

Reflecting Climate Club member ambition: A review of industry in NDCs 3.0

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Analysis prepared by the Climate Club Secretariat

Acknowledgements and Disclaimer



- This analysis was prepared by Michael Alonzi, Julia Gaus and Laura Lungenstrass Bustamante (Climate Club Secretariat).
- The analysis benefitted from input in no particular order from Deger Saygin, Antonella Pasetto, Isabel Geppert, Anna Lockwood and Michael Apicelli.
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Introduction



▪ **Context**

- [Nationally determined contributions](#) (NDCs) are central to the Paris Agreement. They outline each country's plans to reduce emissions and adapt to climate impacts.
- Parties submitted initial NDCs with the adoption of the Paris Agreement (2015) and were then asked to submit new or updated NDCs every five years from 2020 onwards.

▪ **Aim**

- To assess whether Climate Club (CC) members are reflecting their commitment to industry decarbonisation in their updated NDCs.

▪ **Methodology**

- This analysis considers NDCs 3.0 submitted between [6 November 2024 to 11 February 2026](#) (142 NDCs). As well as all Climate Club members NDCs 2.0 (48).
- Two types of analysis were conducted For this, the Climate Club Secretariat analysed and compared:
 - NDC 3.0: Climate Club members vs Non-Members
 - Climate Club members: NDC 2.0 vs NDC 3.0
- A detailed methodology can be found in the [appendix](#).

Key Insights

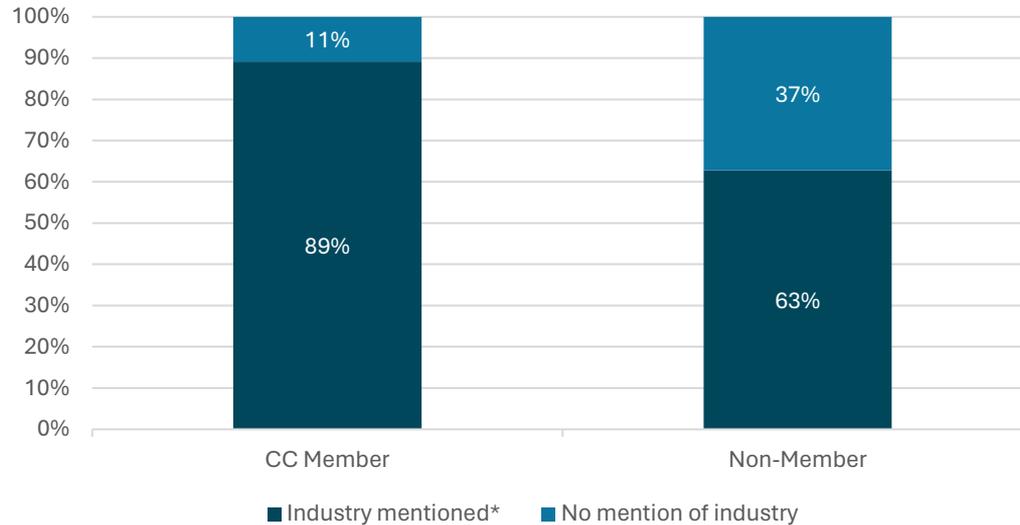


- Climate Club members are sending a signal to markets that clean production is the way forward
 - Compared to non-members, Climate Club members have included **more industry-related targets** in NDCs 3.0, especially when considering **alternative target formulations** (i.e. targets that contribute to mitigation but are not expressed in terms of tCO₂ avoided).
 - Climate Club members (are ready to) employ a **diverse set of policy measures** to tackle different bottlenecks of the industry transition (e.g. demand creation through public procurement, providing financial incentives, carbon pricing).
 - This marks an increase compared to Climate Club members' NDCs 2.0.
- By mentioning more specific technologies to advance their industrial transition, compared to previous NDC iterations, Climate Club members are signaling a direction of travel for innovation to deliver on those technologies. This **encourages R&D and investments**.
- Low- and middle-income Climate Club members provide a higher level of detail regarding **their industry-related capacity building plans and needs** enabling them to **connect more readily with international support offers**.

Climate Club Members are placing greater importance on the industrial sector in their NDCs 3.0



Mention of industry in NDCs 3.0: CC members vs Non-Members

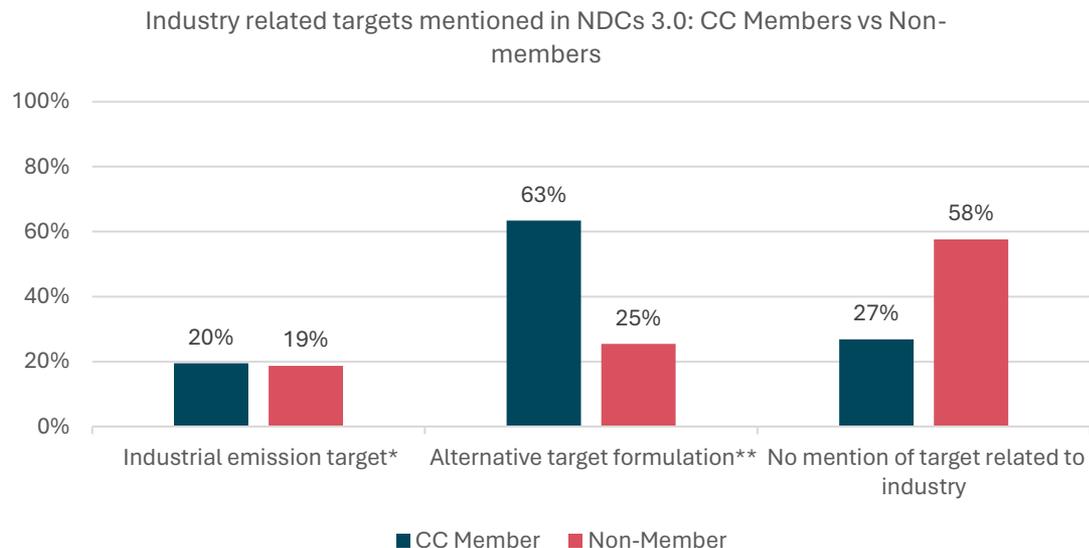


- A larger share of Climate Club members mention the industry sector in their NDC 3.0 compared to non-members.

Note: This data sample considers all NDC 3.0 submitted until Feb. 11, 2026 (CC members = 46, Non-Members = 94)

*Industry mentioned: All NDCs that cite at least one industrial subsector, industry in general, or hard-to-abate sector (this goes beyond a simple mention of the emission accounting classification of IPPU). In contrast, 'No mention of industries' refers to NDCs that contain no references to industrial sectors or to industry in general within their commitments.

Climate Club members have included more industry-related targets in their NDCs 3.0 than non-members, especially regarding alternative target formulation.



Note: This data sample only considers those NDCs that have made specific mention of industry (CC members = 41, Non-Members = 59)

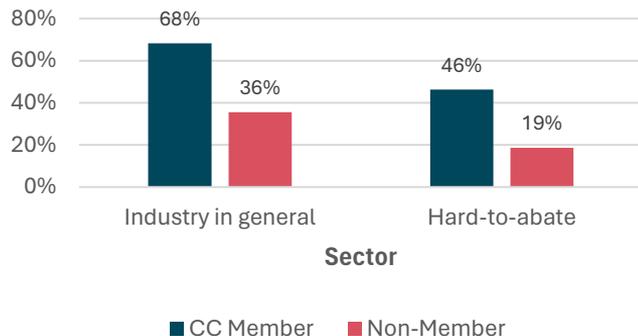
*Industrial emission target: A target for specific aimed at reducing CO₂ emissions in the industrial sector.

**Alternative industry target: A target for specific efforts to reduce emissions but not expressed in terms of CO₂/GHG (e.g. tons of low-carbon material produced by 2035, share of renewable energy used in production, share of limestone used in production, clinker reduction, fuel substitution etc..)

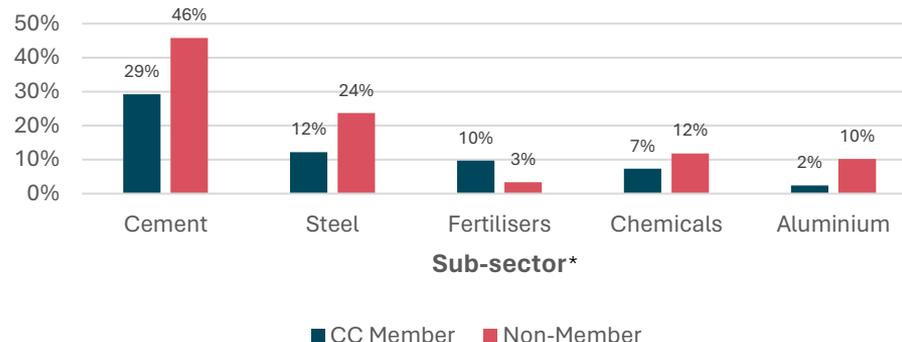
- Both groups almost equally often set an emission reduction target for the industry sector.
- Climate Club members include **more alternative reduction targets related to industry** than non-members (63% vs. 25%).
- Comparing with Climate Club members, a **greater proportion of non-members do not set any targets for the industry sector.**

Climate Club members have included industry more in their NDC 3.0 compared to non-members but at a more general level

Industry sector coverage in NDC 3.0 CC Members vs Non-Members



Sub-sectoral Coverage of NDC 3.0 CC Members vs Non-Members



Note: This data sample only considers those NDCs that have made specific mention of industry (CC Members = 41, Non-Members = 59).

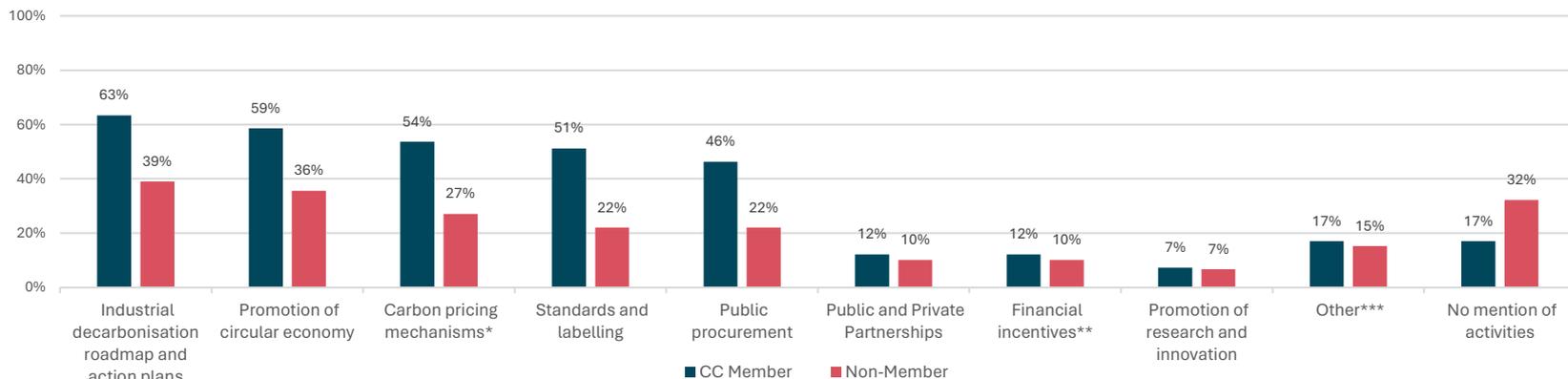
These graphs reflect how frequent any of the industry sectors or sub-sectors were mentioned in NDCs. 'Hard-to-abate sector' and 'Industry in general' is not an aggregation but was mentioned like this.

*Sub-sectors where neither CC Members nor Non-Members had over 5% were excluded from this graph. These other sectors mentioned include Ammonia, Bricks, Ceramics, Ferro-alloys, Glass, HFCs, IPPU (related to industry), Iron, Lime, Metal alloys, Metallurgy, Mining, Paper, Soda ash production, Textiles,

- **CC members exhibit a more systematic inclusion of industry within NDC 3.0**, with broader recognition of both general industrial emissions and hard-to-abate sectors.
- **Non-Members tend to prioritise only a few highly visible sub-sectors, such as cement and steel**, while providing limited attention to the wider industrial system. This pattern suggests that industry is approached more selectively and less comprehensively outside CC membership.
- Overall, the **depth and breadth of industrial sector coverage remain uneven**. Cooperative platforms, such as the Climate Club, have a role to play in building alliances for coordinated national level action and mutual learning to enhance credible industrial decarbonisation strategies within NDCs.

Climate Club members' NDCs 3.0 incorporate a broader set of measures to advance industrial decarbonisation

Share of industry related measures mentioned in NDCs 3.0: CC Members vs Non-Members



Note: This data sample only considers those NDCs that have made specific mention of industry (CC Members = 41, Non-Members = 59).

*Carbon pricing mechanisms include emission trading schemes, carbon pricing for industries, cooperation under Article 6 of the Paris Agreement, and the development of carbon markets.

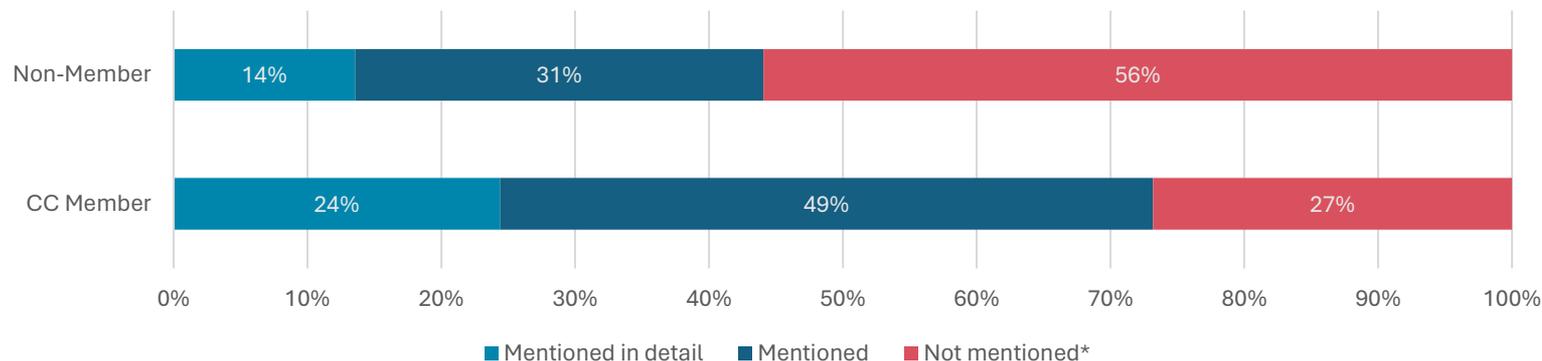
**Financial incentives include financial support for technology development, strengthening of industrial funds, and the phasing out of inefficient subsidies.

***The category 'Other' includes activities such as the promotion of green products and sustainable consumption, the development of industrial parks, enhancement of industrial competitiveness, and the establishment of MRV systems.

- Climate Club Members consider a **wider range of activities and measures for industrial decarbonisation** in their NDCs 3.0 compared with Non-Members.
- More than half of Climate Club members are focused on the development of **industrial decarbonisation plans, the promotion of the circular economy, carbon pricing mechanisms, and standards and labelling.**

Climate Club members specify financing needs or plans for the industry transition in their NDC 3.0 at higher rates than Non-Members

Level detail of industry specific financing needs in NDCs 3.0 CC Members vs Non-Members



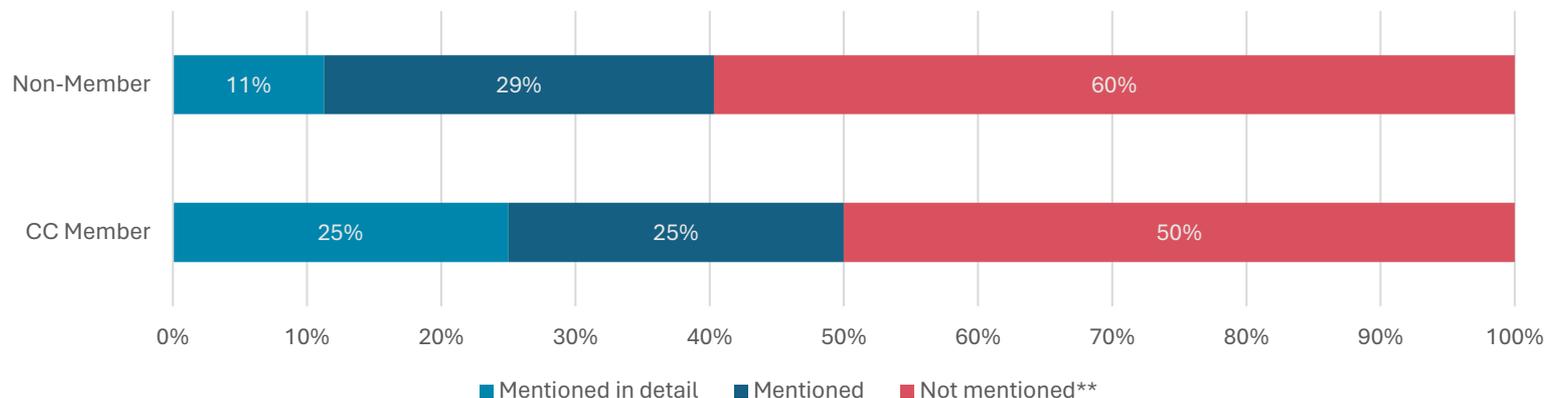
- CC Members **provide more detail on their financing needs or plans in relation to industry decarbonisation**, with over two thirds of NDCs mentioning financing.
- Identifying and specifying financing needs and gaps will be key for channelling adequate financial sources towards urgently needed low-carbon emission projects for industrial decarbonisation.

Note: This data sample only considers those NDCs that have made specific mention of industry (CC members = 41, Non-Members = 59)

*NDCs are classified as 'Mentioned in detail' if they include industry-specific financing needs and they explicitly state the type and quantity of financing required. The 'not mentioned' categories may include financing in their NDCs but not industry specific. Categorisations of financing needs are mutually exclusive.

Low- and middle-income* Climate Club members are better equipped to state their industry related capacity building plans and needs

Share of low- and middle-income countries including industry-specific capacity building information in their NDC 3.0



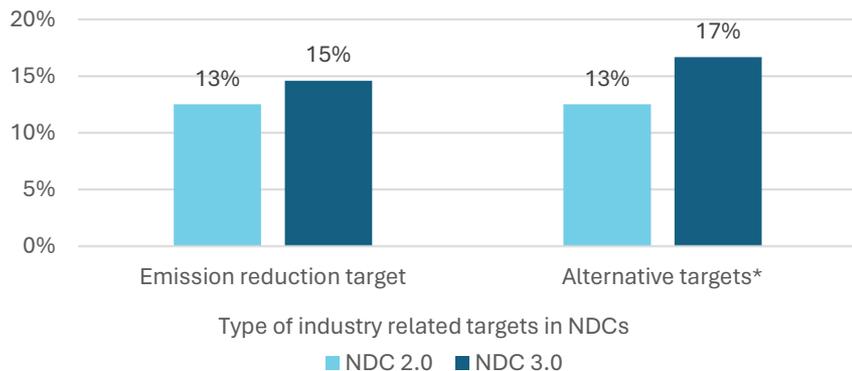
- Half of the Climate Club’s members that are classified as low- and middle-income provide some information regarding their capacity building plans and needs related to the industry sector; a **quarter** even outlines the **specific type of capacity building** that would be required (e.g. sector specific MRV systems, technology partnerships, etc.).
- This level of detail could make it easier for the international community to **target support offers** to Climate Club members’ needs.

*Low- and middle-income countries uses the World Bank classification (low-income, lower-middle and upper-middle income groups are considered). This graph considers 16 NDCs of Climate Club members and 62 from Non-Members.

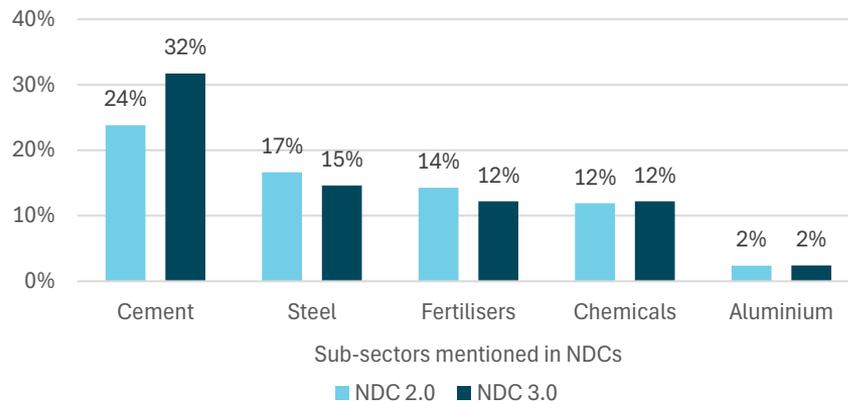
** NDCs are considered to mention industry-specific capacity building needs if they include a general mention to capacity building for industry decarbonisation / green industry. NDCs are classified as mentioning industry-specific capacity-building needs “in detail” if they explicitly state the type of capacity building activities required (e.g. MRV systems, training for industrial operators of low-carbon technologies, technology partnerships, or research programmes).

Climate Club members have set more industry-related targets in their NDC 3.0 but are less specific regarding the sub-sectors

Frequency with which CC members set industry-related targets in their NDC 2.0 vs. 3.0



Frequency of industry Sub-sectors being mentioned in Climate Club members' NDCs 2.0 vs. 3.0



- Climate Club members are **increasingly setting industry decarbonisation targets** in their NDCs.
- While more Climate Club members included a specific reference to the cement sector in their NDC 3.0, no overarching trend to more sub-sector specificity can be observed.

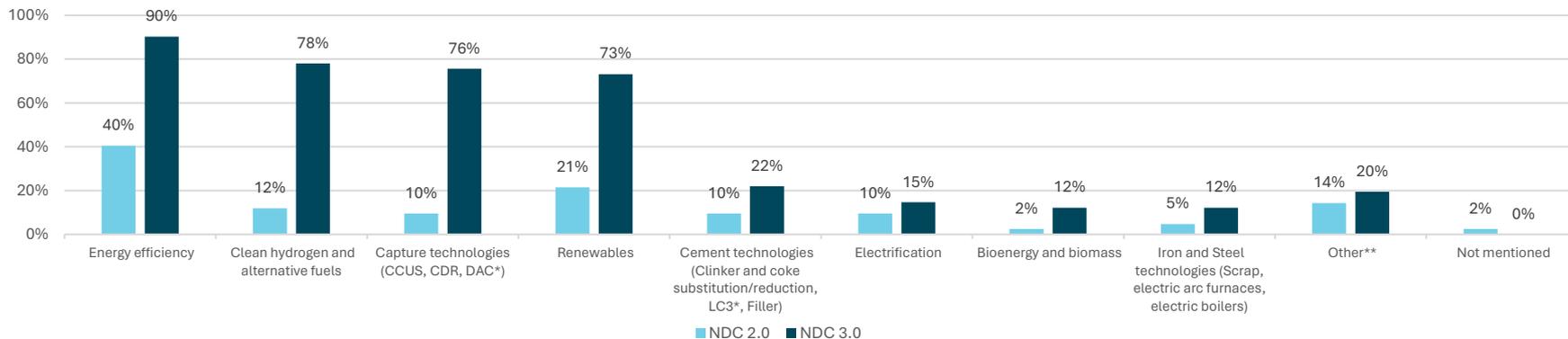
Left graph: This data sample considers all NDCs submitted by Climate Club members until Feb 11, 2026. (NDCs 2.0 = 48, NDCs 3.0 = 46).

Right graph: This data sample considers NDCs submitted by Climate Club members until Feb 11, 2026 that make a specific mention of industry (NDCs 2.0 = 42, NDCs 3.0 = 41). Additionally, 44% of NDCs analysed mention hard-to-abate industry sectors without providing further detail regarding the sub-sectors (EU NDC).

*Alternative targets: A target for specific efforts to reduce emissions but not expressed in terms of CO₂/GHG (e.g. tons of low-carbon material produced by 2035, share of renewable energy used in production, share of limestone used in production, clinker reduction, fuel substitution etc..)

Climate Club members show a notable increase in the consideration of technologies for industrial decarbonisation from NDCs 2.0 to NDCs 3.0

Industrial Decarbonisation Technologies Mentioned by Climate Club Members: NDCs 2.0 vs. NDCs 3.0



This data sample only considers those NDCs that have made specific mention of industry (NDCs 3.0 = 41, NDCs 2.0 = 42)

*Acronyms: CCUS (Carbon capture, use and storage); CDR (carbon dioxide removal); DAC (direct air capture); LC3 (limestone calcined clay cement)

** Other: includes technologies such as: Material re-use, Gas reduction in ammonia production, Surplus electricity use, Grid digitalisation, Waste treatment and heat recovery systems, Microgeneration of energy, Water efficiency and water saving technologies in industries, Control of gases and steam in chemical production.

- In their NDCs 3.0 a larger share of CC members mention specific technologies for industrial decarbonisation.
- **Energy efficiency, clean hydrogen and alternative fuels, CCUS and renewables** are the technologies that have seen the greatest increase in mentions.
- In addition to the technologies included in the graph, CC Members also mention ‘low-emission technologies’ as a general category. In NDCs 2.0, 18 members mentioned only low-emission technologies as their sole technological reference for industrial decarbonisation, compared with just one member in NDCs 3.0. This change indicates **a shift towards greater specificity when referring to technologies for industrial decarbonisation among CC Members.**

APPENDIX

Objective

- To assess whether Climate Club members are reflecting their commitment to industry decarbonisation in their updated NDCs. For this, we analysed and compared: CC NDC 3.0 versus non-CC NDC 3.0, and CC NDC 2.0 versus CC NDC 3.0.

Data gathering methodology

- Development of a database with all NDC 3.0 submissions up to February 11th 2026*, focusing on industrial mitigation and adaptation measures (sectoral coverage, technologies/measures, activities, industrial emission reduction targets), and the mention of finance, just transition, and capacity-building related to industries.
- Development of a database on CC members' NDC 2.0, including their mention of industries, sectoral coverage, technologies/measures, and industrial emission reduction targets.

*The data sample treats the EU's NDC as applying individually to each EU Member State as well as the EU, which is a Climate Club member. For Climate Club members, this relates to: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, Spain, and Sweden.

Analysis methodology

This study applies a mixed-methods content analysis, combining qualitative coding of textual data with quantitative measurement of frequencies and percentages.

- **NDC 3.0: CC members vs non-members**
 - Analysis of all NDC 3.0 submissions up to February 11th, 2026, grouping CC members and non-members
 - Six aspects are compared between CC Members and Non-Members:
 1. Industry mentioned as an area of action in the NDC (yes/no)
 2. Sectoral coverage
 3. Activities for industrial decarbonisation
 4. Industrial emission reduction targets
 5. Financing requirements/plans for the industrial sector (EMDEs)
 6. Capacity-building requirements/measures for the industries (EMDEs)
- **CC members: NDC 3.0 vs NDC 2.0**
 - Analysis of CC members' NDC 3.0 and NDC 2.0, focusing on sectoral coverage, technologies/measures, and industrial emission reduction targets
 - Three aspects are compared between NDC 3.0 and NDC 2.0:
 1. Industrial coverage
 2. Technology mentions
 3. Industrial emission reduction targets