flue-gas desulphurisation (FGD) systems, which were estimated to cost \$30 billion. - Only 10% of the plants, those located near New Delhi and other major cities, will be required to install the equipment by December 2027. - This change comes after the state-run NTPC had already spent approximately \$4 billion on installing these systems in about 11% of its power plants.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2050-2054.	Legislated. The policy exempts the majority of coal plants from installing essential Sulphur dioxide regulating systems, needed to limit major air pollutant in areas surrounding these plants.	Score 2
	Industry decarbonization 	Assam pauses green hydrogen policy in setback to investors - Assam has suspended its green hydrogen policy, causing uncertainty for investors. - This decision follows a reduction in incentives for clean energy projects in June, which included decreased transmission subsidies and increased bank guarantees for solar projects. - The lack of local renewable energy sources in Assam means green hydrogen projects would likely depend on neighboring states for power, potentially increasing costs by 10%-15% without sufficient transmission subsidies.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Legislated. The suspension of the green hydrogen policy stems from inadequate subsidies for renewable energy generation and transmission infrastructure, both of which are critical to scaling production.	Score 2

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India to offer large carbon capture incentives as coal remains major part of energy mix - India is set to launch a national carbon capture initiative that will offer government incentives of 50% to 100% for selected projects to promote Carbon Capture, Utilisation, and Storage (CCUS) technologies. - The country aims to increase its non-fossil fuel capacity to 500 GW by 2030 but also plans to add 97 GW of coal-based capacity by 2035, bringing the total to about 307 GW. - The commercialization of converting coal to synthetic natural gas could reduce the country's natural gas imports by almost 50%.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. By subsidizing CCUS, the government supports a dual strategy: scaling renewables while expanding coal.	Score 3
		India cancels grid access for 17GW of delayed renewable projects - India has revoked grid access for nearly 17 gigawatts (GW) of delayed clean energy projects to prioritize those that are operational or nearing completion. - The cancellations affect projects from major companies like Adani Green Energy and ReNew Power in renewable-rich states such as Rajasthan and Gujarat. - This move is part of an effort to streamline grid rules as the country works towards its goal of having 500 GW of non-fossil fuel power capacity by 2030.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Legislated. While India's decision creates significant short-term pain for affected developers and introduces a new layer of execution risk, it is a strategically sound measure to cleanse the current grid pipeline.	Score 3
		India cancels tenders for 4,500 MW of offshore wind projects - India has cancelled two tenders for a total of 4,500 MW of offshore wind projects. - These tenders were for projects located off the coasts of Tamil Nadu and Gujarat. - The government had initially planned to award 4 GW of offshore wind capacity annually from 2023 to 2025. - India has a long-term goal of installing 37 GW of offshore wind capacity by 2030.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Legislated. India's cancellation of 4,500 MW offshore wind tenders exposes a gap between its renewable goals and execution capacity.	Score 2

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India weighs models to raise \$1-tn in green finance - India is focusing on green financing, 'contract for differences' (CfDs), and mezzanine financing to achieve its renewable energy goals. - The government is also developing a policy for repowering old wind power plants to boost efficiency and land use. - These financial models are considered crucial for attracting the necessary private investment to meet the country's ambitious targets for clean energy.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. India's focus on advanced financial instruments like CfDs and mezzanine financing, represents a supportive decision for the clean energy sector.	Score 3
		India's Assam state scraps clean energy policy - The state of Assam in India has repealed its Renewable Energy Policy, which was implemented in 2022. - The now-scrapped policy had set a target of installing 1,200 megawatts (MW) of renewable energy capacity by 2027. - The policy also included provisions for a 25% subsidy on the installation cost of rooftop solar projects for residential consumers. - The state government cited the need for a "more comprehensive" policy as the reason for the repeal but has not provided a timeline for a replacement.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. By repealing the policy and offering no timeline for a replacement, the Assam government has removed their renewable energy capacity target for 2027.	Score 2
	Light duty vehicle 	India to align auto emission norms with global path to net zero - India plans to align its next vehicle emission standards, Bharat Stage VII (BS VII), and Corporate Average Fuel Efficiency (CAFE) III norms with global timelines to support its goal of becoming a net-zero carbon emitter by 2070. - The next phase of CAFE norms is scheduled for enforcement from April 2027, while BS VII norms will align with Euro 7 norms, which take effect in November 2026 for cars and May 2028 for heavy-duty vehicles. - As of August, 300,000 vehicles had been scrapped in the country, including 141,000 government vehicles.	Policy ends the sale of >90% of new cars and vans with CO2 emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2050-2054.	Announced and supportive. India's plan to align its next-generation vehicle emission and fuel efficiency norms with global standards is a forward-looking and strategically essential policy.	Score 3

JAPAN & SOUTH KOREA & CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Japan 	Clean power 	Japan proposes 10-year extension for offshore wind farm leases to ease cost pressures - Japanese officials have proposed extending offshore wind project leases by at least 10 years beyond the current 30-year operational limit. - The proposed revision would allow operators to renew their permits, provided they meet certain conditions. - The goal of this extension is to attract more developers and investors to the sector. - Japan has a target of achieving 45 GW of offshore wind capacity by 2040 to reach energy autonomy and its net-zero goals.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. The proposal to extend offshore wind leases is a strategic regulatory reform aimed directly at de-risking investment and improving the financial viability of projects.	Score 3
South Korea 	Light duty vehicle 	South Korea cuts hydrogen vehicle subsidies as industry faces setback - South Korea's Ministry of Environment plans to reduce the budget for hydrogen vehicles by approximately 1.45 billion Korean won for the next year. - This budget cut will decrease the number of hydrogen vehicle subsidy recipients from 11,000 to 6,000 units annually. - The government had previously set a goal to produce a cumulative 6.2 million hydrogen vehicles by 2040, but as of the end of August 2025, only 45,000 have been deployed. - Similarly, the target for fuel cells was 15 GW by 2040, but only 1 GW has been deployed nationwide so far.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2050-2054.	Announced. South Korea's hydrogen vehicle subsidy cuts signal its passenger car strategy was economically unsustainable and failed to scale..	Score 3 <i>*No impact</i>
China 	Net zero CO₂ emissions 	China's 'soft' 2035 climate target frustrates experts amid rapid renewable growth - China's updated climate plan aims to peak emissions before 2030 and achieve carbon neutrality by 2060. - The plan includes a goal to reduce carbon intensity (emissions per unit of GDP) by 60-65% by 2030 from 2005 levels. - By 2030, China aims for non-fossil fuels to account for 25% of its primary energy consumption. - By 2030, China plans to have over 1,200 gigawatts of installed wind and solar power capacity.	Policy delivers net zero CO ₂ emissions by 2060-2064.	Announced and supportive. Though the submission of a new, updated NDC is supportive, some scientists believe that China needs a 30% emissions cut by 2035 to align with the Paris Agreement.	Score 3

CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
China 	Economy-wide 	China and EU to step up cooperation in methane emission control, carbon markets, and green low-carbon technologies - The EU-China summit was dominated by major disagreements, resulting in almost no concrete progress on key issues like trade or the war in Ukraine. - The only notable area of agreement was a joint statement on climate change, reaffirming their commitment to the Paris Agreement and calling for ambitious action at the upcoming COP30 summit. - The EU strongly criticized its massive trade deficit with China (around €300 billion) and demanded a "more balanced" and mutually beneficial relationship. - The EU has imposed tariffs on Chinese EVs to counteract heavy state subsidies, while China has retaliated with tariffs on European goods like pork and French cognac.	N/A	Legislated and supportive. Supportive collaboration agreement between the EU and China on climate change topics.	Score 3
	Net zero CO2 emissions 	China's Emissions Market Enters New Phase with 2027 Caps - China's national emissions trading scheme (ETS) will transition to an absolute cap-and-trade system by 2027. - Under the new system, the government will set a specific limit on the total emissions allowed, a change from the current intensity-based model. - The ETS currently covers the power sector, which accounts for approximately 5.1 billion tonnes of CO₂ emissions annually.	Policy delivers net zero CO2 emissions by 2060-2064.	Announced and supportive. China's shift to an absolute ETS cap strengthens carbon pricing and aligns with global standards.	Score 3
	Clean power 	China aims to nearly double battery storage by 2027 in \$35 billion plan - China has released an action plan to promote new forms of energy storage for the period of 2025 to 2027. - The country aims to have more than 180 million kilowatts of installed new-type energy storage capacity by 2027. - This target is expected to drive approximately 250 billion yuan (about \$35.2 billion) in direct project investment. - As of the end of 2024, China's installed capacity of new-type energy storage had reached 73.76 million kilowatts. - The plan outlines 21 key measures, including scaling up applications, accelerating technological innovation, and enhancing international cooperation.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. By targeting 180 GW by 2027 with clear investment and planning, the government aims to tackle the key challenge of renewable energy: intermittency.	Score 3

EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	Economy-wide 	Climate budget of €700 billion for 2028-2034 - The proposed EU budget for the 2028-2034 period is EUR 2 trillion. - The National and Regional Partnership Plans, which form the core of investment and reform, will have a budget of EUR 865 billion. - Within these plans, funding for farmers' income support is set at EUR 300 billion, and the agricultural reserve will be doubled. - A climate spending target of 35% across the entire budget is set, amounting to approximately EUR 700 billion.	N/A	Legislated and supportive. Setting a climate budget of €700 billion for 2028-2034 helps support the energy transition in a variety of sectors.	Score 3
		EU's Climate Law presents a new way to get to 2040 - The European Commission has selected 94 transport projects to receive nearly €2.8 billion in EU grants through the Connecting Europe Facility (CEF). - Rail transport will receive the largest portion of the funding, amounting to 77% of the total investment. - A total of 32 projects across 11 Member States will focus on implementing the European Rail Traffic Management System (ERTMS) to enhance rail safety and interoperability.	N/A	Announced and supportive. Allocating €2.8 billion under CEF to modernize railways, inland waterways and maritime routes is supportive of the EU's green transport transition.	Score 3
		China and EU to step up cooperation in methane emission control, carbon markets, and green low-carbon technologies - The EU-China summit was dominated by major disagreements, resulting in almost no concrete progress on key issues like trade or the war in Ukraine. - The only notable area of agreement was a joint statement on climate change, reaffirming their commitment to the Paris Agreement and calling for ambitious action at the upcoming COP30 summit. - The EU strongly criticized its massive trade deficit with China (around €300 billion) and demanded a "more balanced" and mutually beneficial relationship. - The EU has imposed tariffs on Chinese EVs to counteract heavy state subsidies, while China has retaliated with tariffs on European goods like pork and French cognac.	N/A	Legislated and supportive. Supportive collaboration agreement between the EU and China on climate change topics.	Score 3

EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	Economy-wide 	EU to cut back on environmental laws more after criticism from industry - The European Union (EU) is planning to simplify its environmental laws, following earlier reductions made in response to industry criticism. - The move is part of the EU's "simplification agenda" to cut red tape and make its industries more competitive with those in the U.S. and China. - The EU claims the goal is to make legislation more efficient, not to lower environmental or health protection standards.	N/A	Announced. Though the simplification of existing regulations is negatively perceived by the public, it doesn't affect the Transition Forecast as the primary goal is to make legislation more efficient, not to lower environmental protection standards.	Score 3 <i>*No impact</i>
	Net zero CO ₂ emissions 	EU's Climate Law presents a new way to get to 2040 - The European Commission has proposed a new 2040 climate target to reduce net greenhouse gas (GHG) emissions by 90% compared to 1990 levels. - This builds upon the EU's existing legally binding target of at least a 55% reduction in net GHG emissions by 2030, a goal the EU is currently on track to meet. - The long-term objective is to achieve a fully decarbonized European economy by 2050.	Policy delivers net zero CO ₂ emissions.	Announced. The proposed 2040 plan recommends a 90% reduction in GHG emissions, establishing a critical milestone on the path to achieving net-zero by 2050.	Score 4
	Industry decarbonization 	Clarity to hydrogen sector with new EU methodology for low-carbon hydrogen and fuels - To be classified as "low-carbon," hydrogen and related fuels must demonstrate a greenhouse gas emission savings of at least 70% compared to unabated fossil fuels. - The new methodology complements existing EU regulations for renewable hydrogen, thereby completing the bloc's regulatory framework for the hydrogen market. - This initiative is part of the EU's broader goal to achieve climate neutrality by the year 2050. - The European Commission will assess the impact of alternative production pathways and, in 2026, will launch a public consultation on a methodology for using Power Purchase Agreements (PPAs) specifically for nuclear energy in hydrogen production.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions.	Announced. The GHG emission methodology for low-carbon hydrogen and fuels provides a clear regulatory framework for the hydrogen production across Europe.	Score 3

EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	Light duty vehicles 	EU invests €852 million in six innovative electric vehicle battery projects - Six electric vehicle (EV) battery cell manufacturing projects will receive a total of €852 million in grants from the EU's Innovation Fund. - The funding comes from a specific Battery Call launched in December 2024, with revenues generated by the EU Emissions Trading System (EU ETS). - The six selected projects are located in France (two projects), Germany (two projects), Sweden, and Poland.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	Announced and supportive. The investment in EV battery cell manufacturing projects helps to scale EV sales.	Score 3
		EU to fast-track review of 2035 fuel engine phase-out - The European Commission will conduct a review of the planned 2035 phase-out of new combustion engine cars "much earlier" than the originally scheduled date in 2026. - The announcement by Commission President Ursula von der Leyen comes amid pressure from Germany and other member states concerned about the economic impact on automotive. The 2035 law mandates a 100% reduction in CO₂ emissions from new cars and vans sold - The legislation includes a provision for an exemption for vehicles that run exclusively on carbon-neutral e-fuels.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV.	Announced. Announcing an early review is a concession to industrial nations interests, that introduces uncertainty into settled plans.	Score 3 <i>*No impact</i>
	Nature incentives 	Nature Credits Roadmap - The European Commission has launched a "Roadmap towards Nature Credits" to attract private investment for nature protection and restoration projects. - Companies, institutions, or individuals can invest in certified "nature-positive" actions (e.g., restoring wetlands, extending forests) and receive "nature credits." - In return for their investment, contributors can benefit from a better reputation, reduced environmental risk, and higher social acceptance for their operations. - These credits are designed to be a voluntary and supplementary source of finance, complementing the EU's public spending commitments on biodiversity.	Policy delivers significant nationwide market incentives to landowners to preserve nature.	Legislated and supportive. The initiative aims to help close a significant biodiversity funding gap, by blending private capital with existing public funding.	Score 3
	Net deforestation 	EU to delay anti-deforestation law by another year - The European Commission has proposed a one-year delay for the implementation of its anti-deforestation regulation, pushing the start date to December 30, 2025, for larger companies. - The rules would apply to small and medium-sized enterprises starting June 30, 2026. - The regulation requires companies to prove that seven specific commodities were not produced on land deforested after December 31, 2020. - The Commission has allocated €70 million to help partner countries adapt to the new rules.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	Announced. The suspension of the EUDR is intended to ease the bureaucratic burden. Nevertheless, it sends mixed signals on reporting requirements.	Score 3 <i>*No impact</i>

FRANCE & GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
France 	Clean power 	€11 billion French State aid scheme to support offshore wind energy approved - The European Commission has approved a French aid scheme worth €11 billion to support two floating offshore wind farms. - The two projects, located in the Mediterranean Sea, will have a combined capacity of approximately 1.5 GW. - Each farm will have a capacity of about 750 MW. - The projects are expected to be operational by 2032 and will produce over 6 TWh of renewable electricity annually.	Policy delivers dispatched generation of >90% low-carbon power.	Legislated and supportive. The EU investment helps France expand offshore wind, boosting renewables in its low-carbon electricity mix.	Score 3 **Achieved
Germany 	Economy-wide 	Germany's 2025 Federal Budget I Climate Investment - The Federal Cabinet approved a €503 billion budget, which sets spending against a projected revenue of €421.2 billion. - A major part of this budget is a €500 billion investment program for infrastructure and climate protection. - This funding is specifically for new climate protection initiatives within Germany's national transition plan, not for projects that are already underway.	N/A	Legislated and supportive. While this investment in new climate initiatives is a positive step, its ultimate impact cannot be evaluated without specific details on projects, timelines, and measurable outcomes.	Score 3
		Supply Chain Act to be amended – relief for companies, but not for long - Germany's Supply Chain Due Diligence Act (LkSG), which took effect on January 1, 2023, will be suspended for two years.; - This suspension is intended to alleviate the bureaucratic burden on companies.; - Originally, the act applied to companies with at least 3,000 employees, and this threshold was lowered to 1,000 employees on January 1, 2024.; - The German framework is set to be replaced by the more stringent EU Corporate Sustainability Due Diligence Directive (CSDDD), which was formally adopted in May 2024.	N/A	Announced. Germany's pause on the Supply Chain Act aims to reduce bureaucracy, but sends mixed signals on corporate accountability.	Score 3

GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Germany 	Clean power 	Germany's Wind Turbine Supply Chain Goals - The German government aims to source 70% of the components for its onshore wind turbines from Germany or the European Union by 2035. - Currently, up to 70% of some crucial wind turbine components are sourced from China. - The goal is part of a strategy to reduce dependency on Chinese manufacturing and strengthen domestic and EU-based supply chains.	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced. The decision to diversify the wind turbine supply chain away from Chinese manufacturing is a strategic and economic move that is not expected to directly affect the achievement of the forecast.	Score 3 <i>*No impact</i>
		Germany to scrap fixed tariffs for new renewables, pivot to market support - Germany plans to phase out its fixed-price, 20-year contracts for renewable energy subsidies by 2027. - The country will transition to a market-based model where renewable energy producers sell their electricity on the open market and receive a variable premium. - This policy change is part of the "Renewable Energy Act (EEG) 2025" reform. - The objective is to better integrate the growing share of renewables into the national electricity market.	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. A variable premium model exposes renewables to market prices, encouraging generation when needed and investment in storage.	Score 3
	Zero-carbon heating 	Germany proposes law to speed up geothermal and clean heat expansion - Germany's economy and energy ministry has introduced a draft law to accelerate the expansion of geothermal energy, large heat pumps, heat storage units, and district heating grids. - This initiative is designed to implement the EU's renewable energy directive (REDIII) and advance the decarbonization of the heating sector. - The buildout of this renewable heating infrastructure will be legally designated as a matter of "overriding public interest," a status previously granted to wind and solar power projects to fast-track their approval and construction.	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2035-2039.	Announced and supportive. Accelerating large heat pumps, heat storage units, and heating grids is essential advance the decarbonization of the heating sector.	Score 3

GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Germany 	Light duty vehicles 	IAA-Merz against unilateral determination of automotive climate targets - Friedrich Merz, leader of Germany's opposition CDU party, called for the reversal of the EU's 2035 ban on new combustion engine vehicles while opening the IAA motor show in Munich. - The German automotive industry, a key sector of the nation's economy, directly employs approximately 800,000 people. - The debate highlights the deep political divisions within Germany and the EU over the future of the auto industry and the timeline for the transition to electric mobility. - The controversy centers on the EU regulation that requires a 100% reduction in CO2 emissions for all new cars sold from 2035.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2040-2044.	Announced. Friedrich Merz's call to reverse the EU engine ban favors short-term industry interests, but risks policy uncertainty and delays Germany's shift to electric mobility.	Score 3
	Industry decarbonization 	Germany approves bill to fast-track carbon storage infrastructure - Germany's cabinet approved a bill to create the legal framework for carbon capture and storage (CCS) infrastructure. - The legislation will initially allow for the storage of carbon dioxide in offshore sites within Germany's exclusive economic zone. - The bill is a key part of Germany's goal to achieve climate neutrality by the year 2045. - Onshore storage remains banned for the time being, though federal states can choose to opt-in later.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2040-2044.	Legislated and supportive. The new legal framework enables offshore carbon dioxide storage, providing a critical decarbonization technology for heavy industry.	Score 3
		Germany to launch EUR 6bn CCfD tender this week - Germany is set to launch a tender for Carbon Contracts for Difference (CCfDs) with a total volume of EUR 6 billion (USD 6.3 billion). - The first bidding round will have a budget of EUR 1.5 billion and will support projects in the paper, glass, cement, and lime industries. - The contracts will have a term of 15 years. - The goal is to support industrial decarbonization and bridge the cost gap between conventional and climate-friendly production methods.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2040-2044.	Announced and supportive. The Carbon Contract for Difference (CCfD) guarantees a company a fixed price for the carbon it abates, bridging the cost gap between old and new technologies.	Score 3

ITALY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Italy 	Light duty vehicles 	Italy approves nearly \$700 million in new subsidies for EVs - Italy has allocated a new fund of €950 million (\$1.04 billion) for electric vehicle (EV) subsidies. - Buyers can receive a subsidy of up to €13,750 if they trade in an older, more polluting vehicle (Euro 0, 1, or 2 classification) and have an annual household income below €30,000. - For buyers not trading in an old car, the standard subsidy is €6,000. The subsidies apply to new electric cars with a list price of up to €35,000, excluding VAT.	Policy ends the sale of >90% of new cars and vans with CO2 emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2040-2044.	Announced and supportive. Allocating funds for electric vehicle production is supportive of the target.	Score 3
	All coal phase out 	Italy plans two LNG units to help Sardinia phase out coal, document shows - Italy plans to install two new liquefied natural gas (LNG) regasification units in Sardinia to help the island phase out its two coal-fired power plants. - One new floating storage and regasification unit (FSRU) will be set up in the port of Oristano. - A second LNG terminal may be established in the coastal town of Porto Torres if one of the coal plants is converted to a gas-fired power station. - Two existing LNG terminals in continental Italy will be upgraded to enable them to send small vessels loaded with LNG to Sardinia's new terminals.	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 2030-2034.	Announced and supportive. Building LNG units in Sardinia is a pragmatic but controversial step to quickly replace coal with a more reliable, lower-carbon energy source.	Score 3

UK & SAUDI ARABIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Clean power 	New plan to kickstart onshore wind revolution - The UK plans to increase its installed onshore wind capacity from the current 16 GW to a target range of 27-29 GW by 2030. - A new government strategy outlines 40 actions to speed up project development, which is anticipated to create 45,000 new jobs. - A broader clean energy plan introduced in June 2025 aims to increase private investment in the sector to over £30 billion (\$40.78 billion) annually by 2035.	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. A new strategy will expedite 40 onshore wind projects, bringing the UK closer to its goal of exceeding 90% renewable energy generation by 2035-2039.	Score 3
	Light duty vehicles 	Discount of up to £3,750 on electric cars set to slash costs for thousands - The British government is introducing a £650 million scheme to offer discounts of up to £3,750 for buyers of electric cars priced at £37,000 or below. - The funding for this grant will be available until the 2028/29 fiscal year. - The initiative supports Britain's goal to phase out the sale of new petrol and diesel cars by 2030 and achieve net-zero emissions by 2050. - Carmakers have reportedly spent around £6.5 billion on electric car discounts since the start of 2024 to meet government-mandated sales targets.	Policy ends the sale of >90% of new cars and vans with CO ₂ emissions. (I.e., >90% of new sales are ZEVs). ZEV = BEV, PHEV, FCEV by 2040-2044.	Announced and supportive. Offering discounts for purchasing EVs helps to boost sales of electric vehicles.	Score 3
Saudi Arabia 	Industry decarbonization 	Saudi Arabia plans another GW-scale green hydrogen project - Saudi Arabia's ACWA Power is planning a second gigawatt-scale green hydrogen project, similar in size to the existing \$8.5 billion (EUR 7.9bn) Neom project. - The first project in Neom is designed to produce 1.2 million tonnes of green ammonia per year from 4 GW of solar and wind power. - The new project is part of Saudi Arabia's goal to become the world's cheapest producer of green hydrogen, aiming for a cost of \$1.5 per kilogram by 2030.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. Large-scale hydrogen projects are supportive in advancing industrial decarbonization by introducing a versatile and renewable energy carrier for hard-to-abate sectors.	Score 3

NIGERIA & RUSSIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Nigeria 	Net zero CO₂ emissions 	New NDC submitted - Nigeria has officially submitted its updated climate pledge, known as the Nationally Determined Contribution (NDC 3.0), to the United Nations. - The new targets are to reduce greenhouse gas emissions by 29% by 2030 and 32% by 2035, compared to 2018 levels. - The long-term goal is to achieve net-zero emissions by 2060. - This submission is an update to Nigeria's previous pledge (NDC 2.0), which aimed for a 20% unconditional and 47% conditional reduction by 2030. - The new pledge was submitted ahead of the COP30 climate conference, which will be held in Brazil.	Policy delivers net zero CO ₂ emissions by 2065-2069.	Legislated. Though the submission of a new, updated NDC is supportive, the emission reduction targets set are not ambitious enough to achieve net zero emissions by 2060.	Score 3
Russia 	Net zero CO₂ emissions 	New NDC submitted - Russia has officially submitted its updated climate pledge, known as the Nationally Determined Contribution, to the United Nations. - The new targets are to reduce greenhouse gas emissions by 65-67% by 2035, compared to 1990 levels. - The first NDC, presented in 2020, was more ambitious and planned for a reduction of greenhouse gas emissions of 70% by 2030 compared to 1990 levels.	Policy delivers net zero CO ₂ emissions by 2065-2069.	Legislated. Though the submission of a new, updated NDC is supportive, this version includes a less ambitious target than the previous one.	Score 3

CANADA & MEXICO POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Canada 	Net zero CO2 emissions 	Canada is reportedly considering dropping its oil emission cap as part of a new climate plan - The Canadian government, under Prime Minister Mark Carney, is reportedly in negotiations with the province of Alberta and energy companies to potentially eliminate a planned federal cap on oil and gas industry emissions. - This potential reversal is part of a proposed new "climate competition strategy" set to be announced in the fall of 2025, which would prioritize "results rather than objectives and investment over prohibition." - The original emissions cap, for which draft regulations were published in November 2024, was not scheduled to take effect until 2030. - The cap would have mandated the oil and gas industry to reduce its emissions by 37% below 2022 levels by the year 2030, which equates to a reduction of 137 million tonnes.	Policy delivers net zero CO ₂ emissions by 2050-2054.	Announced. The removal of the legal cap target, shall be replaced with industry promises and renewed commitments, which are inherently less reliable and harder to enforce.	Score 1
	Clean power 	Canadian govt to back Indigenous-owned solar project with USD 24m - The Canadian government is providing CAD 32.5 million (USD 24.1 million) in funding for the 100-megawatt peak (MWp) TAZII solar project in Alberta. - The project, owned by the Athabasca Chipewyan First Nation, will be the largest Indigenous-owned solar facility in Canada. - The total estimated cost of the project is CAD 230 million. - The funding is part of Canada's commitment to supporting clean energy and economic reconciliation with Indigenous communities.	Policy delivers dispatched generation of >90% low-carbon power by 2040-2044.	Announced and supportive. The Canadian government's funding for the solar project is provides capital for what will be Canada's largest Indigenous-owned solar facility.	Score 3
Mexico 	Net zero CO2 emissions 	Mexico plans to reduce at least 212 million tons of CO₂ - Mexico has set a new goal to reduce at least 212 million tons of carbon dioxide (CO₂), an increase from the previous target of 140 million tons.; - An emissions trading system will be used to address approximately 25% to 30% of the necessary reductions, which equates to about 60 to 63 million tons.; - This system will be coupled with a broad compensation (offset) mechanism to help sectors facing difficulties with technological change or energy efficiency.; - The new target was announced by the Undersecretary of Sustainable Development and Circular Economy, José Luis Samaniego, at the fifth edition of the Mexico Carbon Forum.	Policy delivers net zero CO ₂ emissions by 2065-2069.	Announced and supportive. Mexico's updated climate target signals a heightened commitment to decarbonization and aligning the country more closely with global climate ambitions.	Score 3

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Economy-wide 	US appeals court hits pause on challenges to SEC climate rule - A U.S. federal appeals court has temporarily paused the implementation of the Securities and Exchange Commission's (SEC) new climate disclosure rule. - The rule, finalized in March, requires public companies to disclose climate-related risks and, for larger firms, to report their greenhouse gas emissions (Scope 1 and Scope 2). - The stay was issued by the U.S. Court of Appeals for the Eighth Circuit, which has consolidated numerous legal challenges filed against the regulation by business groups and several states. - The final version of the rule was less stringent than the initial proposal, notably dropping the requirement for companies to report Scope 3 emissions, which come from their supply chains and customer use of products.	N/A	Announced. While the pause of the SEC's climate disclosure rule provides temporary relief to businesses, it delays the provision of crucial information for investors.	Score 2
		US appeals court allows Trump's EPA to nix climate grants - A U.S. federal appeals court has ruled that the Trump administration can proceed with terminating more than \$16 billion in climate grants awarded to non-profit organizations. - The funds originated from the Greenhouse Gas Reduction Fund, a \$20 billion program created by the 2022 Inflation Reduction Act under the Biden administration. - The lawsuit was brought by five of the eight non-profit recipients after their access to a collective share of over \$16 billion in funding was frozen. - The decision was made by a 2-1 vote in a three-judge panel of the U.S. Court of Appeals for the D.C. Circuit, with both judges in the majority having been appointed by President Trump.	N/A	Legislated. The appeals court ruling that allows the Trump administration to terminate over \$16 billion in climate grants is a setback and a stark demonstration of the vulnerability of funds.	Score 1
		Trump administration cuts funding for climate adaptation centers - The Trump administration has blocked funding for NOAA's Climate Adaptation Partnerships (CAP) program, which supports a network of 13 regional centers. - These centers typically receive \$1 million each annually, totaling \$13 million in withheld funds. - The funding was scheduled for renewal on September 1, 2025, before being halted, affecting centers that employ dozens of researchers. - In July 2025, House Republicans proposed a budget that would cut NOAA's funding by \$1 billion.	N/A	Announced. The proposed \$1 billion cut to NOAA's overall budget is part of a broader climate investment cut under the Trump administration.	Score 2

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Net zero CO₂ emissions 	EPA to stop collecting emissions data from polluters - The Environmental Protection Agency (EPA) plans to eliminate greenhouse gas reporting requirements for 40 out of 41 industrial sectors. - This policy change would reduce the number of facilities required to report emissions from approximately 8,000 per year down to about 2,300. - The affected program, the Greenhouse Gas Reporting Program, has been operational since at least 2010 and is responsible for tracking between 85% and 90% of all greenhouse gas emissions in the United States.	Policy delivers net zero CO ₂ emissions by 2060-2064.	Announced. By dismantling the program, the administration is creating an information vacuum. This proposed policy would make it nearly impossible to design, implement, or verify any effective climate policy.	Score 2
		EPA to withdraw foundation of greenhouse gas rules, sources say - The U.S. Environmental Protection Agency (EPA) is planning to reverse its finding that greenhouse gas emissions endanger public health. - This reversal would remove the legal foundation for all major U.S. climate regulations. - It would allow the EPA to easily undo existing rules that limit emissions from vehicles, industrial facilities, and power plants. - The proposal was sent to the White House Office of Management and Budget for review on June 30.	Policy delivers net zero CO ₂ emissions by 2060-2064.	Announced. Overturning the foundational principle that greenhouse gas emissions endanger public health would dismantle the entire legal framework for existing climate regulation.	Score 1
	Clean power 	New York seeks more wind and solar energy before federal subsidies expire - New York aims to source 70% of its electricity from renewable sources by 2030. - The state intends to add at least 10 gigawatts of solar and 9 gigawatts of offshore wind capacity by 2035. - By 2040, the goal is to have a zero-emissions electricity sector. - Officials are proposing a \$300 million investment to support the development of renewable energy projects.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. This policy sets a clear interim goal for increasing renewable energies as well as net zero target for the power sector by 2040.	Score 3

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	Trump administration plans to cancel approval of Maryland offshore wind project - The Trump administration is appealing a federal court decision that reinstated a key permit for the US Wind offshore wind project planned off the coast of Ocean City, Maryland. - A federal judge had previously ordered the Bureau of Ocean Energy Management (BOEM) to revive the project's site assessment plan, which the agency had allowed to expire. - The project is planned to be located 17 miles offshore and has the potential to generate up to 1,100 megawatts of electricity.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. The decision to appeal a federal court ruling in order to block the US Wind offshore wind project reflects the shift away from renewable energy.	Score 2
		Trump supports nuclear power as it is 'more American' than wind, solar, US official says - The Trump administration has signaled strong support for nuclear energy, viewing it as more "American" and reliable than wind and solar power. - An unnamed senior administration official stated that the White House is preparing executive actions to support the existing nuclear fleet and encourage the development of new advanced reactors. - The administration's stance is that nuclear power ensures grid stability, which they argue is compromised by intermittent renewable sources like wind and solar.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Trump's support for nuclear energy, tied to national security, still aligns with clean energy goals.	Score 3
		Trump admin cancels \$679M for offshore wind projects Funding for projects in 11 states was rescinded - The Trump administration has officially canceled \$679 million in federal funding and loan guarantees previously allocated for offshore wind energy projects. - The Department of Energy announced that the funds, part of a program established under the Obama administration, will be rescinded and returned to the Treasury. - The move affects several planned projects along the Atlantic coast, which were depending on this federal support to advance. - The administration cited the high costs and unproven technology of offshore wind as reasons for the cancellation, stating the funds were a misuse of taxpayer money.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. The Trump administration's cancellation of \$679 million in federal funding for offshore wind ignores the long-term economic and energy security benefits of diversifying the energy portfolio.	Score 2

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	Planned Halt of U.S. Solar Grant Program - A potential future Trump administration plans to halt the \$7 billion "Solar for All" grant program, according to plans outlined in Project 2025. - The program, funded by the Inflation Reduction Act, was designed to provide grants to states and organizations to develop solar programs for low-income and disadvantaged communities. - The plan includes stopping the Environmental Protection Agency (EPA) from distributing the remaining funds from the \$7 billion allocation.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. Canceling funding commitments creates severe policy uncertainty.	Score 2
		Trump agencies team up to review offshore wind, Kennedy says - Several U.S. federal agencies, including the Departments of Defense and Homeland Security, are collaborating on a comprehensive review of offshore wind projects. - The review is being initiated due to concerns about potential impacts on military operations, navigation, and national security. - This multi-agency effort could introduce new regulatory hurdles and potentially delay or block the development of offshore wind farms along the U.S. coast. - The move is seen by critics as another attempt by the administration to undermine the renewable energy industry while favoring fossil fuels.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Legislated. The review of offshore wind projects will introduce substantial delays and uncertainty, chilling investment in the offshore wind industry.	Score 2
		Trump administration unveils stricter subsidy rules for wind, solar projects - The Trump administration's Treasury Department has issued new regulations that tighten the eligibility requirements for federal tax subsidies for solar and wind energy projects. - The new rules increase the "continuous construction" requirement, mandating that developers must make more substantial and consistent progress on projects to qualify for the Production Tax Credit (PTC) and Investment Tax Credit (ITC).	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. Tougher rules on construction timelines add execution risk, complicating financing and raising costs for developers.	Score 2
		US intends to cancel \$13 billion in funds for green energy - The U.S. Department of Energy is canceling \$13 billion in federal funding previously designated for clean energy projects. - This is one of the largest reversals in clean energy financing since the IRA was passed in 2022. - The IRA, the largest U.S. climate law, provides nearly \$370 billion in incentives and was projected to cut U.S. emissions by 40% from 2005 levels by 2030. - The funding cut raises concerns about the U.S. meeting its climate goals, including its Paris Agreement pledge to reduce emissions by 50-52% by 2030.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. The \$13 billion in federal funds was designed to leverage a much larger amount of private capital. The cancellation signals a reversal of the green transition.	Score 2

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	US judge rules Trump cannot block Rhode Island offshore wind project - A federal judge ruled that the Trump administration cannot halt construction of the Revolution Wind project, a \$4-billion offshore wind farm. - The project was already 80% complete when the administration ordered work to stop. - If the project were to be canceled, consumers could face an additional half a billion dollars per year in utility costs. - The wind farm is expected to generate enough electricity to power approximately 400,000 homes.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. The US court's decision is supportive, but will have no real impact on the current fossil fuel policy in the US.	Score 3
	All coal phase-out 	US coal auctions will test industry appetite for Trump mining revival - The Trump administration is set to auction coal leases on federal lands in four states: Alabama, Montana, Utah, and Wyoming. - U.S. coal production saw a 40% decline between 2013 and 2023. - Over the same period (2013-2023), the amount of federal acreage under lease for coal mining decreased by 11%. - The royalty rate for new leases has been reduced to 7%, down from previous rates of 12.5% or 8%.	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal by 2040-2044.	Announced. The policy is an effort by the Trump administration to lower the cost of extracting coal, making it more competitive against increasingly cheaper renewable energy sources.	Score 2
		Trump throws \$625 million lifeline to coal industry and opens federal lands to mining - The Trump administration plans to open 13 million acres of federal lands for coal mining. - The administration will also provide \$625 million to recommission or modernize coal-fired power plants. - As part of a new tax law, royalty rates for coal mining will be reduced from 12.5% to 7%. - Coal's share of U.S. electricity production dropped to about 15% in 2024, down from 45% in 2010. In contrast, natural gas provides about 43% of U.S. electricity.	Actual policy and anticipated policy signals deliver 97% of dispatched power generation from sources other than unabated coal by 2040-2044.	Announced. This policy could potentially slow the pace of the US coal phase out. Nevertheless \$625 million is a small amount of money for reversing the retirement of plants.	Score 2

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	Solar, wind projects on US lands will get extra scrutiny - The US Bureau of Land Management (BLM) has finalized a new rule that increases costs for solar and wind projects on public lands. - The rule raises annual rental fees for these projects from an average of \$20 per acre to \$110 per acre. - It introduces a new capacity-based fee of \$3,500 per megawatt, which will be phased in over a five-year period. - Developers will now be required to post a minimum bond of \$20,000 per acre to cover reclamation costs.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. The new U.S. energy policy's diminished emphasis on renewables is reflected in the rising project costs for solar and wind.	Score 2
	Heavy duty vehicles 	US sues California to block tough emissions standards for trucks - The U.S. Department of Justice (DOJ) has filed two complaints against the California Air Resources Board (CARB) to stop the enforcement of its heavy-duty truck emissions standards. - The lawsuit targets CARB's "Clean Truck Partnership," which the DOJ argues is an unlawful attempt to enforce regulations that are preempted by federal law. - A parallel legal action was also filed regarding California's rules for light-duty vehicles. - The legal challenge follows the invalidation of two Environmental Protection Agency (EPA) preemption waivers by President Trump and Congress in June 2025, which had previously allowed California to set its own stricter standards.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. Stricter construction rules add execution risk, complicating financing and raising developer costs.	Score 2
	Protection & restoration 	Trump pulls US out of UN cultural agency UNESCO for second time - On July 19, 2025, the Trump administration announced the US would withdraw from UNESCO for the second time, with the withdrawal set to become effective on December 31, 2025.; - The administration cited an "anti-Israel bias" and the need for "fundamental reform" as reasons for the decision. - The US had previously stopped funding UNESCO in 2011 after the organization admitted Palestine as a full member, accumulating arrears of over \$800 million. - Under the new plan, the US is expected to repay these arrears over several years, starting with a payment of over \$120 million in the first year.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	Announced. The US withdrawal from UNESCO is primarily symbolic, signaling a diminished commitment to international cooperation in education, science, and culture.	Score 2

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Economy-wide 	Brazil's development bank BNDES launches \$3.3 bln green economy fund initiative - Brazil's state development bank, BNDES, has launched a new climate investment initiative, starting with a 5 billion reais (\$920 million) seed investment. - The goal is to mobilize up to 18 billion reais (\$3.3 billion) in total funding by attracting an additional 13 billion reais in private investment. - BNDES will act as an anchor investor, limiting its participation to a maximum of 25% in equity funds and 50% in credit funds. - Proposals from domestic and foreign investors will be accepted until October 20, with the final selection of fund managers scheduled for January 2026.	Economy-wide policies.	Announced and supportive. The BNDES climate initiative acts as an anchor investor to leverage public money and attracts significant private investment for the green transition.	Score 3
	Carbon price 	Brazil Sets 2026 Target for National Carbon Credit Registry - Brazil is set to roll out a national carbon registry within the next 15 months, which will serve as the foundation for its future emissions trading system (ETS). - The government's goal is to establish the country as a leading hub in the global carbon trading market. - According to Brazil's carbon law, the emissions trading system, known as SBCE, must be fully operational by 2030.	Explicit carbon price signal or backstop covering industry and power in 2030 to \$48-\$50.	Announced and supportive. Brazil's plan to roll out a national carbon registry is a necessary prerequisite for establishing a credible and functional emissions trading system.	Score 3
	Protection & restoration 	Brazil lawmakers gut environmental permitting ahead of COP30 summit - Brazil's lower house of congress passed a bill to loosen environmental licensing requirements with a vote of 267 in favor and 116 against. - The state-run oil firm Petrobras has a project to drill for oil off the Amazonian coast that has been awaiting an environmental permit for over a decade.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored	Legislated and achieved. Ahead of hosting COP30, Brazil is easing environmental licensing rules — a strategy aimed at improving Brazil's green credentials by labelling more projects sustainable.	Score 2

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Protection & restoration 	China signals investment in Brazil-led global forest fund - China has indicated it will invest in the Tropical Forests Forever Facility (TFFF), a multilateral fund first proposed by Brazil in 2023. - Policymakers have envisioned the TFFF as a \$125 billion fund, combining sovereign and private-sector contributions. - The fund would operate like an endowment, paying countries annual stipends based on the amount of their tropical forests that remain standing.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	Announced and supportive. The move from China is supportive as it challenges the traditional climate finance model established by the 2015 Paris Agreement, where only developed nations were required to contribute.	Score 3
		Brazil's Lula announces \$1 billion investment in global forest fund - Brazil plans to announce a \$1 billion investment in a new global fund dedicated to forest conservation. - The fund aims to raise a total of \$250 billion from governments and the private sector. - This initiative is intended to support the goal of halting and reversing deforestation by 2030. - The announcement is expected to be made at the upcoming United Nations climate summit.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	Announced and supportive. Brazil's commitment to invest \$1billion in the new forest conservation fund is a clear signal before the upcoming CO30.	Score 3



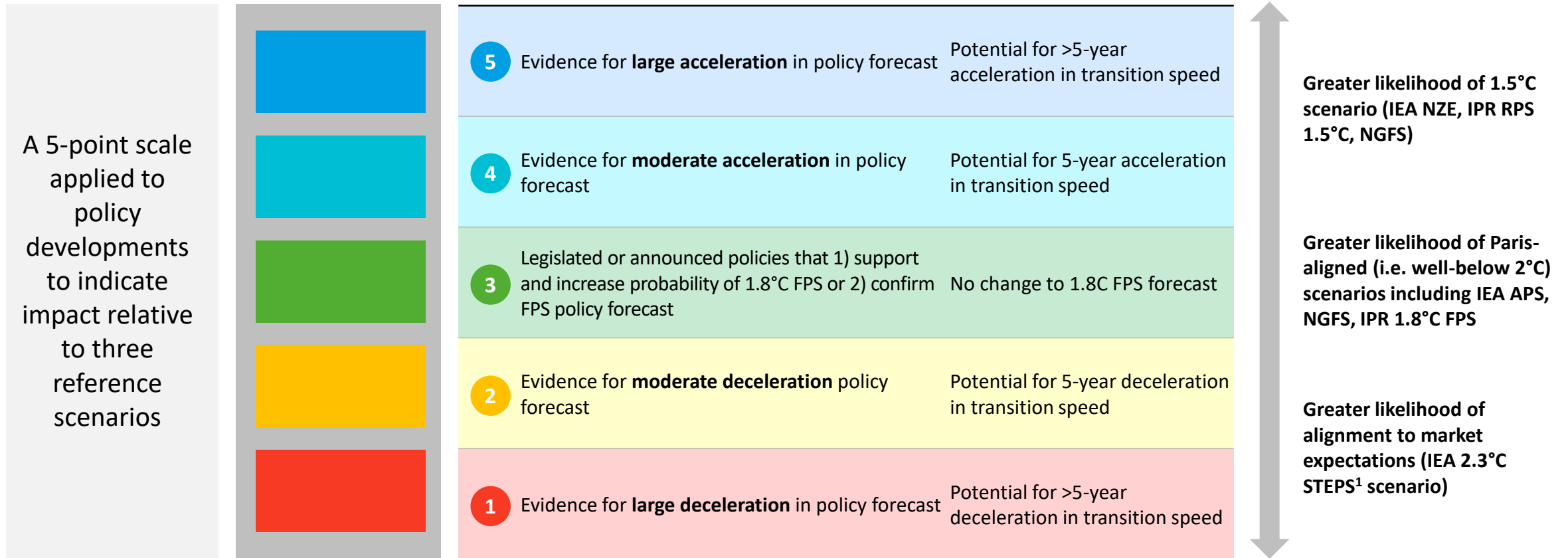
Technical Annex

Methodology, deep dive assessments, and references

IMPACT SCALE FOR IPR FORECAST

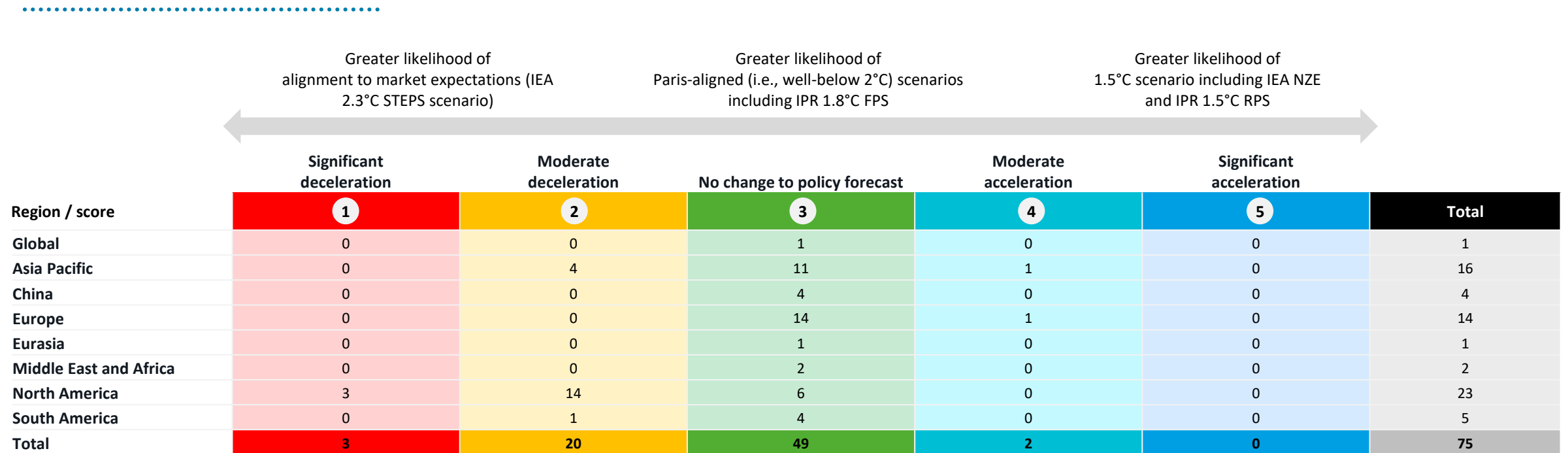
Assessing policy impact on 5-step scoring scale relative to three reference scenarios

.....



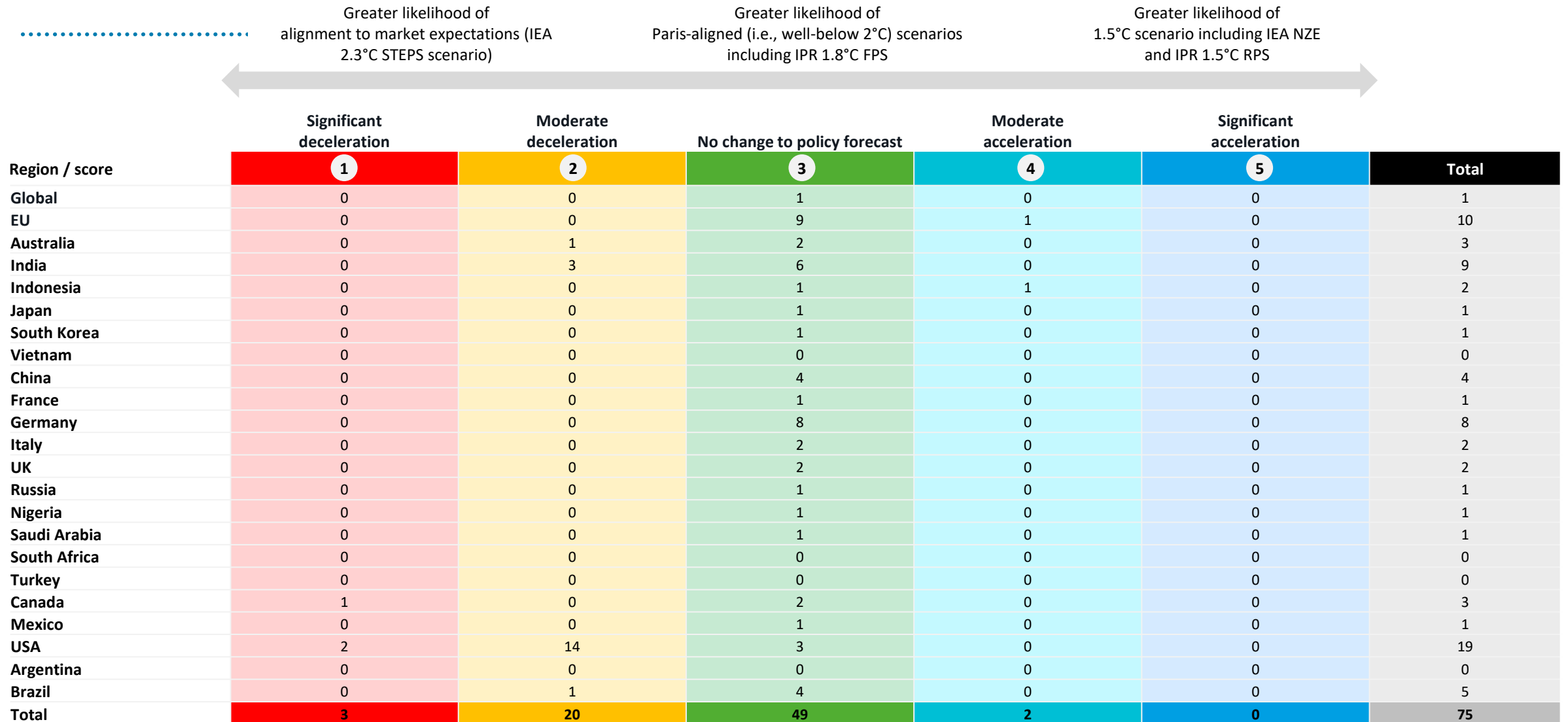
IPR QFT: KEY Q3 2025 POLICY DEVELOPMENTS BY REGION

The findings of IPR's Quarterly forecast tracker for Q3 2025 show that most policies are in line with the Paris Agreement



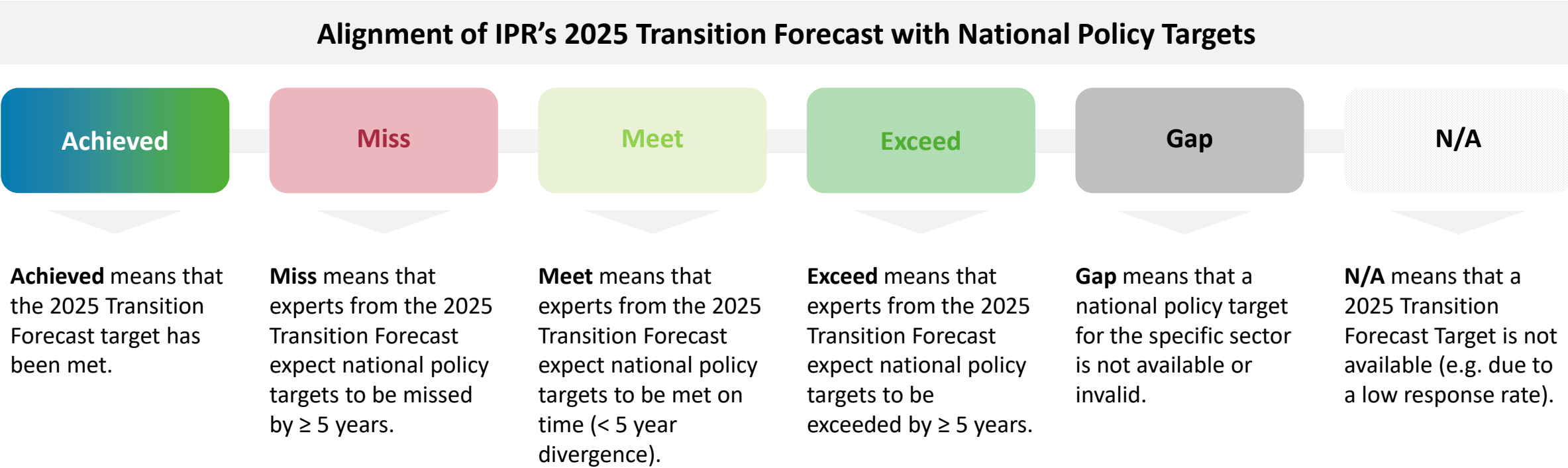
IPR QFT: KEY Q3 2025 POLICY DEVELOPMENTS BY COUNTRY

While 18 countries have implemented climate policies, 5 countries did not announce or legislate policies



COMPARISON OF TRANSITION FORECAST WITH NATIONAL POLICY TARGETS

Assessing whether national policy targets are expected to be met, missed or exceeded based on experts' views on what the energy & land transition will look like



Examples of Transition Forecast vs. Policy Target

<u>Transition Forecast:</u> Achieved (as per target definition)	<u>Transition Forecast:</u> 2070 <u>Policy Target:</u> 2060	<u>Transition Forecast:</u> 2070 <u>Policy Target:</u> 2068	<u>Transition Forecast:</u> 2050 <u>Policy Target:</u> 2060	<u>Transition Forecast:</u> 2070 <u>Policy Target:</u> not available	<u>Transition Forecast:</u> not available <u>Policy Target:</u> 2060
--	--	--	--	---	--

THE COMPARISON OF IPR'S TRANSITION FORECAST WITH NATIONAL POLICY TARGETS REVEALS AN EXPECTED SHORTFALL, WITH POLICY TARGETS LIKELY NOT TO BE MET IN MULTIPLE SECTORS

Alignment of IPR's 2025 Transition Forecast with National Policy Targets: ■ Achieved ■ Miss ■ Meet ■ Exceed ■ Gap

			% of world CO ₂ emissions	Economy wide		Power		Buildings	Transport		Industry	Agri	Land use	Nature	
				Net Zero CO ₂ emissions	Carbon price	All coal phase-out	Clean power	Zero-carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Low-carbon agriculture	Net deforestation	Protection	Nature incentives
Asia Pacific excl. China		Australia	1.0%	Meet	Meet	Gap	Miss	Gap	Gap	Gap	Meet	Exceed	Miss	Miss	Miss
		Indonesia	1.8%	Miss	Exceed	Miss	Miss	N/A	Meet	Gap	Meet	Miss	Miss	Miss	Gap
		India	7.0%	Meet	Exceed	Gap	Miss	N/A	Miss	Gap	Exceed	Gap	Achieved	Miss	Gap
		Japan	3%	Meet	Exceed	Miss	Miss	Miss	Miss	Gap	Meet	Miss	Meet	Achieved	Miss
		South Korea	1.6%	Miss	Exceed	Meet	Miss	Gap	Miss	Miss	Miss	Gap	Miss	Miss	Miss
		Vietnam	0.8%	Miss	N/A	Meet	Exceed	N/A	Meet	Miss	Meet	Miss	Meet	Meet	N/A
China		China	33.9%	Meet	Exceed	Gap	Exceed	Gap	Meet	Meet	Exceed	Miss	Achieved	Meet	Gap
Europe		France	0.8%	Meet	Meet	Achieved	Achieved	Meet	Meet	Miss	Meet	Meet	Achieved	Meet	Miss
		Germany	1.7%	Miss	Meet	Meet	Meet	Meet	Miss	Meet	Exceed	Miss	Achieved	Achieved	Meet
		Italy	0.8%	Miss	Meet	Meet	Exceed	Meet	Miss	Miss	Meet	Miss	Achieved	Meet	Miss
		UK	0.9%	Meet	Meet	Achieved	Miss	Miss	Miss	Miss	Exceed	Meet	Achieved	Miss	Miss
Eurasia		Russia	5%	Miss	N/A	Gap	Gap	Gap	Gap	Gap	Meet	Gap	Achieved	Miss	Gap
Middle East and Africa		Nigeria	0.3%	Miss	N/A	Achieved	Meet	N/A	Miss	Gap	Meet	Exceed	Gap	Miss	Gap
		Saudi Arabia	1.6%	Meet	Gap	N/A	Meet	N/A	Gap	Gap	Exceed	N/A	Achieved	Miss	Gap
		South Africa	1.0%	Miss	Meet	Gap	Exceed	Gap	Gap	Gap	Meet	Exceed	Miss	Miss	Meet
		Türkiye	1.2%	Miss	Gap	Gap	Miss	Gap	N/A	Gap	Meet	N/A	Achieved	Meet	N/A
North America		Canada	1.5%	Meet	Meet	Meet	Miss	Gap	Miss	Miss	Meet	Exceed	Gap	Miss	Meet
		Mexico	1.3%	Miss	Exceed	Gap	Meet	N/A	Miss	Miss	Meet	Miss	Miss	Miss	Miss
		US	12.6%	Miss	N/A	Miss	Miss	Miss	Gap	Miss	Meet	Miss	Miss	Miss	Gap
South America		Argentina	0.5%	Miss	Exceed	Achieved	Meet	Gap	Gap	Gap	Meet	Gap	Miss	Gap	Gap
		Brazil	1.2%	Miss	Exceed	Achieved	Achieved	N/A	Gap	Gap	Meet	Miss	Miss	Achieved	Meet

Note: **Exceed** means that the 2025 Transition Forecast Target is ≥ 5 years earlier than the national policy target. **Meet** means that the 2025 Transition Forecast overlaps with the national policy target. **Miss** means that 2025 Transition Forecast start ≥ 5 years later than the national policy target. **Gap** means that an actual policy target is missing or invalid. **N/A** means that a 2025 Transition Forecast target is not available.

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 2.0°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 2.0°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

TRACKED POLICY SOURCES

.....

1	https://www.hydrogenfuelnews.com/australias-largest-green-hydrogen-project-collapses-what-went-wrong-with-cq-h2/8571510/
2	https://www.reuters.com/sustainability/cop/india-issue-climate-risk-disclosure-rules-banks-next-few-months-sources-say-2025-07-18/
3	https://www.msn.com/en-us/money/markets/indias-assam-state-pauses-green-hydrogen-policy-in-setback-to-investors-sources-say/ar-AA1xaCs
4	https://www.msn.com/en-us/money/technology/india-eases-sulphur-emission-rules-for-coal-power-plants-reversing-decade-old-mandate/ar-AA1lt1W1
5	https://europa.eu/newsroom/ecpc-failover/pdf/statement-25-1851_en.pdf
6	https://www.reuters.com/sustainability/cop/un-vote-phase-out-fossil-fuels-tests-climate-commitments-2025-07-08/
7	https://www.reuters.com/sustainability/climate-energy/brazil-lawmakers-gut-environmental-permitting-ahead-cop30-summit-2025-07-17/
8	https://www.reuters.com/sustainability/climate-energy/china-signals-investment-brazil-led-global-forest-fund-sources-say-2025-07-04/
9	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1687
10	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1705
11	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1727
12	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1679
13	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1743
14	https://www.reuters.com/sustainability/climate-energy/germany-proposes-law-speed-up-geothermal-clean-heat-expansion-2025-07-04/
15	https://www.gov.uk/government/news/discount-of-up-to-3750-on-electric-cars-set-to-slash-costs-for-thousands
16	https://www.gov.uk/government/news/new-plan-to-kickstart-onshore-wind-revolution
17	https://www.nytimes.com/2025/07/22/climate/epa-endangerment-finding-rescind.html
18	https://www.reuters.com/sustainability/climate-energy/eu-eyes-more-cutbacks-environmental-laws-after-industry-criticism-2025-07-23/
19	https://www.reuters.com/world/trump-pulls-us-out-un-cultural-agency-unesco-second-time-2025-07-22/
20	https://www.reuters.com/business/energy/solar-wind-projects-us-lands-will-get-extra-scrutiny-2025-07-17/
21	https://www.consilium.europa.eu/en/press/press-releases/2025/07/24/joint-eu-china-press-statement-on-climate/
22	https://www.consilium.europa.eu/en/press/press-releases/2025/07/24/joint-eu-china-press-statement-on-climate/
23	https://www.bloomberg.com/news/articles/2025-07-29/saudi-plans-another-multibillion-dollar-green-hydrogen-plant

TRACKED POLICY SOURCES

24	https://www.reuters.com/sustainability/climate-energy/italy-approves-nearly-700-million-new-subsidies-evs-2025-08-08/
25	https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1939
26	https://www.reuters.com/sustainability/climate-energy/german-cabinet-approves-bill-accelerate-carbon-storage-infrastructure-2025-08-06/
27	https://www.msn.com/en-us/money/markets/germany-aims-to-reduce-reliance-on-china-for-wind-power-components/ar-AA1JWcPU
28	https://www.bundesregierung.de/breg-de/aktuelles/bundeshaushalt-2026-2374030
29	https://www.reuters.com/legal/litigation/trump-administration-will-end-7-billion-solar-energy-grant-program-2025-08-07/
30	https://en.antaranews.com/news/379445/indonesia-eyes-ccs-for-emissions-cuts-investment
31	https://www.straitstimes.com/asia/se-asia/indonesia-to-launch-crackdown-on-illegal-mines-in-forests
32	https://www.livemint.com/industry/green-financing/power-contract-models-to-boost-renewable-energy-target-pralhad-joshi-cfds-mezzanine-fos-11757830942620.html
33	https://www.livemint.com/auto-news/india-auto-emission-norms-global-path-net-zero-nitin-gadkari-cars-electric-vehicles-11757597789205.html
34	https://economictimes.indiatimes.com/industry/energy/power/india-to-offer-large-carbon-capture-incentives-as-coal-remains-major-part-of-energy-mix/articleshow/123824505.cms
35	https://www.reuters.com/sustainability/boards-policy-regulation/india-revokes-grid-access-17-gw-clean-energy-projects-says-source-2025-09-08/
36	https://economictimes.indiatimes.com/industry/renewables/seci-cancels-two-offshore-wind-energy-tenders/articleshow/123265468.cms
37	https://www.reuters.com/sustainability/climate-energy/japan-proposes-10-year-extension-offshore-wind-farm-leases-ease-cost-pressure-2025-08-26/
38	https://www.chosun.com/english/industry-en/2025/09/11/OJQY45QKWBBKRLWQ3NCT4ULINA/
39	https://www.jornada.com.mx/noticia/2025/09/10/economia/mexico-planea-reducir-por-lo-menos-212-millones-de-toneladas-de-co2-semarnat
40	https://carbonunits.com/news/brazil-sets-2026-target-for-national-carbon-credit-registry
41	https://onestopesg.com/esg-news/brazil-s-bndes-launches-3-3-billion-green-economy-fund-to-attract-global-climate-capital-1756757182582
42	https://www.unionesarda.it/en/quot-towards-a-coal-free-era-in-sardiniaquot-prime-minister-meloni-signs-the-decree-psslf0rc
43	https://www.reuters.com/sustainability/cop/finland-backs-eu-goal-slash-emissions-90-by-2040-2025-04-29/
44	https://www.dw.com/en/eu-to-fast-track-review-of-2035-fuel-engine-phase-out/a-73982027
45	https://www.reuters.com/sustainability/climate-energy/canada-may-drop-oil-emissions-cap-part-new-climate-plan-sources-say-2025-09-11/
46	https://renewablesnow.com/news/canadian-govt-to-back-indigenous-owned-solar-project-with-usd-24m-1280699/

TRACKED POLICY SOURCES

47	https://www.msn.com/en-gb/money/other/germany-to-scrap-fixed-tariffs-for-new-renewables-pivot-to-market-support/ar-AA1MzVna
48	https://www.msn.com/de-de/finanzen/top-stories/merz-gegen-einseitige-festlegung-bei-auto-klimazielen/ar-AA1Mba3G
49	https://www.reuters.com/sustainability/society-equity/german-cabinet-approves-exemptions-supply-chain-act-2025-09-03/
50	https://www.pm.gov.au/media/setting-australias-2035-climate-change-target
51	https://www.reuters.com/sustainability/climate-energy/chinas-carbon-market-introduce-absolute-emissions-caps-2027-2025-08-26/
52	https://www.reuters.com/sustainability/boards-policy-regulation/china-aims-nearly-double-battery-storage-by-2027-35-billion-plan-2025-09-12/
53	https://www.nytimes.com/2025/09/12/climate/epa-emissions-data-collection-halt.html
54	https://www.reuters.com/legal/government/us-appeals-court-hits-pause-challenges-sec-climate-rule-2025-09-12/
55	https://www.reuters.com/legal/litigation/us-asks-federal-court-cancel-permit-maryland-offshore-wind-farm-2025-09-12/
56	https://www.msn.com/en-us/news/world/trump-supports-nuclear-power-as-it-is-more-american-than-wind-solar-us-official-says/ar-AA1LXUGe
57	https://www.reuters.com/sustainability/climate-energy/trump-cancels-679-million-federal-funding-offshore-wind-projects-2025-08-29/
58	https://www.reuters.com/legal/litigation/us-appeals-court-allows-trumps-epa-nix-climate-grants-2025-09-02/
59	https://www.reuters.com/sustainability/climate-energy/trump-agencies-team-up-review-offshore-wind-kennedy-says-2025-08-26/
60	https://www.reuters.com/legal/litigation/trump-administration-unveils-stricter-subsidy-rules-wind-solar-projects-2025-08-15/
61	https://www.reuters.com/legal/litigation/us-sues-california-block-tough-emissions-standards-trucks-2025-08-15/
62	https://edition.cnn.com/2025/09/30/climate/coal-power-trump-public-lands
63	https://www.pbs.org/newshour/nation/trump-to-open-more-federal-land-for-coal-mining-provide-industry-625m-to-boost-coal-plants
64	https://www.msn.com/en-us/politics/government/trump-officials-shut-off-funding-for-climate-adaptation-centers/ar-AA1Ns3ki
65	https://www.reuters.com/legal/litigation/new-york-seeks-more-wind-solar-energy-before-federal-subsidies-expire-2025-09-26/
66	https://www.reuters.com/commentary/breakingviews/china-hides-climate-ambition-under-bushel-2025-09-25/
67	https://www.reuters.com/sustainability/climate-energy/us-intends-cancel-13-billion-funds-green-energy-2025-09-24/
68	https://www.reuters.com/sustainability/climate-energy/eu-will-delay-anti-deforestation-law-by-another-year-commissioner-says-2025-09-23/
69	https://www.reuters.com/sustainability/climate-energy/us-court-weighs-trump-halt-rhode-island-offshore-wind-project-2025-09-22/

TRACKED POLICY SOURCES

.....

70	https://www.msn.com/en-gb/money/other/germany-to-scrap-fixed-tariffs-for-new-renewables-pivot-to-market-support/ar-AA1MzVna
71	https://www.reuters.com/sustainability/cop/brazil-invest-1-billion-global-forest-fund-sources-say-2025-09-23/
72	https://www.reuters.com/business/energy/german-minister-says-tenders-new-carbon-cfds-worth-6-bln-eur-begin-next-week-2025-09-26/
73	https://www.bloomberg.com/news/articles/2025-09-15/australia-climate-risks-country-pledges-6-billion-to-tackle-rising-hazards
74	https://www.reuters.com/sustainability/climate-energy/indias-assam-state-scraps-clean-energy-policy-threatening-renewable-investment-2025-10-01/
75	https://unfccc.int/sites/default/files/2025-09/Nigeria%20NDC%203.0%20-%20Transimission%20Version%202.pdf
76	https://unfccc.int/sites/default/files/2025-09/%D0%A0%D0%A4%20%D0%B2%D1%82%D0%BE%D1%80%D0%BE%D0%B9%20%D0%9E%D0%9D%D0%A3%D0%92.pdf

DISCLAIMER



This report has been created by Energy Transition Advisers and Theia Finance Labs (The Inevitable Policy Response Consortium). This report represents the Inevitable Policy Response's own selection of applicable data. The Inevitable Policy Response is solely responsible for, and this report represents, such scenario selection, all assumptions underlying such selection, and all resulting findings, and conclusions and decisions.

The information contained in this report is meant for the purposes of information only and is not intended to be investment, legal, tax or other advice, nor is it intended to be relied upon in making an investment or other decision. This report is provided with the understanding that the authors and publishers are not providing advice on legal, economic, investment or other professional issues and services. Unless expressly stated otherwise, the opinions, recommendations, findings, interpretations and conclusions expressed in this report are those of the various contributors to the report and do not necessarily represent the views of PRI Association or the signatories to the Principles for Responsible Investment. The inclusion of company examples does not in any way constitute an endorsement of these organisations by PRI Association or the signatories to the Principles for Responsible Investment. While we have endeavoured to ensure that the information contained in this report has been obtained from reliable and up-to-date sources, the changing nature of statistics, laws, rules and regulations may result in delays, omissions or inaccuracies in information contained in this report. PRI Association is not responsible for any errors or omissions, or for any decision made or action taken based on information contained in this report or for any loss or damage arising from or caused by such decision or action. All information in this report is provided "as-is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, expressed or implied. The IPR consortium are not investment advisers and makes no representation regarding the advisability of investing in any particular company, investment fund or other vehicle.

The information contained in this research report does not constitute an offer to sell securities or the solicitation of an offer to buy, or recommendation for investment in, any securities within the United States or any other jurisdiction. This research report provides general information only. The information is not intended as financial advice, and decisions to invest should not be made in reliance on any of the statements set forth in this document. The IPR consortium shall not be liable for any claims or losses of any nature in connection with information contained in this document, including but not limited to, lost profits or punitive or consequential damages. The information and opinions in this report constitute a judgement as at the date indicated and are subject to change without notice. The information may therefore not be accurate or current. The information and opinions contained in this report have been compiled or arrived at from sources believed to be reliable in good faith, but no representation or warranty, express or implied, is made by the IPR consortium as to their accuracy, completeness or correctness and the IPR consortium do also not warrant that the information is up to date.

IPR CONTACTS

.....

Investor Enquiries:

Jakob Thoma, Project Director

jakob@theiafinance.org

Media Enquiries:

Andrew Whiley, Communications Manager

Andrew.Whiley@inevitablepolicyresponse.org

Social Media: Follow us at:

IPR Bluesky [@ipr-climate-policy.bsky.social](https://bsky.app/profile/ipr-climate-policy.bsky.social) search #iprforecasts

IPR LinkedIn [Inevitable Policy Response](https://www.linkedin.com/company/inevitable-policy-response/) search #iprforecasts



INEVITABLE
POLICY
RESPONSE

