

INCLUSIVE FORUM ON
CARBON MITIGATION APPROACHES

**OECD Secretary-General Report to
G20 Finance Ministers and Central Bank
Governors on the work of the Inclusive
Forum on Carbon Mitigation Approaches**

United States, April 2024



**OECD Secretary-General Report to
G20 Finance Ministers and Central Bank Governors
on the work of the Inclusive Forum on Carbon
Mitigation Approaches**

United States, April 2024



This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city, or area.

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

Please cite this publication as:

OECD (2024), OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors on the work of the Inclusive Forum on Carbon Mitigation Approaches: United States, April 2024, OECD, Paris.

The Inclusive Forum on Carbon Mitigation Approaches (IFCMA) is the OECD’s flagship initiative designed to help optimise the global impact of emissions reduction efforts around the world through better data and information sharing, evidence-based mutual learning and better mutual understanding, and inclusive multilateral dialogue.

By taking stock of different carbon mitigation approaches, mapping policies to the emissions they cover, and estimating their impacts in terms of emissions reductions, the IFCMA is enhancing understanding of the impact of the full spectrum of carbon mitigation approaches deployed around the world and their combined global impact. The IFCMA is also identifying and addressing challenges related to the calculation of sector- and product-level carbon intensity metrics, relevant to the design and evaluation of mitigation policies, and to steer firms’ and consumers’ decisions towards lower-emission products. This work supports better international coordination to avoid the proliferation of different standards, help minimise compliance costs for business, and avoid disruptions to trade. There are currently 58 IFCMA members, including 14 G20 members.

The IFCMA allows its members to:

- **Support and enhance reporting under the UNFCCC** by producing comprehensive, systematic, and granular country-specific data that can increase availability of policy information, help Parties fill existing data gaps in reporting under the Enhanced Transparency Framework, including on expected emission impacts of policies, and provide insights for comparability of information.
- **Inform policy debates, and strengthen mitigation efforts and ambitions**, by providing a centralised reference of global mitigation strategies and a platform for exchange of expertise and experiences on a broad range of climate topics.
- **Track domestic and collective progress** through the IFCMA’s estimates on the effects of policies and policy packages on emissions.
- **Raise and discuss key climate issues in a ‘safe space’** that brings together developing, emerging, and developed economies to work towards better coordinated and more effective mitigation outcomes.
- **Engage in international discussions on the computation of sector- and product-level carbon intensity metrics and their use in policy instruments.**
- **Support domestic capacity building** through peer-exchange among experts from a wide range of countries and international organisations.

<https://oe.cd/ifcma>
IFCMA@oecd.org

Table of contents

1.	Introduction	4
	Overview of work conducted in the IFCMA's first year	5
2.	Membership and governance	6
3.	Developments with the IFCMA's technical work	7
	Taking stock of mitigation approaches and estimating their effects on greenhouse gas emissions	7
	Identifying and addressing challenges related to the calculation of sector- and product-level carbon intensity metrics	10
4.	Inclusive multilateral dialogue and peer-exchange	11
5.	Next steps	13

1. Introduction

I am pleased to report on developments with the Inclusive Forum on Carbon Mitigation Approaches (IFCMA) since my last report to you in February 2024, and to reflect on the IFCMA's achievements over a year on from its launch in February 2023. Since the launch of the initiative, the IFCMA has developed into a genuinely inclusive and interdisciplinary forum, bringing together government experts in climate, tax, and economic policy from a broad range of developing, emerging and developed economies with an equal say at the table.

There are now 58 IFCMA members, of which 14 are G20 members including Argentina and South Africa. Five G20 invitees are also members, including Nigeria and Singapore. Barbados and Paraguay are the most recent countries to join. Many more countries, including additional G20 members, continue to actively participate as invitees to help advance the IFCMA's work to take stock of mitigation approaches, estimate their effects on greenhouse gas emissions, and identify and address challenges related to the calculation of sector- and product-level carbon intensity metrics.

I believe that the consistent and comparable information being generated by the IFCMA has great potential to contribute to more coherent and better co-ordinated approaches to global mitigation efforts, including in the G20. The IFCMA's work can continue to support discussions ongoing in several G20 working groups, including in the Finance Track. It is directly relevant to objectives of the Task Force on Global Mobilization against Climate Change to reset global climate action, including by strengthening national transition plans, developing "win-win" partnerships that avoid negative impacts on developing countries, and facilitating exchange on a broad range of mitigation-related topics. I invite G20 Finance Ministers and Central Bank Governors to support G20 members taking an active role in the IFCMA, including by becoming formal members.

This report provides further detail on the IFCMA's work, membership, governance, and forthcoming deliverables to accompany that invitation.

Key milestones in IFCMA's first year

- **Membership has expanded to 58 IFCMA members**, encompassing a wide range of developing, emerging, and developed economies.
- **Members adopted the IFCMA's Terms of Reference and Governance Arrangements** at the [launch event in February 2023](#), which brought together more than 600 delegates from over 100 countries and 9 (international) organisations.
- **Delegates designated 12 Steering Group members** in June 2023, responsible for setting IFCMA meeting agenda.
- **Delegates met in June 2023** for the first in-depth technical discussions and to establish a work plan for the IFCMA's initial years.
- **Senior government officials explored strategies to support climate-related investments** in an [IFCMA focused session](#) at the October 2023 OECD Forum on Green Finance and Investment.
- **Pilot studies were launched with Chile and Switzerland in November 2023, and with Nigeria in April 2024**, to help refine methodologies for the IFCMA's technical work.
- **Delegates met in November 2023** to participate in the [first inclusive multilateral dialogue](#), provide direction on the scope of the IFCMA's carbon intensity work, and advance technical work on the stock take and modelling methodologies.
- **The IFCMA and UNFCCC Secretariats jointly organised a high-level event at COP28** in Dubai in December 2023 to explore how the IFCMA can best support the UNFCCC and Paris Agreement.
- **The first IFCMA paper, [Towards more accurate, timely, and granular product-level carbon intensity metrics](#)**, was released in February 2024.

Overview of work conducted in the IFCMA's first year

Delegates met on 9 – 10 February, 19 – 20 June, and [14 – 15 November 2023](#) to advance the IFCMA's work and have made considerable progress in the following areas:

Taking stock of mitigation approaches and estimating their effects on greenhouse gas emissions

To enhance policy makers' understanding of the wide range of mitigation approaches and their impact on emissions, and support UNFCCC processes, the IFCMA is **developing a database of mitigation(-relevant) policy instruments and estimating their effects on greenhouse gas emissions** through innovative modelling approaches that link country-specific sectoral models with economy-wide models.

- **The IFCMA is undertaking several pilot studies to gain practical experience and draw lessons on how to approach the stocktake and effectiveness estimates in ways that can be scaled up to a broader set of IFCMA members.** Two pilot studies were launched with Chile and Switzerland in the final quarter of 2023; a pilot study of Nigeria was formally initiated this month (April 2024). The remaining two to three pilot studies will be launched in the coming months.
- **Delegates are simultaneously advancing work on specific methodological issues**, including:
 - Developing the data structure for the database, to ensure it strikes a balance between granularity and scalability and is aligned with UNFCCC reporting processes.
 - Developing a mapping methodology, to identify the share of emissions individual policy instruments cover.
 - Advancing scenario designs for the IFCMA's modelling work to estimate impacts on emissions and exploring ways to link sector-level and economy-wide models.

Identifying and addressing challenges related to the computation of carbon intensity metrics

Understanding the complexities involved in calculating carbon intensity metrics for products is becoming increasingly important as countries adopt diverse mitigation policies based on these metrics. **The IFCMA is analysing the main methodologies to compute carbon intensity metrics and is identifying and proposing potential solutions** to the technical and policy challenges faced when calculating carbon intensity metrics across an increasing number of products and sectors.

- IFCMA Paper [Towards more accurate, timely, and granular product-level carbon intensity metrics](#), publicly released in February 2024, sets out preliminary insights on calculation methodologies and related challenges, such as those in collecting and verifying data across supply chains, and data variability. It highlights the risks posed by the proliferation of different methodologies for computing carbon intensity metrics (e.g., potential increased compliance costs for businesses, especially for small and medium enterprises and those in developing countries; risk of fragmentation of global value chains). The paper will serve as the basis for a more extensive report to be discussed by the IFCMA in its meeting of May 2024 and subsequently released by mid-2024, which will propose potential solutions, and outline areas of possible future work.
- Delegates have expressed interest in a role for the IFCMA in **comparing different carbon intensity methodologies used around the world, reviewing data availability, and performing empirical analyses, and supporting greater interoperability and convergence of methodologies.**

As a platform for peer exchange and mutual learning, the IFCMA has also held the [first sessions of its inclusive multilateral dialogue](#), in November 2023, with active participation of delegates from **G20 members**. Member-driven, this dialogue enables countries to share their experiences and discuss a

wide range of climate issues in a non-negotiation setting. Discussions focused on the development and implementation of mitigation strategies, and ways to channel finance to optimise mitigation outcomes.

In addition, the IFCMA launched a series of informal focus group discussions, to help advance IFCMA work between plenary meetings, promote peer exchange, and build country capacity. The first discussion, held on 14 March, focused on integrating sectoral detail into economy-wide models to assess the impact of policies, building on Denmark's experience with its dynamic multi-sector GreenREFORM model.

To ensure that the IFCMA's technical outputs and dialogues effectively build on and contribute to broader international efforts on climate change, close partnerships have been established with key international organisations, including the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, World Trade Organization (WTO), World Bank Group (WBG), and International Monetary Fund (IMF). The IFCMA and UNFCCC jointly organised a [high-level event at COP28 in Dubai](#) to further explore the links between the IFCMA, and the UNFCCC and Paris Agreement, and how best to exploit synergies. Building on strong collaboration to date, the event confirmed the strong potential for the IFCMA to support both UNFCCC processes, such as country reporting under the Enhanced Transparency Framework, Global Stocktake and Mitigation Work Programme, and country progress towards international climate goals. The UNFCCC, WTO, WBG, and IMF are playing an active role in the IFCMA by providing technical feedback, presenting relevant work, and exploring ways to leverage synergies while avoiding duplication of effort.

Looking ahead, 2024 is an important year for the IFCMA with the delivery of the first formal reports across the IFCMA's work areas and results of the first set of pilot studies. Delegates will next meet in plenary session on 22 - 23 May 2024, to advance the IFCMA's work and hold further sessions of the inclusive multilateral dialogue. The May sessions will focus on peer-exchange to support countries in taking forward the outcomes of the first Global Stocktake under the UNFCCC's Paris Agreement, building on discussion at the IFCMA/UNFCCC high-level event at COP28. A second session will consider how to strengthen global co-ordination to support a cost-effective and inclusive transition. Technical discussion on the second day will focus on a first draft of the *2024 Carbon intensity Report: Towards more accurate, timely, and granular product-level carbon intensity metrics*, to gather delegates' and stakeholder input, and developments with the pilot studies. Further informal focus group discussions are planned for the upcoming months, with the next discussion to focus on the challenge of assessing the impact of policies through quantitative, model-based analysis based on experience in Costa Rica (April 2024).

2. Membership and governance

Insights and perspectives from a broad range of countries shape the IFCMA's work to ensure it is globally relevant and reflects a wide range of different domestic contexts. The IFCMA seeks to be as inclusive as possible. The current membership of 58 IFCMA members comprises developing, emerging, and developed economies and goes well beyond OECD membership. **It includes fourteen G20 members including Argentina and South Africa, and five G20 invitees, including Nigeria and Singapore.**

Productive discussions are ongoing with many more countries, including other G20 countries currently participating as invitees. Several countries continue to advance cross-ministerial approval processes to formally join and we hope to welcome them as IFCMA members in the coming months. The Secretariat continues exploring several ways to further facilitate country engagement. In this context, OECD Secretary-General Mathias Cormann co-chaired a joint, multi-Ministry seminar with China's State Council's Development Research Centre (DRC) Minister Lu Hao in Beijing on 26 March 2024, including on the IFCMA's work.

All IFCMA members participate on an equal footing, meaning that each member has an equal say in decision making processes. Decisions in the IFCMA are taken on a consensus basis.

IFCMA members as of 8 April 2024				
1. Argentina	13. Costa Rica	25. Italy	37. New Zealand	49. South Africa
2. Australia	14. Denmark	26. Jamaica	38. Nigeria	50. South Korea
3. Austria	15. Estonia	27. Japan	39. Norway	51. Spain
4. Barbados	16. European Union	28. Kazakhstan	40. Paraguay	52. Sweden
5. Belgium	17. Finland	29. Latvia	41. Peru	53. Switzerland
6. Bulgaria	18. France	30. Lithuania	42. Philippines	54. Türkiye
7. Cameroon	19. Germany	31. Luxembourg	43. Poland	55. United Kingdom
8. Canada	20. Greece	32. Malta	44. Portugal	56. United States
9. Chile	21. Hungary	33. Mauritius	45. Romania	57. Uruguay
10. Croatia	22. Iceland	34. Mexico	46. Singapore	58. Zambia
11. Czech Republic	23. Ireland	35. Monaco	47. Slovakia	
12. Colombia	24. Israel	36. Netherlands	48. Slovenia	

3. Developments with the IFCMA's technical work

Database on mitigation and mitigation-relevant policy instruments used in IFCMA member countries

The IFCMA is collecting granular, country-verified data on policies and a set of key characteristics through an internationally harmonised and standardised typology. For those policy instruments for which mapping is feasible, the database will include information on their emission coverage.

Estimates of the impact of mitigation and mitigation-relevant policies or policy packages on emissions

The IFCMA is developing new methodological approaches linking country specific sectoral and economy-wide models to provide robust estimates on the effects of policies and policy packages on emissions.

Taking stock of mitigation approaches and estimating their effects on greenhouse gas emissions

The IFCMA's work to compile a database on mitigation(-relevant) policies, identify the share of emissions these policies cover (policy "mapping"), and estimate their impacts on emissions, is enhancing policy makers' understanding of the wide range of mitigation approaches. Comprehensive, systematic, and granular country-specific data produced under IFCMA can also help countries fill existing data gaps in their reporting under the Paris Agreement's Enhanced Transparency Framework, including on expected emission impacts of policies and policy interactions, and provide insights for comparability of information across countries.

The IFCMA's work is being conducted in a two-phase process. Phase One is dedicated to developing and refining the methodologies for the stocktake, mapping and modelling work through four to six pilot studies, ongoing in 2024 and 2025. As part of this phase, the IFCMA is also developing a first version of the stocktake and mapping database. Phase Two is dedicated to scaling up the work to a broader set of IFCMA members in a systematic way, including by regularly updating the stocktake and mapping database.

Phase One

Exploratory work and country pilot studies to help develop methodologies.

Phase Two

Applying methodologies to broader IFCMA members and continuing to refine methodologies.

Status of the pilot studies

The pilot studies are serving as a testing ground for various methodological approaches, and to help the IFCMA:

- Identify and address potential challenges, as well as good practices.
- Explore ways to scale methodologies to a broader set of IFCMA members, considering potential data and resource limitations that some countries may face; and
- Converge towards a set of methodological options that is relevant for a wide set of countries while considering country-specific economic and emission profiles, and mitigation policy approaches.

Two country pilot studies – with Chile and Switzerland – were launched in the fourth quarter of 2023. These are focusing on different sectors and employing different working methods to derive as much insight as possible on ways to conduct the work in the most efficient manner. For example, to conduct the modelling work to estimate the impact of policies on emissions, the Secretariat is working with government modelers in the case of Chile, and third-party modelers in the case of Switzerland.

Pilot with Chile

- Focuses on power, land transport, copper mining and industry sectors.
- Covers key Chilean mitigation policies like a Green Tax, the phase-out of coal-fired generation, and energy efficiency legislation.
- Information exchange and data processing has already begun, with input from multiple Chilean Ministries.

Pilot with Switzerland

- Focuses on transport, buildings, and industry.
- Considers measures like fuel excise taxes, EV subsidies, energy labels for new passenger cars, and policies set at subnational level, such as the flagship buildings program as well as the CO2 levy and will inform approaches to other countries with a federal structure of government.
- Stocktake of Swiss mitigation(-relevant) policies is well-advanced and modelling work has already begun.

In April 2024, the IFCMA Secretariat reached agreement with Nigeria to carry out a pilot study. The Nigerian pilot will complement those of Chile and Switzerland both from a geographical and development perspective, and by focusing on the agriculture, forest, and land use, and transport sectors, along with recent fossil fuel subsidy reform efforts. In addition to taking stock of existing policies in these sectors and undertaking modelling to explore the impact of policies on emissions, the pilot study will support local researchers develop deeper understanding of relevant modelling approaches and tools.

Discussions are underway to initiate an additional two to three pilots in the coming months. These pilots are being designated in consultation with the Steering Group and IFCMA members based on criteria aimed at ensuring the diversity of the IFCMA's membership is reflected:

- Regional diversity.

- Sectoral and policy diversity.
- Diversity of the level of economic development to support approaches to the development of the reference scenario and adapt to different policy settings.
- Diversity of the availability of country data and modelling capacity.
- Potential to inform development and scale-up of methodological approaches, considering both previously selected pilot studies and country-specific characteristics; and
- At least one federal country since these could present additional data challenges.

To complement the country profiles of Chile, Switzerland, and Nigeria, the IFCMA will continue to seek to balance these criteria in the selection of additional pilots. Based on feedback from delegates, the IFCMA will also give special consideration to covering a small island developing state.

Work on methodological options and challenges

IFCMA delegates are advancing work on specific methodological options and challenges involved in the stocktake, mapping, and modelling work while advancing the pilot studies. Discussions have focused on:

- **Developing the data structure and typology for the stocktake database, including** which policy characteristics to focus data collection on, and how to categorise data. The goal is to strike a balance between collecting as much information as possible and ensuring that the work can be scaled up across IFCMA members. Ensuring that the data structure and typology are aligned with UNFCCC reporting processes is also a key priority, so that IFCMA data can be used by members to support their international reporting obligations if they so wish. To minimise duplication and limit resource requirements, the IFCMA has already started migrating existing OECD data to the IFCMA database.
- **Developing the methodology to identify the share of emissions a policy instrument cover.** Key elements of this work consist of reaching a common understanding on relevant definitions, establishing a step-by-step process to conduct this work across both price- and non-price-based instruments, and determining the associated emissions data needs.
- **Ways to link sector-level and economy-wide models** to provide a better overview of the impact of policies on emissions, including by taking (unintended) interaction effects into account. A key challenge is how to arrive at the most accurate and granular estimates, while considering resource and time constraints. The design of the modelling scenarios, their underlying assumptions, and data sources, have also been a focus.

Several technical notes on IFCMA methodologies and the IFCMA database have been developed as part of this work and are currently being prepared for release as IFCMA papers.¹ The boxes below provide a concise overview of their content.

Stocktaking and greenhouse gas mapping of transport policy instruments

- Presents elements of a practical application of the stocktaking and mapping exercises, based on sample data collected in 2023 on road transport sector policy instruments in the Netherlands and Switzerland.
- Highlights that defining the scope of climate change mitigation-relevant policy instruments requires both guiding principles and expert judgement.
- Notes that narrowing the scope to subsectors, and assets accounting for the bulk of emissions, may be appropriate to keep the scope of analysis

¹ These papers will become available on the IFCMA website: <https://oe.cd/ifcma>

	feasible and facilitate scaling up, without significant loss of comprehensiveness.
Greenhouse gas mapping methodology for climate change mitigation and mitigation-relevant policy instruments	<ul style="list-style-type: none"> • Suggests a methodology for mapping policy instruments to their emission base to determine their emission coverage in the pilot phase. • Develops several key concepts and definitions to propose a five-step approach focusing on a policy instrument's administrative design, regulatory base, and associated legal obligations. • Highlights that mapping can be complex and may not be possible for all instruments. • Presents GHG mapping examples from the Chilean carbon tax and the planned phase-out of coal-fired power generation.
Approaches to linking models for assessing the impacts of mitigation actions on greenhouse gas emissions	<ul style="list-style-type: none"> • Forms the basis for discussions on coupling detailed sectoral models with economy-wide models to develop robust estimates of the effects of policies on emissions. • Reviews different options such as one-way, two-way, and multilateral linking, and reviews their potential for the IFCMA's work. • Proposes a methodological framework for modelling the effects of policies on emissions.

Ex-post empirical evidence on the effects of mitigation policies on emissions

As part of its work to estimate the effects of policies on emissions, the IFCMA is undertaking a systematic and comprehensive review of relevant existing literature. This work will enable a comprehensive assessment of the expected impact of policies on emissions, provide information on the stringency and coverage of policy instruments, evidence on the responsiveness of emissions to policy changes (elasticities), and other relevant information. The goal is to inform the methodologies used in the IFCMA's modelling work and help to address data gaps.

The main output of the work will be a database and an accompanying synthesis report, preceded by regular progress updates. The results and synthesis report will be discussed in the IFCMA plenary meeting scheduled for the fourth quarter of 2024.

Delegates have also flagged interest in undertaking a systematic review of the effects of mitigation policies on additional relevant outcomes such as carbon leakage, innovation in low-carbon technologies and employment. A review of relevant literature on ex-ante modelling analysing the effects of policies on emissions and relevant socio-economic outcomes could also be undertaken. Discussions on the next steps for this work will take place following the delivery of the 2024 database and report.

Identifying and addressing challenges related to the calculation of sector- and product-level carbon intensity metrics

The development and use of sector- and product-level carbon intensity metrics can play an important role in supporting the transition to net zero, particularly for the industry sector. Sector- and product-level carbon intensity metrics can be useful in designing, implementing, and evaluating mitigation policies and can provide crucial information to steer firms' and consumers' decisions towards low-carbon products, supporting the development of markets for low-carbon goods.

The February 2024 IFCMA Paper [Towards more accurate, timely, and granular product-level carbon intensity metrics](#), provides an initial overview of the main calculation methods and challenges in collecting and verifying data across supply chains, and data variability. This paper will form the basis

for a broader IFCMA report to be released by mid-2024, which will analyse these issues in more detail. A first draft will be discussed at the May 2024 IFCMA plenary meeting.

Key messages from IFCMA Paper 'Towards more accurate, timely, and granular product-level carbon intensity metrics'

- Existing product-level carbon intensity calculations often rely on default values; enhancing these with new data collection methods can improve accuracy and relevance. When choosing computation methods, trade-offs between accuracy, cost, and applicability across sectors or products are relevant. Combining different methods could reduce costs but may decrease comparability.
- Carbon intensity metrics are useful for various purposes, such as assisting governments in developing policies to meet ambitious mitigation targets, and helping businesses and consumers choose less carbon-intensive options. However, the need for more timely and granular metrics is growing, especially at the product level, where challenges in methods and data availability limit their development and usefulness for informed decision-making.
- The diversity of product-level carbon intensity standards across sectors and regions increases firms' reporting costs and may fragment supply chains. This diversity could lead to a greater focus on local sourcing, impacting international trade. Ensuring compatibility among standards is essential to maintain open markets and limit reporting costs.

IFCMA delegates have underlined the potential role for the IFCMA to address risk of increased compliance costs for businesses and fragmentation of global value chains arising from the proliferation of different methodologies for computing carbon intensity metrics. The IFCMA could play a role in mitigating these risks by supporting the move to interoperable and harmonised calculation methodologies. Delegates have suggested various avenues for potential future work, including:

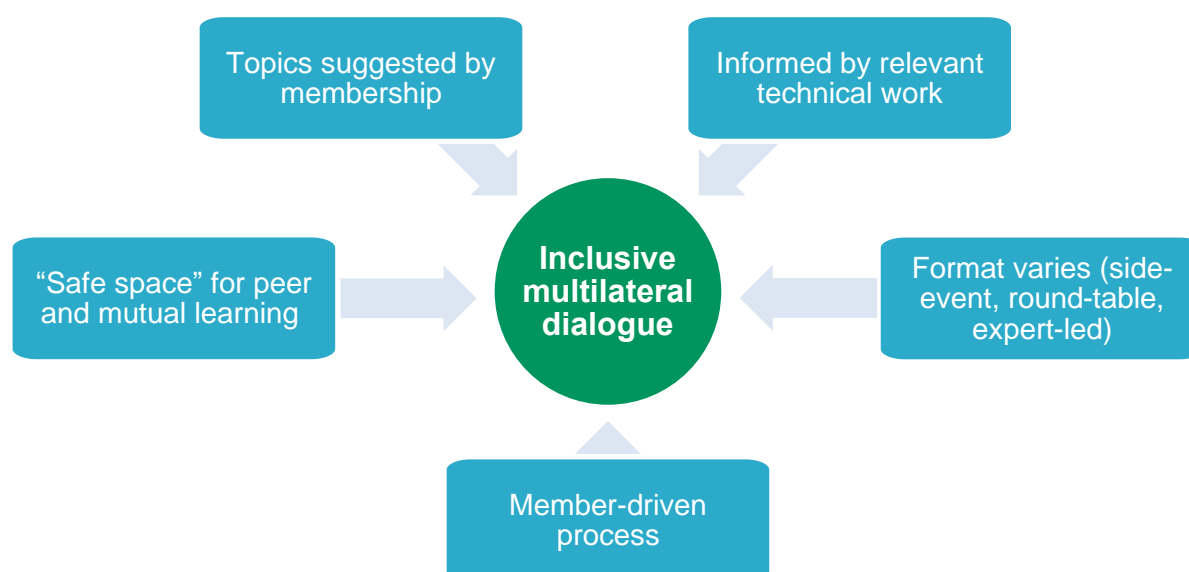
- Comparing different carbon intensity methodologies used around the world.
- Reviewing data availability and performing empirical analyses.
- Reviewing policy levers that can promote the calculation and sharing of carbon intensity metrics.
- Developing principles and guidelines that governments can consider as they design carbon intensity-based policies to help ensure international comparability; and
- Identifying scalable and reliable methodologies as a common basis for further convergence of carbon intensity methodologies.

The 2024 report will further outline these areas of potential work. Delegates will be invited to discuss and shape the next steps for the carbon intensity work over the course of this year. Based on the IFCMA's Governance Arrangements, the decision on the direction to pursue will be taken by IFCMA members on a consensus basis.

4. Inclusive multilateral dialogue and peer-exchange

A key objective of the IFCMA is to provide a platform for inclusive multilateral dialogue to help optimise the global impact of mitigation efforts around the world. The inclusive multilateral dialogue enables participants to discuss a wide range of climate change policy issues in a "safe space" for peer exchange and mutual learning using a member-driven process. Based on a greater understanding of each

other's goals and challenges, countries can work towards better coordinated approaches to optimise mitigation outcomes and other policy goals.



To help initiate work under the dialogue and provide context for future sessions, the first inclusive multilateral dialogue sessions held during the November meeting provided an opportunity to exchange on countries' experiences with designing and implementing mitigation policy strategies. The focus of the second session, on how to channel finance to optimise carbon mitigation outcomes, was chosen as a topic of wide interest among all IFCMA members and invitees. Delegates touched upon various aspects of these topics as highlighted in the boxes below and further [described in a separate summary](#). Both sessions were well received, with IFCMA members and invitees actively engaging in the discussions.

Designing and implementing mitigation policy strategies

- Principles and strategies for ensuring effective coordination across government ministries and levels to enable coherent climate mitigation efforts.
- Integrating climate mitigation into broader policy frameworks, including via legislation, to enhance political viability and policy resilience.
- Ensuring a fair and inclusive transition to secure public acceptance of mitigation policies.
- Securing business support by promoting long-term policy signals and a balanced approach of 'carrots' and 'sticks'.
- Undertaking proactive public consultations and impact assessments to facilitate inclusivity and political support for mitigation policies.

Channelling finance to optimise mitigation outcomes

- The need for significant financial resources, which poses challenges for both advanced and developing countries.
- The role of greener fiscal systems and domestic revenue-raising instruments, such as progressive carbon taxes and green bonds in supporting mitigation efforts.
- The use of partnership-based approaches, such as Just Energy Transition Partnerships (JETPs), to mobilise international finance while considering social outcomes.
- The need to establish shared definitions, harmonised typologies, and consistent metrics for green activities to align the financial sector with Paris Agreement objectives and support transparency and accountability.

- The role of independent assessment mechanisms to refine mitigation strategies and enforce government compliance
- Approaches to policy frameworks and government support to crowd in private capital.
- The role of national development banks and investment funds in supporting the transition.

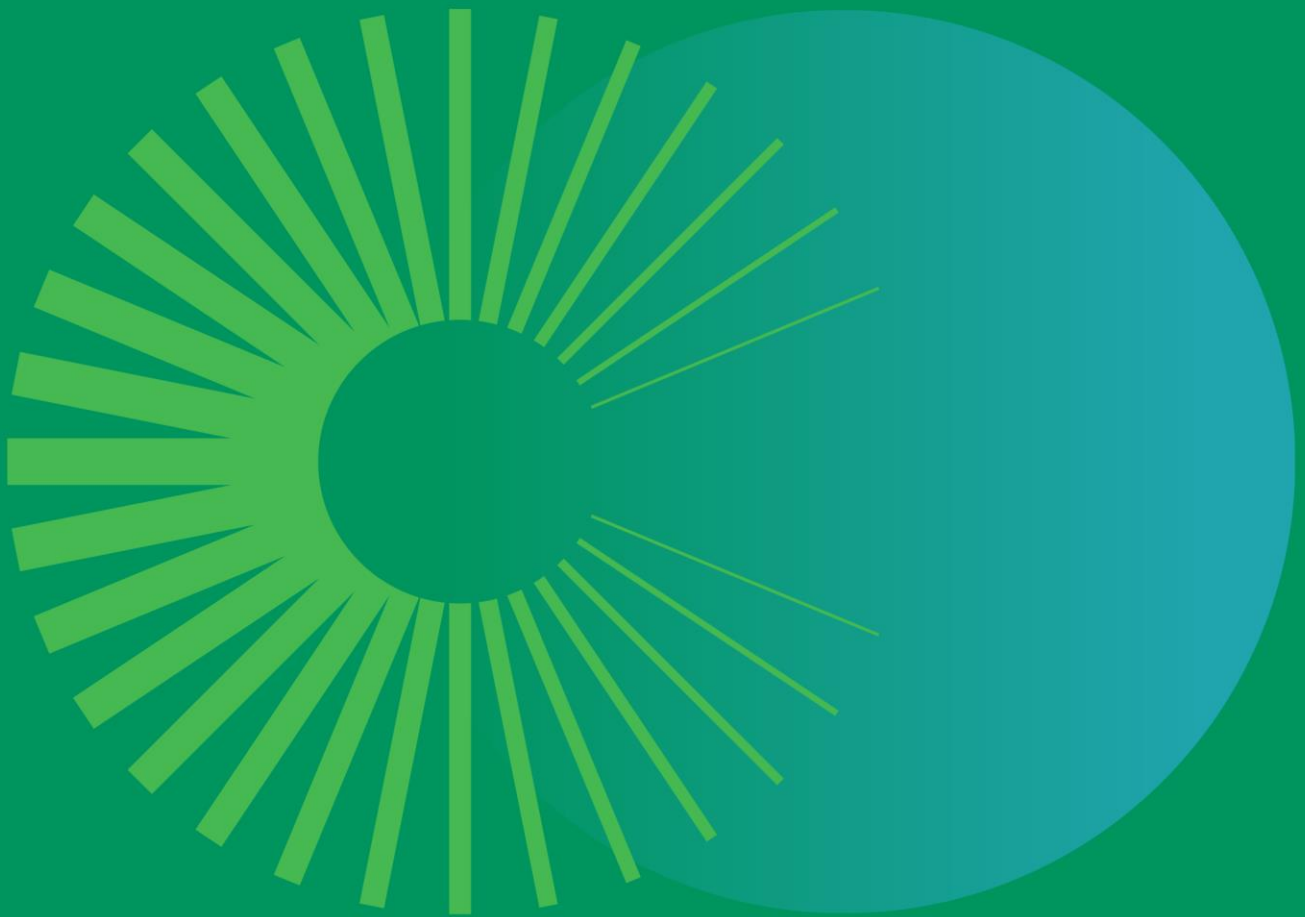
The next sessions of the inclusive multilateral dialogue will take place during the 22 – 23 May 2024 meeting of the IFCMA and will focus on how countries are taking forward the landmark outcomes of COP28. A first scene setting session will address the outcomes of the first Global Stocktake, Parties' development of enhanced Nationally Determined Contributions (NDCs), and preparations for COP29. This will be followed by a peer-exchange exercise on how countries are approaching the design of their enhanced NDCs, and how they are ensuring NDCs can provide the basis for sustainable investment plans. Finally, delegates will be invited to discuss opportunities to enhance international coordination to support a cost-effective and inclusive transition away from fossil fuels, including what kinds of domestic mitigation strategies and trade-oriented measures may have either positive or negative international impacts on the pace and cost of the transition and on inclusive growth, and how countries can design coherent domestic policy approaches that strike a balance between accelerating climate action, addressing other national socioeconomic priorities, and upholding fair and open trade.

For future sessions, further topics previously suggested by delegates include experience with policy design of price-based and non-price-based policies and differences in national statistical systems and building capacity to address data gaps, among others. These dialogues may take the form of topical roundtable discussions, technical workshops, and/or country or expert-led structured discussions, depending on the needs and interests of IFCMA members. They may be informed by the outputs of the technical work when they become available, to discern best practices, further support evidence-based mutual learning, and inform policy decisions.

The IFCMA is providing opportunities for peer-exchange in other aspects of its work. For instance, Finland presented their research and innovation initiative *Catch the Carbon – Climate Mitigation from Research to Practice* in a dedicated briefing session during the 14 - 15 November meeting, discussing practical solutions for carbon sequestration and emission reductions in the land use sector. That meeting also hosted a roundtable discussion on domestic approaches to modelling the impacts of policies on emissions, in which Denmark, Nigeria, the Philippines, and the United States shared experiences. Delegates noted that there is considerable scope to learn from each other in this area, reflected in the choice of Denmark's experience with its GreenREFORM model as the focus of the first informal focus group discussion in March 2024. Additional discussions are planned on modelling work relevant to the IFCMA's work programme, based on experience in Costa Rica (April 2024), but also to showcase modelling approaches in a broader number of countries as part of a discussion on how to conduct systematic programme evaluations (currently planned for the third quarter of 2024).

5. Next steps

In the upcoming months, delegates will focus on delivery of the IFCMA's first formal publications and initial results from the pilot studies in its plenary sessions in May and the fourth quarter of this year. The informal focus group discussions being organised on a virtual basis are providing further opportunity for peer exchange and engagement in the technical work. Beyond the proposed discussions on modelling, other informal focus groups planned for the months ahead will address the future work of the carbon intensity workstream and how to take forward the methodological work to estimate the greenhouse gas emissions coverage of policy instruments (mapping).



For more information:



www.oecd.org/climate-change/inclusive-forum-on-carbon-mitigation-approaches



IFCMA@oecd.org

Efforts to broaden the IFCMA's membership will also continue, including through ongoing participation of invitees in IFCMA meetings, as will collaboration with other international organisations and fora to foster mutual knowledge development and avoid duplication of effort.

On 2 May 2024, the OECD will co-host with Japan a high-level dialogue “*Optimising global climate action through data, policy advice and increased international cooperation: the role of the Inclusive Forum on Carbon Mitigation Approaches (IFCMA)*”, to be held alongside the 2024 Meeting of the OECD Council at Ministerial Level. The event will bring together Ministers and other high-level speakers from across IFCMA member and invitee countries to discuss how the IFCMA can support countries and enhance international coordination to take forward the outcomes of COP28, and facilitate preparations for subsequent COPs, as a complement to the inclusive multilateral dialogue discussion planned for the May 2024 IFCMA meeting.

Taking stock of mitigation approaches and estimating their effects on emissions

- **Forthcoming release of IFCMA papers** on taking stock and mapping transport sector policy instruments, a methodology to map policy instruments to their emission base, and ways to link sectoral and economy-wide models.
- **Release of the synthesis report on ex-post empirical evidence on the effects of mitigation policies on emissions**, to be discussed by the IFCMA in the fourth quarter of 2024 and delivered by the end of the year, followed by **discussions on next steps**.
- **Consideration of the initial results of the pilot studies** of Switzerland, Chile, and Nigeria and the **launch of additional pilots**.
- **Further work on specific elements of IFCMA methodologies**, considering the lessons learned from the pilot studies.

Identifying and addressing challenges related to the calculation of carbon intensity metrics

- **Release of the carbon intensity report by mid-2024**, to be discussed in the IFCMA meeting on 22 -23 May, followed by **discussions on next steps**.

Peer-exchange and inclusive multilateral dialogue

- **Continuation of peer-exchange in the inclusive multilateral dialogue, informal focus groups and beyond.**