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CLIMATE COOPERATION FOR NDCS 3.0

UNLOCKING AMBITION: A POLITICAL RESET FOR CLIMATE COOPERATION

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2025 presents a critical test for the international climate community's ability to uphold the Paris Agreement's promise of a climate-safe future for all. Despite renewed momentum from the first Global Stocktake (GST), current Nationally Determined Contributions (NDCs) do not display the necessary ambition to meet global climate goals. To rise to the challenge, international climate cooperation must become more politically grounded, diplomatically coordinated, and closely integrated with development priorities – unlocking greater ambition and delivery in NDCs worldwide.

Executive summary

Unlocking ambition: A political reset for climate cooperation in NDCs 3.0

In the lead-up to COP30, the third round of Nationally Determined Contributions (NDCs 3.0) must deliver a significant step change in ambition in order to uphold the Paris Agreement's promise of a climate-safe future. The challenges are transformational, particularly in emerging markets and developing economies (EMDEs).

¹ Dr. Alexander Fisher co-authored this briefing during his time with the Climate Works Foundation in 2024. Heiner von Lüpke conducted interviews and contributed as co-author to the briefing as a consultant on behalf of E3G.



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The Baku to Belém roadmap towards \$1.3 trillion in annual climate finance by 2035, produced at COP29, is an important step – but while climate finance remains essential, it is not sufficient. Delivering more ambitious NDCs in EMDEs is now a question of political strategy.

A credible and politically strategic model of climate cooperation, that effectively drives both increased ambition and tangible delivery, is needed. Cooperation needs to respect the sovereignty of recipient countries, and deliver economic opportunity in countries under pressure from social and economic demands, fiscal constraints, and political volatility. There must also be clear value to contributing countries, facing political pressures of their own.

The current cooperation model has not kept pace with these challenges, and struggles to support large-scale transitions. In this briefing, we call for a strategic reset, to turn a system of fragmented, transactional aid into politically grounded partnerships that build mutual trust, mobilise resources, and align incentives.

We identify three core shifts to make cooperation fit for the demands of NDCs 3.0.² Effective cooperation is not just possible within existing resource constraints, it is necessary to keep climate ambition and the Paris system itself alive.

Three strategic shifts to make climate cooperation fit for NDCs 3.0

A. Anchor climate cooperation in strategic dialogue for the transition

International cooperation must engage with the political realities both within partner countries and in the global context. This dialogue should be reciprocal, legitimate, and grounded in shared benefits that align domestic priorities with global climate goals.

1. **Align global climate goals with national priorities.** Partnerships should support country-led strategies that link climate ambition with political and economic agendas in partner countries.
2. **Make cooperation politically reciprocal.** Reforms need to be co-owned, not externally imposed. Strengthen trust and joint ownership through mutual political dialogue and inclusive engagement, including input from recipient countries into contributing countries' policies.

² For the background study for this briefing, we conducted 15 interviews with key stakeholders: officials, experts and institutions across both industrialised and developing countries. Furthermore, this briefing benefitted greatly from comments and generous inputs by participants during a workshop in 2024 in Berlin.



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3. **Maintain political ownership beyond headline announcements**, ensuring high-level commitments are translated into action at working levels. Lessons from Just Energy Transition Partnerships (JETPs) underscore the risks of moving too quickly from political intent to technocratic delivery.
 4. **Build public legitimacy**. Success depends on support from citizens and stakeholders in both countries. Initiatives must respond to public concerns, enabling just transitions and durable partnerships.

B) Step up and join up diplomacy to integrate climate, finance, and industrial strategy

Raising climate ambition in practice requires coordinated diplomacy that links climate objectives with economic, financial, and geopolitical strategy. This means aligning institutions, policies, and partnerships across both contributing and recipient countries.

5. **Strengthen institutional capacity for strategic engagement**. Both contributing and recipient countries need the capacity to integrate technical, financial, and political cooperation. This includes balancing state-to-state engagement with the role of civil society and non-state actors.
6. **Adopt a whole-of-government approach**. Align climate cooperation with finance, trade, and industrial policy to increase coherence, unlock investment, and enable cooperation on key sectors such as industrial decarbonisation.
7. **Navigate domestic political realities**. Transitions depend on sensitive reforms. Partnerships must engage with political dynamics in recipient countries.
8. **Ensure flexibility and scale for systemic change**. Use country platforms and adaptive funding tools to reflect shifting governance and investment contexts. Systemic change requires scaling beyond pilots through coordinated political and financial mechanisms.

C) Build a strong climate–development nexus

Climate cooperation must reinforce national development priorities while raising climate ambition. This is essential for effective bilateral cooperation, country platforms such as JETPs, and reforms to the international financial system.

9. **Integrate development and climate goals**. Apply lessons from decades of development planning to align transition plans with economic and social goals. Bilateral and multilateral cooperation should centre on credible, evidence-based NDCs and Long-Term Strategies with clear targets.



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10. **Strengthen coordination across governments and financial actors.** Recipient and contributing governments must jointly develop investment pipelines and mobilise funding across public, private, and philanthropic channels. Coordination structures should streamline processes, reduce administrative burden, and ensure accessible, transparent financing.
 11. **Operate in synergy with complementary initiatives.** Climate cooperation must align with bilateral, plurilateral, and multilateral efforts to maximise impact. Clear roles, complementarity, and strategic coherence across donor platforms and initiatives are essential to deliver transformative outcomes.
 12. **Maximise transparency to enhance public trust.** Involving civil society strengthens public legitimacy and ensures cooperation responds to local needs and supports durable transitions.

Unlocking the next phase for climate cooperation under the Paris Agreement

COP30 in Belém, Brazil, will be a critical moment for world leaders, climate negotiators, and representatives from business and civil society to demonstrate their commitment to delivering the Paris Agreement's promise of a climate-safe future for all. As the world approaches this milestone, two key elements of the agreement face significant pressure:

- > **The ambition ratchet**, the requirement for countries to strengthen their Nationally Determined Contributions (NDCs) and align them with science and equity.
- > **Confidence in climate finance**, ensuring that the support for developing countries to implement those commitments is scaled, and accessible.

The Baku to Belém Roadmap to \$1.3 trillion, an outcome of COP29, will serve as an early test to scale up and diversify climate finance contributions and rethink how to work together to achieve this goal. COP29 resulted in a call to triple international climate finance – an important step, but still far from sufficient to meet the needs outlined in developing countries' NDCs. For climate finance to be effective, it must be embedded in robust international cooperation.



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International climate cooperation³ is essential for meaningful climate mitigation and for achieving sustainable economic growth and development in all countries, across all sectors and regions. It plays a pivotal role in creating the political space needed for high-ambition NDCs, building on the outcomes of the Global Stocktake (GST) and supporting the principles for climate finance outlined in Paris Agreement Article 9. It is also a critical element in fostering trust between countries, in line with the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC).

While climate cooperation shares similarities with traditional official development assistance (ODA), it is distinct in several fundamental ways. For example, climate cooperation focuses on safeguarding the global climate commons, which requires specific approaches beyond those of traditional development cooperation. Where ODA has primarily focused on capacity building and policy diffusion, climate cooperation must drive large-scale transitions, particularly in sectors that contribute significantly to emissions reduction.

Moreover, climate cooperation intersects with trade and industry, extending beyond the scope of traditional development assistance. This introduces complexities that require a politically astute and nuanced approach, especially when collaborating with competitors to build clean economy value chains (from critical raw materials to green steel to batteries). Increasingly, climate cooperation is also integrated within broader security frameworks, further expanding its scope and the stakeholders involved. As a climate community, we must lead the stakeholder dialogue across development, sectoral, trade, and security backgrounds, ensuring they understand and support the imperatives of climate action as we understand their constraints and priorities.

The evolving nature of climate cooperation

Climate cooperation has evolved over the past decades, from rebuilding international trust post-COP15 to laying the foundations for the success of the Paris Agreement. Since then, it has shifted towards translating the agreement's instruments into tangible national climate policies, plans, and strategies. However, faced with the urgency of increasing mitigation ambition, climate cooperation is entering a new phase.

³ Climate cooperation here means the particular country-to country or philanthropic technical and financial assistance at the intersection with international development and development cooperation. By enabling advancement of climate negotiations and translating international outcomes into domestic policies, climate cooperation has supported the tremendous progress of climate action over the past decades.



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This phase must prioritise:

- > rapid and comprehensive sector transitions and building a global clean economy
- > all-of-economy, whole-of-society systems transition
- > integrated climate and development finance and planning
- > raising ambition across all geographies and sectors.

But climate cooperation is challenged by the systemic constraints of a model shaped by outdated development paradigms, a lack of trust among cooperating parties, an increasing focus on national self-interests, and the difficulties national governments have in effectively steering national transition processes. For climate cooperation to reach its full potential and contribute effectively to collective NDC ambition, the institutions and structures underpinning it must be reformed, in both contributing and receiving partner countries. Addressing these barriers will require rethinking cooperation and diplomatic strategies to ensure they are fit for the scale and urgency of the climate challenge.

Designing cooperation to catalyse mitigation ambition and delivery

There are significant opportunities to enhance the impact of climate cooperation – achieving more with the resources currently available. We have identified three critical areas in which systemic changes are needed, based on our analyses and extensive consultations with key government officials, experts and thought leaders from both industrialised and emerging economies, as well as from philanthropy and think tanks.

The following detailed recommendations expand on the three strategic shifts outlined in the Executive Summary:

- A. Anchoring climate cooperation in strategic dialogue.
- B. Stepping up and joining up diplomacy across sectors and policies.
- C. Building a strong climate–development nexus.

Each area is unpacked with actionable priorities to guide international cooperation towards delivering ambitious NDCs 3.0.



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A. Anchor climate cooperation in strategic dialogue for the transition

To raise ambition and accelerate sectoral transitions, international cooperation must engage with the political realities both within partner countries and in the global context. This dialogue should be reciprocal, legitimate, and grounded in shared benefits that align domestic priorities with global climate goals.

1. Align global climate goals with national priorities

- > Establish, with all stakeholders, cohesive visions for the future with shared priorities at sector, country, and community level, before proceeding further. Common goals promote synergy, efficiency, and sustainability. Anchoring initiatives within the local context fosters ownership and relevance, facilitating coordinated action and maximising impact.
- > Ensure a balance of climate and development when negotiating support programs for developing countries. Transitions can only work if they are socially acceptable and just, and aligned with the political and social reality of recipient countries. All too often, funders emphasise the global benefits such as mitigation, while neglecting the domestic benefits such as poverty reduction or creating social justice.

2. Make cooperation politically reciprocal

- > Design cooperation assuming funders and recipients will work together on equal terms, such as by including funders' own policies in the cooperation equation. Recognise that asking for political and policy reforms – for instance asking that a country reform its electricity sector towards climate neutrality – can only be acceptable if funders also demonstrate progress in their reforms.
- > Have a (political) dialogue on the value and challenges of political processes for “all-of-economy, whole-of-society” transition on both sides. Dialogue as equals can alleviate the tensions of a unidirectional transfer of technical and financial support – the traditional development cooperation model. Doing this right is challenging and still insufficiently applied in practice. One approach is to invite actors from recipient countries to comment on funders' domestic policy and transition processes. This inclusive approach should be grounded in shared interest, ensuring political ownership from both sides. By fostering open dialogue and collaboration with reciprocal engagement, initiatives gain legitimacy to address national transition policies effectively.



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- > Build in shared learning on “how to do the transition right” and ensure capacity to manage, retain and share knowledge across initiatives. Drawing lessons from peers, such as the OECD’s policy peer review to the health and environmental sector, can inform such institutional learning.

3. Maintain political ownership beyond headline announcements

- > Ensure high-level political ownership filters down to the working level, where action takes place. Leveraging and maintaining engagement from government ministers and heads of state generates top-down momentum, which is crucial for driving effective initiatives.
- > Link timelines and initiatives to an understanding of the recipient country’s political situation. Participants from funder and recipient countries must understand when and how to engage politically, and what kind of support instruments to use in which situation – for example which finance products fit the political situation of the transition. Lessons have been learned (the hard way), such as from the Just Energy Transition Partnerships (JETPs), where partners moved too quickly from political dialogue to technical implementation without ensuring they were aligned on the analysis or objectives. Conditionality – making support contingent on, for example, policy reforms – can stifle transitions in early stages, when political situations may be more volatile.
- > Consider whether to work with politically astute policy advocacy groups and philanthropies, which can act as effective intermediaries in the political game. Direct government-to-government cooperation may be straightforward when two governments are of similar views on the direction the transition should take, but in reality that approach may be limited. International actors supporting governments may be faced with allegations of international influence seeking, something which is particularly sensitive given colonial pasts and related tensions.

4. Build public legitimacy

- > Popular support is indispensable to the success of cooperation initiatives. In both funder and recipient countries it is critical for building trust, ensuring effectiveness, and fostering meaningful and sustainable development outcomes.
- > In contributing countries, securing public buy-in is crucial: policymakers are more inclined to prioritise funding for development initiatives when the



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general population understands and supports cooperation efforts. Public support should build on accountability and transparency in how taxpayer money is used for international cooperation.

- > In recipient countries, popular support is equally vital as it enhances the legitimacy and sustainability of cooperation projects. Garnering support from the population helps to align cooperation efforts with local needs and priorities, fostering a sense of empowerment and inclusivity. In turn, this makes local communities more likely to take ownership of development programs, leading to long-term positive impacts.

B. Step up and join up diplomacy to integrate climate, finance, and industrial strategy

Raising climate ambition in practice requires coordinated diplomacy that links climate objectives with economic, financial, and geopolitical strategy. This means aligning institutions, policies, and partnerships across both contributing and recipient countries.

5. Strengthen institutional capacity for strategic engagement

- > Cooperation on ambitious large scale economic transition at the intersection with international climate negotiations needs to be supplemented by layers of strategic government and non-government diplomacy and partnership. Explore how funders and recipients can cooperate on, for example, the provision and mobilisation of implementation finance and investments, dealing with technical matters, and the sensitive (domestic) politics of transitions.
- > Include both sides of funders' government administration – in capitals and embassies – as well as recipients, partner institutions, and civil society organisations, to build capabilities to act catalytically, facilitate demand-driven initiatives and enable and enforce collaboration at all levels. We as climate progressives need be very deliberate and selective in our decisions about where to engage and place our capacity.

6. Adopt a whole-of-government approach

- > A whole-of-government approach ensures all relevant entities on both sides actively participate. This entails political leadership, with finance ministries and line ministries sharing a cohesive vision and understanding their



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respective roles, enabling the effective linkage of different funding policies. A clear coordination mechanism between ministries and agencies is imperative to facilitate collaboration and ensure that objectives and strategies are aligned across government. Notably, this refers to mostly funder governments, but recipients ideally adopt corresponding structures.

- > This comprehensive approach enhances coordination, efficiency, and the overall effectiveness of government-led initiatives to align global climate action and related foreign policy with national economic interests, geopolitics and other forces like industry policy, global trade and foreign direct investment. Strategies also need to address how to collaborate with competitors, exemplified by initiatives like steel decarbonisation.

7. Navigate domestic political realities

- > Most theories of change of climate and development cooperation feature policy and institutional reforms prominently, as it is assumed that such processes are vital elements in a transition pathway towards climate-compatible development. However, these areas are considered national sovereignty by most nations and are a source of great sensitivity. Benign approaches are needed to make it acceptable to discuss the role of national policies and institutions in sustainable investments, just energy transitions, and naturally to set and achieve ambitious NDC targets.
- > More mutual cooperation (see recommendation 2) can go a long way to address mounting resentments from developing towards industrialised countries. Attempts to make international cooperation more equitable and consistent are regarded as highly beneficial in the context of, for example, the EU establishing climate policies that have critical impacts on partner countries – such as the Carbon Border Adjustment Mechanism (CBAM) and EU Deforestation Regulation – or its inconsistency in continuing to exploit fossil fuels domestically while vetoing fossil fuel support through multilateral development banks.

8. Ensure flexibility and scale for systemic change

- > Cooperation programmes should remain flexible and adaptive, including by strategically considering the “inside game” (cooperation with international and national public policy actors in policy and political processes) and the “outside game” (cooperation with non-state actors in policy and political processes). The outside game offers flexibility and crowding in local expertise where the inside game is vulnerable to political capture. This favours



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adopting a consortium-based approach, which involves multiple partners – including government as well as non-governmental actors with specific tasks and roles.

- > The emerging country platform concept can be a way forward to appropriately include local and non-government actors in cooperation programs. These actors can understand domestic political situations and respond promptly to policy windows and political opportunities. Another task for country platforms should be to discuss the legitimacy of actors involved in the process, which is not always a given.
- > Policy reforms are not limited to those directly associated with emissions reductions, such as transitioning fossil-fuel-based energy systems, but need to extend to funders' procurement, due diligence and reporting processes, to allow for the needed flexibility and be tailored to support programmatic and politically strategic climate cooperation.
- > Learning from past implementation, cooperation programmes need to move on from project-by-project pilot activities and capacity building, towards grander designs at country-wide scales. Achieving this objective involves considering broader transition processes: suitable ways to work with the political environment, to scale up investments massively, and to safeguard social justice.

C. Build a strong climate–development nexus

Climate cooperation must reinforce national development priorities while raising climate ambition, supported by integrating climate finance with development planning. Cross-departmental coordination, clear targets, and evidence-based policies ensure sustainable, fair outcomes. Collaborative efforts between governments, investors, and philanthropy streamline initiatives and optimise funding. Synergy with complementary initiatives improves effectiveness, while transparency enhances accountability. Involving civil society organisations fosters trust, supporting impactful, sustainable cooperation and progress toward climate goals.

9. Integrate development and climate goals

- > Climate cooperation needs to address both development and climate objectives, applying lessons learned from decades of development cooperation as well as development planning in a consistently “Paris-compliant” manner. Integrating these perspectives is important for



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sustainability, equity and fairness, but also a matter of political survival for politicians in recipient countries. This is crucial beyond bilateral cooperation in the debates around JETPs, new country platforms, and international financial architecture reform.

- > Cross-departmental coordination structures need to ensure bilateral, multilateral, and plurilateral cooperation programmes and portfolios work together to address climate and development. Climate cooperation programmes must ensure a basic set of principles so that development plans and transition portfolios are built around NDCs and Long-Term Strategies with clear, credible and evidence-based targets, plans and policies.

10. Strengthen coordination across governments and financial actors

- > Partners from funder and recipient sides need to join up efforts to create investment pipelines in the context of ambitious NDCs, involving stakeholders from both developed and developing countries. Ensuring sufficient, easily accessible funding with minimal administrative burden is crucial, alongside transparent investment plans featuring bankable, high-impact projects aligned with the Paris goals.
- > Increased cooperation across the public sector – in both funding and recipient governments – and the private finance sector will be key for the immediate next steps. This can include providing more support for proactive investors, who already engage with governments on sustainability issues and work on creating investment portfolios.
- > Facilitating cooperation and alignment between philanthropy and governments, , can streamline initiatives with clear objectives from inception. Moreover, candid discussions about the particular strengths and potentials of different kinds of donor funds can identify impactful investment opportunities, optimising financial resources for the clean transition.

11. Operate in synergy with complementary initiatives

- > To be effective and efficient, climate cooperation needs to operate in synergy and collaborate with complementary initiatives. Identifying and aligning with other multilateral or local efforts as relevant, particularly those from different donors, fosters a comprehensive approach.
- > Clearly defining the purpose, role, and niche of country programs or platforms involving bilateral, plurilateral, multilateral, and philanthropic



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support helps to establish the extent to which programmes are complementary, enhances coordination and maximises impact.

12. Maximise transparency and public trust

- > Transparency is fundamental for the credibility of cooperation initiatives and joint learning. It ensures openness in decision-making processes, allowing independent scrutiny and evaluation of projects. By promoting transparency mechanisms, such as public access to information and clear reporting practices, stakeholders can hold governments and organisations accountable for their actions.
- > The involvement of civil society organisations (CSOs) is crucial in enhancing transparency, fostering greater trust among stakeholders and contributing to the effectiveness and sustainability of cooperation efforts.

About E3G

E3G is an independent think tank working to deliver a safe climate for all.

We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

More information is available at [**www.e3g.org**](http://www.e3g.org)

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