

THIRD NDC UPDATES

THE EUROPEAN UNION LAUNCHES "FIT FOR 55"

The European Commission unveiled on Wednesday 14 of July the legislative package known as "Fit for 55", which prepares Europe to become the world's first net zero continent.

To this end, and in line with the commitment of the various countries to the Paris Agreement, the 27 Member States of the EU bloc have pledged to reduce their emissions by "at least 55 % compared to 1990 levels".

The package includes the implementation of the CBAM (carbon border adjustment mechanism), which aims to include the cost of CO₂ for products imported from outside the European Union bloc and which do not prove that their products have already been taxed in their countries of origin. With this, Europe wants to protect industry from possible relocation and encourage other countries to adopt the same approach and help achieve global climate targets.

On the other hand, the ex-member, United Kingdom, has committed to increase its reduction target to 78 % below 1990 levels by 2035, making the UK the most ambitious country in the update of its Nationally Determined Contributions (NDCs).

Leaving the old continent aside, the BASIC group of large emerging economies (Brazil, South Africa, India and China) made a joint statement reproaching the insufficient and inadequate support from rich countries.

Brazil made forest protection conditional on "fair compensation" from rich nations, threatening to prevent current record deforestation rates in the Amazon from continuing, unless the world pays Brazil to enforce forest protection laws. Currently, Brazil has already updated its first NDC and has committed to net zero by 2050. President Biden picked up on this discontent, among others, and urged world leaders to mobilise the \$100 billion per year and pledged to double US international climate finance by 2024.

Since the last edition of "Second NDC Updates", 11 countries have updated their first NDC, these being: Angola, Armenia, Bhutan, Georgia, Honduras, Laos, Montenegro, Morocco, Nigeria, Sudan and the United Kingdom. No country has upgraded its NDC to the second level.

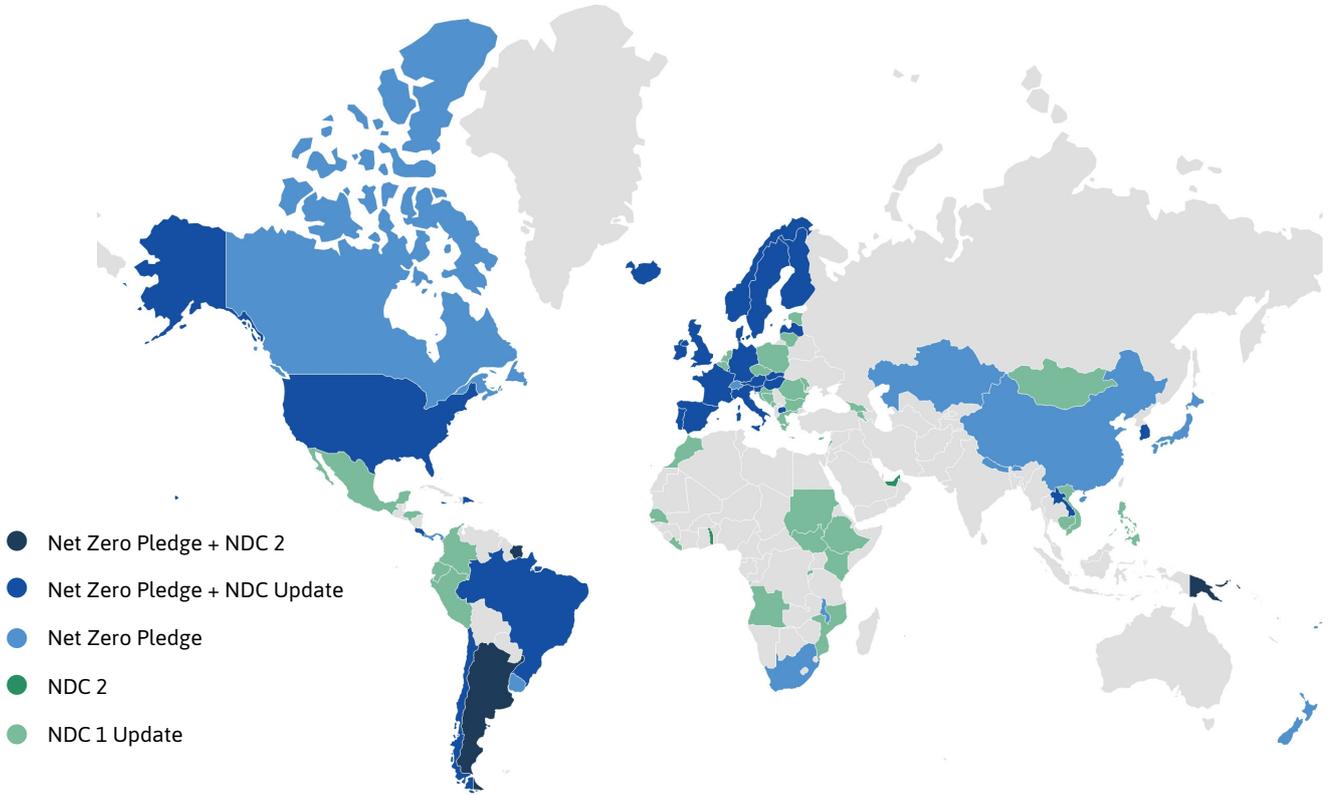
When it comes to net zero commitments, that is the achievement of zero net greenhouse gas emissions, two countries have taken the pledge and made this goal a political promise. Brazil has committed to 2050, while Germany has increased its net zero ambitions to 2045.

Counting since the beginning of the year:

72 countries have submitted or updated their first NDC.

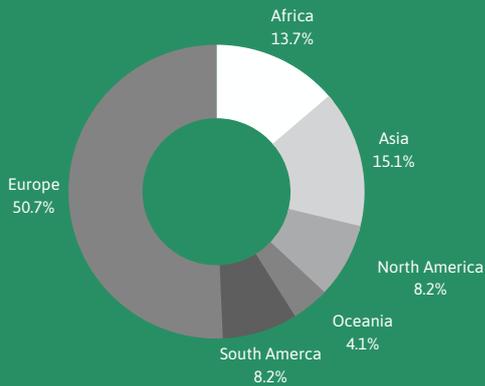
8 countries have submitted their second NDC.

52 countries have committed to a net zero target.



The following is an update of progress up to July 2021:

NDCs Update

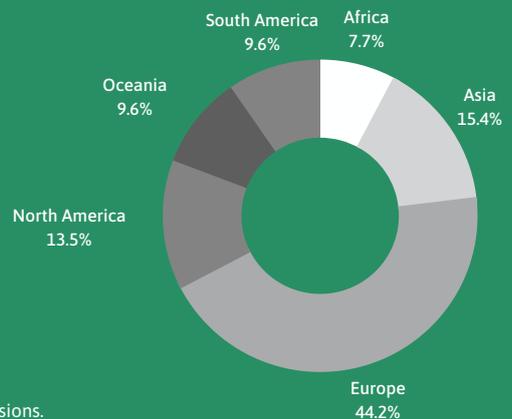


- Europe remains the most represented continent with 37 countries.
- While the 27 EU countries follow the rules of the new "Fit for 55" package, the UK pledges a 78 % reduction of its emissions.
- Africa raises its number of commitments with updates from Morocco, Nigeria, Angola and Sudan.
- In Latin America, Honduras' commitment to reduce emissions by 16 % by 2030 stands out.

*Percentage of countries per continent that have updated their NDCs.

Net zero commitment

- Only 2 more countries have joined the net zero commitment since May. Germany with a pledge for 2045 and Brazil with a net zero pledge for 2050.
- That brings to 17 the number of countries that include net zero in their political pledges, such as Canada, Italy and Uruguay.
- 27 countries have net zero in their policy documents.
- And only 6 countries have net zero laws, including the United Kingdom, France and New Zealand.



*Percentage of countries by continent that have committed to achieving net zero emissions.

Ahead of COP26, the UNFCCC plans to publish a new synthesis report. This version will assess all the NDCs submitted during the year and present a more accurate picture of global efforts to limit global warming.

With only 4 months to go before COP26, 107 countries remain without any NDCs or commitments, including key countries such as Russia...