
Quarterly Policy Forecast Tracker

“Energy security = climate”

Q4 2025 – Q2 2026 Policy Momentum

June 30, 2026

INEVITABLE POLICY RESPONSE NETWORK

The Principles for Responsible Investment (PRI) commissioned the Inevitable Policy Response in 2018 to advance the industry's knowledge of climate transition risk, and to support investors' efforts to incorporate climate risk into their portfolio assessments

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The IPR consortium is led by Energy Transition Advisers (ETA) & Theia Finance Labs. Analytics support is provided by Deloitte.

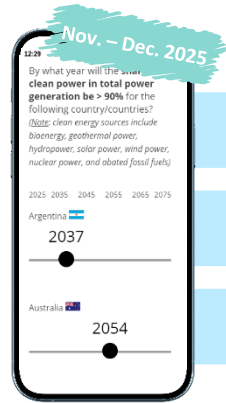


IPR benefits from the support of philanthropic funders, Strategic Partners across the industry, and non-profit research partners.



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

Climate Transition Expert Survey



375 Total climate expert participants

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

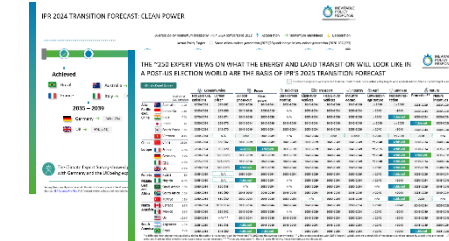
6 Sectors covered

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

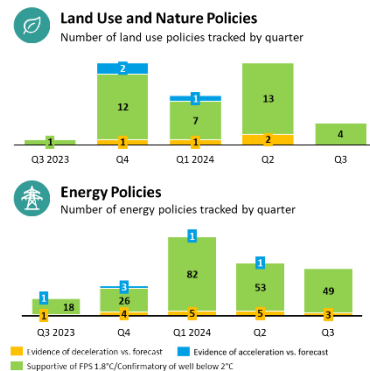
Transition Forecast

The median results of the 2025 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.**

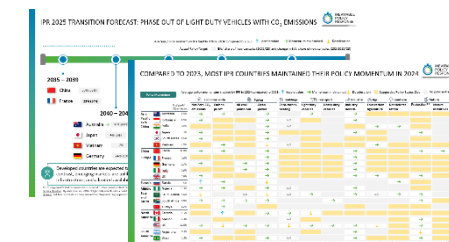
Policy Analysis

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

- ↑ Acceleration
- Momentum maintained
- ↓ Deceleration

Policy Momentum

The Quarterly Forecast Trackers (QFTs) are used to indicate directional shifts in policy momentum.



EXECUTIVE SUMMARY: CLIMATE POLICY AFTER THE US ELECTION AND MIDDLE EAST SHOCK

Despite ongoing US climate policy reversals, global climate policymaking remains active, driven largely by energy security concerns following the war in the Middle East. The anticipated negative spillover remains limited.



Eighteen months post-election, a divide between global and US climate policy still exists. While global momentum largely persists, the US federal government has **reversed climate policies more significantly than expected**, cutting clean energy funding, increasing support for coal and fossil fuel infrastructure, as well as weakening environmental protection. While the federal trajectory signals a significant deceleration of climate policies, **signs of resistance are emerging** as several states alongside federal courts actively fight these rollbacks. Simultaneously, local investments in clean energy projects like battery storage and solar continue to advance, raising hopes that these might become the new drivers of the US energy transition.



The anticipated **global spillover from US climate policy reversals has remained limited** and primarily affected policy sentiment rather than momentum. Driven by energy security concerns linked to the war in the Middle East, climate policymaking has increased: **globally, Q2 2026 saw more forecast-affirming climate policies** than at any time since the Trump inauguration, while forecast-decelerating policies have settled at a lower equilibrium. Recent wins include Mexico's net zero deforestation strategy, Brazil's and Vietnam's new national emissions trading systems, and COP31 aiming for a 35% by 2035 electrification goal. These developments show, that **climate policymaking remains active globally**.



India has emerged as the major question mark in global climate policy dynamics. While the country is laying the foundations for its clean energy transition through renewable targets, grid reforms, and green investments, these efforts are confronted with ongoing fossil fuel reliance. Plans to double steel capacity and expand coal to 307 GW by 2035 show that energy security and industrial growth remain top priorities. These developments make India reminiscent of China in 2021, when **clean technology deployment coexisted with industrial expansion, coal additions**, and open questions about the pace of structural decarbonization.

THE THREE TIPPING POINTS: GEOPOLITICS, POLICY SPILLOVER AND EMISSIONS PROFILES

The climate policy outlook is being reshaped by geopolitical shocks, limited negative policy spillover, and early signs that the traditional link between GDP growth, high-carbon assets, and emissions may be starting to fray

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1

The War in the Middle East is shaping up to be a second "Ukraine War" moment. But will energy security finally emerge as a core transition driver?

Our QFT has predictably shown a spike in climate policies in response to the War in Iran. Never before have geopolitical interests and low-carbon transition policies so obviously aligned. And while the War in Ukraine saw attempts at a European reset, this time it's global. Who can confidently predict a smooth opening of the Straits of Hormuz? Certainly for now, the policy momentum has reemerged as a forceful driver - at least in the short-term.

2

The US climate policy scaffold has largely been dismantled (for now). But will this spill over?

Our QFT continues to show a dismantling of US climate policy at a rate few if anybody predicted prior to the second election of Donald Trump. What is more, efforts to pressure other countries into abandoning climate commitments appear to be accelerating. But the War in the Middle East has not just changed the geopolitics of fossil fuels - it may also change the political influence of the United States. We are now 18 months into Trump's second term and while there has been visible softening in some areas (e.g. hydrogen), the expert forecasts are holding as most policy announcements confirm forecasts still.

3

Is the traditional relationship between GDP, high carbon assets, and emissions fraying?

A review of policy & technology trends increasingly resembles 'all over the above' with countries like India planning coal and renewables in tandem. The Chinese case suggests however that in the end, renewables will win the race, with coal utilization dropping over the past few years. If the economics continue to favour renewables in terms of marginal costs, we may see a larger drop in emissions profiles over the next 5-10 years than a simple look at coal capacity additions and historical utilization rates would suggest. And as demand and energy efficiency evolves, this trend could be amplified. Either way, the traditional linkages between GDP – high-carbon assets – emissions appears to be fraying.

OUR PREDICTION FOR 2030

The Inevitable Policy Response forecast is powered by our global panel of experts. But what do we think they will make of this?

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Energy security = climate

We think energy security will drive climate ambition. The Ukraine War may have been seen as a localized event, with rapid diversification mitigating the shock to Europe. But the Iran war is a global impact and the Straits of Hormuz are in play from now on.

Geopolitics and energy security have emerged as the strongest advocates for decarbonization. Crucially, this doesn't just change the economic incentives. It also changes the political incentives that drive opposition to climate policies



Financial market stakeholders are divided about the transition prospects. That uncertainty will have financial impacts.

While underlying economics favour transition outcomes, a binary narrative as to the shape of the transition being optimistic / pessimistic no longer works. Some markets will accelerate, some decelerate. Some sectors win, others lose. Even within sectors, the investment case will evolve along the value chain.

In this environment, transition risk is perhaps as high as it was pre-Paris Agreement. While oil & gas majors have benefited in the short-term, the prospect for low oil prices in the medium-term responding to over supply and demand destruction has gone up.



Emissions are going down

The financial winners and losers are unclear. The exact shape of the transition will be shaped by the choices companies, governments, and households make over the rest of the decade.

But what was true when IPR launched in 2019 is still true today: The climate reality will force our hand, emissions will start going down this decade, consistent with the prediction of the IPR experts, and while 1.5°C is moving out of reach, net zero this century is the base case.



Policy Momentum

Relative assessment of tracked policies against IPR's
2026 Transition Forecast

IPR'S RECENTLY PUBLISHED 2026 TRANSITION FORECAST IS BUILT ON 375 EXPERT VIEWS ON WHAT THE ENERGY & LAND TRANSITION WILL LOOK LIKE IN A POST-US ELECTION WORLD

 Forecast not applicable  Insufficient responses were received to deem results robust

			 Economy wide	 Power	 Buildings	 Transport		 Industry	 Land use	 Nature
			Net Zero CO ₂ emissions	Clean power	Zero carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Net deforestation	Protection*
Asia Pacific excl. China	 Australia		2050 – 2054	2045 – 2049	2035 – 2039	2045 – 2049	2045 – 2049	2045 – 2049	2035 – 39	2035 – 2039
	 Indonesia		2060 – 2064	2055 – 2059	N/A	2045 – 2049	2055 – 2059	2050 – 2054	>2040	2050 – 2054
	 India		2065 – 2069	2055 – 2059	N/A	2045 – 2049	2055 – 2059	2055 – 2059	Achieved	2035 – 2039
	 Japan		2050 – 2054	2045 – 2049	2040 – 2044	2045 – 2049	2045 – 2049	2050 – 2054	2030 – 2034	Achieved
	 South Korea		2050 – 2054	2045 – 2049	2045 – 2049	2045 – 2049	2050 – 2054	2050 – 2054	>2040	2035 – 2039
	 Vietnam		N/A	N/A	N/A	2045 – 2049	2050 – 2054	2050 – 2054	>2040	2060 – 2064
China	 China		2060 – 2064	2045 – 2049	2040 – 2044	2035 – 2039	2040 – 2044	2045 – 2049	Achieved	2030 – 2034
Europe	 France		2050 – 2054	Achieved	2040 – 2044	2040 – 2044	2045 – 2049	2050 – 2054	Achieved	2035 – 2039
	 Germany		2050 – 2054	2035 – 2039	2040 – 2044	2040 – 2044	2045 – 2049	2045 – 2049	Achieved	Achieved
	 Italy		2055 – 2059	N/A	2040 – 2044	2050 – 2054	2050 – 2054	2050 – 2054	Achieved	2040 – 2044
	 UK		2050 – 2054	2035 – 2039	2040 – 2044	2035 – 2039	2040 – 2044	2040 – 2044	Achieved	2040 – 2044
Eurasia	 Russia		N/A	N/A	N/A	N/A	N/A	N/A	Achieved	N/A
Middle East and Africa	 Nigeria		2055 – 2059	2045 – 2049	N/A	2050 – 2054	2050 – 2054	2050 – 2054	>2040	2040 – 2044
	 Saudi Arabia		2050 – 2054	2050 – 2054	N/A	2045 – 2049	2040 – 2044	2055 – 2059	Achieved	2030 – 2034
	 South Africa		2065 – 2069	2055 – 2059	2040 – 2044	2055 – 2059	2055 – 2059	2045 – 2049	2030 – 2034	2040 – 2044
	 Türkiye		2060 – 2064	2050 – 2054	2050 – 2054	N/A	2065 – 2069	2055 – 2059	Achieved	2050 – 2054
North America	 Canada		2050 – 2054	2035 – 2039	2040 – 2044	2040 – 2044	2050 – 2054	2045 – 2049	2035 – 39	2040 – 2044
	 Mexico		2055 – 2059	2045 – 2049	N/A	2045 – 2049	2065 – 2069	2050 – 2054	>2040	2050 – 2054
	 US		2060 – 2064	2050 – 2054	2045 – 2049	2050 – 2054	2050 – 2054	2050 – 2054	>2040	2045 – 2049
South America	 Argentina		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	 Brazil		2050 – 2054	Achieved	N/A	2045 – 2049	2050 – 2054	2050 – 2054	2035 – 39	Achieved

* 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.

IPR USES A FIVE-POINT SCORING SYSTEM TO RATE THE ALIGNMENT OF TRACKED POLICY DEVELOPMENTS WITH EXPERTS' VIEWS COVERED IN THE 2026 TRANSITION FORECAST

The Quarterly Forecast Tracker (QFT) provides a **quarterly scoring** vis-à-vis the forecast.
IPR scores each policy **based on the relation of the policy** to the IPR 2026 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

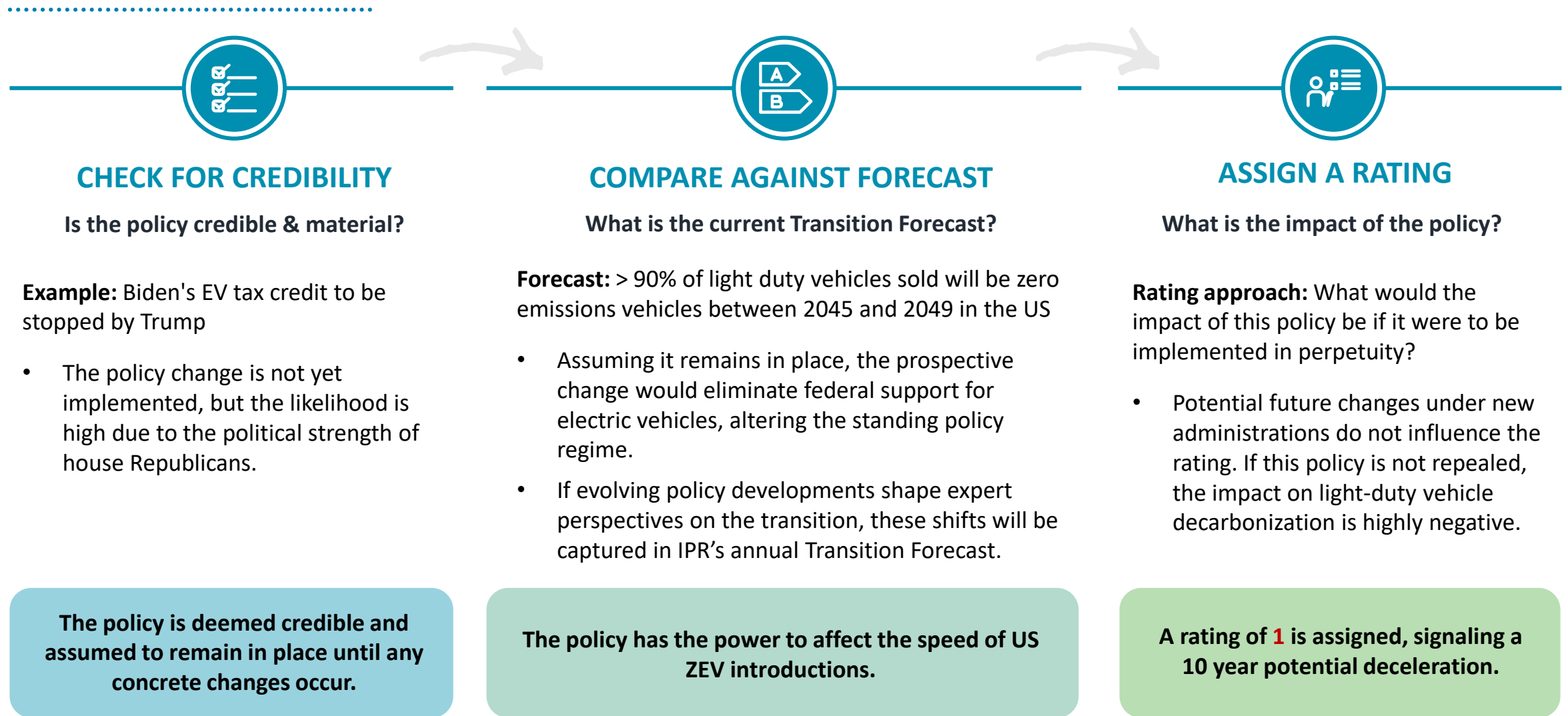
The ‘scoring approach’ is based on **the policy as is**. It does not assess a) whether the policy is **likely to be overturned** due to a judicial process (if implemented), **b)** Whether the policy **will remain in place in the future** under new jurisdictions, nor **c)** whether the policy will eventually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

3

EXAMPLE OF SCORING APPROACH

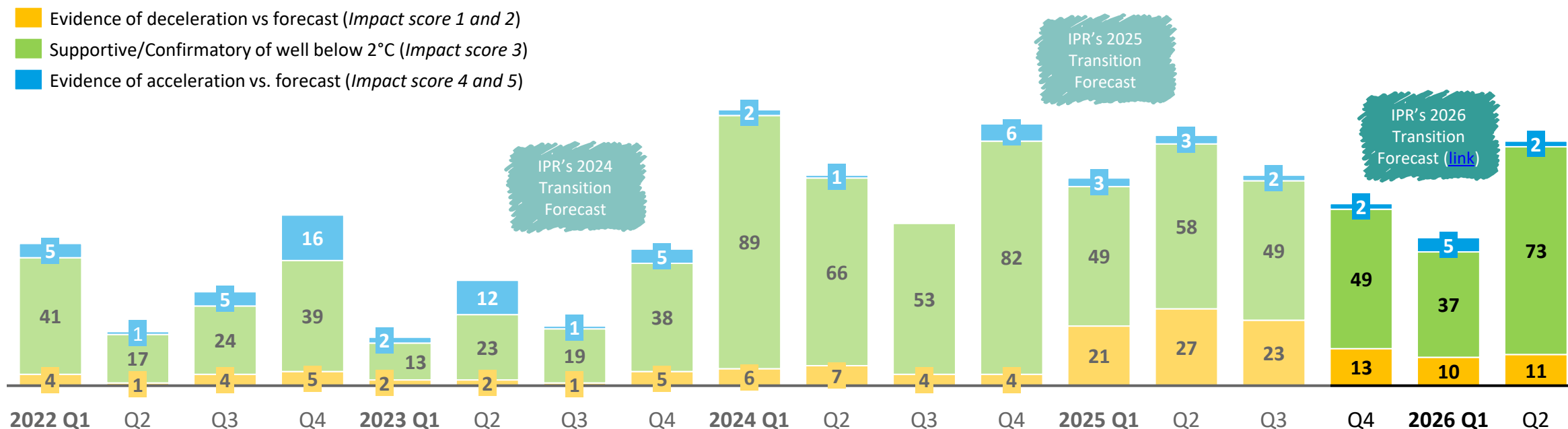
Example: A policy may be put in place and **scored as a “1”** without necessarily invalidating the forecast as experts may believe the **policy will eventually be overturned, adjusted**, or other conditions will cause the forecast to be achieved despite the policy.

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



IPR TRACKED 202 CREDIBLE AND MATERIAL POLICY ANNOUNCEMENTS ACROSS Q4 2025, Q1 & Q2 2026, WITH Q2 2026 SHOWING A 65% INCREASE IN POLICY DEVELOPMENTS COMPARED TO Q1 2026 — PRIMARILY DRIVEN BY THE IRAN WAR AND GLOBAL ENERGY CRISIS

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



- Tracked policy announcements and finalized legislation counts are lower in the first half of 2026 than they were in Q1 & Q2 2025. This can be attributed to an ongoing trend of changing sentiment around climate policy and shifting governmental priorities caused by the Iran war and the resulting global energy crisis.
- The US accounted for almost half of the tracked policy reversals (48%), with other nations dismantling environmental monitoring, rolling back fossil fuel phase-outs and emissions limits, cancelling EV sales targets, and removing renewable energy subsidies.

BASED ON THE POLICIES TRACKED, THE GLOBAL POLICY DYNAMIC REMAINS DIVIDED, WITH THE UNITED STATES AND INDIA SHOWING THE MOST SECTORAL DECELERATIONS

Policy Momentum

Average policy momentum in Q4 2025, Q1 & Q2 2026 compared to Transition Forecast: ↑ Acceleration → Momentum maintained ↓ Deceleration Policies tracked before Q4 2025 No policies tracked

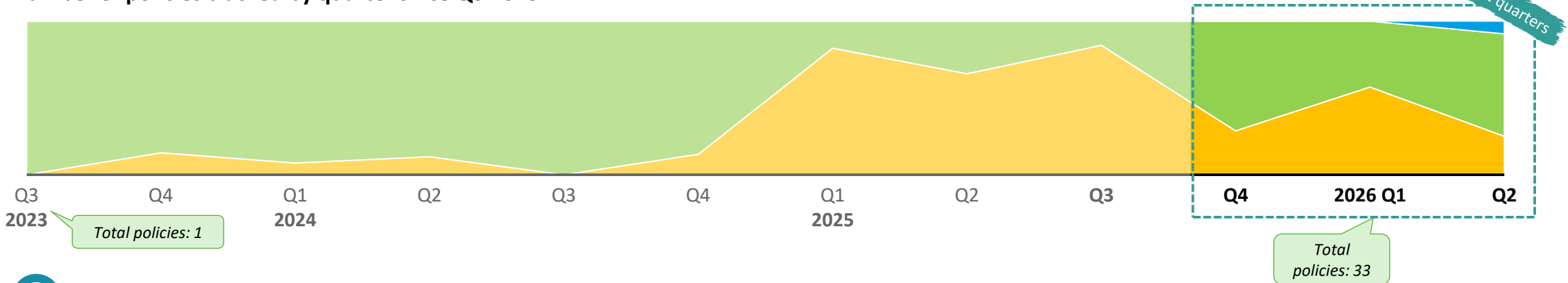
				Economy wide	Power	Buildings	Transport		Industry	Land use	Nature
				Net Zero CO ₂ emissions	Clean power	Zero carbon heating	Light duty vehicles	Heavy duty vehicles	Industry decarb.	Net deforestation	Protection*
Asia Pacific excl. China		Australia	1.0%		→				→		→
		Indonesia	1.8%		→	N/A			→	→	
		India	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				↑	
		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 TRACKED 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

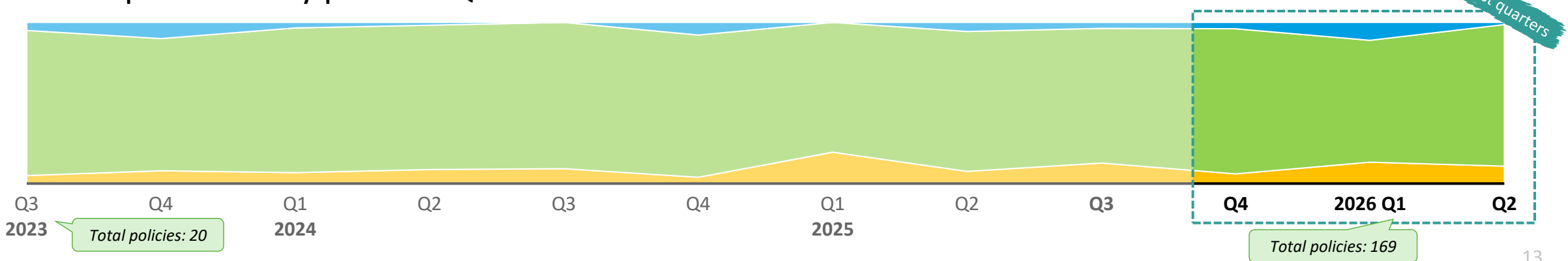
Evidence of deceleration Supportive/confirmatory of well-below 2C Evidence of acceleration



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

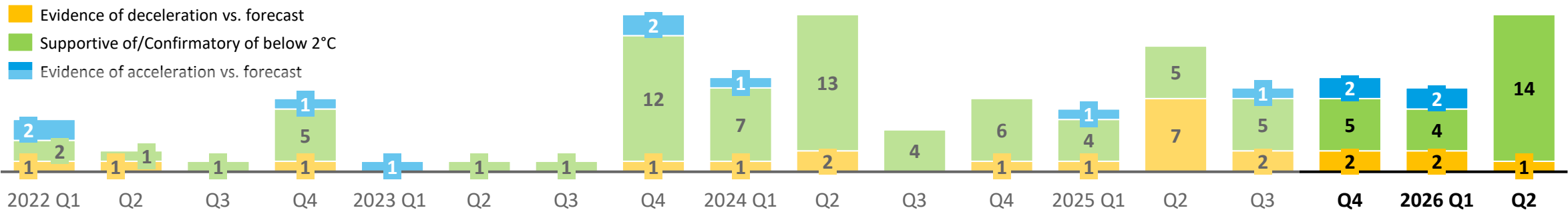


TRACKED CREDIBLE & MATERIAL POLICIES FOR LAND HAVE INCREASED BY 25% SINCE Q2 2025
COMPARATIVELY, WHILE TRACKED ENERGY POLICIES DECREASED BY ~1% SINCE Q2 2025



Land Use and Nature Policies

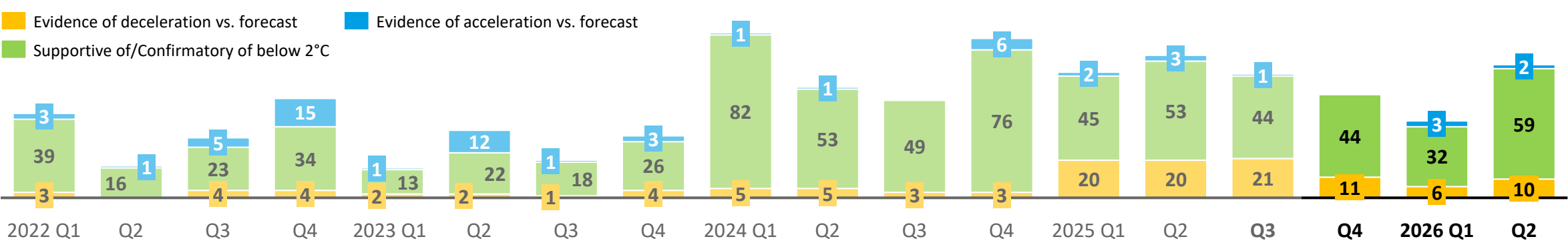
Number of land use policies tracked by quarter





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

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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.

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.

Negative Sentiment

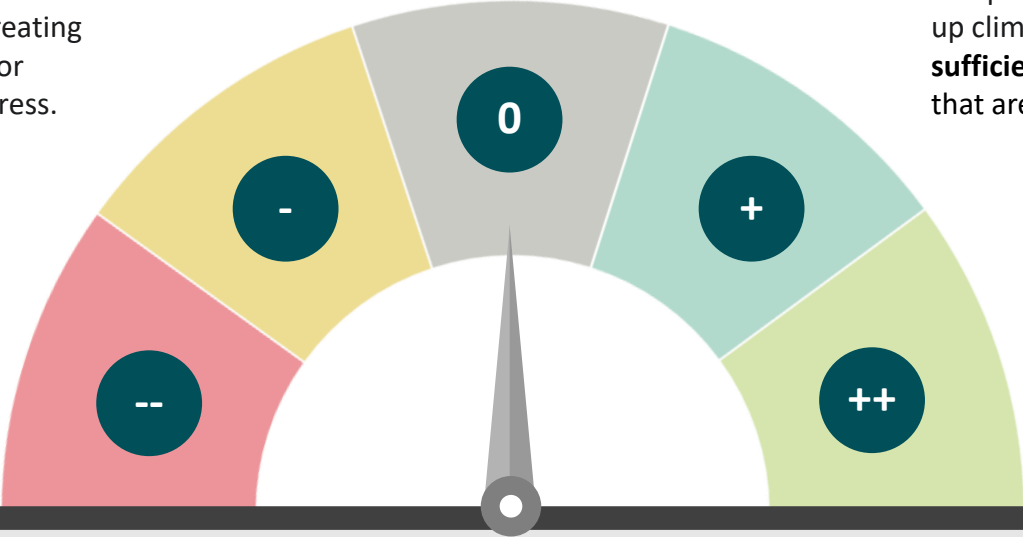
The policy’s messaging conveys the intent to moderately slowdown climate action, creating new **obstacles, implementation delays or insufficient measures** that impede progress.

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.



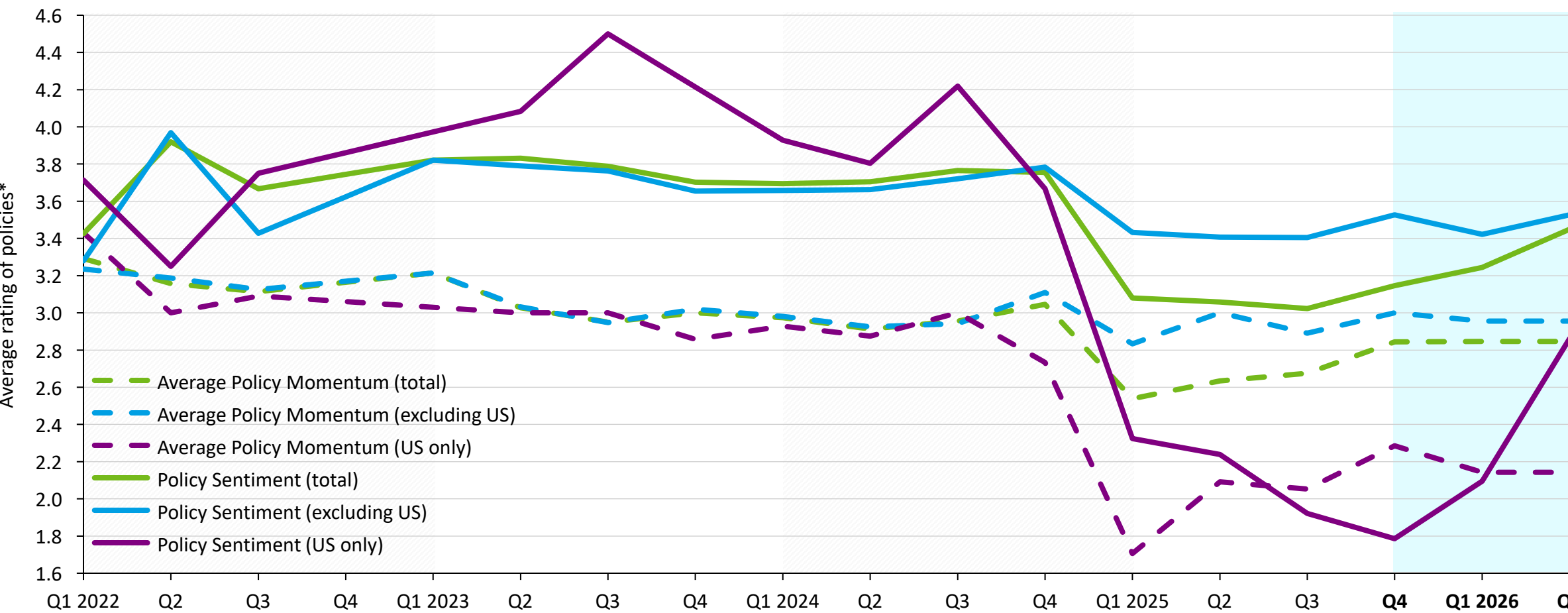
POLICY SENTIMENT SCORE

= 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

US Policy Momentum reached its lowest level in Q4 2025, but rebounded since then, mainly reflecting growing resistance from several states and federal courts. Nevertheless, US Policy Sentiment has slightly decreased since Q4 2025. In comparison, non-US momentum and sentiment have remained broadly stable over the last four quarters



* 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](#).



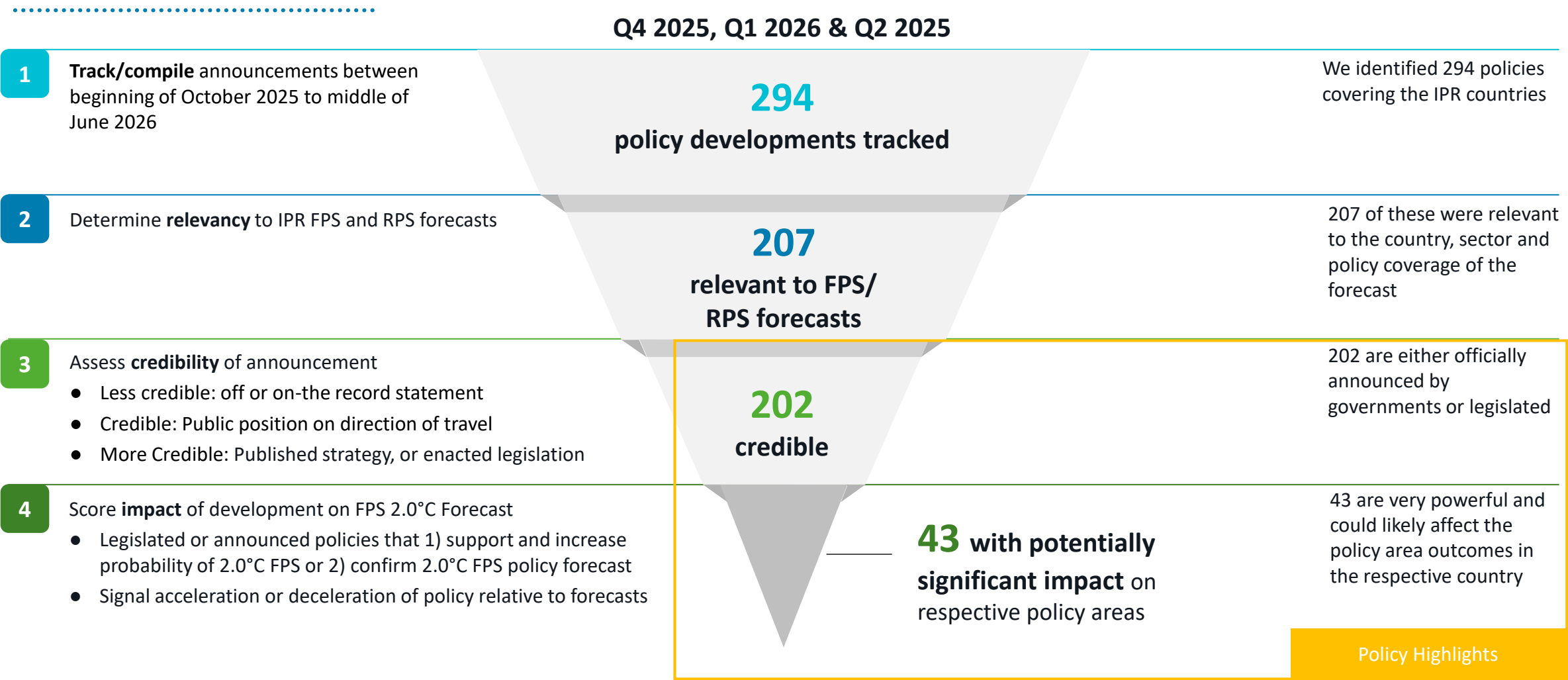
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X 2026 IPR forecasts

- 1 Energy and land use policy forecast tracking for Q4 2025, Q1 2026, and Q2 2026
- 2 Detailed individual policies & methods for key credible and material policy announcements during Q4 2025, Q1 2026, and Q2 2026

202 POLICY DEVELOPMENTS FROM OCTOBER 2025 – JUNE 2026

We identified 294 policies of interest, focusing on the 202 most credible and material, with 43 of these policies likely impacting policy area outcomes





Policy Highlights for Q4 2025

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

Q4 2025 POLICY HIGHLIGHTS – POTENTIAL (SIGNIFICANT) ACCELERATION

Mexico's Institutional Program 2025-2030 is a comprehensive national strategy to achieve net-zero deforestation by 2030. Simultaneously, its new deforestation-free avocado export program targets a major driver of forest loss

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Region	Policy Area*	Development	Forecast	Impact	Details
 Mexico	Net deforestation ANN	Mexico formalized the Institutional Program 2025-2030 to achieve nationwide net-zero deforestation by 2030.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by > 2040.	5	Mexico's formalization of a comprehensive national strategy to achieve net-zero deforestation by 2030 dramatically outpaces the defined forecast target of >2040. By establishing a regulatory framework, deploying 13 strategic tracking indicators, and actively combating illegal logging, the government is fast-tracking its environmental restoration efforts.
	Net deforestation ANN	Mexico launched a deforestation-free agricultural export program to regulate the country's nearly 3 million tons of annual avocado production.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by > 2040.	4	By explicitly legislating a strict, near-term ban on deforestation within the avocado export industry, Mexico is targeting one of its drivers of forest loss. Establishing a formal Technical Committee to actively enforce these standards halts high-impact agricultural land conversion decades ahead of the >2040 forecast.

*: Policy ANN = Announced / Policy LEG = Legislated

Q4 2025 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Regulatory rollbacks, weakened standards, and reduced clean energy incentives in Canada, Europe, Japan, and the United States indicate an increasingly favouring of fossil fuel interests

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Region	Policy Area*	Development	Forecast	Impact	Details
 Canada	Net zero CO ₂ emissions LEG	Canada rolls back oil and gas emissions cap in deal with Alberta.	Policy delivers net zero CO ₂ emissions by 2050-2054.	2	The rollback of federal emissions caps and the facilitation of new pipeline infrastructure specifically target the oil and gas extraction and export sectors.
 Europe	General ANN	EU scales back two flagship sustainability disclosure laws after industry pressure.	N/A	2	Drastically raised thresholds for key sustainability directives and removing mandatory net-zero transition plans weaken regulatory oversight, reduce transparency, and slow decarbonization.
 Japan	Clean Power ANN	Japan to tighten mega-solar project regulations.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	Discontinuing feed-in tariffs and premium schemes for commercial solar projects, alongside expanding burdensome environmental assessments, removes critical economic incentives and introduces regulatory friction.
 US	General ANN	Trump Admin Aims to Roll Back Limits on Deadly Air Pollution.	N/A	2	Abandoning stricter PM2.5 standards weakens environmental regulation and public health protection, marking a clear rollback and slowdown in governance.
	Net zero CO ₂ emissions ANN	US seeks exemption for oil and gas imports from EU methane rules.	Policy delivers net zero CO ₂ emissions by 2060-2064.	2	The action targets trade compliance and methane reporting, with LNG export protection prioritizing fossil fuel trade and hindering US decarbonization.

*: Policy ANN = Announced / Policy LEG = Legislated

Q4 2025 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

The U.S. is slowing down its climate ambitions by delaying and rolling back vehicle standards, cutting clean energy funding, and weakening environmental protections

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Region	Policy Area*	Development	Forecast	Impact	Details
 US	Light duty vehicles ANN	US EPA planning to delay enforcing Biden vehicle pollution rule.	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 2045-2049.	2	Delaying stringent near-term vehicle pollution standards by two years weakens pressure on automakers, slowing EV uptake and stalling transition momentum.
	Light duty vehicles ANN	US proposes sharp cut to vehicle fuel economy standards.	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 2045-2049.	2	Slashing the 2031 fuel economy standard from 50.4 to 34.5 mpg removes a key federal driver for fleet electrification, stalling EV uptake and undermining the path to 2050–2054 targets.
	Light duty vehicles ANN	US weighs cancelling major clean energy funding.	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 2045-2049.	2	Cutting federal funding for EV manufacturing, carbon capture infrastructure, and state climate programs withdraws critical capital, significantly delaying transportation electrification and slowing overall decarbonization progress.
	Protection & restoration LEG	US Congress repeals Biden-era limits on oil and gas in Alaska wildlife refuge.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	2	Opening the 1.56-million-acre Coastal Plain to oil and gas leasing represents a localized setback for wilderness preservation.
	Protection & restoration ANN	Trump administration proposes to loosen rules protecting endangered species	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	2	Loosening the regulatory criteria for endangered species protections and critical habitat designations reflects an unsupportive environment for biodiversity.

*: Policy ANN = Announced / Policy LEG = Legislated

Q4 2025 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

The US is announcing regulatory easing for coal, increased support for fossil fuel infrastructure, and cuts to clean energy funding collectively prolonging fossil fuel reliance and delaying the shift to low-carbon power

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Region	Policy Area*	Development	Forecast	Impact	Details
 US	Clean Power ANN	Trump seeks to ease US regulations for coal-fired power plants.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	2	Easing key environmental regulations, like extending coal ash deadlines and scrapping PM standards, lowers costs for aging coal plants, prolongs fossil generation, and slows the shift to >90% low-carbon power.
	Clean Power ANN	Trump administration announces \$100 million in funding to upgrade coal plants.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	2	Providing direct federal subsidies to refurbish, upgrade, and extend coal plant lifespans disrupts market-driven retirements and deliberately prolongs the viability of unabated coal, delaying the national energy transition.
	Clean Power ANN	Trump administration cancels \$7.6 billion in clean energy projects	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	2	The abrupt cancellation of \$7.56 billion in federal funding creates a negative environment for clean energy research and early-stage deployment.

*: Policy ANN = Announced / Policy LEG = Legislated



Policy Highlights for Q1 2026

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

Q1 2026 POLICY HIGHLIGHTS – POTENTIAL ACCELERATION

Developments in Brazil, Canada, Mexico, Saudi Arabia, and Vietnam include expanded carbon pricing, large-scale conservation efforts, electrification of transport, and afforestation initiatives

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Region	Policy Area*	Development	Forecast	Impact	Details
 Brazil	Carbon Price ANN	Brazil is establishing a national Greenhouse Gas Emissions Trading System.	Explicit carbon price signal or backstop covering industry and power in 2030.	4	The establishment of a comprehensive national Greenhouse Gas Emissions Trading System covering seven key economic sectors and six primary greenhouse gases is a substantial regulatory mechanism.
 Canada	Protection & restoration LEG	Canada aims to double areas protected from development by 2030.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040-2044.	4	The launch of a fully funded C\$3.8 billion nature strategy designed explicitly to increase terrestrial conservation from 14% to 30% by 2030 acts as a massive catalyst for the nation's environmental agenda.
 Mexico	Heavy duty vehicles ANN	Mexico City switches from diesel to electric buses to curb pollution.	Policy ends the sale of >90% of new heavy-duty vehicles with CO ₂ emissions. (I.e., >90% of new sales are ZEVs) by 2065-2069.	4	Mexico City's transition of its public transportation network from diesel to electric buses represents an ambitious sub-national advancement accelerating the broader national progression toward the 2065-2069 zero-emission heavy-duty vehicle forecast.
 Saudi Arabia	Net deforestation ANN	Saudi Arabia wants to plant 10 billion trees in the desert to mitigate climate change.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	4	The ambitious environmental strategy to rehabilitate 74 million hectares and plant billions of trees is an ambitious afforestation effort, which accelerates the transition forecast.
 Vietnam	Carbon Price ANN	Vietnam is establishing a domestic carbon trading exchange framework.	Explicit carbon price signal or backstop covering industry and power in 2030.	4	The formal issuance of a decree to establish a domestic carbon trading exchange provides the essential regulatory and financial architecture needed to price carbon and manage emissions.

*: Policy ANN = Announced / Policy LEG = Legislated

Q1 2026 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Reduced international climate finance, weakened forest monitoring, and policy shifts in India, Japan, and Mexico hinder clean energy deployment and are in favour of fossil fuel use

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Region	Policy Area*	Development	Forecast	Impact	Details
 Global	Protection & restoration ANN	Global climate finance set to shrink as UK cuts overseas programs.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	2	Scaling back international climate finance, significantly narrowing the scope of the Biodiverse Landscapes Fund, and reducing future funding cycles points to a broader regression negatively impacting the achievement of multiple countries' forecast target.
 India	Net deforestation ANN	India halts real-time deforestation alerts system.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	2	Halting near-real-time satellite monitoring and alerts for forest loss removes a key oversight tool, risking progress toward maintaining India's achieved net deforestation target.
	Clean Power ANN	India delays coal flexibility plan.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	2	Delaying the requirement for coal plants to reduce output during peak solar generation forces solar curtailment, undermines efficient low-carbon dispatch, and slows the shift away from fossil fuel baseload.
 Japan	Clean Power ANN	Japan to boost coal-fired power.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	Temporarily lifting environmental regulations that capped the operating rate of high-emitting, older coal-fired power stations directly increases the dispatch of carbon-intensive electricity.
 Mexico	Clean Power ANN	Mexico Supreme Court backs state power priority in energy law.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	2	The Supreme Court ruling prioritizing fossil-heavy state grid dispatch over cheaper private renewables hinders the clean energy transition and slows progress toward a >90% low-carbon grid.

*: Policy ANN = Announced / Policy LEG = Legislated

Q1 2026 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Delays in upholding key regulatory foundations and the easing of emissions limits on coal power plants weaken climate policy enforcement and slow the transition to a low-carbon energy system in the US

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Region	Policy Area*	Development	Forecast	Impact	Details
 US	Net Zero CO ₂ emissions ANN	Officials delay repeal of key climate finding.	Policy delivers net zero CO ₂ emissions by 2060-2064.	2	Although the repeal of the 2009 EPA endangerment finding is delayed due to legal risks, efforts to dismantle this core basis for regulating greenhouse gases and roll back vehicle emissions rules hinder progress toward the 2060-2064 net-zero target.
	Clean Power ANN	Trump's EPA eases limits on coal plant emissions.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	2	The federal deregulation of toxic emissions from coal plants and the issuance of emergency orders to halt planned coal plant shutdowns hinders the retirement of legacy assets and directly decelerates the United States' progress toward a >90% low-carbon grid.

*: Policy ANN = Announced / Policy LEG = Legislated

Q1 2026 POLICY HIGHLIGHTS – POTENTIAL SIGNIFICANT DECELERATION

Rollbacks of heating standards, weakened efficiency rules, and new legislative barriers to international cooperation undermine emissions reduction pathways in Germany and the US

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Region	Policy Area*	Development	Forecast	Impact	Details
 Germany	Zero-carbon heating ANN	German coalition agrees to row back on climate rules for new heating.	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2035-2039.	1	The coalition government's rollback of environmental reforms and renewed allowance of oil and gas heating contradict the fossil phase-out, delaying stronger quotas and slowing Germany's path to its 2040-2044 target.
 US	Net Zero CO ₂ emissions ANN	US Republicans introduce bill to require Senate approval for climate treaties.	Policy delivers net zero CO ₂ emissions by 2060-2064.	1	The introduction of legislation designed to mandate a two-thirds Senate majority for international climate agreements creates severe legislative hurdles for global climate cooperation.
	Zero-carbon heating ANN	US judge strikes down Biden-era home energy efficiency standards.	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2045-2049.	1	Striking down energy efficiency rules that drive electrified, zero-carbon heating limits federal leverage over housing standards and slows progress toward the 2045-2049 target.

*: Policy ANN = Announced / Policy LEG = Legislated



Policy Highlights for Q2 2026

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

Q2 2026 POLICY HIGHLIGHTS – POTENTIAL ACCELERATION

France and its allies are firmly defending the strict 2035 phase-out of combustion engine vehicles, while the EU Commission has officially approved a €23 billion scheme to massively expand Italy's renewable energy capacity

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Region	Policy Area*	Development	Forecast	Impact	Details
 EU	Light duty vehicles ANN	France and others oppose further easing of emissions limits 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.	4	Among others, France supports keeping the EU's 2035 combustion engine ban, which is stricter than the 2040-2044 forecast and could accelerate the transition.
 Italy	Clean power LEG	European Commission approves 23 billion Italian renewable energy support scheme.	Policy delivers dispatched generation of >90% low-carbon power.	4	The European Commission's approval of a €23 billion State aid scheme to deploy 37.15 GW of new renewable capacity via Contracts for Difference is a supportive funding mechanism.

*: Policy ANN = Announced / Policy LEG = Legislated

Q2 2026 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Weakened environmental enforcement, diluted carbon market mechanisms, and policy choices that discourage renewable investment or increase industrial emissions risk slowing decarbonization efforts in Brazil and India

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Region	Policy Area*	Development	Forecast	Impact	Details
 Brazil	Net deforestation LEG	Brazil moves to restrict use of satellite data in environmental enforcement.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	2	Banning environmental authorities from using satellite imagery as primary evidence weakens Brazil's ability to combat illegal logging, dismantles oversight, and risks higher deforestation.
	Carbon Price LEG	Brazil court ruling weakens carbon market by scrapping mandatory credit investments.	Explicit carbon price signal or backstop covering industry and power in 2030.	2	The Brazilian Supreme Court's ruling scrapping mandatory carbon credit investments removes a key funding source, limiting market liquidity and slowing large-scale decarbonization.
 India	Industry decarbonization ANN	India's steel expansion risks driving higher emissions.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	2	The plan to more than double crude steel capacity to 400 million tons, requiring major investment, risks driving higher overall emissions despite efficiency gains.
	Net Zero CO ₂ emissions LEG	India raises climate ambition with higher clean energy target for 2035.	Policy delivers net zero CO ₂ emissions by 2065-2069.	2	While India upgraded its interim 2035 targets for clean energy capacity and emissions intensity, the policy explicitly maintains the long-term goal of reaching net-zero emissions by 2070.
	Clean Power ANN	India tightens grid rules with higher penalties for renewables	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	2	Strict grid discipline rules penalizing renewable developers for delivery shortfalls risk major revenue losses, deter investment, and slow progress toward the 2055-2059 clean power target.

*: Policy ANN = Announced / Policy LEG = Legislated

Q2 2026 POLICY HIGHLIGHTS – POTENTIAL DECELERATION

Weakened carbon pricing signals, reduced climate transparency, and slower national targets in Nigeria, the UK, and the US collectively hinder decarbonization momentum

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Region	Policy Area*	Development	Forecast	Impact	Details
 Nigeria	Net Zero CO ₂ emissions ANN	Nigeria anchors climate strategy to 2070, slowing decarbonization pace.	Policy delivers net zero CO ₂ emissions by 2055-2059.	2	Nigeria's Net Zero Investment Plan mobilizes climate finance, but its 2070 net-zero target is later than the 2065-2069 forecast, signaling a slower decarbonization.
 UK	Clean Power ANN	Britain to scrap carbon tax on electricity generation.	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	2	Scrapping the Carbon Price Support tax removes a key penalty on fossil fuel power, makes gas generation cheaper, and slows progress toward the >90% low-carbon power target.
	Carbon Price ANN	Ministers in talks over shelving carbon tax on fertiliser to curb UK food inflation.	Explicit carbon price signal or backstop covering industry and power in 2030.	2	The UK's proposed suspension of the CBAM on fertilizers removes a key carbon pricing signal, shielding high-emission imports and slowing the shift to greener agricultural inputs.
 US	Net Zero CO ₂ emissions ANN	US Justice Department challenges Minnesota over climate regulation efforts.	Policy delivers net zero CO ₂ emissions by 2060-2064.	2	The federal government's legal intervention to suppress Minnesota's state-level efforts to regulate greenhouse gases and hold energy companies accountable is a direct impediment to climate action.
	Net Zero CO ₂ emissions ANN	SEC moves to repeal rule that requires companies to report greenhouse gas emissions and climate risk.	Policy delivers net zero CO ₂ emissions by 2060-2064.	2	The SEC's proposal to repeal the corporate climate disclosure rule removes a key mechanism for tracking emissions, reduces transparency, and weakens pressure to shift capital toward low-carbon technologies.
	Clean power ANN	Trump Forces Costly Coal Plant to Run Past Retirement, Raising Costs for Everyday Customers.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	2	The federal use of an "energy emergency" to mandate the continued operation of a single coal plant is a negative regulatory development that overrides local renewable commitments.

*: Policy ANN = Announced / Policy LEG = Legislated

Technology and Implementation Development for Q4 2025, Q1 2026 & Q2 2026

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



Q4 2025, Q1 2026, AND Q2 2026 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

Australia, Brazil, and Canada are projected to fall short of their critical climate and environmental targets, a challenge compounded by a massive 161GW surge in new coal plant proposals in China

Region	Policy Area	Development	Forecast	Details	Trend
 Australia	Net zero CO ₂ emissions	Australia likely to miss 2030, 2035 climate targets.	Policy delivers net zero CO ₂ emissions.	A study shows that Australia will miss its 2035 target of cutting emissions by 62 to 70 percent, with current projections predicting only a 48 percent reduction over the decade. Political opposition is growing as the Conservative Coalition recently abandoned its commitment to reach net-zero emissions by 2050.	
 Brazil	Net deforestation	Despite gains combating deforestation in Brazil's Amazon, forest degradation is a looming threat.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	Experts warn that forest degradation driven by wildfires and drought now affects approximately 40% of the rainforest. Scientists estimate that between 10% and 47% of the Amazon could reach a critical tipping point by 2050.	
 Canada	Net zero CO ₂ emissions	Canada will fall significantly short of its legally binding 2030 climate goals.	Policy delivers net zero CO ₂ emissions.	Canada is projected to reduce its GHG emissions by only 21 percent by the end of the decade, falling short of its official target of a 40 to 45 percent reduction. If the government successfully implements additional climate policies, projections indicate the country could achieve a 28 percent reduction in emissions.	
 China	Clean power	Surge in China's coal plants amid record green energy progress.	Policy delivers dispatched generation of >90% low-carbon power.	New coal project proposals reached 161GW in 2025, contributing to a 291GW pipeline that represents 23 per cent of the country's current operational coal fleet. This contrasts with the record installation of 434GW of wind and solar capacity in 2025, which has pushed coal plant utilization to a record low of 47 per cent.	

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

Q4 2025, Q1 2026, AND Q2 2026 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

Climate initiatives face headwinds as Germany struggles to meet emissions targets due to lagging transport and building sectors, India delays its key green hydrogen goals, and the EU contends with uneven electric vehicle adoption

Region	Policy Area	Development	Forecast	Details	Trend
 EU	Light duty vehicles	Europe's leaders and laggards in electric vehicle sales.	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.	During the first half of 2025, electric vehicle sales in Norway reached 94 percent, whereas electric vehicle adoption in southern and eastern European nations like Croatia stands at just 1 percent. Across much of the European continent, the overall electric vehicle take-up rate remained in the low- to mid-single digits.	
 Germany	Net zero CO ₂ emissions	German emissions fell only modestly in 2025 due to buildings and transport.	Policy delivers net zero CO ₂ emissions.	Germany's greenhouse gas emissions decreased by only 1.5% in 2025, reaching 640 million metric tons as slow progress in the transport and building sectors hindered broader climate goals. Although Germany hit its annual emissions goal last year, those cuts were less than half the size of 2024's reductions.	
	Net zero CO ₂ emissions	Germany risks missing climate targets: draft action plan.	Policy delivers net zero CO ₂ emissions.	A leaked government draft reveals that Germany is projected to miss its legally binding goals to cut GHG emissions by 65% by 2030 and achieve net neutrality by 2045. Politicians highlight gaps in the transport and building sectors, which are projected to miss 2030 targets by nearly 280 million tonnes of CO₂.	
 India	Industry decarbonization	India may defer its 5-million-tonne green hydrogen target to FY32 amid global policy delays.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions.	Due to ongoing global uncertainties, government officials project that India will miss its target to achieve 5 million metric tonnes of annual green hydrogen production capacity by the year 2030. The target is officially expected to be delayed by two years.	

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

Q4 2025, Q1 2026, AND Q2 2026 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

Across India, Indonesia, South Africa, and Turkey, climate policies are currently undermined by continued reliance on coal, fossil fuel subsidies, infrastructure gaps, and rising deforestation, delaying low-carbon transition progress

Region	Policy Area	Development	Forecast	Details	Trend
 India	Net zero CO ₂ emissions	India's Coal Demand To Double Before Net-zero Push Cuts Usage.	Policy delivers net zero CO ₂ emissions.	India's government projected that the nation's coal consumption will more than double to a peak of 2.62 billion metric tons by 2050. <i>Under a net-zero scenario, coal use would peak at 1.83 billion tons in 2050 before collapsing to 161 million tons by 2070.</i>	↓
	Clean power	Transmission gaps begin to slow India's clean energy expansion.	Policy delivers dispatched generation of >90% low-carbon power.	1 in 4 major transmission projects is currently running at least a year behind schedule (20 gigawatts of renewable energy capacity). <i>India's clean energy expansion is being hindered by a lack of transmission infrastructure, threatening the national power goal.</i>	↓
 Indonesia	Net deforestation	Indonesian forest loss surges by 66% in 2025, driven by Prabowo's self-sufficiency drive.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale.	Forest loss in Indonesia surged by 66% in 2025, reaching its highest rate in eight years. <i>The surge is attributed to weakened protections and national strategic projects that prioritize economic growth.</i>	↓
 South Africa	Clean power	Fossil fuel subsidies representing a tripling of subsidy levels since 2018.	Policy delivers dispatched generation of >90% low-carbon power.	South Africa spent nearly R110bn on fossil fuel energy subsidies in 2025. <i>This represents a tripling of subsidy levels since 2018, slowing down the country's climate goals despite commitments to phase out inefficient fuel subsidies.</i>	↓
 Turkey	Clean power	Türkiye's coal incentives pose challenges to the green energy transition.	Policy delivers dispatched generation of >90% low-carbon power.	Türkiye's \$8.7 billion in guaranteed payments to domestic coal power plants threatens to impede the nation's green energy transition. <i>Reallocating these subsidies, could help to achieve Turkey's target of 120 gigawatts of renewable energy capacity by 2035.</i>	↓

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

Q4 2025, Q1 2026, AND Q2 2026 TECHNOLOGY AND IMPLEMENTATION DEVELOPMENT

Across the UK and US, policy reversals and market volatility risk increasing emissions and slowing progress toward low-carbon energy systems

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Region	Policy Area	Development	Forecast	Details	Trend
 UK	Net zero CO ₂ emissions	UK net zero push costs less than a fossil fuel shock.	Policy delivers net zero CO ₂ emissions.	A fossil fuel price spike similar to the 2022 surge could cost the UK economy approximately the same amount as the total annual investment required to achieve net zero targets. <i>The independent advisory body emphasized that achieving net zero is a more cost-effective path for the UK economy, especially as global energy markets face renewed volatility.</i>	
 US	Clean power	US clean power reversal comes with a high emissions price tag.	Policy delivers dispatched generation of >90% low-carbon power.	North America's power sector emissions could surge by 3.2 billion metric tons between 2025 and 2050 due to the Trump administration's abrupt cuts to clean energy incentives. <i>The extended reliance on fossil fuels will cause coal-fired emissions to average 470 million tons annually through 2035, marking a >50 percent increase from previous projections.</i>	

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

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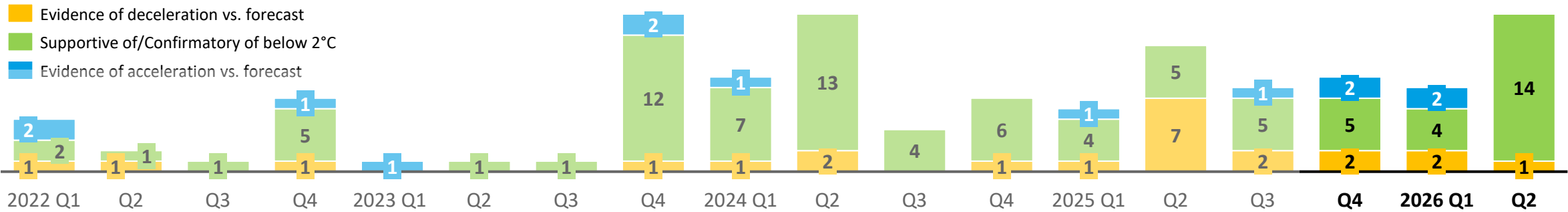
- ⓧ 2026 IPR forecasts
- 1 Energy and land use policy forecast tracking for Q4 2025, Q1 2026, and Q2 2026**
- 2 Detailed individual policies & methods for key credible and material policy announcements during Q4 2025, Q1 2026, and Q2 2026



TRACKED CREDIBLE & MATERIAL POLICIES FOR LAND HAVE INCREASED BY 25% SINCE Q2 2025 COMPARATIVELY, WHILE TRACKED ENERGY POLICIES DECREASED BY ~1% SINCE Q2 2025

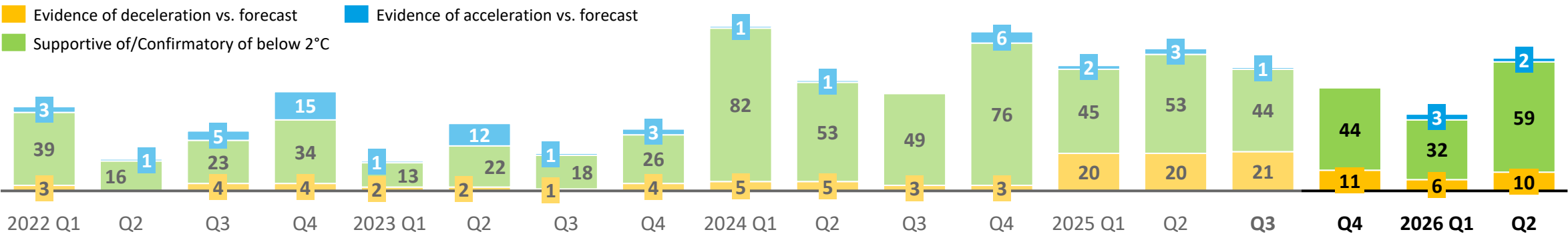
Land Use and Nature Policies

Number of land use policies tracked by quarter



Energy Policies

Number of energy policies tracked by quarter



TRACKING Q4 2025 AND Q1 & Q2 2026: GLOBAL POLICY UPDATE BY POLICY AREA

Global climate policy developments show uneven progress across sectors, with climate and nature efforts increasingly constrained by political pushback, infrastructure gaps, and inconsistent implementation

 Policy Development Summary

Policy area	Tracked policy developments ²	Synthesis
 Economy-wide	While some countries are advancing net-zero governance through updated NDCs, carbon markets, and disclosure frameworks, policy direction remains fragmented with the U.S. weakening climate regulations, Canada easing oil and gas constraints, and China retaining flexibility on coal.	Progress toward net-zero targets will depend on frameworks being converted into binding emissions reductions while managing fossil fuel lock-in and regulatory reversals.
 Power	Countries are advancing their clean power through major grid, storage, nuclear, and clean infrastructure measures. At the same time, the U.S. are extending support for coal, while India and Mexico continue to balance clean energy buildout with coal dependency, grid bottlenecks.	The clean power transition is accelerating, but its success increasingly depends on enabling infrastructure, especially grids, storage, permitting, and investment frameworks.
 Buildings	The UK is scaling grants and loans, heat-pump support, as well as solar and battery deployment in homes, while Germany and the U.S. are weakening or overturning rules that would have constrained fossil heating systems or raised building energy standards.	Heating decarbonization remains politically fragile, with affordability, consumer choice, and housing-cost concerns driving tracked policy reversals.
 Industry	India, Germany, the UK, Brazil, Canada, Australia, Indonesia, and Vietnam are advancing sector-specific frameworks and funding, while competitiveness concerns are increasingly shaping policy design through subsidies, CBAM responses, and energy-cost relief.	Industry decarbonization is moving toward targeted implementation. However, progress remains dependent on overcoming high costs and infrastructure gaps.
 Transport	The U.S. and EU are easing or reconsidering passenger-car emissions rules, while India and Canada lean more on incentives and charging support. In addition Mexico, the UK, Germany, and Indian states are advancing electric buses, truck and van grants,, and early hydrogen bus pilots.	Passenger-vehicle decarbonization is facing growing political and affordability headwinds while public fleets advance through targeted infrastructure and procurement support.
 Land use	Net deforestation is advancing in Mexico, Brazil, Indonesia, Vietnam, Nigeria, South Africa through import controls, deforestation-free certification, and forest restoration. However, Brazil is weakening satellite-based enforcement and India has paused near-real-time deforestation monitoring.	The developments suggest growing international and domestic pressure to link land-use governance with trade access, finance, and climate targets.
 Nature & biodiversity	Canada, Mexico, Brazil, Germany, Nigeria, and Australia are expanding their nature protection through biodiversity strategies, rainforest finance, and carbon-credit-backed restoration. However, momentum is uneven, with the U.S. rolling back wildlife refuge and endangered species protections, while the UK's reduction in climate finance could weaken restoration support in developing regions.	The developments show growing recognition that ecosystem protection is central to climate mitigation, resilience, and biodiversity goals. New conservation commitments need to be backed by durable funding and credible enforcement.

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 Q4 2025 AND Q1 & Q2 2026: GLOBAL POLICY UPDATE BY REGION

Global climate policy is progressing at different speeds across countries, with policy, structural and political barriers slowing the energy and nature transition in some regions

 Policy Development Summary

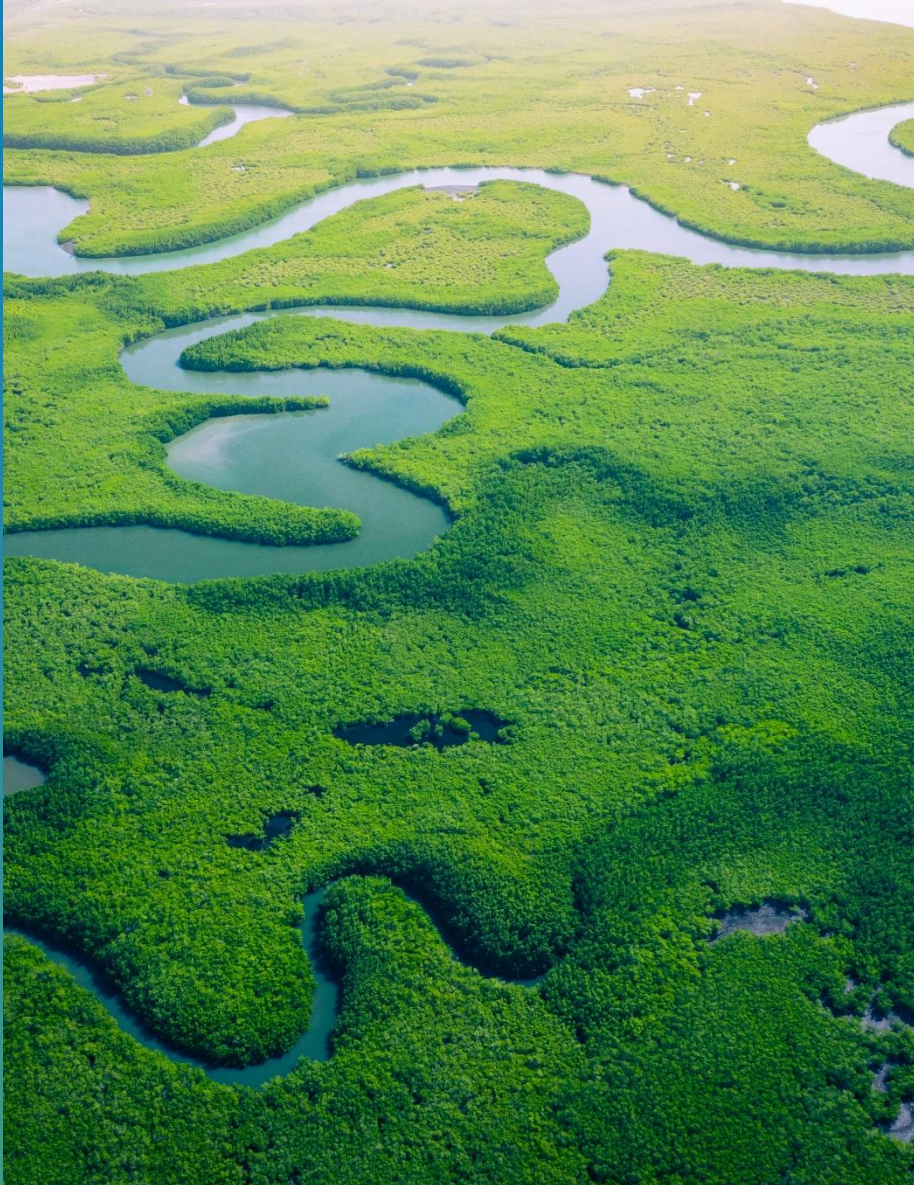
Policy area	Tracked policy developments ²	Synthesis
 Asia Pacific	Australia, Indonesia, Japan, South Korea, and Vietnam are strengthening their clean power generation, carbon markets, and environmental governance. India is sending mixed signals, expanding renewables despite continued coal reliance and grid-integration frictions.	The region is progressing toward energy transition targets, but achievement remains vulnerable to implementation risks, especially coal lock-in, grid constraints, and permitting trade-offs.
 China	China's policy developments emphasize large-scale clean power system integration, with major grid investment, green industrial microgrids, and targeted efficiency upgrades across high-emitting sectors. However, its updated economy-wide climate planning remains cautious, with no absolute emissions decline target before 2030, and weaker language on coal phase-down.	China is rapidly building the infrastructure needed for a low-carbon energy and industrial system, but target achievement remains constrained by continued coal dependence and insufficient near-term economy-wide emissions limits.
 Europe	The EU, UK, Germany, France, and Italy are scaling clean power, grids, hydrogen, industrial decarbonization, and nature restoration funding, while also weakening selected disclosure, vehicle, heating, and carbon-pricing rules to manage competitiveness and affordability pressures.	Europe remains one of the most advanced regions on energy and nature transition policy. Overall target achievement remains credible, especially for clean power and industrial decarbonization.
 Eurasia	Russia's tracked development centres on the continued strengthening of energy partnerships with Central Asian states.	Russia's energy transition remains embedded within a broader strategy related to fossil-fuels.
 Middle East and Africa	Tracked developments show broad transition, with Nigeria building climate finance and carbon-market frameworks, Saudi Arabia scaling restoration ambitions, South Africa backing nuclear and afforestation, and Türkiye accelerating solar, wind, and industrial efficiency investment.	The region is moving toward climate transition targets through expanding finance mechanisms, renewables, and restoration programs.
 North America	North America shows a sharply fragmented transition landscape: Mexico is advancing forest protection, and transport electrification, while the U.S. is dominated by federal climate rollbacks, partially counterbalanced by state-level action in e.g. California and New York.	The region's transition trajectory is highly uneven, with Mexico supporting long-term targets, but U.S. federal reversals weakening the energy and nature transition.
 South America	South America's tracked developments are dominated by Brazil, which is advancing carbon market regulation, climate finance, and stronger anti-deforestation finance controls, while also facing pushback from agribusiness-linked measures that could weaken satellite-based enforcement.	The region's transition outlook is strongly tied to Brazil's ability to translate ambitious climate, carbon-market, and forest-protection frameworks into enforceable implementation.

1. See IPR FPS 2.0°C forecast set out in slide 28; 2. See detailed policy tracking in section 1; 3. See impact on IPR forecast in section 2 and legend on the impact scales in the [annex](#)



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Key policy developments for Q4 2025

Detailed overview of the most important credible
and material policy developments

COP30 POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
COP30 	Protection & restoration 	Congo Basin initiative launched at COP30 to curb deforestation. - At the UN COP30 summit in Belém, France and Gabon launched a European-backed initiative to protect the Congo Basin, the world's second-largest rainforest. - The coalition, including Germany, Norway, Belgium, and the UK, aims to mobilize over \$2.5 billion within five years for conservation efforts. - Partner countries will provide technology, training, and cooperation to Central African nations to end deforestation by 2030, alongside major funding pledges for global forest finance initiatives.	N/A	Announced and supportive. The mobilization of \$2.5 billion in international finance backed by a multi-nation coalition provides critical operational funding for large-scale conservation in the Congo Basin.	Score 3
COP30 	General 	Belém Package adopted at COP30 to accelerate global climate action. - At the COP30 conference in Belém, 195 countries adopted the Belém Package, including 29 consensus decisions and a framework to triple adaptation finance by 2035 with 59 indicators to track progress. - More than 122 countries submitted updated climate targets, while a new initiative aims to unlock USD 1 trillion for adaptation projects within three years. - Major funding commitments include USD 6.7 billion for forest conservation, USD 1.4 billion for smallholder farmers, and a USD 20 billion ocean initiative, supporting a broader goal of scaling climate finance to at least USD 1.3 trillion annually by 2035.	N/A	Announced and supportive. The Belém Package formalizes a tripling of adaptation finance and mobilizes billions for forest and ocean protection, aligning national pledges with implementation funding to support global climate and resilience goals.	Score 3

GLOBAL & AUSTRALIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Global 	General 	COP30 deal exposes fragile climate unity as US steps back. - On November 23 in Belem, Brazil, representatives from nearly 200 nations concluded the two-week COP30 climate summit by reaching a final agreement one day past its scheduled end. - The approved deal successfully delivered a key demand for developing nations by mandating a tripling of climate adaptation funds to help poorer countries cope with worsening global warming impacts. - Despite efforts to uphold the 2015 Paris Agreement goal of keeping warming within 1.5 degrees Celsius above pre-industrial levels, the final text completely omitted language regarding the transition away from fossil fuels following threats of collapse from Saudi Arabia	N/A	Announced. While the agreement triples adaptation funding, the absence of any commitment to phase out fossil fuels reflects stagnating mitigation efforts. It represents a fragile diplomatic compromise that neither advances nor undermines existing national policies.	Score 3
Australia 	Clean power 	Australia set to overhaul environment laws in deal with Greens. - On Thursday, November 27, Australian Prime Minister Anthony Albanese announced a major overhaul of the nation's environmental laws after securing crucial support from the Greens party on the final legislative day of the year. - The reforms will establish an independent National Environment Protection Agency, fulfilling a key pledge from the Labor government's 2022 election manifesto, to enforce higher penalties for major breaches and remove exemptions for high-risk land clearing. - To secure the agreement, the Labor government dropped its plan to allow fast-tracked approvals for coal and gas projects based on national interest, while simultaneously closing loopholes on native forest land-clearing. - The legislation aims to accelerate the approval process for critical minerals and renewable energy projects, directly supporting the Productivity Commission's call to hit a target of 82 percent renewable energy in the national grid by 2030.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Abandoning fast-track approvals for coal and gas while speeding up permits for renewables and critical minerals supports the target of 82% renewable generation by 2030.	Score 3

AUSTRALIA & INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Australia 	Protection & restoration 	Australian government says its environmental protection bill will help business and nature. - The Australian government introduced a new environmental protection bill into parliament aimed at conserving nature while simplifying the approval process for resource and construction projects. - The proposed legislation is projected to deliver up to A\$6.9 billion, or \$4.5 billion, annually in economic benefits by accelerating decisions on gas facilities, mines, renewable energy projects, and housing. - This reform addresses a system where typical environmental approval times have more than doubled over the past two decades to exceed two years; Environment Minister Murray Watt plans to pass the legislation through both houses of parliament by the end of the year by negotiating with both the Coalition and the Greens.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2035-2039.	Announced and supportive. The introduction of legislation to establish an independent National Environmental Protection Agency and define unacceptable environmental impacts creates a stronger structural baseline for nature conservation.	Score 3
India 	Clean power 	Himachal Pradesh sets March 2026 target to become a green energy state. - The Himachal Pradesh government aims to meet over 90% of its energy requirements via renewable sources by March 2026 to transform into a green energy state. - The state plans to establish 500 megawatts of solar power projects over the next two years. - Under the Green Panchayat Programme, 500-kilowatt ground-mounted solar power plants will be installed across panchayats, aiming for a total generation target of 150 megawatts. - Approval has been granted for 500-kilowatt solar plants in 24 gram panchayats during the first phase, with construction already underway in 16 locations.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Releasing a comprehensive regulatory framework to integrate battery energy storage systems into the national grid is a critical structural prerequisite for managing intermittent renewable energy.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India has no near-term plans to add coal power capacity beyond 2035. - India currently has no immediate plans to expand its coal power generation capacity beyond the year 2035. - The government has established a specific target to reach a total coal power capacity of 307 gigawatts by 2035 to securely meet the country's energy requirements. - To achieve this goal, India has proposed increasing its coal power capacity by 46 percent from its current operating level of 210 gigawatts. - This planned coal expansion runs alongside the country's broader renewable target to double its non-fossil fuel capacity to 500 gigawatts by 2030.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Aiming for >90% renewable energy by 2026 is highly ambitious at the state level, but the planned 500 MW of solar capacity remains geographically isolated.	Score 3
		India opens its nuclear energy sector to private companies in a major policy change. - The government officially opened the nuclear power sector to private companies, aiming to raise installed nuclear capacity from approximately 8,880 megawatts to 22,480 megawatts by the 2031-32 financial year. - The expansion aligns with India's long-term commitment to achieve net-zero greenhouse gas emissions by 2070.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Introducing legislation to create a regulatory framework and liability fund for nuclear power enables the expansion of low-carbon baseload electricity.	Score 3
		Electricity (Amendment) Bill, 2025 aims to overhaul India's power sector. - The bill targets the removal of cross-subsidies for the manufacturing industry, railways, and metro railways within a five-year timeframe to significantly enhance industrial competitiveness. - State Electricity Regulatory Commissions are granted the authority to exempt licensees from Universal Service Obligations for large open-access consumers exceeding 1 megawatt.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. A 2.5-month extension for renewable developers is a minor procedural change that does not materially affect deployment rates or the long-term 2055–2059 clean power timeline.	Score 3 <i>*No Impact</i>

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India's clean energy ministry asks power regulator to delay tougher green power regulations. - The Central Electricity Regulatory Commission (CERC) released a draft notification on December 1, 2025, to integrate energy storage systems into India's existing power generation and transmission infrastructure; - The draft establishes technical benchmarks, including a required normative round-trip efficiency of 85 percent and a strict cap on auxiliary energy consumption at 5 percent; - Battery energy storage systems are assigned a useful life of 12 years, alongside a base return on equity of 14 percent for additional capitalization;	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Legislated and supportive. GST reductions on green technologies and targeted programs like the Critical Mineral Mission create strong economic incentives for decarbonization, supporting the shift to sustainable industrial growth.	Score 3
		Nuclear Energy Bill Introduced in Lok Sabha - The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Bill, 2025, was introduced to establish a robust regulatory framework for safe nuclear power generation; - The Central Government has established a dedicated Nuclear Liability Fund to meet any financial liabilities arising under the new legislation	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Delhi-focused deregulation and basic upgrades lack the scale to affect 2055–2059 industrial decarbonization.	Score 3 *No Impact
		CERC addresses seven key issues in GNA rules - The Central Electricity Regulatory Commission (CERC) granted a one-time extension of 2.5 months for renewable energy developers to apply for non-solar-hour capacity, increasing the total time to 5.5 months; - The new deadline for renewable energy companies to apply for this capacity conversion is now set for February 22, 2026; - Under existing rules, developers must submit land documents within 18 months of an in-principle connectivity grant, or within 12 months of a final grant	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Localized incentives in Delhi targeting two- and three-wheelers and vehicle conversions.	Score 3 *No Impact

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	CERC Draft Regulations 2025 Set the Foundation for Integrated Energy Storage in India's Power Sector. - The Central Electricity Regulatory Commission (CERC) released a draft notification on December 1, 2025, to integrate energy storage systems into India's existing power generation and transmission infrastructure. - The draft establishes technical benchmarks, including a required normative round-trip efficiency of 85 percent and a strict cap on auxiliary energy consumption at 5 percent. - Battery energy storage systems are assigned a useful life of 12 years, alongside a base return on equity of 14 percent for additional capitalization.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. The announcement that India will submit its revised NDCs and transparency reports on time reflects routine compliance with Paris Agreement procedures.	Score 3
	General 	Clean Industrialisation is Not a Constraint, but a Catalyst for Economic Expansion. - Union Environment Minister Bhupender Yadav emphasized that clean industrialization acts as a catalyst for economic expansion and is vital for India's future export competitiveness. - The government introduced GST 2.0 reforms to directly promote green growth, significantly reducing the tax rate on renewable energy equipment, biodegradable plastics, and electric vehicles from 12 percent to 5 percent. - Embracing Extended Producer Responsibility (EPR) and circular economy strategies could help generate 33 lakh new green jobs by establishing sustainable waste ecosystems and boosting recycling revenues.	N/A	Announced and supportive. Although India is expanding coal capacity in the near term, its commitment to stop new additions after 2035 aligns with the 2055–2059 clean power target, as these plants will reach retirement within that timeframe.	Score 3
		Germany pledges €1.3 billion to India for climate action, energy and sustainable development. - Germany has committed approximately EUR 1.3 billion to India, primarily via concessional loans, to support climate, energy, and sustainable urban development initiatives. - A EUR 340 million loan from Germany's development bank KfW was utilised to support the recently inaugurated Yellow Line Metro segment in Bangalore.	N/A	Announced and supportive. Securing €1.3 billion in bilateral concessional finance supplies critical capital for sustainable urban development and mass transit infrastructure.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Industry decarbonization 	Government relaxes regulations while urging industries to fulfill environmental responsibilities. - Delhi Chief Minister Rekha Gupta highlighted government reforms simplifying licensing and permissions to promote industrial growth, while urging local units to fulfill environmental duties like treating wastewater and recycling. - The administration has significantly accelerated the approval timeline for green category industries, decreasing the mandatory wait from 120 days down to a 20-day self-approval window. - The government is facilitating collateral-free loans up to ₹10 crore for Micro and Small Enterprises, alongside enforcing faceless GST operations that recently yielded ₹915 crore in refunds to traders over four months.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced. Recommending a delay in strict financial penalties for renewable energy forecasting errors aims to protect small and medium-sized developers from near-term bankruptcy.	Score 3 <i>*No Impact</i>
	Light duty vehicles 	Delhi advances major EV initiative amid pollution, offering bikers up to ₹40,000 subsidy. - Consumers who switch their petrol two-wheelers to electric vehicles are expected to receive a subsidy between Rs 35,000 and Rs 40,000 under the newly drafted EV policy. - Existing petrol or diesel vehicles priced up to Rs 20 lakh will become eligible for subsidies if owners choose to convert them into electric vehicles. - Commercial three-wheelers will also receive heavy financial subsidies to incentivize their transition to electric models.	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 2045-2049.	Announced and supportive. Opening the nuclear sector to private investment is a major policy shift aimed at more than doubling capacity to 22.4 GW by 2032.	Score 3
	Net zero CO2 emissions 	India will submit revised Nationally Determined Contributions (NDCs) until 2035. - At COP 30 in Belém, India emphasized that it will revise its national climate plans (NDCs) for the period up to 2035. - According to Environment Minister Bhupender Yadav, the revised NDC will be published by December of this year. - India also says it will submit its first Biennial Transparency Report on schedule. - India argues that without reliable and generous climate finance from developed countries, it and other developing countries will not be able to meet their climate targets.	Policy delivers net zero CO2 emissions by 2065-2069.	Announced and supportive. The bill focuses on electricity market reforms, reducing cross-subsidies for industry and expanding open access and does not directly affect the 2055–2059 clean power baseline.	Score 3

JAPAN POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Japan 	Clean power 	Japan to tighten mega-solar project regulations. - On Tuesday, December 24, the Japanese government endorsed a package of countermeasures to tighten regulations and end financial support for large-scale solar power projects to protect the natural environment - The industry ministry plans to discontinue support through the feed-in tariff and feed-in premium schemes for ground-mounted commercial solar power generation starting in the fiscal year beginning in April 2027. - The environment ministry is considering expanding the scope of national environmental assessments to include solar projects generating under 30 megawatts, which are currently exempt.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Cutting feed-in tariffs and solar premiums while tightening environmental assessments removes incentives and adds regulatory friction.	Score 2
		Japan to back clean-energy users with \$1.3 billion in investment subsidies. - The Japanese government announced on Monday plans to provide 210 billion yen, or \$1.34 billion, in subsidies over five years starting in fiscal 2026 to boost renewable energy demand. - Eligible companies and data center operators that rely entirely on decarbonized electricity will receive subsidies covering up to 50 percent of their capital expenditures. - This financial support aims to help Japan increase its renewable energy share to 50 percent of the national electricity mix by fiscal 2040.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Providing \$1.34 billion in subsidies for corporations and data centers using fully decarbonized electricity creates strong demand-side incentives and drives renewable capacity growth.	Score 3
		Nuclear power at heart of new Japan prime minister's energy policy. - On October 22, 2025, Japan's new Prime Minister Sanae Takaichi announced plans in Tokyo to accelerate the revival of the country's nuclear power sector to combat inflation and reduce reliance on costly fuel imports; - The Japanese government spent 10.7 trillion yen, or \$71 billion, last year on imported liquefied natural gas and coal, which currently cover 60% to 70% of the nation's electricity generation. - To achieve this energy transition, Takaichi's administration aims to restart more of Japan's 33 remaining operable nuclear reactors, of which only 14 have been brought back online since the 54-reactor fleet was shut down following the 2011 Fukushima disaster.	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Restarting remaining nuclear reactors to replace coal and LNG expands zero-carbon baseload and supports the >90% low-carbon power target.	Score 3

SOUTH KOREA & EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
South Korea 	Clean power 	South Korea commits to phasing out coal-fired power plants. - South Korea announced its membership in the Powering Past Coal Alliance at the COP30 climate summit in Brazil on Monday. - The nation committed to shutting down 40 existing coal-fired power plants by the year 2040; The government will determine the fate of approximately 20 remaining coal units following public consultations, with a detailed plan expected next year. - This pledge makes South Korea, which currently holds the world's seventh-largest operating coal power capacity, the second Asian country to join the coalition.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced and supportive. Joining the Powering Past Coal Alliance and committing to close 40 coal plants by 2040 sets a clear timeline and strengthens the long-term path to power sector decarbonization.	Score 3
	Net zero CO2 emissions 	South Korea endorses 53%–61% greenhouse gas emissions reduction target by 2035. - On Tuesday, November 11, the South Korean government convened in Seoul to establish new environmental policies. - Officials formally approved a stringent target to reduce national greenhouse gas emissions by 53% to 61%. - This newly established reduction goal is scheduled to be achieved by the year 2035. - The targeted emissions cuts will be measured relative to the country's total emissions recorded in 2018, as revealed during a live webcast of the cabinet meeting.	Policy delivers net zero CO2 emissions by 2045-2049.	Legislated and confirmatory. Approving a stringent 2035 emissions target sets a key mid-term benchmark, reinforcing momentum and supporting the 2050–2054 net-zero timeline.	Score 3
EU 	Clean Power 	EU to fast-track power grid projects in race to lower energy prices. - On Wednesday in Brussels, the European Commission published proposals to accelerate energy grid project approvals to combat European industrial energy prices that are currently more than double those in the United States and China. - The new plan aims to speed up the modernization of power networks by drastically cutting the deadline for grid project permits from up to ten years down to just two years. - To achieve this rapid expansion by 2040, the Commission estimates that 1.2 trillion euros in total grid investments will be required across the continent.	N/A	Announced and supportive. Cutting grid permitting times to two years and investing billions in cross-border infrastructure enables large-scale renewable integration.	Score 3

EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	General 	EU scales back two flagship sustainability disclosure laws after industry pressure. - On Tuesday, December 10, the European Union agreed to sharply scale back two flagship sustainability disclosure laws following months of pressure from companies and foreign governments. - Under the revised Corporate Sustainability Reporting Directive, reporting requirements are now restricted to companies with more than 1,000 employees generating over 450 million euros in revenue, while completely excluding financial firms. - The threshold for the Corporate Sustainability Due Diligence Directive was raised even higher, applying only to businesses with at least 5,000 staff and 1.5 billion euros in net turnover, while also dropping the obligation for companies to implement net-zero emission plans.	N/A	Announced. Raising compliance thresholds and dropping net-zero planning requirements weakens oversight, reduces transparency, and slows decarbonization.	Score 2
	Light duty vehicles 	EU drops 2035 combustion engine ban as global EV shift faces reset. - The European Commission has officially proposed dropping its planned 2035 ban on new combustion-engine vehicles, shifting the mandate to a 90 percent reduction in carbon dioxide emissions compared to 2021 levels rather than a complete zero-emission requirement. - To comply with the revised target, automakers will be required to offset their remaining emissions by utilizing lower-carbon steel manufactured within the European Union, alongside synthetic e-fuels or non-food biofuels. - The new regulatory framework provides automakers with a specific three-year compliance window stretching from 2030 to 2032 to successfully reduce car emissions by 55 percent from 2021 baseline levels.	N/A	Announced and supportive. The EU's rollback of the 2035 combustion engine ban aligns with the existing 2040–2044 forecast, reinforcing a more gradual shift to zero-emission vehicles.	Score 3
	Net deforestation 	EU eases deforestation law for smallholders but keeps 2025 start. - On October 21, the European Commission in Brussels proposed implementing its anti-deforestation law on December 30, 2025, banning imports of commodities like beef, cocoa, and palm oil linked to forest destruction. - The proposal reduces the reporting burden by allowing smallholders in low-risk countries to produce a single, one-time declaration to register as an operator. - Full checks and enforcement for larger companies will be delayed by six months, officially applying from June 30, 2026. - Smaller companies with a maximum of 50 employees will receive an extended grace period, requiring them to make declarations only from December 30, 2026.	N/A	Announced. Minor enforcement delays and reduced reporting burdens do not change the core December 2025 implementation date of the anti-deforestation regulation.	Score 3 <i>*No Impact</i>

EU, GERMANY & RUSSIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
EU 	Net zero CO2 emissions 	EU agrees weakened climate target in final-hour deal for COP30. - In the early hours of Wednesday in Brussels, European Union climate ministers approved a compromise deal to cut greenhouse gas emissions by 90 percent by 2040 compared to 1990 levels ahead of the COP30 summit. - The agreement allows member states to utilize foreign carbon credits to cover up to 5 percent of the 2040 goal, effectively reducing the mandatory domestic emissions cuts for European industries to 85 percent. - Ministers also established an interim 2035 target to reduce emissions within a range of 66.25 percent to 72.5 percent, while agreeing to consider an additional 5 percent allowance for international carbon credits in the future.	N/A	Announced and confirmatory. Despite concessions like a one-year carbon market delay and use of foreign credits, the 2040 target of a 90% emissions cut establishes a key step between 2030 and 2050 goals.	Score 3
Germany 	Clean power 	EU approves \$2 billion subsidy for German coal exit. - On Tuesday, November 18, the European Commission approved a 1.75 billion euro compensation payment from the German government to power company LEAG. - This state subsidy facilitates Germany's national initiative to completely phase out coal-fired power plants by 2038 and achieve climate neutrality by 2045. - In 2024, LEAG supplied 7 gigawatts of lignite-fired power, which accounted for approximately 10 percent of Germany's total electricity. - The approved funds will compensate LEAG for lost profits and additional fixed costs resulting from the early closures, including social support for displaced workers in the Lusatia mining region.	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. The €1.75 billion compensation package enables the early closure of 7 GW of lignite capacity, supporting Germany's 2038 coal phase-out and reinforcing the existing decarbonization pathway.	Score 3
Russia 	Clean power 	Russia reveals scale of investment in energy partnerships across Central Asia. - On October 9 in Dushanbe, Tajikistan, Russian President Vladimir Putin announced the continued strengthening of energy partnerships between Russia and Central Asian states. - This cooperation encompasses the extraction and trade of traditional hydrocarbons, the development of renewable energy sources, and the construction of nuclear power plants utilizing modern Russian technologies. - Russian companies are actively participating in the modernization of the region's largest Soviet-era hydropower facilities and are prepared to construct new hydropower plants.	No 2026 forecast target.	Announced. The announcement focuses on energy diplomacy and investments in Central Asia across hydrocarbons, nuclear, and renewables.	Score 3 <i>*No Impact</i>

NIGERIA & SOUTH AFRICA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Nigeria 	General 	Nigeria targets \$25 bn in climate finance by 2030 to drive climate action. - During a weekend press conference in Abuja, the Nigerian Federal Government announced a target to mobilize between \$20 billion and \$25 billion in climate finance by 2030 to support its economy-wide climate governance. - To achieve this financial goal, officials aim to unlock at least \$7 billion to \$10 billion in grants and concessional finance from global partners while utilizing green bonds and public-private risk-sharing mechanisms. - The newly submitted Nationally Determined Contribution establishes a 32.2 percent increase in emission reductions compared to the 2018 baseline and seeks to lower the national deforestation rate by 60 percent, offering a mitigation potential of 304.8 MtCO₂eq.	N/A	Announced and supportive. Setting a clear climate finance target alongside a stronger NDC, raising emissions cuts to 32.2% and aiming for a 60% drop in deforestation establishes a solid strategic baseline.	Score 3
	Net zero CO₂ emissions 	Climate change: Nigeria targets 47% emission reduction by 2030. - Nigeria has set a target to achieve up to a 47% reduction in emissions by 2030 with international support, fulfilling its Nationally Determined Contributions (NDCs) under the Paris Agreement. - Through its Energy Transition Plan, the country is working towards achieving net-zero emissions by 2060 by expanding renewable energy access and reducing its reliance on fossil fuels. - To further support these climate goals, the Nigerian government is scaling up climate-smart agriculture, advancing reforestation through the Great Green Wall Initiative, and investing in public climate education.	Policy delivers net zero CO ₂ emissions by 2055-2059.	Announced and confirmatory. Reaffirming the 2060 Energy Transition Plan with 2030 interim targets aligns policy with the 2055–2059 baseline forecast.	Score 3
South Africa 	Clean power 	South Africa's NECSA backs IRP 2025 as a driver of clean energy and industrial growth. - On October 23 in South Africa, the South African Nuclear Energy Corporation officially endorsed the Integrated Resource Plan 2025 to secure the nation's energy future. - The newly announced energy plan allocates exactly 5,200 MW of new capacity specifically to nuclear power generation - Necsa plans to support this initiative by utilizing its two existing facilities for Helium Testing and nuclear fuel to revive the Pebble Bed Modular Reactor programme;	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Allocating 5,200 MW to nuclear, including SMR retrofits at former coal sites, supports significant zero-carbon baseload expansion.	Score 3

TÜRKİYE & CANADA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Türkiye 	Clean power 	Türkiye and the UAE strengthen energy partnership with a \$1 billion solar project. - Türkiye and the UAE are finalizing a \$1 billion investment to construct a 1,100-megawatt solar power plant in Nigde Bor. - This initiative builds upon a \$27 billion strategic framework signed between the two nations in 2023 to foster sustainable energy development and technology transfer. - The partnership aims to help Türkiye achieve its ambitious Energy Transition Strategy, which requires approximately \$108 billion in investments. - Through these joint investments, Türkiye plans to quadruple its wind and solar capacity from 30 gigawatts to 120 gigawatts by 2035 to reach its 2053 net-zero carbon emissions target.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced and supportive. A \$1 billion investment in a 1.1 GW solar plant accelerates progress toward the 2035 capacity target and supports the 2050–2054 clean power forecast.	Score 3
Canada 	Net zero CO2 emissions 	Canada rolls back oil and gas emissions cap in deal with Alberta. - Canadian Prime Minister Mark Carney and Alberta's premier signed an agreement in Calgary on Thursday to scrap a planned federal emissions cap on the oil and gas sector in exchange for stronger industrial carbon pricing. - The policy shift aims to diversify energy exports away from the United States, which currently receives 90 percent of Canada's oil exports and threatens to wipe \$50 billion from the Canadian economy through new tariffs. - The federal government committed to adjusting the Oil Tanker Moratorium Act to facilitate a new private-sector pipeline designed to transport one million barrels of low-emission Alberta bitumen per day to Asian markets.	Policy delivers net zero CO2 emissions by 2050-2054.	Legislated. Rolling back emissions caps and enabling new pipelines targets expansion of oil and gas production and exports.	Score 2
		Canada unveils new rules to lower oil and gas methane emissions. - On Tuesday in Canada, Prime Minister Mark Carney announced new regulations taking effect in 2028 aimed at cutting the oil and gas sector's methane emissions by 75 percent over 2014 levels by the year 2035. - The government will achieve these reductions by prohibiting most venting practices and establishing strict inspection schedules for companies to identify and repair equipment leaks. - This updated timeline extends the previous administration's unfulfilled goal of a 75 percent reduction by 2030, targeting a gas that possesses 80 times the climate-warming impact of carbon dioxide over a 20-year period.	Policy delivers net zero CO2 emissions by 2050-2054.	Announced. The regulation targets methane, not CO ₂ , and delays the 75% reduction goal to 2035, leaving the 2050–2054 net-zero CO ₂ forecast unchanged.	Score 3 <i>*No Impact</i>

MEXICO POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Clean power 	Mexican government publishes regulations for secondary energy laws in the Official Gazette. - On Friday, October 3, the Government of Mexico published new regulatory documents in the Official Gazette of the Federation. - The publication officially establishes the regulations for exactly six secondary energy laws; These six regulated areas include the Hydrocarbons Sector, Geothermal Energy, Electric Sector, Biofuels, Energy Planning and Transition, and Hydrocarbon Revenue. - Officials implemented these regulations to strengthen the national energy sector framework and enable the proper execution of the country's new energy model.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Legislated. Publishing broad cross-sector regulations sets general frameworks but, without concrete mandates, does not affect the 2045–2049 forecast timeline.	Score 3 <i>*No Impact</i>
		Mexico advances toward a clean energy future with a hydrogen strategy. - The Mexican Ministry of Energy, supported by the Inter-American Development Bank, is currently developing the National Renewable Hydrogen Plan to position the country as a leader in clean energy production. - In Sinaloa, Dharma Energy recently secured the first Environmental Impact Statement for its Tango Solar project, which involves an initial investment of US\$1.3 billion. - This facility will utilize a 921-megawatt solar park to produce up to 41,485 tons of green hydrogen annually; The potential market for clean hydrogen and its derivatives in Mexico is valued at US\$60 billion, with US\$22.35 billion already distributed across 28 active projects.	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Advancing a 921 MW solar-to-hydrogen project and exploring hydrogen blending in gas power supports the underlying low-carbon technology and infrastructure base.	Score 3
	Heavy duty vehicles 	Mexico limits imports of older diesel trucks, aiming for a 90% reduction. - The Mexican government has officially published new environmental regulations in the Diario Oficial de la Federación restricting the importation of used diesel vehicles weighing more than 3,857 kilograms. - Under the new system, customs authorities will strictly verify that diesel engines in vehicles imported for permanent use are no more than 10 years old. - Officials estimate this newly implemented age limit will reduce greenhouse gas emissions from diesel trucks by up to 90 percent compared to older, unrestricted models.	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2065-2069.	Legislated. The rule limits imported used diesel vehicles to 10 years but does not drive ZEV uptake or phase out new ICE trucks, leaving the 2055–2059 forecast unchanged.	Score 3 <i>*No Impact</i>

MEXICO POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Net deforestation 	Mexico introduces new avocado regulations banning deforestation and child labor. - In October 2025, the Mexican federal government formally launched a deforestation-free agricultural export program to regulate the country's nearly 3 million tons of annual avocado production. - The initiative aims to combat severe environmental degradation, addressing the approximately 20,000 hectares of deforestation caused by avocado orchard expansion between 2018 and 2024. - This regulatory framework seeks to secure sustainable and ethical practices for an industry projected by the U.S. Department of Agriculture to reach \$4 billion in sales by the end of 2025.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Legislated. Banning deforestation in the avocado sector and enforcing it through a technical committee curbs forest loss well ahead of the >2040 forecast.	Score 4
		Mexico announces a 2025–2030 strategy to reduce deforestation. - Mexico's National Forestry Commission formalized the Institutional Program 2025-2030 to achieve nationwide net-zero deforestation by 2030 through ecosystem restoration and modernized regulatory frameworks. - The strategy targets the protection of forest ecosystems that currently cover 70.6 percent of the country's land, equivalent to 138.7 million hectares. - To track progress over the next five years, the plan establishes 13 strategic indicators measuring outcomes in ecological restoration, emissions reduction, and community participation.	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced. Mexico's national strategy for net-zero deforestation by 2030 accelerates action well beyond the >2040 forecast, backed by clear targets and enforcement measures.	Score 5
	Net zero CO2 emissions 	Mexico rolls out NDC 3.0: The Week in Energy. - Mexico presented its new climate strategy, known as NDC 3.0, during the COP30 summit in Belém, Brazil, to reaffirm its commitment to a 2050 net-zero emissions target. - The Mexican Wind Energy Association reported that the country operated 74 wind farms in 2024 with a combined installed capacity of 7,782 megawatts. - These nationwide wind energy projects represent more than US\$13.8 billion in cumulative investment and include 3,342 high-technology wind turbines. - BANCOMEXT and Banco Multiva formalized a 15-year syndicated green loan of MX\$2.13 billion, equivalent to US\$115.8 million, for Energía Real to finance solar and battery storage projects.	Policy delivers net zero CO2 emissions by 2055-2059.	Announced and supportive. Presenting NDC 3.0 reaffirms the mid-century net-zero goal, with green financing for renewables and storage supporting the decarbonization framework.	Score 3

MEXICO & US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Protection & restoration 	Mexico unveils environmental roadmap to protect 30% of its natural ecosystems. - Mexico's Ministry of Environment and Natural Resources unveiled a roadmap to conserve 30 percent of the country's terrestrial, marine-coastal, and freshwater ecosystems by 2030. - The conservation plan outlines 76 strategic actions organized into five elements to ensure effective management and the creation of new protected zones. - To meet these international commitments, the National Commission of Natural Protected Areas must expand protected areas by at least 15 million additional hectares across federal, state, and municipal levels.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2050-2054.	Announced and supportive. Unveiling a plan to protect 15 million additional hectares sets an ambitious 2030 target versus the 2050–2054 forecast, though delivery depends on sustained implementation.	Score 3
US 	Clean power 	US House passes bill to speed permitting for big energy projects. - The United States House of Representatives officially passed the SPEED Act, a legislative measure designed to streamline environmental reviews and accelerate the permitting process for large energy infrastructure projects, data centers, and factories. - The legislation successfully passed through the chamber with a closely contested 221 to 196 vote margin, which notably included the support of 11 Democratic lawmakers despite broader party opposition. - The bill represents the first major attempt to fundamentally reform the Nixon-era National Environmental Policy Act, a regulatory framework that industry builders have historically blamed for causing severe delays in project approvals.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced and supportive. Streamlining NEPA permitting can speed up clean energy projects but also enables fossil fuel and data center expansion.	Score 3
		US deciding whether to reconsider approval of Virginia offshore wind project. - The Department of the Interior is formally reviewing whether to reconsider the previously granted federal approval for a major Virginia offshore wind project following a July secretarial order designed to end preferential treatment for wind and solar developments. - The \$11.2 billion Coastal Virginia Offshore Wind project, developed by Dominion Energy, is actively under construction and is designed to generate enough electricity to supply power to approximately 660,000 homes. - The development is already significantly advanced in its physical construction phase, with the company having successfully installed all 176 monopile wind turbine foundations in the ocean.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Subjecting a single large offshore wind project to a retroactive review signals an unsupportive regulatory stance, but remains limited to an isolated case.	Score 3 <i>*No Impact</i>

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	US judge rejects Trump administration's halt of wind energy permits. - On Monday, December 8, 2025, U.S. District Judge Patti Saris in Boston struck down the Trump administration's January 20 directive that halted all federal approvals for new onshore and offshore wind energy projects. - The ruling favored a coalition of 17 Democratic-led states and the District of Columbia, spearheaded by New York, which filed the lawsuit in May after construction was halted on Equinor's Empire Wind project. - Judge Saris ruled that the indefinite suspension of permit reviews by agencies including the Interior, Commerce, and EPA violated the Administrative Procedure Act.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Legislated and supportive. The court's reversal of the federal wind permit freeze restores the standard pathway for renewable development.	Score 3
		Trump seeks to ease US regulations for coal-fired power plants. - On Monday in Washington, the Trump administration's EPA filed a motion siding with 24 states to strike down 2024 fine particulate matter standard of 9 micrograms per cubic meter. - The targeted 2024 soot limit was previously projected to prevent over 800,000 cases of asthma symptoms, 2,000 hospital visits, and 4,500 premature deaths - The EPA argued that implementing the tighter regulations would cost American citizens hundreds of millions to billions of dollars, despite nearly 91 percent of existing coal plants already meeting the toughened standard	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Easing environmental rules for coal lowers costs and prolongs fossil generation, slowing the shift to >90% low-carbon power.	Score 2
		Trump administration announces \$100 million in funding to upgrade coal plants. - On Friday, October 31, the United States Department of Energy announced it will make \$100 million available to refurbish and modernize existing domestic coal-fired power plants. - The federal funds will be allocated across exactly three strategic areas, including advanced wastewater management, fuel switching between coal and natural gas, and coal-natural gas co-firing systems. - This new funding follows a related announcement made last month where the Energy Department committed \$625 million to expand power generation fueled by coal.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Providing federal subsidies to upgrade and extend coal plants delays their retirement and slows the shift away from unabated coal.	Score 2
		Trump administration cancels \$7.6 billion in clean energy projects - Trump administration officials at the Energy Department canceled exactly \$7.56 billion in federal funding. - This massive financial reduction directly eliminates financial support for 223 distinct clean energy research and deployment projects. - The targeted cancellations occurred on Wednesday, October 2, 2025, and predominantly affect initiatives located within Democratic-led states.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced The abrupt cancellation of \$7.56 billion in federal funding undermines clean energy research and early-stage deployment.	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 strikes \$80 billion deal for new nuclear power plants. - On Tuesday, October 28, the U.S. government established a partnership with Canada-based Cameco and Brookfield Asset Management to construct at least \$80 billion worth of Westinghouse Electric nuclear reactors across the United States. - Under the agreement, the U.S. government will secure financing and permits in exchange for a 20% share of future profits after Westinghouse distributes \$17.5 billion to its owners.	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced and supportive. An \$80 billion federal push for new nuclear, combined with faster licensing, supports expanding zero-carbon energy generation.	Score 3
	General 	Trump Admin Aims to Roll Back Limits on Deadly Air Pollution. - The Environmental Protection Agency is seeking to abandon a recent rule that lowered maximum fine particle pollution levels from 12 micrograms to 9 micrograms per cubic meter of air. - The agency originally estimated the stricter standard would avoid 800,000 cases of asthma symptoms, 2,000 hospital visits, and 4,500 premature deaths. - Maintaining the stricter pollution standard was projected to yield approximately \$46 billion in public health benefits by the year 2032.	N/A	Announced. Dropping tighter PM2.5 standards weakens environmental protections and slows national regulatory progress.	Score 2
	Light duty vehicles 	US EPA planning to delay enforcing Biden vehicle pollution rule. - In Washington this December, the U.S. Environmental Protection Agency announced plans to delay a finalized April 2024 regulation by keeping the 2026 vehicle pollution standard in place for two additional years. - The original Biden-era rule mandated a nearly 50 percent reduction in passenger vehicle fleetwide tailpipe emissions by 2032 compared to projected 2027 levels. - To comply with the initial mandate, the EPA previously forecast that between 35 percent and 56 percent of all new vehicles sold between 2030 and 2032 would need to be electric. - The delayed regulations also required a 50 percent reduction in criteria pollutants for light vehicles and a 58 percent cut for medium-duty vehicles through 2032.	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. Delaying stricter vehicle pollution standards by two years eases pressure on automakers, slowing EV adoption and weakening near-term transition momentum.	Score 2

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Light duty vehicles 	US proposes sharp cut to vehicle fuel economy standards. - On Wednesday in Washington, the Trump administration proposed cutting U.S. vehicle fuel-economy requirements to 34.5 miles per gallon by 2031, a significant reduction from the 50.4 miles per gallon standard established by former President Joe Biden. - This regulatory rollback is projected to save American automakers approximately \$35 billion through 2031 by reducing technology and compliance costs. - Consequently, the average upfront purchase cost of a new vehicle for U.S. consumers is expected to decline by about \$930, assuming manufacturers pass these savings directly to buyers.	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. Cutting the 2031 fuel economy target from 50.4 to 34.5 mpg weakens incentives for ZEV adoption and slows EV market growth, undermining the 2050–2054 trajectory.	Score 2
		US weighs cancelling major clean energy funding. - On October 7 in Washington, the U.S. government revealed it is considering cancelling up to \$12 billion in clean energy funding for auto manufacturing and carbon capture projects across the country. - The targeted list includes a \$500 million award for General Motors to convert a Michigan plant to electric vehicles, alongside \$335 million and \$250 million grants for Stellantis facilities in Illinois and Indiana. - The Department of Energy is also weighing the rescission of a \$208 million grant for the Volvo Group, an \$89 million award for Harley-Davidson, and an \$80 million grant for Blue Bird to build electric school buses in Georgia.	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. Rescinding over \$27 billion in federal funding for EVs, carbon capture, and climate programs removes critical investment, delaying progress toward transportation electrification.	Score 2
	Net zero CO2 emissions 	US seeks exemption for oil and gas imports from EU methane rules. - The United States government has formally requested that the European Union fully exempt American oil and gas imports from the bloc's methane emissions reporting obligations until October 2035. - Starting this year, the European Union enacted a world-first climate policy requiring all international oil and gas importers to actively monitor and report the methane emissions associated with their fuel deliveries. - United States officials argued the regulation represents a critical non-tariff trade barrier that could significantly disrupt American liquefied natural gas supplies, which European countries have increasingly relied upon to replace phased-out Russian energy.	Policy delivers net zero CO2 emissions by 2060-2064.	Announced. The action focuses on trade compliance and methane reporting, while supporting LNG exports and thereby hindering domestic CO2 decarbonization.	Score 2

US & BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

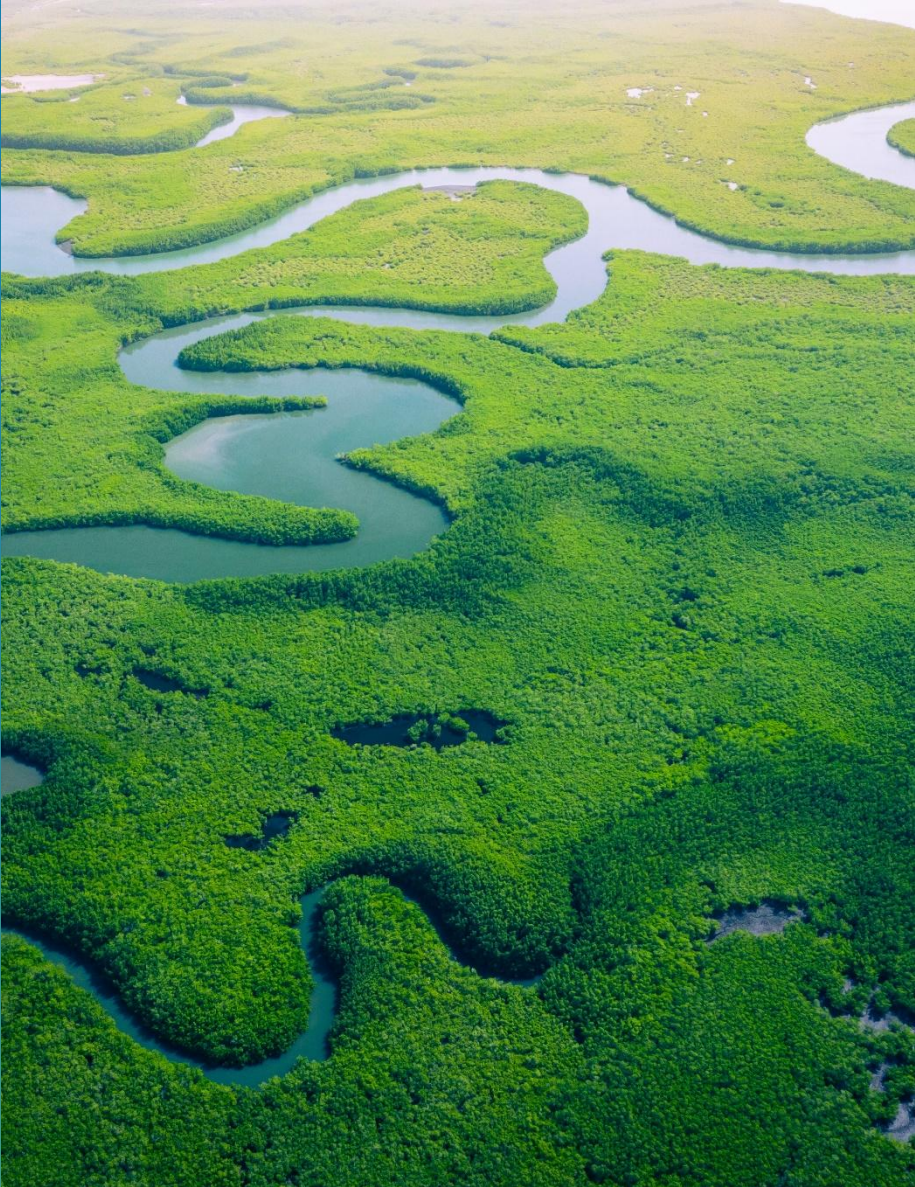
			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Protection & restoration 	US Congress repeals Biden-era limits on oil and gas in Alaska wildlife refuge. - On Thursday, December 4, the United States Senate voted to repeal a 2024 Biden-era policy that restricted oil and gas leasing in an Alaskan wildlife refuge. - Lawmakers approved the resolution with a narrow 49-45 vote margin, with only one Republican senator voting alongside Democrats against the measure. - The repealed rule previously governed energy development across the 1.56-million-acre Coastal Plain of the Arctic National Wildlife Refuge.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	Legislated. Opening the 1.56-million-acre Coastal Plain to oil and gas leasing represents a localized setback for wilderness preservation.	Score 2
		Trump administration proposes to loosen rules protecting endangered species. - On Wednesday, November 19, the Trump administration proposed four new rules designed to roll back Biden-era environmental regulations protecting endangered species. - The Interior Department plans to achieve this by restoring regulatory language from 2019 and 2020 to govern operations on federal lands and waters. - One of the four proposals requires specific rules tailored to each threatened species rather than relying on a single overarching default protection rule. - The proposed changes also give increased weight to economic and national security impacts when designating geographic areas as critical habitats.	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2045-2049.	Announced. Loosening the regulatory criteria for endangered species protections and critical habitat designations reflects an unsupportive environment for biodiversity.	Score 2
Brazil 	Carbon price 	Brazil plans to release carbon market regulations by end-2026. - The Brazilian government will publish comprehensive rules to regulate its national carbon market by December 2026. - Finance Ministry official Cristina Reis expects the newly regulated carbon market to become fully operational between the years 2030 and 2031. - A public consultation will soon be launched regarding a legal provision that requires insurers to allocate exactly 0.5% of their technical reserves to purchase carbon credits.	Explicit carbon price signal or backstop covering industry and power in 2030.	Announced and supportive. Publishing carbon market regulations by 2026, with full operation by 2030–2031, aligns directly with the forecast target.	Score 3

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	General 	Brazil rolls out plan to expand climate finance to \$1.3 trillion annually. - On Wednesday in Belem, Brazil, the COP30 host nation unveiled the near 100-page Baku to Belem Roadmap designed to scale global climate finance to \$1.3 trillion annually. - The roadmap outlines strategies to achieve this massive funding goal by increasing grant allocations, easing developing nations' debt burdens, and leveraging multilateral banks to absorb more risk to attract private capital. - In a setback for the host's flagship environmental goals, Britain declined to commit funding to the Tropical Forests Forever Facility, an initiative aiming to raise \$125 billion to protect global rainforests.	N/A	Announced and supportive. The Baku to Belém Roadmap sets a high-level climate finance strategy but remains aspirational and lacks the binding funding needed to drive real impact or shift timelines.	Score 3
		Brazil unveils global fund to safeguard tropical forests. - Brazilian President Lula da Silva is promoting the Tropical Forest Forever Facility at the upcoming UN Climate Change Conference COP30 in Belém to provide non-repayable funding for forest conservation. - The initiative aims to mobilize a total of 125 billion USD by leveraging an initial 25 billion USD in sponsor capital from high-income countries and private investors to issue bonds on international capital markets. - Based on an August draft proposal, the fund expects to generate a net return of 3.4 billion USD, enabling annual payments of 4 USD per hectare of preserved forest cover to participating nations.	N/A	Legislated and supportive. A \$125 billion conservation fund with penalties for deforestation and mandated indigenous revenue sharing creates a strong economic mechanism for nature protection.	Score 3
	Industry decarbonization 	Brazil commits to quadrupling sustainable fuel production. - During the Pre-COP event in Brasilia on October 14, Brazil's Ministry of Foreign Affairs launched the Belém 4x initiative to quadruple the global production and use of sustainable fuels by 2035. - A newly presented International Renewable Energy Agency report revealed that while the world reached a record 582 gigawatts of renewable energy capacity in 2024, an additional 1,122 gigawatts per year is required to meet 2030 targets. - The same report highlighted a concerning shortfall in global energy efficiency, which improved by only 1 percent in 2024 compared to the 4 percent annual increase necessary for climate goals.	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. The Belém 4x initiative to quadruple sustainable fuel production by 2035 supports long-term industry decarbonization.	Score 3

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Net zero CO2 emissions 	Brazil's BNDES clears \$71 million funding for carbon storage project. - The Brazilian Development Bank (BNDES) is investing approximately \$71 million to finance Brazil's first commercial-scale bioenergy with carbon capture and storage (BECCS) project. - The funding will enable FS Indústria de Biocombustíveis to build a dedicated unit at its corn-ethanol plant in Mato Grosso that compresses and injects CO2 into deep underground saline formations. - Because the emissions originate from biomass, the project will achieve net carbon removal, with an expected sequestration capacity of about 423,000 tons of CO2 annually. - The implementation of BECCS will allow FS to produce potentially carbon-negative ethanol and unlock new revenue streams, including high-integrity carbon removal credits.	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. Financing Brazil's first commercial BECCS project advances carbon removal, but its 423,000-ton capacity is too small to significantly shift the broader transition.	Score 3
		Brazil greenlights climate plan to meet Paris Agreement goals. - On Tuesday in Brazil, the government approved a new climate plan to meet its Paris Agreement commitments and achieve carbon neutrality. - The initiative targets a 59 to 67 percent reduction in net greenhouse gas emissions by 2035 compared to 2005 levels across eight key sectors; Officials aim to cut emissions from 2.04 billion metric tons of carbon dioxide equivalent in 2022 to 1.2 billion tons by 2030, and further reduce them to between 850 million and 1.05 billion tons by 2035. - Developed with input from more than 24,000 people nationwide, the strategy includes 16 sectoral adaptation plans featuring over 300 targets and 800 specific actions.	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and confirmatory. Implementing a national climate strategy with 2030 and 2035 targets and sectoral plans establishes a strong structural framework for decarbonization.	Score 3
	Protection & restoration 	Brazil plans to incorporate land demarcation into its climate targets. - Brazil's Minister of Indigenous Peoples announced on Tuesday that the federal government proposed including Indigenous land demarcation and invader removal in its Nationally Determined Contribution target ahead of the 2025 COP30 in Belém next month. - The Ministry of Indigenous Peoples proposed integrating a specific target into the government's Climate Plan to officially demarcate 72 percent of the country's Indigenous lands to help limit the global temperature increase to 1.5 degrees Celsius. - This Brazilian initiative aligns with global climate commitments involving 193 countries and the European Union, of which only 62 have already submitted their updated Nationally Determined Contributions.	Achieved.	Announced and supportive. Integrating 72% of Indigenous lands into Brazil's NDCs reinforces existing protections and secures long-term conservation gains.	Score 3



Key policy developments for Q1 2026

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 	Protection & restoration 	UK scales back climate finance programs for developing countries - The United Kingdom is scaling back or suspending major climate finance programs worth hundreds of millions of pounds across Africa, Asia, and South America - The 100-million-pound Biodiverse Landscapes Fund has significantly narrowed its scope, reducing its target areas from six down to just two - While the UK previously pledged 11.6 billion pounds for International Climate Finance between 2021 and 2026, including 3 billion pounds for nature protection, the next five-year cycle is projected to drop to approximately 9 billion pounds - This anticipated reduction of more than 20 percent has prompted civil society groups to demand the government maintain funding levels through tax adjustments on fossil fuel and high-emission industries	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored.	Announced. Scaling back climate and biodiversity funding signals a broader regression that threatens target achievement.	Score 2
Australia 	Clean power 	Australian government's Clean Energy Finance Corp (CEFC) invests in QIC infra fund - The Australian government's Clean Energy Finance Corp (CEFC) has committed A\$70m (US\$47m) to the QIC Global Infrastructure Fund II to accelerate the decarbonisation of the country's energy and transport sectors - The investment, made via a fund contribution and a co-investment mandate, will focus on transition-enabling infrastructure such as smart metering, renewable generation, and grid infrastructure - The fund aims to build upon its predecessor's net zero commitments for Scope 1 and 2 emissions by 2040 by establishing greenhouse gas emission reduction targets validated by the Science Based Target Initiative	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. A\$70 million investment into an infrastructure fund focusing on renewable generation and smart supports the forecast.	Score 3
	Industry decarbonization 	Grants open for biomethane in NSW - The New South Wales government has launched the A\$40m (US\$29m) Renewable Gas Production Programme to provide grants for commercially mature biomethane production and facility upgrades - Eligible projects must inject a minimum of 0.1 petajoules of biomethane into the network each year by June 2030, aiming to replace almost 4% of the natural gas used by industry in the state - Grants under this initiative can reach up to A\$20m to cover a maximum of 50% of project costs, with applications closing on April 24 - This initiative is paired with a A\$40m Low Emissions Industry Programme offering grants between A\$500,000 and A\$10m to help manufacturing and mining facilities reduce their emissions by at least 1,000tCO2 per year	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Announced and supportive. Provision of grants through the Renewable Gas Production Programme and the Low Emissions supports the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Industry decarbonization 	UP Govt Rolls Out Green Hydrogen Action Plan - The Uttar Pradesh government, led by Chief Minister Yogi Adityanath, has launched a comprehensive action plan to establish the state as a major hub for green energy technology - As part of this strategy, the state will establish two centers of excellence through reputed academic institutions, providing up to ₹50 crore in 100% financial assistance to develop state-of-the-art laboratories and testing facilities - Eligible startups associated with recognized incubators will receive financial support of up to ₹25 lakh per year for a period of five years to foster research-based entrepreneurship and innovation - These initiatives support India's national target of achieving net-zero emissions by 2070 and build upon existing projects like the Gorakhpur green hydrogen plant, which is estimated to reduce carbon emissions by approximately 500 tonnes	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced and supportive. Uttar Pradesh's state-level assistance for research laboratories and early-stage startups in the green supports the forecast.	Score 3
		Rs.20,000 cr incentives for carbon capture, utilization, storage - Union finance minister Nirmala Sitharaman announced a scheme to incentivize carbon capture, utilization, and storage technologies in India with an outlay of Rs.20,000 crore over a period of five years - The government aims to scale up these technologies and achieve higher readiness levels for end-use applications across the power, steel, cement, refineries, and chemicals sectors - This funding will support blue hydrogen production for heavy industries, addressing the power and industrial sectors that contributed around 1,600 million tonnes per annum of CO2 emissions, or about 60% of the country's total emissions of 2,600mtpa	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Legislated and supportive. Announcement of a Rs.20 supports the forecast.	Score 3
		EU Plans 500 Mn Support For India's Climate, Sustainable Trade Push - The European Union plans to provide €500 million in financial support over the next two years to help India reduce greenhouse gas emissions and advance its sustainable industrial transition - As part of the partnership, the two regions will sign a Memorandum of Understanding to establish an EU-India platform for climate action cooperation, expected to launch in the first half of 2026 - It remains unclear whether India secured any exemptions under the European Union's Carbon Border Adjustment Mechanism, which will impose a 20 per cent to 35 per cent tax on select carbon-intensive imports starting 1 January 2026	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced and supportive. €500 million in support from the EU to advance India's sustainable industrial transition supports the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Industry decarbonization 	Odisha unveils Green Hydrogen Policy to boost renewable energy investments - The Odisha government, led by Deputy Chief Minister KV Singh Deo, has officially announced its Green Hydrogen Policy to position the state as a frontrunner in clean energy and industrial decarbonization - this landmark initiative outlines an ambitious roadmap for large-scale green hydrogen production, floating solar projects, and pumped storage hydropower to support energy-intensive sectors such as steel, aluminium, and chemicals - industry proposals for production facilities have already reached significant scales, particularly around the strategic coastal ports of Gopalpur and Paradip	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Legislated and supportive. Odisha's policy for green hydrogen production targeting the steel supports the forecast.	Score 3
	Clean power 	\$198M World Bank boost for India rooftop solar - India's rooftop solar expansion plan secured a \$197.67 million guarantee from the Multilateral Investment Guarantee Agency, the guarantee arm of the World Bank Group - This five-year backing supports the refinancing of a \$500 million World Bank loan to the State Bank of India for grid-connected solar systems serving commercial and industrial users - The guarantee was specifically issued to Citibank N.A. for its non-shareholder loan to the State Bank of India to fund a national program delivering grid-connected rooftop solar photovoltaic systems	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. \$198 million World Bank guarantee to refinance loans for commercial and industrial rooftop supports the forecast.	Score 3
		Union Budget 2026 gives fresh push to nuclear energy sector after SHANTI Act opens doors to private players - Following the passage of the landmark SHANTI Act, the Indian government is aggressively accelerating its domestic nuclear energy sector through sweeping tariff reductions aimed at attracting private industry participation - To successfully facilitate this infrastructural expansion, federal authorities are officially extending existing basic customs duty exemptions on critical nuclear power project imports through the year 2035, regardless of individual plant capacity - As part of this comprehensive budgetary overhaul, officials have entirely eliminated the previous 7.5 percent customs duty on essential non-irradiated fuel elements and specialized reactor control rods - Furthermore, union leaders are simultaneously allocating an extensive Rs 20,000 crore over a five-year period to systematically scale up cutting-edge carbon capture and utilization technologies for broader industrial applications across the nation	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Extending long-term customs duty exemptions and eliminating tariffs on nuclear fuel imports supports the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India delays coal flexibility plan as solar power curbs rise, document shows - India has delayed by one year its plan to require coal-fired power plants to lower their output during periods of high solar generation - Government officials attributed the delay to the absence of rules for compensating coal plants for the higher maintenance and retrofitting costs needed to cut their minimum use rate to 40% from 55% - The Central Electricity Authority estimates that retrofitting coal plants would increase tariffs by 0.28 rupees to 0.60 rupees per kilowatt-hour, making flexible coal significantly cheaper than battery storage, which costs 5.76 rupees to 6.04 rupees	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Delaying the mandate for coal plants to lower their output during peak solar slows the forecast.	Score 2
	Light duty vehicles 	Centre moves to map life-cycle carbon emissions of all vehicles, end debate on norms - India's Ministry of Heavy Industries is initiating a comprehensive plan to map the life-cycle carbon emissions of every vehicle segment to assess their total environmental impact - This initiative aims to establish India, currently the world's third-largest automobile market, as a globally competitive clean-mobility hub by the target year of 2047 - Officials are developing a new playbook in consultation with industry and academia to track decarbonization levels across various powertrains as part of the draft Automotive Mission Plan 2047 - The data-driven approach is expected to resolve ongoing industry debates regarding automobile emission norms and provide a clear regulatory framework for future manufacturing	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 2045-2049.	Legislated and supportive. Initiating a data-driven plan to map life-cycle carbon emissions and drafting the Automotive supports the forecast.	Score 3
	Net Zero CO2 emissions 	Carbon credit trading scheme - The Indian government has officially implemented the Carbon Credit Trading Scheme to actively reduce and price domestic greenhouse gas emissions across the national economy through the strategic exchange of Carbon Credit Certificates - To systematically operationalize this emerging carbon market, federal authorities have established rigorous Greenhouse Gas Emission Intensity targets specifically targeting seven energy-intensive sectors under a strict compliance mechanism - Under this regulatory framework, obligated industrial entities that successfully exceed their designated reduction mandates will earn tradable certificates through designated power exchanges, while non-obligated renewable energy producers can voluntarily register approved mitigation activities to participate	Policy delivers net zero CO2 emissions by 2065-2069.	Announced and supportive. Implementation of the Carbon Credit Trading Scheme and the establishment of Greenhouse Gas supports the forecast.	Score 3

INDIA, JAPAN & SOUTH KOREA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Net deforestation 	Forest Survey of India stops its AI-based fortnightly alerts to states on deforestation - The Forest Survey of India (FSI) has halted its near-real time monitoring of deforestation activities, stopping the issuance of fortnightly alerts to states - Operational since January 2024, the Anavaran-Deforestation Alert System utilized satellite data and machine learning to generate location-specific alerts on forest cover loss every 15 days for targeted field inspections - Data on the portal have not been updated since November 2025, and active monitoring was officially halted this January after the FSI sent 12,351 alerts at a monthly average of 561 alerts during a 22-month period - FSI joint director Shivani Dogra stated that the Anavaran system was only running as a pilot project and its utility is currently being assessed based on feedback from the states	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by Achieved.	Announced. Halting the near-real-time satellite monitoring and automated alert system for forest cover loss slows the forecast.	Score 2
Japan 	Clean power 	Japan to boost coal-fired power as Mideast war causes energy turmoil - The Japanese government plans to temporarily lift restrictions on coal-fired power plants to alleviate an energy shortage triggered by conflict in the Middle East - The initiative responds to the partial closure of the crucial Strait of Hormuz energy trade route, prompting a broader Asian pivot toward coal to sustain economic activity - Under previous regulations aimed at curbing greenhouse gas emissions, power suppliers were required to cap the operating rate of high-emitting coal-fired thermal power stations at or below 50 percent - The new proposal will roll back these environmental rules to allow the full operation of older, less efficient coal-fired facilities	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Temporarily lifting environmental regulations that capped the operating rate of high-emitting slows the forecast.	Score 2
South Korea 	Clean power 	South Korea to build 2 new nuclear reactors amid growing demand for clean energy - South Korea's government announced plans to construct two new large-scale nuclear reactors by 2038 to meet the rising demand for clean energy and reduce carbon emissions - Climate Minister Kim Sung-whan confirmed that the project follows the 11th basic plan, with the state-run Korea Hydro & Nuclear Power Co. (KHNP) set to select host locations for the facilities by 2027 - The ministry aims to secure approval from the national nuclear safety watchdog by 2031, targeting a completion window between 2037 and 2038 - This initiative is supported by recent public opinion polls showing that 80% of respondents believe nuclear power is necessary, while 60% specifically favor the additional construction plan	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Commitment to construct two new nuclear reactors by 2038 supports the forecast.	Score 3

VIETNAM & CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Vietnam 	Carbon price 	Vietnam establishes domestic carbon trading exchange framework - The Vietnamese government has officially issued a new decree to establish the legal framework necessary for the organization and operation of a domestic carbon trading exchange - This regulatory framework sets out comprehensive rules for the registration, coding, ownership transfer, custody, trading, and settlement of greenhouse gas emission quotas - To ensure market integrity, the decree mandates that all emission quotas and carbon credits must be centrally registered in the national registration system prior to any trading activity	Explicit carbon price signal or backstop covering industry and power in 2030 by no 2026 forecast target.	Legislated. Issuance of a decree to establish a domestic carbon trading exchange accelerates the forecast.	Score 4
	Net deforestation 	Green Climate Fund Approved JICA's Proposal for the Socialist Republic of Viet Nam: REDD+ results-based payments for emission reduction - The Green Climate Fund approved a proposal submitted by the Japan International Cooperation Agency for the Socialist Republic of Viet Nam to provide USD 71,955,000 in results-based payments for emission reductions achieved during the 2014 results period - This project targets the northwest and northeast regions of Vietnam, focusing on addressing drivers of deforestation and forest degradation through the consolidation of sustainable forest management policies and livelihood improvements - Over a planned implementation period of six years, the Ministry of Agriculture and Environment of Vietnam will execute the project to strengthen institutional systems for low-emission planning and enhance the socio-economic value of local forests	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Legislated and supportive. Securing nearly \$72 million in results-based payments to address the drivers of deforestation supports the forecast.	Score 3
China 	Industry decarbonization 	China urges industrial parks to use more on-site green power - The Chinese government introduced a new policy roadmap for 2026-2030 that directs industrial parks to consume more of their locally generated green energy on-site rather than exporting it to the national grid - Under the plan for green industrial microgrids, parks with newly installed wind and solar generation are required to use at least 60% of that electricity internally and transmit no more than 20% into the broader network - These microgrids are expected to incorporate renewable power generation, green hydrogen, battery storage, waste energy utilization, and digitalized carbon management systems - The initiative aims to reduce emissions, enhance industrial competitiveness, and alleviate grid curtailment pressures by requiring microgrids to support demand response during peak consumption periods	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Announced and supportive. Directing industrial parks to utilize at least 60% of their generated green power supports the forecast.	Score 3

CHINA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
China 	Net Zero CO2 emissions 	China's decarbonisation plan takes cautious steps as world backtracks on climate - China released a new five-year plan to reduce the carbon emissions of its economy by relying on its booming renewable energy sector to limit coal use and greenhouse gases - Under the plan, the country aims to reduce its carbon intensity, or carbon emissions per unit of gross domestic product, by 17% from 2026 to 2030 - Analysts noted this target is insufficient to meet China's pledge under the Paris climate agreement to achieve a 65% cut from 2005 to 2030 - In the previous five years, China cut its carbon intensity by 12%, missing its 18% target, and the new plan did not set a goal for total emissions to decrease before 2030	Policy delivers net zero CO2 emissions by 2060-2064.	Announced and supportive. Its legislated targets effectively support our 2060-2064 net-zero forecast by maintaining the country's; it confirms the forecast.	Score 3
		China moves to boost green, low-carbon development of private sector - The Chinese government announced the establishment of a national fund for low-carbon transition during the fourth session of the 14th National People's Congress to accelerate the country's green economy - This fund aims to foster emerging growth sectors including hydrogen power and green fuels while supporting the development of zero-carbon industrial parks and factories - The initiative is designed to meet specific climate targets of peaking carbon dioxide emissions before 2030 and achieving full carbon neutrality before 2060 - To achieve these goals, China will implement a system to control both the total amount and intensity of carbon emissions while expanding its national carbon trading program	Policy delivers net zero CO2 emissions by 2060-2064.	Announced and supportive. Establishment of a fund for low-carbon transition and the expansion of the carbon supports the forecast.	Score 3
	Clean power 	China's power grid investments to surge to record \$574 billion in 2026-2030 - China's State Grid announced a massive 4 trillion yuan (\$574 billion) investment to upgrade the national power grid between 2026 and 2030 - This figure represents a 40% increase in fixed-asset investments compared to the previous five-year period, averaging 800 billion yuan annually - The funding aims to strengthen the west-to-east transmission network using high-voltage lines to transport electricity from western regions to eastern cities - State Grid plans to increase cross-provincial and cross-regional power transmission by 30% from 2025 levels to support the country's goal of peaking carbon emissions by 2030	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and confirmatory. A \$574 billion investment to upgrade the power grid confirms the forecast.	Score 3

CHINA & FRANCE POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
China 	Clean power 	Finland and China sing MOU to develop their energy cooperation - Finland and China signed a new memorandum of understanding in Beijing to deepen cooperation in clean energy, smart energy systems, and energy innovation - The agreement, signed by Director Wang Hongzhi of China's National Energy Administration and Ambassador Mikko Kinnunen during Prime Minister Petteri Orpo's visit, aims to facilitate the export of Finnish clean energy technologies such as hydrogen, carbon capture, and biomass solutions - This partnership supports China's transition as fossil fuels currently account for more than half of its electricity consumption and around four fifths of its total energy usage - The cooperation seeks to help China reach its target of carbon neutrality by 2060 through pilot projects and the application of innovative technologies like decentralized combined heat and power generation	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Signing a memorandum of understanding to cooperate on clean energy innovation and technology supports the forecast.	Score 3
	Net Zero CO2 emissions 	China moves to boost green, low-carbon development of private sector - The Chinese government announced the establishment of a national fund for low-carbon transition during the fourth session of the 14th National People's Congress to accelerate the country's green economy - This fund aims to foster emerging growth sectors including hydrogen power and green fuels while supporting the development of zero-carbon industrial parks and factories - The initiative is designed to meet specific climate targets of peaking carbon dioxide emissions before 2030 and achieving full carbon neutrality before 2060 - To achieve these goals, China will implement a system to control both the total amount and intensity of carbon emissions while expanding its national carbon trading program	Policy delivers net zero CO2 emissions by 2060-2064.	Announced and supportive. Establishment of a fund for low-carbon transition and the expansion of the carbon supports the forecast.	Score 3
France 	Clean power 	France trims renewable goals, sets stage for "nuclear revival" in PPE3 - Finance Minister Roland Lescure announced that France will seek to increase electricity production from nuclear and renewable sources by 20% over the next decade through a newly decreed energy planning law - The plan sets a target for decarbonized electricity production at 585 terawatt-hours by 2030, an increase from the current level of 540 terawatt-hours - By 2035, the government aims for 70% of the nation's energy consumption to come from decarbonized electricity, a significant shift from the current reliance on oil and gas which accounts for 60% of consumption	Policy delivers dispatched generation of >90% low-carbon power by Achieved.	Announced and supportive. France has already achieved a >90% low-carbon power grid; it supports the forecast.	Score 3

GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Germany 	Heavy duty vehicles 	Germany Aid scheme for fast-charging infrastructure for heavy-duty electric vehicles - The European Commission's Directorate-General for Competition is reviewing a proposed state aid scheme from Germany designed to support the deployment of fast-charging infrastructure for electric heavy-duty vehicles along the country's motorways - The notified measure, designated as State Aid SA.114664 (2025/N), targets the expansion of charging networks specifically for battery electric vehicles in the heavy-duty transport sector - The scheme applies to Category M2, M3, N2, and N3 motor vehicles as defined by Regulation (EU) 2018/858 - Following the initial notification by German authorities, the Commission has issued a formal request for further information to assess the scheme's compliance with European Union state aid rules	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2045-2049.	Announced and supportive. Proposed state aid scheme to deploying fast-charging infrastructure specifically for battery electric heavy-duty supports the forecast.	Score 3
	Zero-carbon heating 	German coalition agrees to row back on climate rules for new heating - The German coalition government, comprising the conservative CDU/CSU bloc and the centre-left SPD, has agreed to reverse an environmental reform to allow property owners to continue installing oil and gas heating systems in their homes - Conservative parliamentary group leader Jens Spahn stated that the decision returns the choice of heating methods to private citizens - Despite the rollback, SPD parliamentary group leader Matthias Miersch emphasized that climate action goals remain in focus, citing new quotas that will take effect from 2029	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2040-2044.	Announced. Coalition government's decision to reverse environmental reforms and allow property owners to continue slows the forecast.	Score 1
	Industry decarbonization 	German parliament adopts hydrogen acceleration law - The German Bundestag passed the Hydrogen Acceleration Act to accelerate the development of hydrogen infrastructure, including provisions for low-carbon hydrogen - The legislation aims to scale up the hydrogen economy by simplifying and digitalising approval procedures and reducing bureaucratic hurdles - Under the new law, the expansion of hydrogen infrastructure across the entire supply chain—spanning production, import, storage, and transport—is classified as being of overriding public interest - Amendments introduced by the Committee on Economic Affairs expanded the bill to cover the construction, operation, and modification of facilities for converting hydrogen derivatives and liquid organic hydrogen carriers into hydrogen, alongside infrastructure for importing renewable fuels of non-biological origin	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Legislated and supportive. Passage of the Hydrogen Acceleration Act systematically reduces bureaucratic hurdles; it supports the forecast.	Score 3

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Net Zero CO2 emissions 	PM draws up plans for Britain to hike green targets and hand over control of energy policy - UK Prime Minister Sir Keir Starmer is developing plans to increase the nation's net zero targets and align British energy policy with the European Union - A Cabinet Office memorandum outlines the need for a 'dynamic alignment' of British law with EU regulations concerning 'the promotion of renewable energy' - This alignment would require the UK to decarbonize heating and transport alongside electricity, potentially doubling current net zero targets to meet the new requirements - Achieving these heightened targets could necessitate strict new measures, including restrictions on flying, driving, wood fires, and reducing meat consumption	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. Proposals to align with EU rules, decarbonize heating and transport, and strengthen net-zero targets signal an ambitious policy shift.	Score 3
	Clean power 	£1 billion government investment in community energy projects will 'drive down' bills across London - The UK government announced a £1 billion investment into community energy projects designed to lower utility bills and promote green energy across London and the wider country - Energy Secretary Ed Miliband stated the initiative allows social clubs, places of worship, and community centres to bid for funding to own and control clean energy assets like solar panels and batteries - During a visit to a South London food centre that saves an estimated £523 annually through solar power, Minister Martin McCluskey highlighted how the scheme supports a fairer economy with local ownership	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Dedicating £1 billion to community energy projects supports the forecast.	Score 3
		Britain secures record amount of solar in renewable power auction - Britain secured a record amount of solar power in its seventh renewable energy auction, awarding guaranteed electricity price contracts to developers to help meet its target of largely decarbonising the electricity sector by 2030 - The government awarded Contracts for Difference to a total of 6.2 gigawatts of onshore wind, solar, and tidal power projects, with the bulk of the capacity, some 4.9 GW, going to 157 solar projects - Through these government-backed price guarantees, onshore wind secured strike prices of 72.24 pounds per megawatt hour in 2024 prices, while solar projects were awarded 65.23 pounds/MWh	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Securing a record 14.7 GW of capacity across solar supports the forecast.	Score 3

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Zero-carbon heating 	Government launches £15 billion 'warm homes plan' for solar panels and heat pumps - The UK government has launched the £15 billion Warm Homes Plan to provide households across the country with grants and low-interest loans for solar panels, heat pumps, and batteries over the next five years - This initiative aims to triple the number of homes with solar power and lift one million people out of fuel poverty while creating 180,000 new jobs in the clean heating sector - Specific measures include extending the Boiler Upgrade Scheme to 2029/30 to offer £7,500 grants for air source heat pumps and allocating an additional £600 million to low-income households, bringing their total funding for solar and batteries to £5 billion - While average installation costs for heat pumps remain around £5,000 after subsidies, the government estimates that combining these green technologies could save a typical three-bedroom semi-detached home £500 annually on energy bills	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2040-2044.	Announced and supportive. Introduction of a £15 billion funding package specifically targeting the deployment of heat supports the forecast.	Score 3
	Heavy duty vehicles 	£1 Billion to Cut Costs for Businesses, Drive Growth and Clean Up UK Roads - The UK government is providing a £1 billion investment to help British businesses across the UK transition to zero-emission vehicles and install electric vehicle charging infrastructure - A £170 million boost to the Depot Charging Scheme further allows businesses and public authorities to save up to £1 million, covering up to 70% of the costs for installing chargers for vans, coaches, and heavy goods vehicles - This initiative supports a logistics sector worth £170 billion and 2.7 million jobs, aiming to build resilience against fuel price volatility and contribute to national net-zero goals - The funding complements a broader £600 million program to expand the national charging network beyond the current 118,000 available chargers	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2040-2044.	Announced and supportive. Subsidizing up to 40% of the cost for the heaviest trucks and 70% supports the forecast.	Score 3

NIGERIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Nigeria 	Net Zero CO2 emissions 	Nigeria targets \$2.5bn carbon credit investment by 2030 - Nigeria aims to secure \$2.5 billion in high-integrity carbon credit investments by 2030 following the establishment of its national carbon market framework - Professor Simon Ortuanya, Vice Chancellor of the University of Nigeria, Nsukka, highlighted this target during a workshop in Abuja, noting that the global voluntary carbon market was valued at \$2 billion in 2022 - Analysts estimate that Africa's potential voluntary carbon market value could reach \$1.5 trillion by 2050 if integrity and equity standards are maintained - As of December 2025, Nigeria has already registered over 120 carbon projects, leveraging Article 6 of the Paris Agreement to transition toward a low-carbon economy	Policy delivers net zero CO2 emissions by 2055-2059.	Announced and supportive. Establishing a carbon market framework and targeting capital inflows (\$2.5 billion) through Article supports the forecast.	Score 3
		Nigeria Begins Cross-border Export With 5.2m Clean Cooking Carbon Credits - The Nigerian government approved the export of carbon credits from clean cooking projects for the first time, issuing a letter of authorization to the Kenyan firm BURN through the National Council on Climate Change - The approval covers 5.2 million credits generated from the large-scale distribution of improved cookstoves, allowing the company and its partners to transfer these emissions reductions to the international aviation offset mechanism known as CORSIA - These international sales will be executed under Article 6.2 of the Paris Agreement, which enables cross-border carbon credit transfers to help countries meet their nationally determined contributions	Policy delivers net zero CO2 emissions by 2055-2059.	Announced and supportive. Authorization of cross-border carbon credit exports successfully operationalizes the recently launched Nigerian Carbon supports the forecast.	Score 3
	Clean power 	Nigeria Woo Investors for \$1 Billion Green Bond to Boost Climate Projects - Nigeria is actively courting local and international investors for a planned 1.5 trillion naira (\$1 billion) green bond issuance to accelerate climate financing and reduce reliance on public funds - Minister of Environment Balarabe Abbas Lawal announced a partnership with the International Finance Corporation to attract private capital into the country's green industrial agenda - The proceeds from the green bond will be directed toward renewable energy and climate-related projects, including solar power initiatives, low-carbon infrastructure, and greenhouse gas emission reduction programs	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Actively mobilizing a \$1 billion green bond directed toward renewable energy and solar supports the forecast.	Score 3

NIGERIA, SAUDI ARABIA & CANADA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Nigeria 	Protection & restoration 	Nigeria Inaugurates Committees To Implement Revised Biodiversity Strategy - The Nigerian Government inaugurated three key institutional committees in Abuja to drive the effective implementation of the revised National Biodiversity Strategy and Action Plan - These three bodies consist of the Inter-Ministerial Committee on Biodiversity, the National Biodiversity Coordination Committee, and the National Biodiversity Technical Committee - This initiative transitions the nation from policy formulation to decisive action to protect ecosystems vital for food security and climate resilience - The implementation strategy requires collective ownership across government, civil society, and the private sector to meet international biodiversity commitments	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040-2044.	Announced and supportive. Establishing governance and technical leadership to safeguard biological resources and prevent habitat loss supports the forecast.	Score 3
Saudi Arabia 	Net deforestation 	Saudi Arabia wants to plant 10 billion trees in the desert to mitigate climate change - Saudi Arabia announced an ambitious environmental strategy to plant 10 billion trees across the desert nation to mitigate the impacts of climate change - Linked to the Saudi Green Initiative, the plan aims to distribute the planting across ecological zones, urban areas, roads, and green belts to generate quantifiable benefits - The initiative's most recent roadmap calls for the rehabilitation of more than 74 million hectares and the planting of more than 600 million trees by 2030 - Officials estimate this increased tree cover will result in a 2.2°C reduction in temperatures within urban centers, alongside curbing desertification and restoring degraded areas	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by Achieved.	Announced. Environmental strategy to rehabilitate 74 million hectares and plant billions of trees is; it accelerates the forecast.	Score 4
Canada 	Light duty vehicles 	Comprehensive plan to strengthen the domestic automotive sector and reduce greenhouse gas emissions - Canadian Prime Minister Mark Carney announced a comprehensive plan to strengthen the domestic automotive sector and reduce greenhouse gas emissions - The strategy introduces direct support and tax incentives to encourage consumers to purchase zero-emissions vehicles and provides credits to boost domestic manufacturing - Key changes in the policy include the removal of existing electric vehicle sales mandates alongside new investments directed toward charging infrastructure - The policy shift arrives 10 months after President Donald Trump applied 25-, and it coincides with Honda CDR reporting 70,000 shares issued at a last close of \$11.95	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. Newly announced policy supports the forecast.	Score 3

CANADA & MEXICO POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Canada 	Protection & restoration 	Canada aims to double areas protected from development by 2030 - The Canadian government has launched a C\$3.8 billion nature strategy to double the amount of land and water protected from development by 2030 - Ottawa plans to fund up to 14 new marine protected areas, at least 10 new national parks, and 15 national urban parks as part of this environmental expansion - The plan targets the protection of at least 1.6 million square km of land and up to 700,000 square km of oceans over the next four years - This initiative will increase terrestrial conservation from 14% to 30% and marine conservation from over 15% to 28% on the way to a 30% target by 2030	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040-2044.	Legislated. Launch of a fully funded C\$3.8 billion nature strategy designed to increase terrestrial accelerates the forecast.	Score 4
Mexico 	Clean power 	SCJN confirms that Mexico can advance clean energy and reduce emissions without banning coal - Mexico's Supreme Court confirmed the validity of the Electricity Industry Law, granting the federal government a major victory by allowing the state-owned Federal Electricity Commission to receive priority on the national grid - Although seven of the 11 justices found the law violated free competition and hindered clean energy transitions, the ruling stands because eight votes were required to invalidate the legislation	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. Supreme Court ruling that upholds priority grid dispatch for the state-owned Electricity Commission slows the forecast.	Score 2
		Mexico Advances Clean Energy Strategy - Mexico is accelerating its national energy transition strategy by expanding renewable capacity targets and fostering international cooperation to raise the share of clean energy to 40% by 2030, up from roughly 22% - To achieve this goal, the government plans to add approximately 40,000MW of new generation capacity through a mix of public and private investments focused on solar, wind, and geothermal energy - At the international level, Mexico's Minister of Environment, Alicia Bárcena, is advancing cooperation with Canada on sustainability and clean energy under a framework aligned with the USMCA - This multi-level approach is driving private-sector investments in distributed generation across industrial sectors, with companies like Maxion Wheels adopting on-site renewables to reduce costs and emissions	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Government's pledge to raise the share of clean energy to 40% by 2030 supports the forecast.	Score 3

MEXICO & US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Heavy duty vehicles 	Mexico City switches from diesel to electric buses to curb pollution - Mexico City is transitioning its public transportation network from diesel to electric buses to curb greenhouse gas emissions - The city currently operates 629 of the 849 electric buses in the country, with the Metrobus system already replacing vehicles on lines 3 and 4 - Metrobus Line 1 is also preparing to introduce bi-articulated electric vehicles to transport more passengers while reducing pollution - Additionally, the city's trolleybus fleet was upgraded during Claudia Sheinbaum's administration, replacing 40-year-old units with modern buses equipped with batteries that allow them to travel up to 70 kilometers autonomously	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2065-2069.	Announced. Mexico City's transition of its public transportation network from diesel to electric buses accelerates the forecast.	Score 4
US 	Zero-carbon heating 	US judge strikes down Biden-era home energy efficiency standards - U.S. District Judge Jeremy Kernodle in Tyler, Texas, ruled in favor of 15 Republican-led states and the National Association of Home Builders by declaring the Biden administration's minimum energy standards for federally-funded housing unlawful - The judge determined that the implementation of these energy standards conflicted with federal law and could reduce affordable housing availability by 1.5% - The Trump administration had previously urged the court to dismiss the case as unripe while it reconsidered the rules, but the judge proceeded because planners still faced compliance deadlines for new housing projects - The lawsuit was spearheaded by Utah Attorney General Derek Brown and Texas Attorney General Ken Paxton, who argued the rules ignored housing affordability, a stance echoed by the USDA which noted the standards increased rural housing costs	Policy ends the sale of 97% of new fossil fuel heating systems in all buildings by 2045-2049.	Announced. Striking down energy efficiency rules slows the adoption of zero-carbon heating and weakens progress toward the 2045–2049 target.	Score 1

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

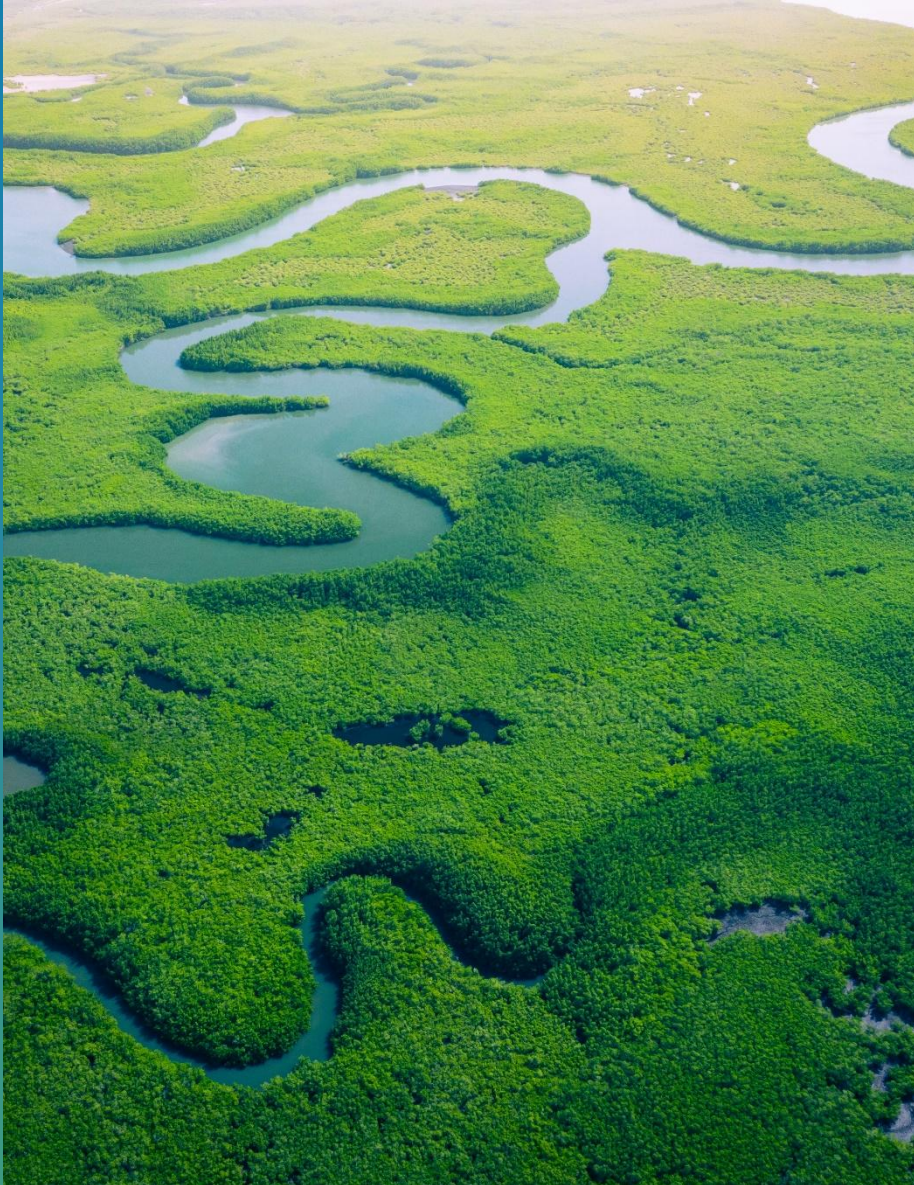
			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Industry decarbonization 	Treasury Department Releases Section 45Q Carbon Capture Sequestration Interim Guidance - The U.S. Department of the Treasury and the Internal Revenue Service released Notice 2026-1 on December 19, 2025, regarding the Section 45Q tax credit for carbon oxide sequestration - This interim guidance was issued in response to the U.S. Environmental Protection Agency's proposed regulations to eliminate reporting obligations for the geologic sequestration of carbon oxide previously required under Subpart RR of 40 C.F.R. Part 98 - The newly issued notice provides temporary and limited relief for taxpayers in the event that the Environmental Protection Agency fails to launch its updated reporting system - Historically, taxpayers were required to submit annual reports under Subpart RR to demonstrate compliance with secure geological storage requirements and qualify for the Section 45Q credit	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. Section 45Q tax credit is the primary economic driver for industrial carbon capture; it supports the forecast.	Score 3
	Net Zero CO2 emissions 	Officials delay repeal of key climate finding over fears it will lose in court - Trump administration officials have delayed finalizing the repeal of the Environmental Protection Agency's 2009 endangerment finding due to concerns that the proposal is too weak to survive a court challenge - The 2009 finding established that greenhouse gases harm public health, serving as the legal foundation for regulating emissions from cars and trucks under the Clean Air Act - The White House's Office of Information and Regulatory Affairs raised concerns regarding the strength of the scientific and economic analysis supporting the proposed repeal - In response, EPA officials are resisting revisions to the policy and arguing that the regulation should be finalized and announced publicly in its current form as soon as possible	Policy delivers net zero CO2 emissions by 2060-2064.	Announced. Administrative intent to dismantle the foundational legal mechanism for regulating greenhouse gases under slows the forecast.	Score 2
		No Climate Treaties Act - U.S. Senator Jim Risch and Senator John Barrasso, along with 22 Republican colleagues, introduced the No Climate Treaties Act to mandate Senate approval for any international climate agreement - The legislation requires that any such agreement, including the Paris Climate Agreement, be treated as a formal treaty necessitating a two-thirds vote in the Senate under Article II of the Constitution - Furthermore, the bill restricts the use of federal funds to implement or comply with any international climate pact that has not secured this specific legislative authorization	Policy delivers net zero CO2 emissions by 2060-2064.	Announced. Introduction of legislation designed to mandate a two-thirds Senate majority for international climate slows the forecast.	Score 1

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Net Zero CO2 emissions 	Air board OKs first rules for corporate climate disclosures - The California Air Resources Board approved a regulation to implement the Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act, establishing the necessary fee structures and reporting timelines for large entities - The mandate requires U.S.-based corporations doing business in California with annual revenues exceeding \$1 billion to disclose their Scope 1 and Scope 2 greenhouse gas emissions - Officials set August 10, 2026, as the inaugural reporting deadline for these emissions, while companies with revenues over \$500 million must prepare biennial reports on climate-related financial risks - Implementation involves a flat-rate fee structure to cover administrative costs, with revenue thresholds determined by gross receipts reported to the California Franchise Tax Board	Policy delivers net zero CO2 emissions by 2060-2064.	Announced. California Air Resources Board's approval of mandatory Scope 1 and Scope 2 greenhouse does not shift the forecast.	Score 3 <i>*No Impact</i>
		US states file lawsuit challenging Trump's revocation of climate finding - A coalition of 23 states, led by California and New York, has filed a legal petition in the US Court of Appeals for the District of Columbia challenging the Trump administration's revocation of a foundational climate science determination - The lawsuit targets the US Environmental Protection Agency over its February 12 repeal of the 2009 "endangerment finding," which established that climate change threatens human health and the environment - Nine cities, several counties, the US Virgin Islands, the District of Columbia, and Pennsylvania Governor Josh Shapiro joined the petition to block what President Trump described as the single largest deregulatory action in US history	Policy delivers net zero CO2 emissions by 2060-2064.	Announced and supportive. Legal petition filed by a coalition of states and cities is a defensive; it supports the forecast.	Score 3
	Clean power 	Trump's EPA eases limits on coal plant emissions - The Environmental Protection Agency weakened limits on mercury and other toxic emissions from coal-fired power plants during an announcement at a facility in Louisville, Kentucky - This move reverts the industry to standards first established in 2012, which previously succeeded in reducing mercury emissions by nearly 90% - Agency officials stated the deregulatory action is expected to save the industry hundreds of millions of dollars while improving the reliability of the electric grid for consumers - The administration further supported the fossil fuel sector by issuing emergency orders to halt the planned shutdown of several coal plants and revoking a finding that climate change poses a threat to public health	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Deregulation of toxic emissions from coal plants and the issuance of emergency orders slows the forecast.	Score 2

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Net deforestation 	Brazil updates its mangrove mapping and launches the Climate Plan - Brazil released a new national climate plan in 2026, representing the first update to its environmental strategy in 18 years - The updated framework replaces the original 2008 plan with a more comprehensive approach to reducing the country's carbon footprint - A primary objective of the initiative is the total elimination of deforestation, which remains the leading cause of Brazil's greenhouse gas emissions	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	Announced and supportive. An updated climate plan to end deforestation helps cut Brazil's largest emissions source.	Score 3
	Protection & restoration 	Brazil awards first Amazon reforestation concession to startup Re.green - The Brazilian government has auctioned its first-ever public land concession for reforestation to the startup Re.green, marking an initial attempt to use carbon credits to finance the recovery of degraded protected areas - As the sole bidder, Re.green secured the rights to restore and help protect a 145,000-acre plot in the Bom Futuro reserve within the Amazon rainforest for a period of 40 years - The startup offered a fee of 0.7% of revenue from the sale of carbon credits earned through the project, which is expected to reach approximately \$2 million annually	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by Achieved.	Announced and supportive. A 145,000-acre reforestation concession directly supports the forecast.	Score 3
	Net Zero CO2 emissions 	Brazil's Superior Court of Justice's decision on preliminary injunctions reinforces obligation to meet RenovaBio targets - Brazil's Superior Court of Justice reinforced the legal security of the RenovaBio program by suspending six injunctions from small fossil fuel distributors that challenged the program's costs and equality provisions - The federal decarbonization program has set a target of 48 million CBio certificates for the current year, despite an oversupply of 20 million certificates in stock and a monthly issuance rate of 3.5 million that has driven prices down from over R\$100 in 2024 to approximately R\$30	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. Court's decision reinforces the legal security of the RenovaBio program and upholds current confirms the forecast.	Score 3
	Carbon price 	Brazilian Emissions Trading System - Brazil is establishing a national Greenhouse Gas Emissions Trading System to regulate carbon output across its major economic sectors - The scheme targets seven key sectors including power, industry, transport, domestic aviation, waste, mining and extractives, and maritime operations - Under the proposed framework, the system will monitor and limit six primary greenhouse gases, specifically CO2, CH4, N2O, HFCs, SF6, and PFCs	Explicit carbon price signal or backstop covering industry and power in 2030 by no 2026 forecast target.	Announced. Establishment of a Greenhouse Gas Emissions Trading System covering seven key economic sectors accelerates the forecast.	Score 4



Key policy developments for Q2 2026

Detailed overview of the most important credible
and material policy developments

COP POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
COP 	Clean power 	Climate summit host Turkey proposes 2035 global electricity target - Turkey is proposing a global target for electricity to meet 35% of the world's energy demand by 2035 as part of its preparations to host the COP31 U.N. climate conference - The initiative aims to reduce fossil fuel consumption by transitioning transport, heavy industries, and home heating to electric technologies such as heat pumps, electric vehicles, and industrial furnaces - Currently, electricity accounts for approximately 20% of total global energy demand, while the remainder is primarily supplied by fossil fuels and around 10% from biofuels and waste - The proposal includes plans to facilitate technical assistance, capacity-building, and financial support for developing economies to help achieve the electrification target	Policy delivers dispatched generation of >90% low-carbon power.	Announced and supportive. Proposal for a global target to meet 35% of energy demand via electricity supports the forecast.	Score 3
	Net Zero CO2 emissions 	Brazil will present the framework for its roadmap to phase out fossil fuels this Friday - The Brazilian presidency of COP30 is presenting the framework for a roadmap to phase out fossil fuels during the annual climate meeting in Bonn - This initiative aims to drive a fair, orderly, and equitable energy transition to achieve net-zero emissions by 2050 and curb global warming - The presentation includes results from a public consultation with global NGOs and authorities to facilitate dialogue on the next steps before the final document is released ahead of COP31 - While the proposal has gained support from various European and Latin American countries, it faces significant opposition from oil-producing nations that have previously blocked its inclusion in formal summit conclusions	Policy delivers net zero CO2 emissions.	Announced and supportive. Presentation of a framework to phase out fossil fuels during international climate negotiations supports the forecast.	Score 3

AUSTRALIA & INDONESIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Australia 	Clean power 	Australia Backs Renewable Expansion as Offshore Wind Activity Grows - The Australian Government has selected 20 renewable energy and battery storage projects under the latest round of its Capacity Investment Scheme (CIS) to bolster the National Electricity Market - These projects, awarded through CIS Tender 4, represent more than 6.6GW of new clean energy capacity including large-scale wind, solar, and battery storage developments across several states - Australia is targeting 32GW of new renewable generation and storage capacity through the CIS programme by 2030 to replace ageing coal-fired generation	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Legislated and supportive. Tender 4 supports new renewable and storage capacity, advancing the 32 GW target and clean power transition.	Score 3
Indonesia 	Net deforestation 	Indonesia, JICA deepen forestry partnership to support climate action - Indonesian Forestry Minister Raja Juli Antoni and JICA Senior Vice President Yoshifumi Yoshikawa met in Tokyo to formalize an agreement to strengthen strategic cooperation in the forestry sector and climate change mitigation - The partnership focuses on accelerating the rehabilitation of degraded land and managing conservation areas to transform them into world-class national parks that excel in biodiversity protection and ecotourism - Minister Antoni specifically invited JICA to support the World Mangrove Center initiative, which serves as a global hub for mangrove research, education, and innovation - JICA committed to providing technical cooperation, funding, and the exchange of technology to support Indonesia's environmental sustainability goals and institutional capacity building	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced and supportive. Formalizing a partnership to accelerate the rehabilitation of degraded land and enhance the supports the forecast.	Score 3
		Indonesia wants to reforest 12 million hectares of degraded land, may sell carbon offsets, minister says - Indonesia is committed to rehabilitating 12 million hectares (29.65 million acres) of degraded land and potentially integrating new tree-planting efforts - Forestry Minister Raja Juli Antoni announced the initiative in New York, highlighting that the country has updated its rules to allow for the international sale of carbon credits - These projects are designed to meet high-integrity standards and will be implemented in partnership with local communities to ensure sustainable development - This policy push comes amid reports that forest loss in the country surged by 66% in 2025, marking the highest rate of deforestation in eight years	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced and supportive. Commitment to rehabilitating 12 million hectares of degraded land through the integration confirms the forecast.	Score 3

INDONESIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Indonesia 	Industry decarbonization 	Indonesia rolls out five-pillar cement decarbonization strategy - Indonesia's Ministry of Industry has launched a five-pillar decarbonization strategy for the cement sector to prioritize emission reductions and transition toward carbon neutrality - the sector recorded 6.16 percent growth in 2025, supported by Rp25 trillion (US\$1.45 billion) in investment and an installed capacity of 121.66 million tons per year - current efforts have already reduced the clinker factor to 68.1 percent and specific emissions to 566.3 kg of CO₂ per ton, surpassing the original 2025 targets - while domestic demand is projected at 64 million tons for 2025, the industry maintains strong export momentum with a clinker and cement export value of US\$443 million, marking an 18.25 percent year-on-year increase	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. Cement manufacturing is a highly carbon-intensive industry; it supports the forecast.	Score 3
	Clean power 	Indonesia: Indonesia, Singapore deepen investment and green energy ties - Indonesia and Singapore have committed to deepening bilateral cooperation in green energy, the digital economy, and investment following the 16th Six Bilateral Economic Working Groups Ministerial Meeting in Jakarta - Coordinating Economic Affairs Minister Airlangga Hartarto announced that investment in the Batam, Bintan, and Karimun (BBK) region reached US\$5.7 billion in 2025, marking an increase from the previous year - The development of the Batam free trade zone is set to expand significantly, increasing its coverage from eight islands to 22 to support strategic growth - Further economic expansion includes the second phase of the Kendal Special Economic Zone, which will be enlarged by approximately 1,000 hectares, alongside continued development of the Nongsa Digital Park	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Deepening bilateral cooperation with Singapore in green energy and expanding special economic zones supports the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Industry decarbonization 	Decarbonizing India's Fertilizer Sector and Strengthening Nation's Energy Security - The Department of Fertilizers and major fertilizer companies exchanged Green Ammonia Purchase and Supply Agreements for 11 projects in New Delhi to accelerate the nation's transition toward sustainable fertilizer production - These strategic 10-year agreements operationalize components of the National Green Hydrogen Mission, which operates with a ₹19,744 crore outlay to achieve a production target of 5 million metric tonnes of green hydrogen per annum by 2030 - Competitive bidding led by the Solar Energy Corporation of India resulted in the allocation of 7,24,000 tonnes per annum of green ammonia at prices between ₹49.75 and ₹64.74 per kg, which is notably lower than the international benchmark of roughly ₹110 per kg	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced and supportive. Securing long-term (10-year) off-take agreements for 724 supports the forecast.	Score 3
		India aiming to cut steel emissions by 25%, double capacity - India's steel ministry has drafted a new policy aiming to reduce carbon emissions by approximately 25% to 2 metric tons of CO₂ per ton of finished steel by the 2035-36 fiscal year - This initiative addresses current emission levels of 2.65 tons per ton of steel, which are 32% higher than the global average and account for up to 12% of the nation's total emissions - To support rapid economic growth, the government plans to more than double crude steel capacity to 400 million tons from the current 168 million tons, requiring a capital investment of 17 trillion rupees (\$183.41 billion) - The strategy involves promoting gas-based steelmaking, increasing scrap usage, and reducing coking coal import reliance from 90% to 80% while potentially creating over 3 million new jobs	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced. A draft strategy to cut steel emissions intensity supports industrial decarbonization, though planned capacity growth could still increase total emissions.	Score 2
		Sweden and India deepen climate cooperation - Sweden and India have announced a deepened climate partnership to develop a new work programme for the Leadership Group for Industry Transition (LeadIT) initiative for the 2027-2030 period - The collaboration, confirmed during a summit between Prime Ministers Ulf Kristersson and Narendra Modi, focuses on reducing emissions within heavy industrial sectors like steel and cement - LeadIT currently comprises 19 countries and 32 companies committed to achieving net zero emissions by 2050 - The new work programme will be drafted in consultation with members and is scheduled for launch at the COP31 Climate Change Conference	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Announced. Deepened climate partnership between India and Sweden to develop a new work programme does not shift the forecast.	Score 3 <i>*No Impact</i>

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Net Zero CO2 emissions 	Maharashtra Climate Action Cell head details cooling action plan - Abhijit Ghorpade, director of the State Climate Action Cell of the Environment and Climate Change department, announced that Maharashtra aims to achieve net-zero emissions by 2050, outpacing the national timeline - This ambitious target comes as the state's number of extreme heat days has doubled over the past 50 years, with both days and nights becoming warmer - Currently, 15 districts across the state are classified as highly vulnerable to these intensifying heatwaves - To address these rising temperatures, the state has integrated a cooling action plan into its broader climate change strategy to provide thermal comfort for residents	Policy delivers net zero CO2 emissions by 2065-2069.	Legislated and supportive. Commitment of a industrialized state like Maharashtra to achieve net-zero emissions by 2050 supports the forecast.	Score 3
		India submits revised NDCs; flags inadequate means of implementation - The Indian government has officially upgraded its climate commitments under the Paris Agreement, pledging to increase the share of clean energy in its total electricity capacity to 60% by 2035 - This new target follows the country's achievement of its previous 50% non-fossil fuel goal in 2025, five years ahead of schedule, with clean energy already accounting for 52.6% of current installed capacity - Alongside power capacity goals, the nation committed to reducing its emissions intensity by 47% by 2035 relative to 2005 levels, building on the 36% reduction already achieved as of 2020	Policy delivers net zero CO2 emissions by 2065-2069.	Legislated. India strengthened its 2035 climate targets while reaffirming its long-term commitment to reach net-zero emissions by 2070.	Score 2
	Heavy duty vehicles 	SMC announces car pooling rule and 600 electric buses to save on fuel - The Surat Municipal Corporation has implemented a mandatory carpooling policy for its officials and announced plans to deploy 600 electric buses to reduce fuel consumption and urban pollution - Under the new directive issued by Municipal Commissioner M Nagarajan, deputy commissioners and administrative staff visiting the same project sites or areas must travel together in a single vehicle - This initiative aligns with the national Mission LiFE objectives and aims to foster a sustainable work culture while cutting municipal expenses and traffic congestion - The order specifically targets inspections, supervision visits, and routine administrative rounds to ensure senior officers lead by example in energy conservation	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2055-2059.	Announced and supportive. Substantial e-bus rollout displaces fossil-fuel demand within the municipal transit fleet; it does not shift the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Heavy duty vehicles 	CM underlines usage of more e-buses in public transport sector - Andhra Pradesh Chief Minister N Chandrababu Naidu has directed officials to increase the induction of electric buses within the state's public transport sector to optimize fuel costs and improve service delivery - Highlighting that the current operational cost of EV buses is about Rs 72 per km, the Chief Minister instructed authorities to study various models to further reduce these expenses - The transition strategy includes expanding charging infrastructure, standardising battery systems, and gradually switching all categories of buses over to AC electric buses	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2055-2059.	Legislated and supportive. By expanding charging infrastructure and phasing out fossil-fuel buses, it supports cleaner transport and strengthens progress toward the 2055–2059 target.	Score 3
		Odisha plans hydrogen-powered buses under green mobility project - The Odisha government is advancing its Green Hydrogen Mobility Project through a tripartite collaboration between Capital Region Urban Transport (CRUT), NTPC, and GRIDCO to introduce hydrogen-powered public transportation in Bhubaneswar - Under the pilot phase of this initiative, a Green Hydrogen Production and Refuelling Facility will be established at the Pokhariput Depot to support the deployment of three Hydrogen Fuel Cell Electric Buses (HFCEBs) - The facility is expected to produce approximately 260 kilograms of green hydrogen per day, enabling the hydrogen-powered buses to travel up to 600 kilometres daily under ideal operating conditions	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2055-2059.	Announced. Odisha government's Green Hydrogen Mobility Project initiates a pilot involving the deployment does not shift the forecast.	Score 3 <i>*No Impact</i>
	Clean power 	India submits revised NDCs; flags inadequate means of implementation - The Indian government has officially upgraded its climate commitments under the Paris Agreement, pledging to increase the share of clean energy in its total electricity capacity to 60% by 2035 - This new target follows the country's achievement of its previous 50% non-fossil fuel goal in 2025, five years ahead of schedule, with clean energy already accounting for 52.6% of current installed capacity - Alongside power capacity goals, the nation committed to reducing its emissions intensity by 47% by 2035 relative to 2005 levels, building on the 36% reduction already achieved as of 2020 - New Delhi also plans to expand its carbon sink to between 3.5 and 4 billion tonnes by 2035 while maintaining a long-term goal of reaching net-zero emissions by 2070	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. India's stronger 2035 climate commitments reinforce its decarbonization pathway. However, the absence of stronger long-term ambitions limit the overall impact.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India will be substantially investing in green energy corridors to tackle the issue of grid stability required for induction of renewable energy: Secretary, MNRE - Santosh Kumar Sarangi, Secretary of the Ministry of New and Renewable Energy, announced that India will invest substantially in green energy corridors to tackle grid stability issues required for the induction of renewable energy - During the CII Annual Business Summit 2026 in New Delhi, Sarangi highlighted that strengthening transmission infrastructure is essential for supporting the nation's expanding clean energy capacity and maintaining industrial competitiveness - The government's strategy focuses on building a supporting ecosystem that includes energy storage, grid modernization, and efficient transmission systems to ensure affordable and reliable power	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Strengthening transmission infrastructure and grid modernization are for supporting India's expanding clean energy; it supports the forecast.	Score 3
		AP to establish Green Energy Corridor to strengthen power sector - The Andhra Pradesh Government is launching the Green Energy Corridor Phase-III to significantly bolster the state's power infrastructure and integrate renewable energy into the main grid - Proposals worth nearly Rs 22,000 crore have been prepared to facilitate the connection of approximately 18 GW of green energy, comprising 11 GW of solar power and 7 GW from pumped storage projects - To support this massive integration, the state plans to construct 2,261 km of new transmission lines and establish five major power stations with a combined capacity of 9,500 MW	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. The planned transmission lines and power stations support the infrastructure needed to deploy solar and pumped storage power, reinforcing the 2055–2059 clean power timeline.	Score 3
		Government Eyes Rs 15,000 Cr VGF Push To Add 112 GWh Energy Storage - The Indian government is developing a new Viability Gap Funding (VGF) scheme with an estimated outlay of Rs 15,000 crore to facilitate the development of 112 gigawatt-hour (GWh) of energy storage capacity - This proposed capacity is divided into 50 GWh for battery energy storage systems (BESS), 60 GWh for pumped storage projects, and 2 GWh for emerging storage technologies - The initiative aims to bolster grid stability and manage rising post-sunset electricity demand as the country works toward its target of 500 GW of non-fossil fuel capacity by 2030 - These efforts align with Central Electricity Authority projections indicating a national storage requirement of 235 GWh by 2029–30 and 888 GWh by 2035–36	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Intervention bridges the commercial viability gap for developers supports the forecast.	Score 3

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Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	India-Netherlands cooperation in renewable energy, green hydrogen to boost clean energy innovation, investments: Pralhad Joshi - Union Minister for New and Renewable Energy Pralhad Joshi announced a strategic cooperation framework between India and the Netherlands to advance renewable energy and green hydrogen technologies - The partnership establishes a Joint Working Group on Renewable Energy that will hold regular meetings to share best practices and facilitate industrial partnerships in areas such as bioenergy, battery storage, and circular feedstocks - These efforts reinforce India's commitment to sustainable growth and energy security as the nation works toward its 500 GW non-fossil fuel capacity target by 2030	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Legislated. Establishment of a Joint Working Group on Renewable Energy between India and the does not shift the forecast.	Score 3 <i>*No Impact</i>
		UK launches \$300m fund to accelerate renewable power projects in India - The UK and Denmark have launched a \$300 million renewable energy platform called North Star in India, with British International Investment and Copenhagen Infrastructure Partners each contributing \$150 million - The platform will invest in solar, wind, hybrid, and energy storage projects, aiming to generate over 4 million megawatt-hours of clean energy and avoid 4 million tonnes of carbon emissions annually - This capital injection is designed to help India address a \$160 billion annual funding gap needed to reach its 2030 target of 500 gigawatts of non-fossil fuel capacity	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Launch of the \$300 million North Star investment platform supports the forecast.	Score 3
		Bihar pushes green energy drive, focuses on solar expansion - The Bihar state government, led by Chief Minister Samrat Choudhary, has intensified its green energy initiative to expand solar power capacity and reduce reliance on conventional electricity sources - A key component of this strategy involves the launch of the Bihar Green Climate Fund, which aims to increase the state's green cover and mitigate the adverse effects of climate change - The Chief Minister directed officials to accelerate the installation of solar plants at the premises of 10 lakh Kutir Jyoti consumers under the existing Kutir Jyoti Scheme - The government is also focusing on popularising incentives for residential solar panel installation to help consumers become self-reliant in energy production	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Bihar state government's initiative to expand distributed solar power capacity targets widespread consumer; it confirms the forecast.	Score 3

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Clean power 	Odisha unveils energy action plan, pushes AgriPV for climate-resilient rural growth - Odisha Deputy Chief Minister K.V. Singh Deo unveiled a comprehensive roadmap for scaling up Agrivoltaics (AgriPV) to promote climate-resilient development and enhance rural incomes - The state launched the Odisha State Energy Action Plan (OSEAP) web platform to support long-term energy planning and released a report titled "Empowering Farmers through AgriPV" in collaboration with GRIDCO Ltd. and the Vasudha Foundation - Infrastructure developments included the inauguration of two 150-metre Wind Resource Assessment Masts at Sonapur and Gopalpur in the Ganjam district to evaluate renewable potential - The government also formalized Battery Energy Storage Purchase Agreements for a 125 MW/500 MWh Battery Energy Storage System (BESS) project that will be implemented across six substations	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Legislated and supportive. Government of Odisha's roadmap for Agrivoltaics and concurrent procurement of a 125 MW supports the forecast.	Score 3
		India aims to reach 155 GW of installed wind energy capacity by 2035: Union minister - Union Minister of New and Renewable Energy Pralhad Joshi announced that India aims to achieve an installed wind energy capacity of 100 GW by 2030 and further scale it to 155 GW by 2035 - This target represents a significant increase from the country's current installed capacity of more than 56.1 GW - To support this expansion, the minister launched WT-MARUT, which serves as India's first dedicated digital platform for wind turbine supply chain management	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Establishing targets of 100 GW of wind energy by 2030 and 155 GW; it supports the forecast.	Score 3
		Tougher grid rules unsettle investors, test India's clean energy ambitions - India's federal power regulator is implementing tougher grid discipline rules that significantly increase penalties for solar and wind projects failing to meet electricity delivery commitments - These regulations, scheduled to take effect in April 2027, aim to protect grid stability as the country rapidly expands its renewable energy capacity - Industry groups estimate the new regime could slash revenues by approximately 11 per cent for solar projects and as much as 48 per cent for wind farms - Investors and industry executives warn that these requirements could undermine the financial attractiveness of renewable projects and impede the billions of dollars in investment required for the energy transition	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced. Power regulator's implementation of grid discipline rules introduces penalties for renewable developers failing; it slows the forecast.	Score 2

INDIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
India 	Net deforestation 	Himachal launches 'Mission-32 Percent' to boost green cover by 2030 - Himachal Pradesh has launched the 'Mission-32 Percent' initiative to increase the state's green cover from 29.5 percent to 32 percent by 2030 - Spearheaded by Chief Minister Sukhvinder Singh Sukhu, the program aims to position the region as a model Green Himalayan State through large-scale afforestation and ecological restoration - The Forest Department is implementing strategic interventions to strengthen ecological resilience and mitigate climate change impacts while promoting sustainable livelihoods in rural areas - Restoration and plantation activities are being funded and executed through various channels, including the Compensatory Afforestation Fund Management and Planning Authority (CAMPA), departmental schemes, and externally aided projects	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by Achieved.	Announced and supportive. 'Mission-32 Percent' initiative in Himachal Pradesh supports the forecast.	Score 3
		CM sets target of 50 percent green cover - Andhra Pradesh Chief Minister N Chandrababu Naidu announced an ambitious target to increase the state's green cover to 50 percent to combat climate change and ecological degradation - During Environment Day celebrations in Visakhapatnam, the Chief Minister directed officials to transform the 450-acre Andhra University campus into a model net-zero facility by doubling its current 25 percent green cover to 50 percent - The proposed sustainability measures for the university include installing solar panels, establishing waste-to-energy systems, and introducing electric bicycles for campus mobility - To support broader afforestation efforts, the government plans to distribute and plant 25 million seed balls across the state under an initiative led by Deputy Chief Minister Pawan Kalyan	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by Achieved.	Announced and supportive. Andhra Pradesh's state-level target to increase total green cover to 50 percent drives supports the forecast.	Score 3

JAPAN & SOUTH KOREA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Japan 	Clean power 	Japan plans to replace 14 obsolete nuclear reactors by 2050 - The Japanese Ministry of Economy, Trade and Industry has unveiled a plan to replace up to 14 obsolete nuclear reactors by the 2050s to secure the nation's long-term energy supply - Under the proposed timeline, the government expects to replace up to five reactors by the 2040s before reaching the total of 14 in the subsequent decade - This initiative addresses an anticipated energy shortfall of 5.5 million kilowatts by 2040, driven by the rapid expansion of artificial intelligence, data centers, and semiconductor manufacturing - By reviving its nuclear sector, Japan aims to decrease its reliance on fossil fuels and fulfill its commitment to achieving carbon neutrality by 2050	Policy delivers dispatched generation of >90% low-carbon power by 2055-2059.	Announced and supportive. Reviving the nuclear sector addresses projected energy shortfalls from advanced technology industries while supports the forecast.	Score 3
South Korea 	Clean power 	Korea Marine Environment Corporation invites tenders for 2026 Offshore Wind Power Impact Survey and Analysis (Fisheries Field) - The Korea Marine Environment Corporation has launched a tender process for the 2026 Offshore Wind Power Impact Survey and Analysis, specifically targeting the fisheries sector in South Korea - This initiative, registered under Tender Notice Number R26BK01544986-001, aims to provide a comprehensive assessment of how offshore wind infrastructure affects local marine environments and fishing activities - Prospective bidders must adhere to a submission deadline of June 15, 2026, to be considered for the project - The survey results will likely inform future policy decisions regarding the integration of renewable energy projects with existing maritime industries	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced. Launch of a tender process for an offshore wind power impact survey does not shift the forecast.	Score 3 <i>*No Impact</i>

VIETNAM POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Vietnam 	Industry decarbonization 	Vietnam aims to develop materials industry toward green, sustainable, self-reliant direction - General Secretary and President To Lam has directed the formulation of a comprehensive strategy to develop Vietnam's materials industry as a foundational sector for the nation's industrialization and modernization - The proposed Strategy for the Development of Vietnam's Materials Industry to 2030, with a vision to 2045, aims to transition the sector from raw resource extraction toward deep processing and technological mastery - The government will prioritize five key material groups, specifically rare earth materials, semiconductor materials, materials for batteries and energy storage, advanced new materials, and next-generation construction materials	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced. Presidential directive to formulate a strategy for Vietnam's materials industry does not shift the forecast.	Score 3 <i>*No Impact</i>
	Net Zero CO2 emissions 	Vietnam expects to pilot carbon transaction facility in June - Vietnam is scheduled to launch a pilot carbon transaction facility in June once the final administrative procedures are completed - The Department of Climate Change under the Ministry of Agriculture and Environment has largely finalized the regulatory framework, including systems for registering greenhouse gas emission quotas and carbon credits - This platform will allow businesses to exchange emission quotas and carbon credits to create economic incentives for reducing greenhouse gas emissions - The initiative is intended to help the country reach its net-zero emissions goal by 2050 and assist local businesses in adapting to international carbon pricing mechanisms	Policy delivers net zero CO2 emissions by no 2026 forecast target.	Announced. Vietnam's planned carbon market supports emissions reductions and clean technology investment, advancing its decarbonization pathway.	Score 3
	Light duty vehicles 	Vietnam extends registration fee exemption to support green transition - Vietnam has extended its zero per cent first-time registration fee for battery electric vehicles through the end of 2030 to accelerate green transport adoption and support environmental objectives - Battery electric vehicles will continue to be exempt from these fees from March 1, 2027, to December 31, 2030, under a newly issued government decree - The regulation replaces a previous measure that had extended the incentive only until February 2027 - The incentive program originally launched in March 2022 with a full exemption followed by a preferential rate equal to 50 per cent of that applied to petrol and diesel 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 2045-2049.	Announced and supportive. Government's decision to extend the zero percent first-time registration fee for battery electric supports the forecast.	Score 3

CHINA & EU POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
China 	Industry decarbonization 	China sets three-year drive to cut energy use, carbon emissions in key industries - The National Development and Reform Commission and several other government departments have launched a three-year action plan to accelerate energy-saving and carbon-reduction upgrades across China's industrial sector - The initiative targets nine high-emission industries, specifically steel, electrolytic aluminum, cement, flat glass, oil refining, ethylene, synthetic ammonia, methanol, and coal-fired power generation - Implementation of these upgrades is scheduled to begin in 2026, with major efficiency and development targets set for completion by the end of 2028	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Legislated and supportive. Development and Reform Commission's three-year action plan targeting efficiency and emissions reductions supports the forecast.	Score 3
	Clean power 	China Power Shanxi Secures Approval for Licheng and Yuanqu Standalone Energy Storage Projects - China Power Shanxi Company has secured official approval for two standalone energy storage projects in Licheng and Yuanqu, which are now included in Shanxi Province's Q1 2026 catalog - These new developments will operate alongside the company's existing Youyu project to expand regional energy storage infrastructure - The first phase of the Licheng project will feature a 100 MW/400 MWh electrochemical storage system, while the Yuanqu project will deploy a 100 MW/200 MWh setup - Both facilities are designed to convert intermittent wind and solar power into a stable electricity supply, boosting the grid's ability to integrate renewable energy	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Official approval of 300 MW / 600 MWh of standalone electrochemical energy storage supports the forecast.	Score 3
EU 	Light duty vehicles 	Electric cars: Spain, France, and five other countries oppose further relaxing emissions limits starting in 2035 - Spain and France, supported by five other European nations, have formed a coalition to oppose efforts to relax CO2 emission limits and the planned 2035 ban on new combustion engine vehicles - The group, which includes Portugal, Denmark, Luxembourg, the Netherlands, and Sweden, sent a joint letter to the European Union urging leaders to maintain the current ambitious trajectory for automotive electrification - This move directly counters the Salini report, which proposes 45 amendments to weaken regulations and is backed by countries like Germany and Italy along with manufacturers such as Stellantis	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.	Announced. France and its coalition partners are actively defending the EU's 2035 combustion engine; it accelerates the forecast.	Score 4

FRANCE & GERMANY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
France 	Clean power 	France unveils 10-GW offshore wind tender, other calls under PPE3 - France has launched tenders for seven offshore wind projects totaling 10 gigawatts, alongside 1.2 gigawatts of solar and 0.8 gigawatts of onshore wind capacity - These tenders, which were delayed by two years due to political gridlock over financing, aim to help the nation reach a target of 15 gigawatts of installed offshore wind by 2035, up from less than 2 gigawatts today - To promote energy sovereignty and domestic industry, the government is implementing a resilience criterion that limits Chinese-sourced strategic components to four out of nine for offshore wind projects	Policy delivers dispatched generation of >90% low-carbon power by Achieved.	Announced and supportive. Launching tenders for 10 GW of offshore wind and additional solar/onshore capacity primarily supports the forecast.	Score 3
Germany 	Protection & restoration 	Commission approves €1.3 billion German State aid scheme for rewetting of farmed peatlands - The European Commission has officially approved a €1.3 billion German state aid initiative designed to reduce domestic greenhouse gas emissions by rewetting drained agricultural and forestry peatlands - Currently, the ongoing agricultural degradation of these specific wetland ecosystems is responsible for generating seven percent of the nation's total annual carbon emissions - To actively facilitate this environmental restoration, the government will provide participating landowners and managers with direct grants that cover up to 100 percent of their eligible implementation and economic damage costs	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by Achieved.	Legislated and supportive. €1.3 billion state aid initiative to rewet drained agricultural peatlands supports the forecast.	Score 3
	Industry decarbonization 	EU Commission clears \$1.5 billion in German state aid for green hydrogen - The European Commission approved €1.3 billion (\$1.5 billion) in German state aid to support the production of renewable hydrogen - This funding will be distributed through the European Hydrogen Bank's Auctions-as-a-Service mechanism for an auction scheduled to close in 2026 - The approved scheme aims to facilitate the construction of up to 1,000 MW of electrolyser capacity, which is expected to produce up to 10 million metric tons of hydrogen - This initiative is designed to avoid up to 55 million tons of CO2 emissions while reducing dependence on Russian fossil fuels	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Legislated and supportive. Approval of €1.3 billion in German state aid to subsidize up to 1 supports the forecast.	Score 3

GERMANY & ITALY POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Germany 	Industry decarbonization 	Commission approves €5 billion German State aid scheme to support decarbonisation of industry - The European Commission approved a -5 billion German State aid scheme designed to support the decarbonisation of industrial production processes through fundamental technological shifts - Eligible projects must replace fossil fuels with low-carbon alternatives such as electrification, hydrogen, carbon capture and storage, or biomethane - Funding will be awarded through a competitive bidding process and distributed via two-way carbon contracts for difference with a duration of 15 years - This initiative aims to help Germany meet its energy and climate targets while enhancing the sustainable prosperity and competitiveness of the European Union	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Announced and supportive. European Commission's approval of a €5 billion German State aid scheme supports the forecast.	Score 3
Italy 	Industry decarbonization 	Commission approves €6 billion Italian State aid scheme for renewable hydrogen - The European Commission approved a €6 billion Italian State aid scheme designed to support the production of renewable hydrogen for the country's transport and industrial sectors - The financial support will be distributed in the form of two-way contracts for difference and is scheduled to run until 31 December 2029 - This initiative aims to build renewable hydrogen production capacity in alignment with the broader objectives of the EU Hydrogen Strategy and the Clean Industrial Deal	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. European Commission's approval of a €6 billion state aid scheme using two-way contracts supports the forecast.	Score 3
	Clean power 	European Commission approves 23 billion Italian renewable energy support scheme - The European Commission approved a 23 billion Italian State aid scheme designed to significantly expand the country's renewable electricity generation capacity - This initiative aims to support the addition of approximately 37.15 GW of new capacity from sources including solar power, onshore wind, hydropower, and sewage gas, representing roughly 48% of Italy's current installed renewable capacity - Financial support will be delivered through two-way Contracts for Difference with a 20-year duration, ensuring long-term revenue visibility for producers via a defined strike price for every kWh of electricity fed into the grid - Zenith Energy Ltd. anticipates that this development will benefit its 188.5 MWp Italian solar development portfolio managed through its subsidiary, WESOLAR S.R.L	Policy delivers dispatched generation of >90% low-carbon power by no 2026 forecast target.	Legislated and supportive. European Commission's approval of a €23 billion State aid scheme to deploy 37.15 supports the forecast.	Score 3

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Protection & restoration 	Government publishes the Land Use Framework and technology is central - In March 2026, the UK's Department for Environment, Food and Rural Affairs published the Land Use Framework to strategically manage England's competing demands for housing, clean energy infrastructure, and environmental restoration - The framework mandates a systemic approach to multifunctional land use, supported by a newly established Land Use Unit that will publish a dynamic online map integrating spatial priorities across multiple sectors - Building on the late 2025 Environmental Improvement Plan's roadmap to 2030, the government will release a baseline assessment of natural assets by 2029 to support nature markets and the broader 30by30 conservation commitment	30% protection of all land achieved, and 30% of degraded land under effective restoration or restored by 2040-2044.	Announced and supportive. The Land Use Framework provides key infrastructure for environmental restoration and supports progress toward the 30by30 conservation target.	Score 3
	Industry decarbonization 	Measures to protect industrial competitiveness while pursuing decarbonisation - The UK government has outlined measures to protect industrial competitiveness while pursuing decarbonisation, responding to parliamentary inquiries regarding the impact of net zero policies on energy prices - To mitigate costs for energy-intensive industries, the British Industry Supercharger (BIS) increased the discount on electricity network charges from 60% to 90% starting in April 2026 - Additionally, the British Industrial Competitiveness Scheme (BICS) is set to reduce electricity costs by up to £40/MWh for more than 10,000 businesses across key manufacturing and growth sectors	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2040-2044.	Announced and supportive. UK government's decision to drastically reduce electricity costs for energy-intensive industries removes a; it supports the forecast.	Score 3
		Creation of a £350m Critical Chemicals Resilience Fund to support domestic manufacturing and assist in decarbonising the chemicals sector - The UK Government announced the creation of a £350m Critical Chemicals Resilience Fund to support domestic manufacturing and assist in decarbonising the chemicals sector - This funding initiative is part of a broader commitment to ensure the long-term future of the UK's refining and petrochemical industries, which are viewed as vital for fuel security and economic growth - Ministers are currently exploring further support measures, including an assessment of the feasibility and impacts of incorporating refined products into the Carbon Border Adjustment Mechanism	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2040-2044.	Announced and supportive. Creation of a £350 million Chemicals Resilience Fund supports the forecast.	Score 3

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Industry decarbonization 	Strategy to ensure the domestic clean energy sector prioritizes the procurement of UK-manufactured steel - The UK government has outlined its strategy to ensure the domestic clean energy sector prioritizes the procurement of UK-manufactured steel to bolster local supply chains - Minister Chris McDonald highlighted the Clean Energy Industries Sector Plan as a primary tool for providing investors with the stability needed to expand domestic production and create jobs - The National Wealth Fund has allocated at least £5.8 billion for investments specifically targeting clean energy sectors and the development of green steel - Additional measures include the implementation of a dedicated Steel Strategy and revisions to tariffs and quotas designed to protect UK producers from international competition	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2040-2044.	Announced and supportive. UK government's mandate to prioritize domestic green steel procurement is backed by a; it supports the forecast.	Score 3
	Clean power 	Britain to scrap carbon tax on electricity generation as pressure mounts on bills - The British government announced it will scrap the Carbon Price Support tax on electricity generation starting in April 2028 to reduce energy costs for households and businesses - Originally introduced in April 2013 to phase out coal-fired power, the tax was previously frozen at 18 pounds per metric ton of carbon dioxide until its scheduled removal - Analysts estimate that removing the tax, which currently adds approximately 7 pounds per megawatt hour to wholesale prices, will save the average household about 21 pounds annually on electricity bills - This policy shift aligns with the nation's broader goal to largely decarbonize the electricity sector by 2030, following the closure of the country's last coal-fired power plant in 2024	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced. Scrapping the Carbon Price Support tax on electricity generation removes a penalty; it slows the forecast.	Score 2
		UK pushes long-term renewables deals to shield against gas price shocks - The UK government announced plans to decouple electricity prices from gas costs by increasing the windfall tax on older renewable and nuclear plants from 45% to 55% starting July 1, 2026 - To further stabilize the market, the government will encourage older renewable projects currently under the "renewables obligation" scheme to voluntarily transition to fixed-price contracts for difference - While gas currently sets the price of power in Great Britain approximately 60% of the time, officials aim to reduce this frequency to just 15% by 2030 through the expansion of clean energy	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced. The proposed reforms support the clean energy transition. However, their impact is expected to remain limited, as the measures leave existing market structures largely unchanged.	Score 3 <i>*No Impact</i>

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Clean power 	UK grants development consent for offshore wind farms - The UK Government has granted development consent for the Dogger Bank South (DBS) and North Falls offshore wind farms, approving a total of up to 4GW of new clean energy capacity - Developed as a joint venture between RWE and Masdar, the 3GW DBS project will install up to 200 turbines in the North Sea to power approximately three million UK households - Having secured planning approval and government contracts, the DBS developers are now focusing on final design and procurement, targeting a final investment decision by 2027 - The 1GW North Falls project, a joint venture between RWE and SSE Renewables, will act as an extension to the Greater Gabbard wind farm off the East Anglia Coast using up to 57 turbines	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Granting development consent for 4 GW of new offshore wind capacity is a; it supports the forecast.	Score 3
		Rachel Reeves to protect 'critical' clean energy projects from legal challenges - UK Chancellor Rachel Reeves is proposing planning reforms in England and Wales to fast-track clean energy infrastructure by designating it as being of "critical national importance" - The measures will accelerate the delivery of low-carbon projects by blocking judicial reviews on all but human rights grounds - The policy is designed to strengthen energy security, lower household bills, and help the UK reach its 2030 zero-carbon grid target amid the economic fallout of the Iran war - Although a record 45GW of renewable projects were recently approved, developers note that planning holdups and grid delays have severely hindered actual construction	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Chancellor Rachel Reeves' proposal to designate clean energy infrastructure as "importance" addresses a supports the forecast.	Score 3
		Strategy to ensure the national electricity network and generation capacity can support the rapid expansion of artificial intelligence infrastructure and data centres - The UK Government has outlined its strategy to ensure the national electricity network and generation capacity can support the rapid expansion of artificial intelligence infrastructure and data centres - Lord Vallance of Balham confirmed that the administration is committed to meeting this rising demand by deploying new renewable and low-carbon energy sources alongside significant upgrades to network infrastructure - These efforts are being coordinated in alignment with the Clean Power 2030 Action Plan to maintain grid stability while transitioning to a greener energy mix - To improve efficiency, the government is collaborating with the AI Energy Council and the Royal Academy of Engineering to develop metrics and technologies for long-term industry sustainability	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Strategy to scale renewable generation and network infrastructure to meet rising artificial intelligence supports the forecast.	Score 3

UK POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
UK 	Net Zero CO2 emissions 	Comprehensive policy framework to support the development and deployment of Greenhouse Gas Removals at scale - The UK Government is implementing a comprehensive policy framework to support the development and deployment of Greenhouse Gas Removals at scale to achieve net-zero targets - A GGR Business Model has been developed to incentivise private investment in large-scale projects through a contractual revenue support mechanism - The British Standards Institution has been commissioned to develop GGR methodologies to ensure the integrity of negative emissions markets and instill investor confidence - The government has invested over £80 million through the Direct Air Capture and Greenhouse Gas Removal Innovation Programme and the UKRI-fund	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. Advancement of a Greenhouse Gas Removal (GGR) policy framework supports the forecast.	Score 3
		U.K. targets 87% cut in emissions by 2042 - The British government has committed to reducing the United Kingdom's greenhouse gas emissions by 87 per cent of 1990 levels by 2042 - Energy Secretary Ed Miliband stated that the government will adopt the recommendations of the independent Climate Change Committee for the upcoming carbon budget covering the years 2038 to 2042 - This target is designed to ensure the country remains on course to meet its legally binding 2050 net-zero goal, which was originally set in 2008 - The move faces criticism from the Conservative and Reform UK parties, who suggest that the government should instead focus on extracting more oil and gas from the North Sea to lower energy costs	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. British government's commitment to adopting the Climate Change Committee's recommendation to reduce emissions supports the forecast.	Score 3
	Carbon price 	Ministers in talks over shelving carbon tax on fertiliser to curb UK food inflation - UK ministers are discussing the suspension of a planned carbon tax and import tariffs on fertilisers to mitigate soaring food inflation and prevent farmers from leaving their fields fallow - The potential policy shift is driven by surging fertiliser costs linked to the ongoing conflict in Iran, which has closed the Strait of Hormuz and stranded roughly one million tonnes of global supply - The proposed carbon border adjustment mechanism (CBAM) would add an estimated £100 per tonne to already high fertiliser prices, threatening severe financial losses for farmers planning their 2027 crops	Explicit carbon price signal or backstop covering industry and power in 2030 by no 2026 forecast target.	Announced. UK government's proposed suspension of the planned carbon border adjustment mechanism (CBAM) slows the forecast.	Score 3

NIGERIA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Nigeria 	Net Zero CO2 emissions 	Nigeria Unveils Landmark Net Zero Investment Plan to Unlock Climate Finance, Power Green Economic Transformation - Nigeria's National Council on Climate Change has launched the country's first comprehensive Net Zero Investment Plan (NZIP) in Abuja to drive green economic transformation - The strategic framework is designed to convert climate commitments into bankable investment opportunities, aiming to unlock billions of dollars in climate finance and stimulate green industrial growth - This roadmap supports Nigeria's formal commitment to achieving net zero emissions by 2060, a target first pledged during the COP26 climate summit - Developed with technical support from GIZ and funding from the German Federal Ministry for the Environment, the plan aligns with the Nigeria Agenda 2050 and the country's Nationally Determined Contributions	Policy delivers net zero CO2 emissions by 2055-2059.	Announced. Policy's underlying target of achieving net zero by 2070 slows the forecast.	Score 2
	Net deforestation 	Ondo targets global cocoa export market, as Aiyedatiwa vows to combat deforestation - Ondo State Governor Lucky Aiyedatiwa has launched a series of initiatives to combat deforestation and align the state's cocoa sector with international sustainability standards - The administration inaugurated the State Strategic Committee on European Union Deforestation-Free Regulation compliance to ensure local cocoa production meets global requirements for agroforestry and forest restoration - Supported by the Food and Agriculture Organization of the United Nations GEF-7 FOLUR-IP Nigeria Project, the state has also established a forest management committee to monitor activities and preserve natural resources - The project is being implemented across eight local government areas, including Akure South and Idanre, targeting approximately 14,000 smallholder cocoa and oil palm farmers	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced and supportive. Launch of state-level initiatives in Ondo to align local cocoa production with the supports the forecast.	Score 3
	Clean power 	Nigeria Attracts \$188m Green Investment To Accelerate Off-grid Electrification - Nigeria has launched a \$188 million Green Finance Investment Facility (GFIF) to accelerate off-grid electrification and expand renewable energy access across the country - The initiative operates as a blended finance platform designed to mobilise large-scale private and institutional investment into distributed renewable energy infrastructure for underserved households, communities, and businesses - Driven by a partnership including the Rural Electrification Agency, UK PACT, and First City Monument Bank, the platform aims to finance 191 megawatts of distributed solar energy capacity nationwide	Policy delivers dispatched generation of >90% low-carbon power by 2045-2049.	Announced and supportive. Launch of Nigeria's \$188 million Green Finance Investment Facility supports the forecast.	Score 3

SOUTH AFRICA & CANADA POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
South Africa 	Net deforestation 	South Africa launches nationwide tree-planting campaign to combat climate-change - South Africa has launched the Presidential One Billion Trees Programme to combat the impacts of climate change and enhance environmental sustainability across the nation - Deputy Minister of Forestry, Fisheries, and the Environment Bernice Swarts announced the initiative under the theme "My Tree, My Oxygen - Plant Yours Today," targeting tree planting in schools, clinics, community parks, and residential areas - The government plans to host a major nationwide planting event on Sept 24, Heritage Day, building on a previous campaign that resulted in more than 1.3 million trees being planted on that same date in 2025	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2030-2034.	Announced and supportive. Launch of the Presidential One Billion Trees Programme confirms the forecast.	Score 3
Canada 	Industry decarbonization 	Clean Industry Fund 2026 Intake Opens - The British Columbia Ministry of the Environment and Climate Change launched a funding initiative to reinvest industrial carbon pricing into projects that reduce emissions and lower the cost of adopting cleaner technologies - Industrial operators have until May 22, 2026, to submit proposals for the Emissions Performance stream, which focuses on implementing commercially available technologies to improve energy efficiency - A second stream, the Innovation Accelerator, accepts applications until June 19, 2026, to support the trialing and demonstration of novel decarbonization technologies at regulated operations - These programs aim to transition the industrial sector toward electrification while supporting local jobs and strengthening the regional clean industry	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2045-2049.	Announced and supportive. British Columbia's initiative to reinvest industrial carbon pricing into emission reduction and energy supports the forecast.	Score 3
	Clean power 	Canada launches \$730bn clean energy strategy - Canadian Prime Minister Mark Carney has launched a comprehensive clean electricity strategy in Ottawa designed to double the nation's power grid capacity by 2050 - Implementation of these energy infrastructure projects is projected to cost more than one trillion Canadian dollars, which is approximately \$730 billion - This initiative is a response to shifting global conditions, including the impact of US tariffs, escalating energy prices, and the ongoing challenges of climate change - Carney emphasized that the scale and urgency of the program necessitate a more flexible policy approach that moves beyond traditional frameworks	Policy delivers dispatched generation of >90% low-carbon power by 2035-2039.	Announced and supportive. Proposed clean electricity strategy integrates multiple low-carbon technologies supports the forecast.	Score 3

TÜRKİYE POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Türkiye 	Clean power 	Europe turns to Caspian green power as Turkey, Bulgaria, Azerbaijan and Georgia advance new energy corridor - Turkey, Azerbaijan, Georgia, and Bulgaria have agreed to establish a joint company to oversee the financing and implementation of a green electricity transmission corridor linking the Caspian region with European markets - The joint company, formed by the four countries' electricity transmission system operators, will manage technical feasibility studies and coordinate the project's execution - The initiative aims to transmit renewable electricity generated in Azerbaijan and Georgia through Turkey's national grid to Bulgaria and further into Europe - Feasibility work for the energy corridor is currently underway and is expected to conclude within the coming months	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Legislated and supportive. Formation of a multinational joint company to manage a green electricity transmission corridor supports the forecast.	Score 3
		Turkey plans first offshore wind tender, targets 5 GW by 2035 - Turkey is preparing its first offshore wind tender across four designated zones in the Aegean Sea, aiming to reach 5 GW of offshore capacity by 2035 - The government has declared 2026 the "year of wind," allocating 1,500 MW of its upcoming renewable energy auction pipeline specifically for wind technology - Renewables currently account for 63% of Turkey's 125 GW total installed capacity, with wind farms generating 11% of the country's total electricity output in 2025 - By 2035, Turkey plans to invest USD 30 billion in green transmission infrastructure to support a combined wind and solar capacity target of 120,000 MW	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced and supportive. Preparation for its inaugural offshore wind tender and the allocation of a \$30 supports the forecast.	Score 3
	Industry decarbonization 	EIB backs Türkiye's green transition, looks to support railway infrastructure - The European Investment Bank has signed two financing agreements totaling €200 million to accelerate the green transition and decarbonization of the Turkish economy - Under the deal, €100 million will be allocated to the Development and Investment Bank of Türkiye to support sustainable industrial investments, while another €100 million will be channeled through Turk Eximbank to fund green finance projects for exporters - These agreements aim to help Turkish companies reduce energy consumption and improve efficiency as part of a broader effort to support climate action and private sector development - This latest investment adds to the €30.86 billion in total financing the institution has provided for 263 projects in the country since 1965	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2055-2059.	Legislated and supportive. €200 million in financing agreements from the European Investment Bank supports the forecast.	Score 3

MEXICO POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Net deforestation 	Sustainable systems are being developed to protect tropical forests in the State of Mexico - The State Forest Protection Agency (Probosque) is implementing new agroforestry systems in the southern region of the State of Mexico to protect tropical deciduous forests from the pressures of traditional livestock farming - These systems utilize forage trees and shrubs to create sustainable production models that reduce operational costs and decrease the local agricultural sector's dependence on exotic grasses - Director General Alejandro Sánchez Vélez stated that the strategy aims to rethink forestry activities by promoting alternatives that allow for the sustainable use of natural resources without requiring land-use changes	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced and supportive. Implementation of new agroforestry systems in the State of Mexico addresses a primary supports the forecast.	Score 3
		Mexico Launches Deforestation-Free Certificate to Protect Forest Ecosystems - Mexico's Ministry of the Environment and Natural Resources (Semarnat) has established the Deforestation-Free Certificate for Forest Ecosystems to ensure economic activities do not originate from illegally converted agricultural land - Signed by Semarnat head Alicia Bárcena, the instrument validates the preservation of forest heritage and reinforces a "zero incentives" policy toward deforestation to meet international environmental commitments - Data from the National Forest Monitoring System shows that between 2001 and 2024, 21.99 percent of forest ecosystem loss in the country was driven by agricultural expansion	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by >2040.	Announced and supportive. Establishment of a Deforestation-Free Certificate restricts economic incentives for the illegal conversion supports the forecast.	Score 3
	Heavy duty vehicles 	Mexico Expands Push for Zero-Emission Public Transit - Mexico's Ministry of Environment and Natural Resources (SEMARNAT) has entered into a strategic agreement with the ZEBRA Alliance to fast-track the adoption of zero-emission public transit systems nationwide - This collaboration aims to implement the National Initiative for the Electrification of Collective Public Transportation (INETPC) by providing technical and financial tools to cities where technological transitions are lagging - The initiative is a core component of President Claudia Sheinbaum's Plan México, which seeks to foster domestic electric vehicle production while cutting fossil fuel consumption	Policy ends the sale of >90% of new heavy-duty vehicles with CO2 emissions. (I.e., >90% of new sales are ZEVs) by 2065-2069.	Announced and supportive. Agreement with the ZEBRA Alliance supports the forecast.	Score 3

MEXICO & US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Mexico 	Net Zero CO2 emissions 	Mexico Consolidates the Initial Phase of Its Carbon Market: Semarnat - Mexico's Ministry of the Environment and Natural Resources (Semarnat) is consolidating the initial phase of the national carbon market to meet international climate commitments and facilitate private investment - The current administration has established a target to reduce 225 million tons of carbon, utilizing emissions offset schemes to supplement technological transitions - Undersecretary José Luis Samaniego Leyva noted that the market has already traded 1.8 million tons, emphasizing the need to harmonize state-level carbon taxes to provide consistent signals to investors	Policy delivers net zero CO2 emissions by 2055-2059.	Announced and supportive. Consolidation of the initial phase of its carbon market supports the forecast.	Score 3
US 	Clean power 	Jimmy Panetta - Rep. Panetta Authors and Introduces Bipartisan Legislation to Ensure Safe Battery and Energy Storage - United States Representative Jimmy Panetta (CA-19) and Representative Pat Harrigan (NC-10) introduced the bipartisan Better Energy Storage and Safety (BESS) Act to bolster the security of clean energy infrastructure - The legislation mandates that the Department of Energy (DOE) conduct robust research, development, and demonstration (RD&D) activities focused on energy storage safety within its current programs - This bill expands existing authorizations to specifically address battery system failures, aiming to improve early detection methods and preventative techniques that reduce the risk of fires or explosions	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Introduction of the Better Energy Storage and Safety (BESS) Act mandates necessary research does not shift the forecast.	Score 3 <i>*No Impact</i>
		California Energy Commission - CEC Approves Third Major Clean Energy Project Under Opt-In Certification Program - The California Energy Commission approved the Potentia-Viridi Battery Energy Storage System, marking the third major clean energy project authorized under the state's accelerated Opt-In Certification program within a single year - Developed by Levy Alameda, LLC, a subsidiary of Clearway Energy Group, the 400 MW facility will be located in eastern Alameda County and is designed to discharge up to 3,200 megawatt-hours of stored energy to support grid reliability - This approval brings the total capacity permitted through the program to approximately 3,300 MW, including 1,450 MW of solar generation and 1,850 MW of storage capacity across three projects	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Discharging up to 3,200 megawatt-hours of stored energy supports the forecast.	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 Forces Costly Coal Plant to Run Past Retirement, Raising Costs for Everyday Customers - The Trump Administration has invoked an "energy emergency" to mandate that the Stanton coal plant in Orlando remain operational beyond its scheduled retirement at the end of May 2026 - This federal intervention overrides a closure plan established by the Orlando Utilities Commission in 2020 and conflicts with the City of Orlando's commitment to reach 100 percent renewable energy by 2050 - Beyond the public health impact, the decision is expected to increase financial burdens on Florida ratepayers, with initial estimates suggesting an additional cost of at least \$23	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Use of an "energy emergency" to mandate the continued operation of a single slows the forecast.	Score 2
		US judge scraps Trump policy restricting wind, solar tax breaks - Judge Colleen Kollar-Kotelly of the U.S. District Court for the District of Columbia vacated a Trump administration policy that restricted the ability of wind and solar energy projects to claim federal tax subsidies - The ruling overturned an Internal Revenue Service rule from last August that eliminated a decade-old "safe harbor" provision allowing developers to qualify for credits by incurring 5% of total project costs before expiration - Under current federal law, clean energy projects are required to begin construction by July 4 of this year or enter service by the end of 2027 to secure a 30% tax credit and additional bonuses - This decision sends the IRS rules back for further consideration, potentially restoring easier access to subsidies for large-scale renewable energy developments	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Legislated. Court ruling that vacates restrictions on the "safe harbor" provision restores easier access accelerates the forecast.	Score 4
		Virginia Enacts Landmark Energy Storage Expansion Bills - Governor Abigail Spanberger signed House Bill 895 and Senate Bill 448, which dramatically expand energy storage procurement mandates for Dominion Energy Virginia and Appalachian Power Company to address rising electricity demand and grid reliability - The legislation increases Dominion Energy's utility-scale storage target from 2,700 MW to 16,000 MW of short-duration storage and adds a new 4,000 MW requirement for long-duration storage by 2045 - Appalachian Power Company's targets are raised to 780 MW for short-duration and 520 MW for long-duration storage, contributing to an aggregate statewide mandate exceeding 20 gigawatts	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Virginia's legislative expansion of utility-scale storage procurement targets to over 20 gigawatts; it confirms the forecast.	Score 3

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Clean power 	City of Los Angeles, CA - Mayor Bass Highlights Approval of Historic Solar Energy Partnership To Accelerate Transition to 100% Clean Energy by 2035 - Mayor Karen Bass announced the approval of a major solar project in Utah that will provide 300 megawatts of renewable energy to Los Angeles - The Los Angeles Board of Water and Power Commissioners and the City Council secured the Utah Solar 1 Power Sales Agreement through a partnership between LADWP and the Southern California Public Power Authority - This initiative is projected to generate enough clean energy to power more than 214,000 homes and will account for nearly 4% of the city's total renewable energy portfolio	Policy delivers dispatched generation of >90% low-carbon power by 2050-2054.	Announced. Offsetting 165,000 metric tons of carbon dioxide emissions annually, this procurement systematically displaces; it confirms the forecast.	Score 3
	Net Zero CO2 emissions 	SEC moves to repeal rule that requires companies to report greenhouse gas emissions and climate risk - The Securities and Exchange Commission proposed repealing a rule that requires public companies to report their greenhouse gas emissions and the risks they face from global warming - The climate-disclosure rule, which was finalized in 2024, has been on hold since last year following legal challenges from business groups and Republican state attorneys general - Agency officials stated that the regulations impose substantial costs on public companies and shareholders that are not justified by the informational benefits they may provide to some investors	Policy delivers net zero CO2 emissions by 2060-2064.	Legislated. Securities and Exchange Commission's proposal to completely repeal the corporate climate disclosure rule slows the forecast.	Score 2
		New York Budget Amends the State's Climate Leadership and Community Protection Act - The New York State Legislature is amending the Climate Leadership and Community Protection Act as part of the 2026 Enacted Budget to align with updated energy plans and system development trajectories - These amendments introduce a new interim greenhouse gas emission reduction target of 60% below 1990 levels by 2040, supplementing existing mandates of 40% by 2030 and 85% by 2050 - The deadline for the Department of Environmental Conservation to issue implementing regulations has been extended from 2024 to 2028, and the benefit goal for disadvantaged communities has been raised to 45% with a 40% minimum	Policy delivers net zero CO2 emissions by 2060-2064.	Legislated. New York State Legislature's amendments to the Climate Leadership and Community Protection Act does not shift the forecast.	Score 3 <i>*No Impact</i>

US POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Net Zero CO2 emissions 	US Justice Dept targets Minnesota over global greenhouse gas emissions - The U.S. Justice Department has filed a complaint against the state of Minnesota over its attempts to regulate global greenhouse gas emissions - The federal complaint alleges that Minnesota is improperly attempting to regulate these emissions by pursuing lawsuits against energy companies in state court - Associate Attorney General Stanley Woodward stated that the state's actions undermine President Trump's directive to achieve American energy dominance, following a national energy emergency declared on the first day of his second term - This legal action marks the latest in a series of federal interventions targeting Minnesota,	Policy delivers net zero CO2 emissions by 2060-2064.	Announced. Government's legal intervention to suppress Minnesota's state-level efforts to regulate greenhouse gases slows the forecast.	Score 2
	Industry decarbonization 	US Energy Department restores funding to carbon removal projects - The United States Department of Energy will retain funding for major carbon direct air capture projects awarded under the previous administration, reversing a potential cancellation considered last year - The retained initiatives include the South Texas DAC Hub, which involves the oil company Occidental, and Louisiana's Project Cypress - Both of these major direct air capture hubs previously received \$1.2 billion awards to help scale up nascent carbon removal technologies - Energy Secretary Chris Wright confirmed that these hubs are among nearly 2,000 projects keeping their financial awards after the agency conducted an individualized review and determined they had a credible way to be helpful	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Announced and supportive. Reversing the potential cancellation of \$1.2 billion in funding for Direct Air Capture supports the forecast.	Score 3
		California Air Resources Board Advances CCUS Program with Draft Concepts for Potential Regulations - The California Air Resources Board (CARB) has advanced a state permitting framework for carbon capture and storage by releasing a 28-page draft of concepts for potential regulations - Developed under the mandate of Senate Bill 905, the proposed program establishes standardized definitions and protocols for carbon capture, removals, utilization, and storage (CCUS) as well as carbon dioxide removals (CDR) - The draft outlines requirements for monitoring, reporting, and financial responsibility, specifically incorporating federal Class VI standards while adding unique state mandates for seismic risk assessment and extended post-injection site care	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Legislated and supportive. California Air Resources Board's advancement of a standardized permitting framework for carbon capture supports the forecast.	Score 3

US, ARGENTINA & BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
US 	Industry decarbonization 	Colorado Governor's Energy Office - Polis Administration Invests \$32.8 Million to Reduce Air Pollution - The Colorado Energy Office has awarded \$32.8 million to support industrial emissions reduction projects across the state, marking the largest funding round to date for the Colorado Industrial Tax Credit Offering - These investments are projected to achieve annual greenhouse gas reductions equivalent to removing more than 81,000 gas-powered vehicles from Colorado's roads - This latest allocation brings the total investment from the state's industrial tax credit and Clean Air Program grant initiatives to \$61.7 million - The Polis administration previously distributed \$8.7 million through three earlier tax credit cycles and \$20.2 million via separate clean air grants	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Legislated and supportive. Allocation of \$32.8 million by the Colorado Energy Office is a state-level initiative; it supports the forecast.	Score 3
Argentina 	Net deforestation 	Argentine courts protect native forests in the Chaco and halt deforestation - The Federal Criminal Cassation Court of Argentina overturned a ruling that allowed deforestation in the native forests of the Chaco, effectively halting all logging activities in the province - This judicial intervention follows a precautionary order that suspended all logging permits for a period of three months, with the possibility of extension, in response to a criminal complaint regarding a corruption network - The investigation targets high-ranking officials and companies for crimes including embezzlement and criminal conspiracy, focusing on the irregular implementation of the Territorial Ordinance of Native Forests in a region where the dry forest covers nearly 800,000 square kilometers	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by no 2026 forecast target.	Announced and supportive. Judicial intervention halting logging across the 800,000-square-kilometer Chaco forest supports the forecast.	Score 3
Brazil 	Industry decarbonization 	Brazil plans \$10 bln Eco Invest auction, eyes foreign investors - The Brazilian Finance Ministry has launched its fifth and most ambitious auction under the Eco Invest program, aiming to mobilize 50 billion reais (\$9.92 billion) for advanced sustainable technologies - The initiative will establish six innovation funds targeting strategic sectors such as green fertilizers, battery systems, sustainable fuels, and green chemistry - Each fund will receive 1.5 billion reais in public capital from the Climate Fund, with private investors permitted to contribute up to twice that amount and access additional credit of up to 1 billion reais per fund	Policy or anticipated policy signals deliver >80% reduction in all heavy industry process emissions by 2050-2054.	Legislated and supportive. Brazilian Finance Ministry's Eco Invest program mobilizes a substantial \$9.92 billion for advanced; it supports the forecast.	Score 3

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Net deforestation 	Brazil requires banks to check for deforestation when granting loans - Brazil has implemented a new rule requiring bank managers to use government satellite imagery to verify whether rural loan applicants have engaged in deforestation before approving subsidized credit - Under the policy, if banks detect any land clearing in the Amazon or other woodlands since July 2019, farmers must provide proof of deforestation permits to secure their loans - The regulation will cover approximately \$53 billion in federally subsidized loans to farmers, representing roughly a third of rural credit in Brazil, and will also impact agribusiness letters of credit that are projected to reach \$114 billion by 2025 - The initiative aims to withhold billions in public funds from illegal deforesters, addressing data showing that about 17% of all rural lending disbursed from 2020 to 2024 went to farms on land deforested between 2020 and 2023	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	Announced and supportive. Leveraging the sector to withhold billions in federally subsidized rural credit from illegal supports the forecast.	Score 3
		BNDES and Rio allocate R\$10 million for the restoration of the Atlantic Forest - The Brazilian Development Bank (BNDES) and the City of Rio de Janeiro have signed a R\$ 10 million agreement for the municipality to join the Floresta Viva initiative - The investment, split equally between the bank and the city's Secretariat of Environment and Climate, will fund the ecological restoration of 93 hectares within the Atlantic Forest biome at Serra da Posse - This partnership contributes to BNDES's broader mobilization of R\$ 3.4 billion for forest conservation and restoration since 2023, supporting Brazil's national target of restoring 12 million hectares of forest by 2030	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	Announced. R\$ 10 million agreement to ecologically restore 93 hectares of the Atlantic Forest does not shift the forecast.	Score 3 <i>*No Impact</i>
		Bills that threaten the fight against deforestation in Brazil are moving forward in Congress - Brazil's Chamber of Deputies approved a bill that prohibits environmental authorities from using remote technologies, such as satellite imagery, as the sole basis for enforcement operations and sanctions - The legislation, supported by agribusiness-linked lawmakers, requires the Brazilian Institute of the Environment (IBAMA) to notify accused parties in advance of penalties, allowing them to provide explanations before being fined for illegal logging - This move significantly impacts the government's ability to monitor the Amazon, where nearly 90% of deforestation detection currently relies on satellite data	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	Announced. Legislative approval prohibiting environmental authorities from utilizing satellite imagery as the primary basis slows the forecast.	Score 2

BRAZIL POLICY ANNOUNCEMENTS/DEVELOPMENTS

			2023 IPR 1.8°C		
Region	Policy area	Development	Forecast	Impact on forecast	Impact assessment
Brazil 	Net deforestation 	Lula says to contradict US tariffs with Brazil's record drop on deforestation - Brazilian President Luiz Inacio Lula da Silva announced plans to use record-low deforestation data to challenge a proposed 25-per cent US tariff on Brazilian exports - Official figures from the Real-Time Deforestation Detection System show that 2,189 square kilometres of land were deforested in the Amazon between August 2025 and May 2026, marking the lowest level on record - This figure represents a 31.4-per cent reduction in deforestation, which Lula intends to submit to the Office of the United States Trade Representative to refute claims of environmental damage	Policy delivers an end to net deforestation and delivers afforestation or reforestation at scale by 2035-2039.	Announced and supportive. Reported 31.4% reduction in Amazon deforestation to record-low levels is a highly indicator; it supports the forecast.	Score 3
	Carbon price 	Supreme Court overturns mandatory investment by insurance companies in carbon credits - The Full Court of the Federal Supreme Court (STF) in Brazil unanimously ruled that a regulation requiring insurance companies and pension funds to make mandatory investments in carbon credits is unconstitutional - The decision struck down Article 56 of Law No. 15,042/2024, which established the Brazilian Greenhouse Gas Emissions Trading System (SBCE) - This specific provision required that at least 0.5% of the technical reserves and provisions of insurance companies, open-ended supplementary pension funds, capitalization companies, and reinsurers be allocated to the purchase of carbon credits or shares in linked funds - While the Federal Government and Senate defended the measure as a way to leverage the carbon market using high-liquidity financial reserves, the Court found the mandate unconstitutional	Explicit carbon price signal or backstop covering industry and power in 2030 by no 2026 forecast target.	Announced. Brazilian Supreme Court's decision to strike down mandatory carbon credit investments for insurance slows the forecast.	Score 2
	Net Zero CO2 emissions 	Brazil proposes three-phase carbon market rollout starting 2027 - Brazil's Finance Ministry has unveiled a preliminary proposal to implement a regulated carbon market through a phased approach for various industrial sectors - The first phase is scheduled to begin in 2027 and will include heavy industries such as iron and steel, cement, primary aluminum, oil and gas exploration, and air transport - Subsequent phases will expand coverage to mining and electricity in 2029, followed by road, water, and rail transport sectors starting in 2031 - Each participating sector will undergo a four-year preparation period, with the initial phase focusing solely on emissions reporting without imposing immediate costs or reduction obligations on companies	Policy delivers net zero CO2 emissions by 2050-2054.	Announced and supportive. Brazil's proposed carbon market establishes a key framework for managing emissions and supports the country's path toward net zero.	Score 3



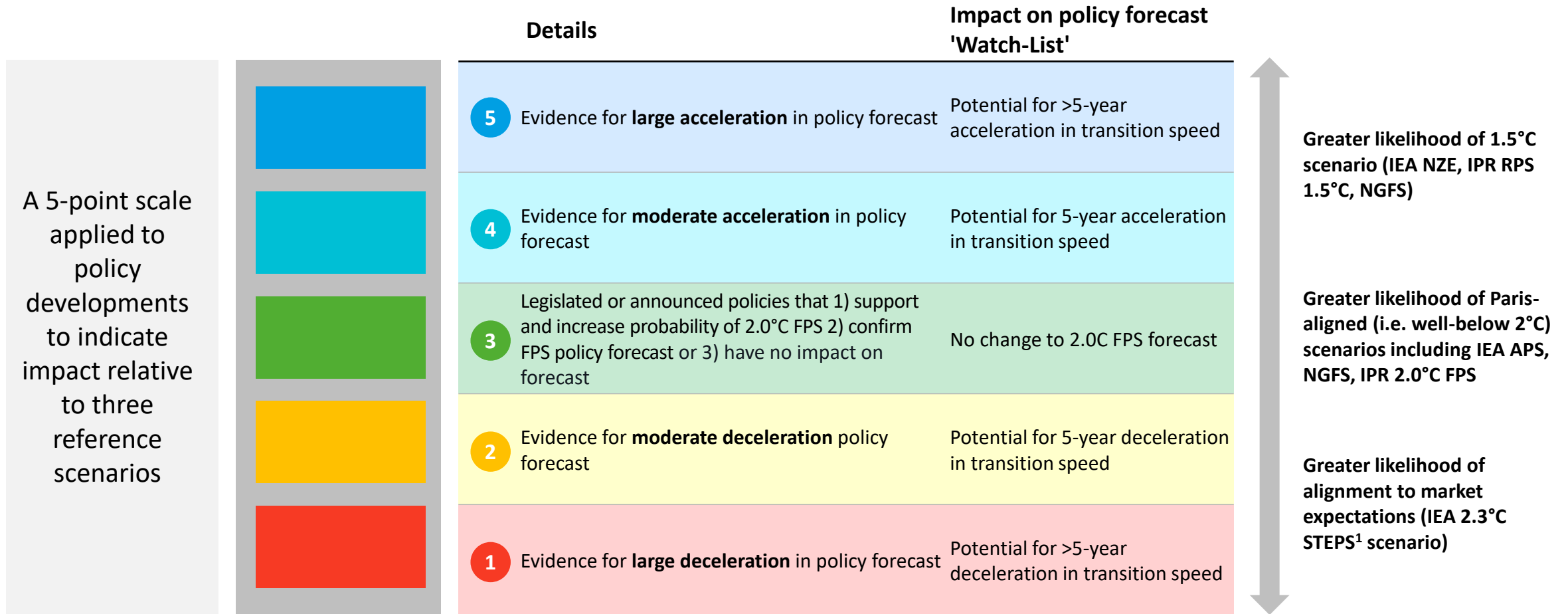
Technical Annex

Methodology, deep dive assessments, and references

IMPACT SCALE FOR IPR POLICY FORECAST

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

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IPR QFT: KEY Q4 2025, Q1 2026, AND Q2 2026 POLICY DEVELOPMENTS BY REGION

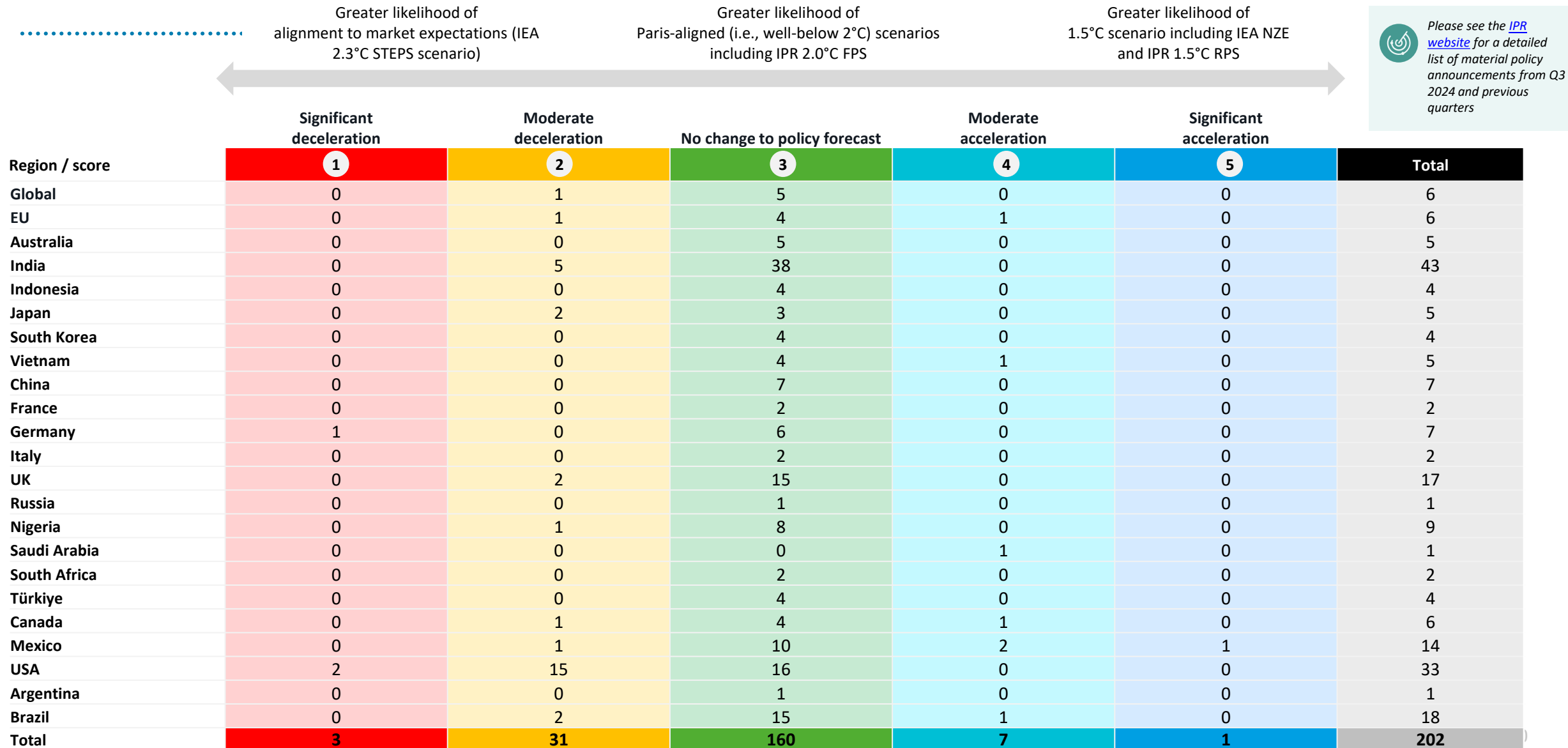
The findings of IPR's Quarterly forecast tracker show that most of the key credible and material policies are in line with the Paris Agreement

 Please see the [IPR website](#) for a detailed list of material policy announcements from Q3 2024 and previous quarters

	Greater likelihood of alignment to market expectations (IEA 2.3°C STEPS scenario)		Greater likelihood of Paris-aligned (i.e., well-below 2°C) scenarios including IPR 2.0°C FPS		Greater likelihood of 1.5°C scenario including IEA NZE and IPR 1.5°C RPS	
	Significant deceleration	Moderate deceleration	No change to policy forecast	Moderate acceleration	Significant acceleration	
Region / score	1	2	3	4	5	Total
Global	0	1	5	0	0	6
Asia Pacific	0	7	58	1	0	66
China	0	0	7	0	0	7
Europe	1	3	29	1	0	34
Eurasia	0	0	1	0	0	1
Middle East and Africa	0	1	14	1	0	16
North America	2	17	30	3	1	53
South America	0	2	16	1	0	19
Total	3	31	160	7	1	202

IPR QFT: KEY Q4 2025, Q1 2026, AND Q2 2026 POLICY DEVELOPMENTS BY COUNTRY

All 21 countries announced or implemented supportive climate policies



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

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