CLIMATE WATCH NET-ZERO TRACKER METHODOLOGY

This document accompanies the Climate Watch Net-Zero Tracker.

There is growing momentum for setting national net-zero targets.

At a country level, reaching or committing to reach net-zero emissions by a certain year <u>means</u> that GHG emissions released to the atmosphere from sources within the country's territory in the target year do not exceed GHGs removed from the atmosphere by sinks within the country's territory in the target year.

CATEGORIES AND INDICATORS

As exhibited in the Climate Watch Net-Zero Tracker, many countries have made commitments to achieve net-zero emissions. In the Net-Zero Tracker, the *net-zero targetsi* are separated into two categories — Target Description (covering target status and target year) and Target Scope (covering target coverage and inclusion of offsets/international aviation and shipping), as further elaborated below. Within each category, indicators allow the user to classify net-zero targets by design characteristics.

Target Description

Indicators include:

Target Status: The legal status of the netzero target. Three categories are used to classify net-zero targets: 1) In law: the netzero target is communicated within national legislation that has been formally adopted by the ruling legislative body within a country; 2) In policy document: the net-zero target is communicated within a long-term strategy (LTS), nationally determined contribution (NDC), or other domestic policy document; and 3) In political pledge: the net-zero target has been announced in a speech or other public communication by a head-ofstate or high-level cabinet member but has not been formally included within law or policy. Note that if multiple targets are

communicated by a country, the most stringent (in the order of most stringent to least stringent as listed above) type of target is used to classify the country on the map, while the table below the map lists all sources within with a net-zero target has been communicated.

■ **Target Year:** The year or range of years by which the target will be achieved.

Target Scope

Indicators include:

- Coverage of Domestic Sectors: Whether the net-zero target covers all domestic sectors or some subset of domestic sectors.
- Coverage of GHGs: Whether the net-zero target covers all UNFCCC-recognized GHGs or some subset of UNFCCC-recognized GHGs.
- Includes International Offsets:
 Whether the country intends to achieve its net-zero target through territorial emissions and removals only, or whether GHG emissions reductions or removals occurring outside of the country's territoryⁱⁱ are counted towards the country's net-zero target (for example, through the transfer of offsets or credits).
- Includes International Shipping and Aviation: Whether the net-zero target includes GHG emissions from international shipping and aviation.
- Includes Separate Targets for Gross and Net Reductions: Whether a country with a net-zero target specifies a separate gross emissions reduction target for the same year as the net-zero target.

In addition to the indicators within the Target Description and Target Scope categories, the tracker also provides information on the source(s) within which net-zero targets have been communicated. In the country table on the home page of the Net-Zero Tracker, the "Net-zero Target Source" indicator includes the link to the source(s) within which the net-zero target is stated as well as the date(s) associated with the

source(s). When multiple source documents contain a country's net-zero target, all are listed in the table.

RESEARCH METHOD

To compile and maintain this tracker, WRI has undertaken and will continue to undertake comprehensive reviews of national net-zero targets. These reviews include examining relevant legislation, policy documentation, and political pledges, and then classifying each net-zero target within the categories and indicators above. Note that the Climate Watch Net-Zero tracker does not include net-zero targets currently under consideration (for example, targets from the 2019 Climate Ambition Alliance declaration); only formally adopted targets or formal political pledges which communicate net-zero targets are reported.

When determining whether to count a particular commitment as a net-zero target, the Climate Watch Net-Zero tracker follows several overarching principles. These are:

- Net-zero targets with ambiguous timelines are still counted, so long as they are time-bound to before the end of this century while many countries have committed to achieving net-zero during or before a specific year, some net-zero targets are not clearly tied to one year within this century. These commitments are still tracked on Climate Watch (e.g., countries using "in the second half of the century" as the net-zero target year are still counted in the tracker).
- We do not count targets where text states that a country will "explore"/ "consider"/ "begin the journey towards" net-zero – the distinction here is that all of these verbs mean something

'Multiple terms are often used interchangeably to describe a net-zero target. These terms include, but may not be limited to: 'net-zero,' 'climate neutral,' 'carbon neutral' (although this may imply CO2 neutrality only depending on other context), 'GHG neutral,' and 'decarbonized.' different than to definitively commit to "reaching" or "achieving" net-zero emissions.

- We do not count text that states or implies that the country will communicate, announce, or submit a net-zero target in the future - such a commitment is not counted as a formal netzero target until it has been communicated via policy document, law, or political pledge.
- We do not count text that states only that a country is on an aligned trajectory toward net-zero emissions this alone may not be a target/commitment to achieve that trajectory, and further context should be communicated.
- Legislation isn't tracked unless it has been passed one instance that is not classified as a formal net-zero target is when legislation has been proposed/tabled, but not formally passed by the legislative body in power within a country; the legislation must be formally adopted before the net-zero target is considered formal, but other classifications (e.g., political pledge) can be applied in the meantime if relevant.

The Climate Watch Net-Zero tracker is a living database that is updated regularly to reflect upto-date information about countries that have established net-zero targets.

For more information about the design, implementation, and communication of country level net-zero targets, see WRI's July 2020 working paper, <u>Designing and Communicating Net-Zero Targets</u> and accompanying onepage <u>information sheet</u>.

regional offsetting mechanisms are not classified as reliant on international offsets.

 $^{^{\}rm ii}$ For the purposes of this indicator, countries within the European Union that trade through the ETS or use other

iii The initial launch of the Net-Zero Tracker (2020) built upon a source list of 20 net-zero targets provided by the Energy & Climate Intelligence Unit (ECIU), which has since been updated with original WRI analysis.