



T20 Statement for the G20 Environment, Climate and Energy Ministerial Meeting Naples, 22-23 July 2021

Climate change, biodiversity loss and sustainable growth are long-standing global challenges. Today they are even more crucial, given the crisis brought about by the Covid-19 pandemic, which calls for making the much-needed recovery in the global economy compatible with action to meet, exceed and improve agreed environmental targets and compatible with the planetary boundaries. Post-pandemic recovery provides an opportunity for governments to look ahead and build a low-carbon and climate-resilient future. However, this opportunity comes with challenges, not least because to succeed societies need to embrace profound socio-ecological transformations: from the agri-food system to energy, transport, and infrastructure at large.

Representing almost 90% of global GDP, around two-thirds of the world population and close to 80% of greenhouse gas emissions, the G20 countries can -- and should -- play a leading role in limiting global warming to 1.5°C. Advancing climate action at all levels, as well as coordinated efforts among the G20 countries, are critical for pursuing this goal, and ensuring sustainable and climate-resilient post-pandemic economic recovery worldwide. The rest of the international community expects the G20 countries, as the world's largest emitters and largest economies, not only to pioneer ambitious action on climate and biodiversity protection, but also to support less developed countries in their respective efforts through finance, technology transfer and capacity building.

The Think20 (T20) -- the engagement group of the G20 that brings together think-tanks, universities and other research centres -- is producing practical policy proposals for G20 decision-makers. The Task Force on Climate Change, Sustainable Energy and Environment believes that the G20 has a crucial role to play in making sure that the recovery from the pandemic increases the resilience of socio-economic systems to the effects of climate change and incentivize the urgently needed transition towards a decarbonized economy that respects the planetary boundaries and intergenerational justice.

The T20 calls on G20 Environment and Energy Ministers to take action with respect to the following proposals in their respective policy areas:

Fighting climate change while re-launching the global economy

To re-launch the global economy while fighting climate change, we recommend that the G20 countries coordinate their efforts to prioritise low-carbon, green growth policies in their post-pandemic recovery packages. This can be achieved through concerted action on several fronts when committing that the major share of recovery funding supports healthy, environmentally friendly solutions and that any funding adheres to the "do no significant harm" principle.



We recommend that the G20 countries make a renewed commitment to deploying budgetary instruments, such as carbon pricing, tax incentives and subsidies, to encourage decarbonisation while implementing a rapid phasing-out of direct and indirect fossil-fuel subsidies and any public financial support for fossil fuels, particularly new coal power plants and mining facilities. At the same time, the investments needed to green the global economy exceed by a wide margin the public funds available, making the private sector an important partner in this endeavour.

To help redirect private finance towards green investment, we recommend that the G20 countries step up efforts to set a common international taxonomy of sustainability and standards for consistent and comparable reporting frameworks to underpin reliable disclosure of green investments, including green bonds and sustainable assets. Action in this area can be complemented by the establishment of a *Low-Carbon Finance Facility* to catalyse funds for the recovery, as well as of a *Green Rating Agency* to support the adoption of internationally recognised sustainability disclosure and reporting standards, and the development of a global green bond market. This is particularly important to finance energy efficiency investment.

There is much scope for the G20 to take a leadership role in the global governance architecture and foster cooperation to align the legal and policy regimes on climate goals and international trade, including on carbon border adjustment mechanisms (CBAMs).

Just transition towards climate-neutral economies

The G20 countries should commit to becoming carbon neutral by 2050. They should furthermore define their long-term strategy, including science-based, sector-specific targets for 2030 and 2040. This will give industry a reliable framework for investment.

Addressing energy poverty is a challenge in many parts of the world. In this regard, we recommend that the G20 countries create a *Forum on Energy Poverty* to foster institutional dialogue and disseminate best regulatory and business model practices. Through this Forum the G20 could also engage the least developed countries in their efforts to tackle energy poverty.

We also recommend that the G20 countries endorse the concept of "energy communities" and recognise their role in actively involving citizens and other stakeholders in the renewable energy transition. This could facilitate the task of securing access to energy during the transition by the currently underserved population. fighting energy poverty through reduced energy consumption and lower energy costs.

We also recommend that the G20 countries establish a Commission to accelerate the implementation of capacity building for workers affected adversely by the transformation, as well as quality youth education for climate change and sustainable development across formal and non-formal learning contexts.

Preserving marine biodiversity and natural protected areas and recognising nature-based solutions to fight climate change and biodiversity loss

We recommend that the G20 countries strengthen the REDD+ climate instrument for forests and extend it to Blue Carbon from coastal and marine ecosystems. Efforts in this area would allow for covering the Earth's two largest, most diverse and most productive ecosystems, so that these two approaches can deliver significant economic and climate benefits.



We call on the G20 countries to recognise nature-based solutions in addition to budgetary instruments to fight – and adapt to - climate change. We recommend that they support the Restor Platform with targets to restore forest ecosystems; reduce air and lead pollution in cities; support green coasts in small island developing states; raise renewables share of energy; and lower land-use stress.

The G20 countries can also act in the areas of food and water security. We recommend that they promote and support international coordination for the smart repurposing of agricultural subsidies. This could be achieved by strengthening support for scientific efforts to assess alternative options aligned with objectives of sustainability and efficiency of food systems, poverty reduction, food security and affordability of healthy diets.

Building climate-resilient food systems and reducing GHG emissions from agriculture are urgent priorities. An important first step is a concerted G20 effort to redirect the more than US\$700 billion per annum in agricultural support measures toward R&D in productivity enhancing and emission-reducing technologies, and incentives to producers and consumers to adopt sustainable and healthy practices.

Sum-up

In 2015 196 Parties adopted the Paris Agreement setting the goal to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. In order to meet the Paris objectives climate action needs to be much more ambitious. Emissions would need to peak in the next decade and fall to zero by around 2050. In this race towards climate neutrality many countries have announced different strategies to address the climate crisis and environmental degradation while ensuring sustainable growth. National policies are key, but international efforts are equally important.

Multilateral coordination at the G20 level has a critical role to play by fostering global collaboration and setting the stage for further action in the context of the UNFCCC COP26. On top of providing short-term proposals to tackle the most urgent challenges, this T20 Task Force aims to provide medium-to-long term policy options to ensure that the post-pandemic recovery packages represent an opportunity to build a low-carbon and climate-resilient future. The strategy aimed at striking a balance and maximising synergies between the much-needed economic recovery and environmental sustainability lies at the centre of this effort.

