

The Industrial Decarbonization NDC Enhancement Approach

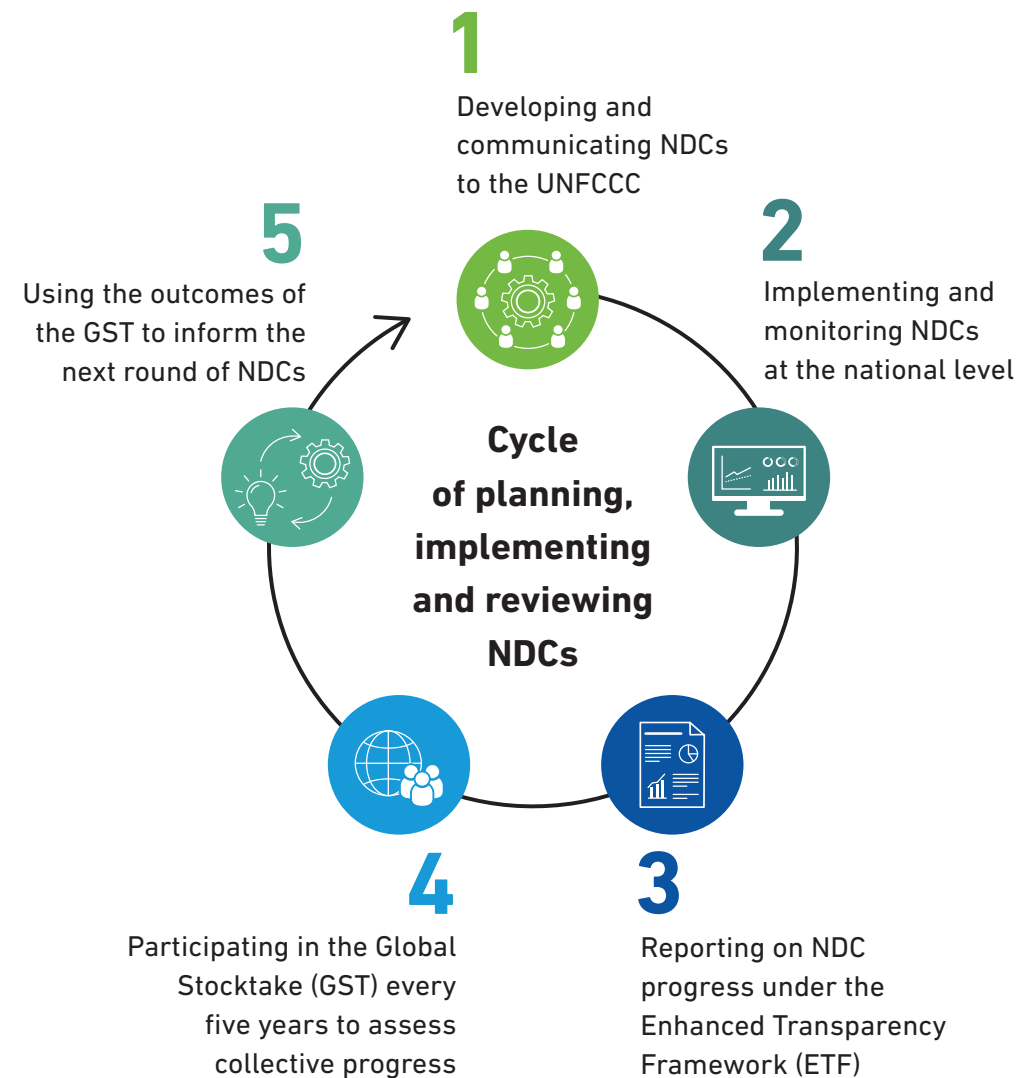
A QUICK GUIDE



THE CYCLE OF PLANNING, IMPLEMENTATION AND REVIEW

NDCs are central to the Paris Agreement, representing each country's commitment to reducing emissions and adapting to climate change. Countries must create, update, and implement NDCs to meet their goals, aiming to collectively limit global warming to 1.5°C. By involving industries, countries can create more ambitious NDCs, attract investment, and generate future opportunities in a thriving low-carbon industrial sector. The Paris Agreement sets a structured cycle for planning, implementation, and review of NDCs.

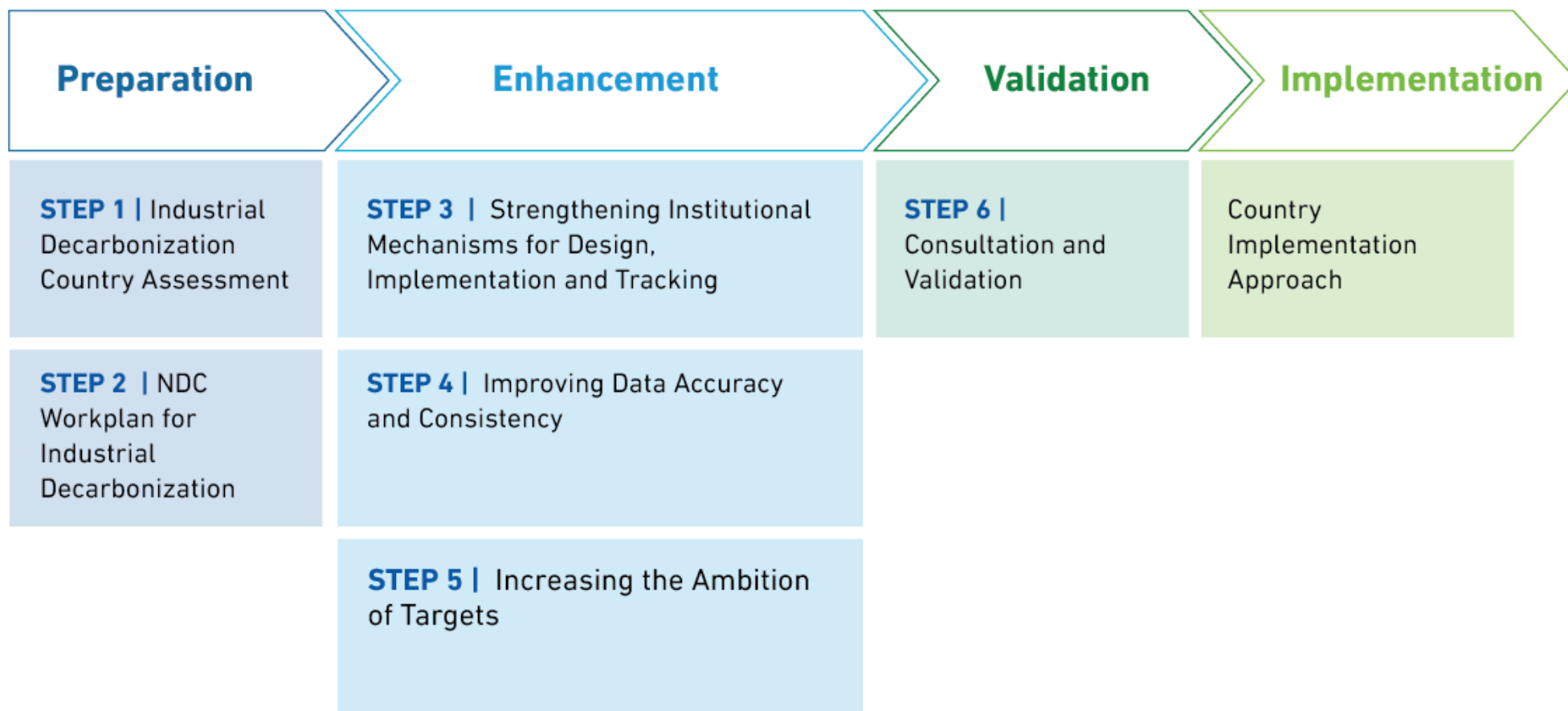
This quick guide is one of a series focusing on key areas related to involving industries in the NDCs. This guide focuses on **how to approach enhancing NDCs with industry specific targets**. For a deeper dive into this topic and more, please refer to our comprehensive [NDC 3.0 Guidebook for Industrial Decarbonization](#).



Building actionable NDC commitments, step by step

Our step-by-step framework outlines the key activities and tasks for updating industry sector NDCs. Each step builds on the last, creating a clear path to increase ambition and improve decarbonization efforts.

By following this framework, practitioners can pinpoint areas for improvement that suit their national context, take a structured approach to enhance their NDCs, and support effective implementation of NDC commitments.



Why an MRV system is important

Countries should establish a structured approach to plan, implement, and track industrial decarbonization under their NDCs.

These approaches or systems (in the context of climate change transparency and NDCs) are commonly referred to as MRV (Measurement, Reporting, and Verification) systems. Without an MRV system, countries may struggle to set realistic targets and measure progress. Measurement and monitoring help identify emission trends, prioritize reduction efforts, track support, and assess the effectiveness of actions. Reporting and verification ensure transparency, accountability and efficient use of resources.

MRV systems assign clear responsibilities to institutions and define data compilation processes with set procedures and timelines. This formal approach helps countries improve the ambition and implementation of industrial decarbonization in their NDCs. MRV systems provide a credible way for countries to report on climate action and progress.

Here are some questions that can be asked to develop a strong MRV system:

- Does the country have a **legal framework** requiring industries to report emissions?
- Are **national statistics offices** equipped to manage large datasets?
- Are there **penalties or incentives** for reporting accuracy?



Why an MRV system is important

MRV systems need a clear scope, defined objectives, assigned responsibilities, and formal procedures with set timeframes, along with sustainable quality control and institutional continuity.

There are three key steps in setting up a robust MRV system:



Define the MRV system's objective and scope, such as focusing on industry sector NDCs and tracking mitigation targets.



Identify the institutions involved by assessing the industry landscape and determining responsible entities for policy and decarbonization.



Institutionalize MRV procedures, ensuring smooth data flow, and set standards for data collection and reporting.

For example, the Philippines, institutionalised climate action through the Climate Change Act, which allowed for the set-up of the Climate Change Commission. This body oversees the design, implementation and monitoring of NDCs, ensuring effective coordination and accountability.

How policies and measures fit into the enhancement process

To meet NDC targets, countries need to define policies and measures (PAMs).

These refer to actions aimed at reducing emissions or enhancing carbon sinks, and they include policies, regulations, strategies, projects, and other interventions. Countries can define PAMs by identifying, assessing, and prioritizing actions for NDC enhancement and reporting under the Paris Agreement.

PAMs are identified by looking at current and future interventions that impact greenhouse gas (GHG) sources, with a focus on key emission categories in national inventories.



Assessment of PAMs is generally focused on estimating GHG impact and costs of PAMs. For prioritization, the UNEP Guidebooks for conducting Technology Needs Assessment (TNAs) offer comprehensive practices. This will help shape the mitigation scenarios.

The Volume 2 of the **NDC 3.0**

Guidebook for Industrial

Decarbonization offers resources to

support PAMs identification, including

lists of decarbonization measures and frameworks to help scale GHG reduction efforts.



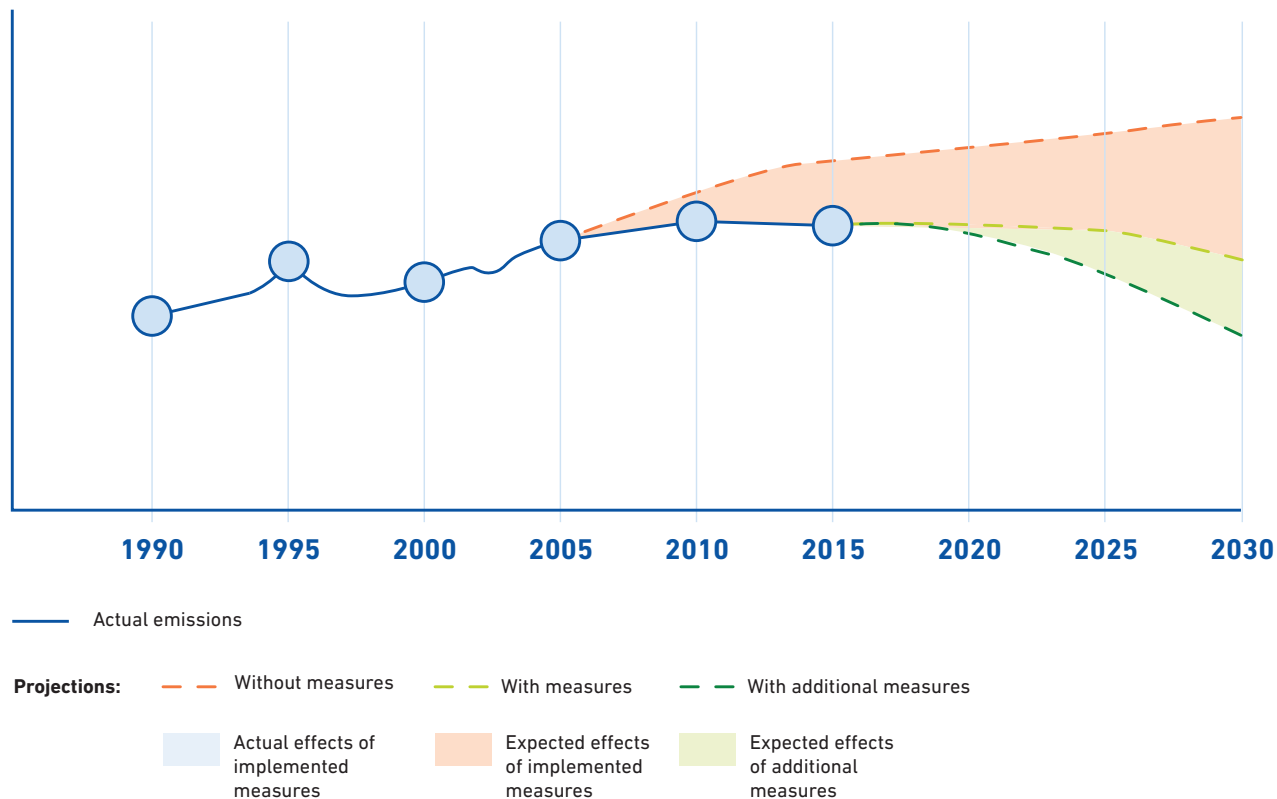
How projections help

GHG emissions projections help define mitigation targets and track progress.

These projections estimate future emissions based on current data, historical trends, and assumptions about future conditions. They are essential for NDC enhancement and defining targets.

To estimate future GHG emissions, the Paris Agreement's Modalities, Procedures and Guidelines (MPGs) recommends estimating emissions and GHG removals under three scenarios: WOM (Without Measures), WEM (With Existing Measures) and WAM (With Additional Measures).

These scenarios illustrate different pathways for reducing emissions, with varying levels of PAMs implementation.



Key steps for successful NDC implementation

Implementing NDCs is a complex, country-specific process that requires strategic planning and adaptation to national contexts. The NDC implementation plan is a strategic tool designed to guide and support effective NDC implementation. This plan serves as a roadmap, detailing the specific actions, resources and timelines required to achieve the industry sector NDC commitments, while providing a structured framework to ensure that implementation remains on track. Each country's NDC implementation plan will be unique, reflecting its specific goals, challenges and national circumstances.

Elements Reflected in an NDC Implementation Plan



Clearly **identifying actions and measures** for implementation.



Defining roles and responsibilities across relevant bodies, such as coordination teams, ministries and departments.



Assessing and identifying required resources, including capacity and financial support.



Specifying timeframes for individual PAMs, with milestones for tracking progress.



Outlining expected impacts and assessing the feasibility and risks of implementation measures.



Pinpointing capacity gaps, data needs and potential knowledge gaps.



Reviewing necessary regulatory and legal frameworks to support implementation.



Engaging stakeholders across sectors and levels of government as well as outlining the engagement strategy.



Establishing coordination mechanisms both within and outside of government.



Specifying the monitoring and reporting process.



Linking NDC-related actions to broader Sustainable Development Goals (SDGs) for added alignment and impact.



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INDUSTRIAL DEVELOPMENT ORGANIZATION

NET ZERO PARTNERSHIP

This guide and the NDC 3.0 Guidebook for Industrial Decarbonization was developed by [The Net Zero Partnership for Industrial Decarbonization](#).

This is a global initiative led by UNIDO that supports lower-income countries with transitioning towards low-carbon steel, cement and concrete. The project offers tailored policy support, promotes decarbonization solutions, and encourages international collaboration to achieve net zero emissions by 2050.

Comments or questions:

Please email n.myrsalieva@unido.org

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