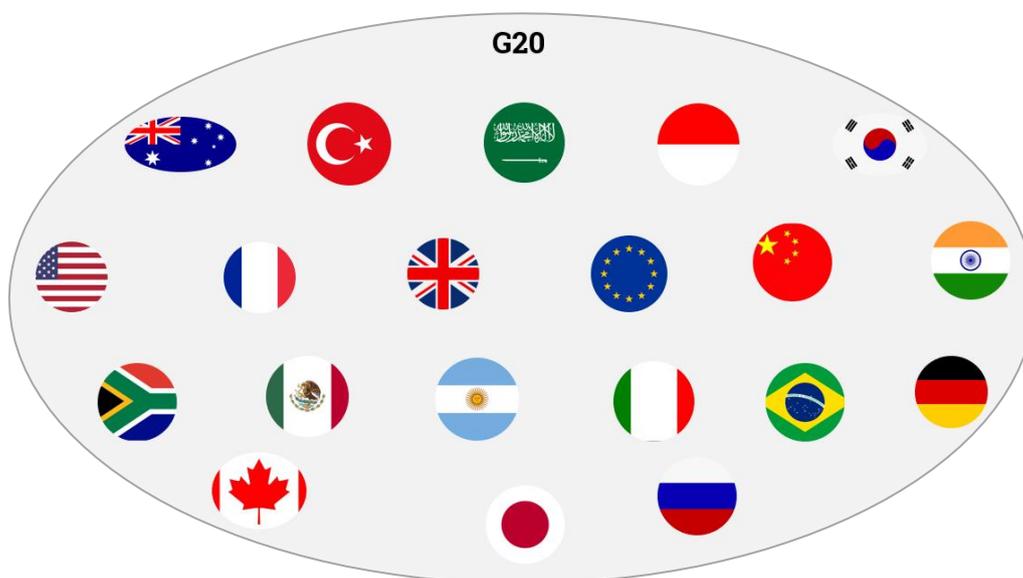




Global Cooperation and Responsibility - G7/G20 Becoming Part of the Solution

Tasks for the German G7 and Indonesian G20 Presidency, 2022
F20 Recommendations 2022 to the G20 and the G7 as part of the G20



Context

With Germany and Indonesia both hosting the G7 and the G20 summit this year and Egypt heading the UN climate summit (COP27), there is a huge opportunity for a well-coordinated global response to the climate and energy crises. The G20 Sherpa processes and Finance Ministers track, under the presidency of Indonesia, can help building a credible and Paris-aligned pathway towards net zero, energy efficiency and a climate-safe future for all. And the G7, a subgroup of the G20, has a long climate legacy with up to 50% of global emissions and thus a particular responsibility to contribute to the solution.

The G20 has gained additional political weight with the most recent invasion of the Ukraine by Russia. And it generates 80% of the global GDP and causes 80% of global greenhouse gas emissions – not to speak about large global infrastructure initiatives in stretching into every part of the world. The latest report of the Intergovernmental Panel on Climate Change (IPCC)¹ provided stark evidence of the impacts of climate change

¹ Intergovernmental Panel on Climate Change (2022). Climate Change 2022 : Mitigation of Climate Change. Working Group III Contribution to the IPCC Sixth Assessment Report Summary for Policymakers, https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_SummaryForPolicymakers.pdf.

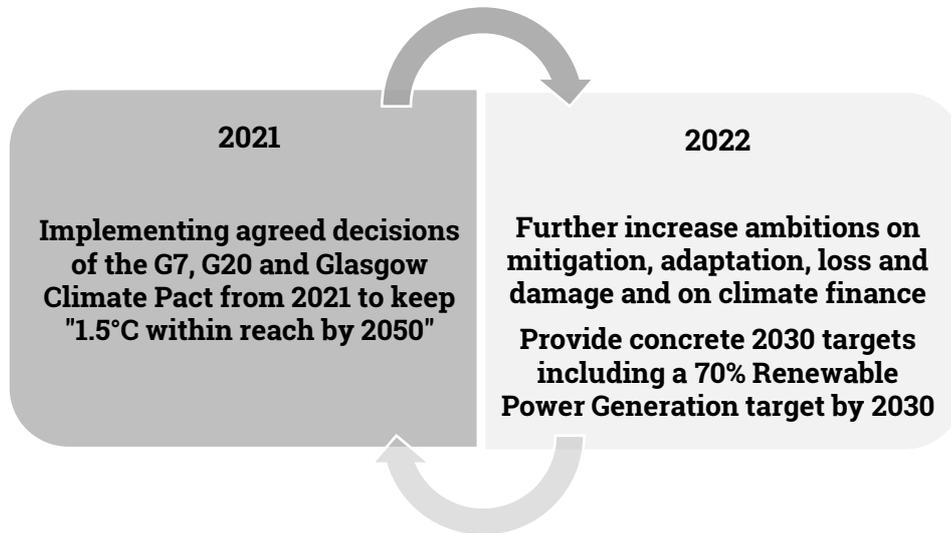


sending again an alarming signal that the international community still remains woefully behind limiting global warming to 1.5°C. Governments need to ramp up climate ambition and respond with concrete policies to effectively mitigate and adapt to the compounding overall risks resulting from human-induced global warming.

The G20 also needs to take a leading role compensating and supporting vulnerable countries for their loss and damage due to their historic and current responsibility and their capacity enabling change. Last year's G20 Rome Summit from October 2021 - just before COP 26 in Glasgow in November 2021 – serves as a reference for future climate action by the G20, for what has been decided and promised by the governments. G20 countries are expected to exhibit leadership to set clear measurable goals and to agree on concrete implementation tools as proclaimed a year ago in Rome.

Global cooperation and partnerships based on dialogue and multilateral thinking is indispensable to make positive change possible. At the Climate Summit in Glasgow, nearly 200 countries have reiterated their commitment to keep the Paris Agreement goals alive and average temperature increase below the dangerous benchmark of 1.5°C by signing up to the Glasgow Climate Pact. It is within this context that the international community needs to revisit and strengthen existing 2030 climate targets and build on what has been concluded at last year's global conferences. In light of this, the Foundations Platform F20 has compiled its list of recommendations prior to the G7 summit in Germany (Elmau, 26-28 June 2022) to address the G7, a subgroup of the highly industrialised major emitters of the G20, as well as the G20 itself.

Foundations play a positive role and help step up endeavours across sectors to meet the Paris Agreement goals. The following F20 recommendations set a strong commitment that foundations are part of the solution and are written based on the F20 mission statement. They are not fully exhaustive with regard to themes and subjects discussed in the context of the G7 and G20. They should be regarded as complementary to and strengthening the recommendations made by the Think Tanks (T20), Business (B20), Civil Society (C20), Urban 20 (U20), Youth (Y20), Science (S20), Labour (L20) and Women (W20).



F20 Recommendations to the G20 in 2022

Concrete F20 Recommendations to the G7/G20 Presidencies of Germany and Indonesia in 2022

1. **Agree upon an evidence and science-based 2030 renewable energy power generation target of 70% by 2030** by seizing the political momentum of the discussed so called "Climate Club" and other means to curb greenhouse gas emissions. Formulate, implement and enhance national efforts to accelerate the deployment of renewable energy on the national and local level. Formulating and implementing such renewables-based energy strategies in line with national circumstances will be crucial for enhancing energy security and foster energy sovereignty. Provide [IEA][OECD][IRENA] with a mandate to further analyse, how G7/G20 can reach a 2030 renewable energy target of 70% power share by 2030 and how to increase public spending for a necessary share of GDP and as an input for concrete action plans. This target is expected to be reviewed on a regular basis up to 2030 so that the G7/G20 are informed by the best available science.
With the ongoing pace of a just energy transition and the concerning trend of climate-adverse short-term solutions, increased ambition on accelerating the deployment of renewable energy must urgently exceed the voluntary scope. The alarming security situation at international scale in 2022 reveals the close link between climate and (energy) security and highlights the urgency of reaching carbon neutrality by mid-century. A renewable energy target can provide credibility to long-term decarbonisation goals.



2. **Make the net zero trajectory a reality to keep the science-based emission target of 1.5°C within reach by both accelerating the phase out of fossil fuel subsidies and protecting and restoring of ecosystems as agreed at last year's G20 summit in Rome.**

The G20's approach to global governance needs to deliberately embrace nature-positive goals and implement the promises made on biodiversity restoration by achieving a 50% reduction of degraded land by 2025 and achieving Land Degradation Neutrality by 2030. The past years have shown how quickly local challenges can develop into global ones. Therefore, the inextricably link between climate, biodiversity, food and health needs to constitute the core framing of the G20's governance. Furthermore, land use change, agriculture and forestry account for 37% to global greenhouse gas (GHG) emissions. Therefore, financial resources should be used for making our food systems more sustainable, restoring biodiversity and protecting eco systems in a climate resilient fashion.

As one of earth's most biologically and culturally rich landscapes, Indonesia's rainforest are vital for the globe's overall safety and need to be protected. Given the richness in biodiversity of the world's largest archipelago, there is a major opportunity to advance Nature-based Solutions, biodiversity protection and restoration under the 2022 Indonesian Presidency.

3. **Establish and support of new energy and climate partnerships in the G20 context, as well within G20 as with other countries** (so called Just Energy Transition Partnerships) and ensure the transformability of these partnerships avoiding any greenwashing of investments into new coal power plants. In light of the concerning geopolitical turmoil and unfolding energy crisis fuelled by the war in the Ukraine, the G20 must demonstrate leadership in embarking on decarbonisation pathways through financial support to make a non-fossil future a reality. Here, energy partnerships such as the *South Africa Transition Fund* as announced at COP26 in Glasgow and the German Indian "Green and Sustainable Development Partnership" can serve as vital tools to further drive the Just Energy Transition forward and lay the foundation for the upcoming G20 Presidencies of India in 2023 and Brazil in 2024.

4. **Agree on the principles for a Just Transition and on concrete interim targets by 2030**, including an active participation of different stakeholders such as communities, Indigenous people, workers, women, private sector, academia in designing national Just Transition Plans.

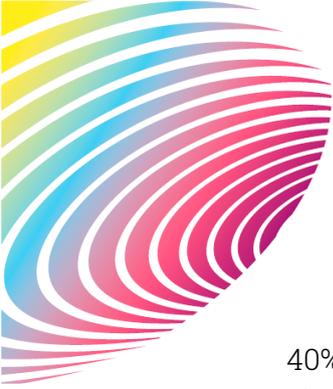
This requires a holistic approach in the spirit of 'leaving no one behind' taking into account global inequalities between countries and among countries and prioritising social welfare, right to health or interests of future generations.

5. **Decarbonise the finance sector by making decarbonisation plans of financial institutions mandatory.** Further strengthen the commitment to measures suggested by the G20 Task Force on Climate-related Financial Disclosures (TCFD)



including **mandatory disclosure of climate risks** by enterprises in their reporting/balance sheets. **Climate-related impacts on and by a company** are both highly relevant for investors and the broader public therefore require disclosure (double materiality).

6. **Realise the pledge of national coal phase out plans by concrete deadlines, means and concerted action.** Skyrocketing prices of fossil fuels feed the concern of falling back on false short-term solutions such as turning back to coal and extracting further gas and oil sources. **Embark on an energy efficiency strategy** that entails new fiscal tools to eliminate market distortions, incentivise energy-transition pathways whilst making sure that these measures will not increase energy poverty of vulnerable and underserved populations. Provide [IEA][OECD][IRENA] with a mandate to further analyse, how to increase public spending for energy efficiency to a necessary share of GDP and as an input for concrete action plans. The energy efficiency progress is expected to be reviewed on a regular basis up to 2030 so that the G7/G20 are informed by the best available science.
7. **Provide affordable long-term financing to help low-income countries to reduce risks to prospective balance of payments stability.** International Financial Institutions such as Multilateral Development Banks (MDBs) need to be further encouraged to support transition strategies and National Determined Contributions (NDCs) in line with the Paris Agreement to help achieve the UN 2030 Agenda. With adaptation progress continuing to be unevenly distributed, the same is true for loss and damage. Noting the importance of supporting the most vulnerable countries in decarbonising the finance sector and help closing the finance gap, we welcome last year's adoption of the Rome Declaration by G20 Leaders and their agreement to provide \$100 billion every year until 2025 to tackle climate change. With COP27, the specific reappraisal of loss and damage in light of increasing climate-induced weather hazards needs to be emphasised.
8. **Reinforce multilateral efforts to include In-debt-for-climate-swaps and bilateral as well as multilateral debt relief that would enable developing countries to reduce their external debt while investing in mitigation and adaptation.** Reallocation of Special Drawing Rights (SDRs) of the International Monetary Fund (IMF) remains an important lever and should be reallocated as donations rather than loans.
9. **G20 leaders are called upon to enable wider market transformation to foster clean construction and ensure that all building operate at net zero carbon by mid-century.** As the majority of the global population will be residing in cities in the coming decades and energy demand will be rising to unprecedented levels, cities will be centre to climate adaptation and mitigation. Emissions from building and construction continue to grow in urban surroundings and infrastructure. Buildings and construction belong to the largest single emitting sources generating nearly



40% of annual global CO₂ emissions.² This will require the entire building and construction supply chain to be decarbonised and energy demand to be reduced. Clean construction in terms of low-emission construction materials, the integration of renewable energy sources and recycling and re-using construction materials represents a huge lever to reduce environmental impacts and keep the Paris Agreement targets alive.

[Annex] Review of G7 and G20 Commitments made in 2021 at the summits in Carbis Bay (G7 in UK, June 2021) and Rome (G20 in Italy, November 2021)

Below are already agreed climate commitments of the G7/G20 as they were concluded at the summits in Carbis Bay (G7 in UK, June 2021) and Rome (G20 in Italy, November 2021) quoted from the official communiqués:

G7 commitments linked to the Climate Agenda.³

- *net zero no later than 2050, halving our collective emissions over the two decades to 2030, increasing and improving climate finance to 2025;*
- *conserve or protect at least 30 percent of land and at least 30 percent of the ocean by 2030;*
- *deepen current partnerships to a new deal with Africa, including by magnifying support from the International Monetary Fund for countries most in need to support our aim to reach a total global ambition of USD 100 billion;*
- *accelerating efforts to cut greenhouse gas emissions (GHGs) and keep the 1.5°C global warming threshold within reach;*
- *increasing energy efficiency, accelerating renewable and other zero emissions energy deployment, reduce wasteful consumption, leverage innovation all whilst maintaining energy security;*
- *phase out new direct government support for international carbon-intensive fossil fuel energy as soon as possible, with limited exceptions consistent with an ambitious climate neutrality pathway, the Paris Agreement, 1.5°C goal and best available science*

² UN Environment Programme (2020). Building sector emissions hit record high, but low-carbon pandemic recovery can help transform sector – UN report, <https://www.unep.org/news-and-stories/press-release/building-sector-emissions-hit-record-high-low-carbon-pandemic>.

³ Carbis Bay G7 Summit Communiqué (2021). Our Shared Agenda for Global Action to Build Back Better, <https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-1-2.pdf>.



- *aligning official international financing with the global achievement of net zero GHG emissions no later than 2050 and for deep emissions reductions in the next eight years;*
- *immediate stop of international investments in unabated coal and ending new direct government support for unabated international thermal coal power generation by the end of 2021;*

G20 commitments linked to the Climate Agenda:⁴

- *With regard to the results of the Rome Summit on October 30th and 31st, 2021 under the Italian G20 Presidency and the adoption of the Rome Declaration by G20 Leaders, G20 countries have agreed in line with what has been agreed by the G7 in Carbis Bay to:*
- *remain committed to the Paris Agreement goal to hold the global average temperature increase well below 2°C and to pursue efforts to limit it to 1.5°C above pre-industrial levels;*
- *provide jointly USD 100 billion per year and annually through 2025 to address those countries in need and most vulnerable to the adverse effects of climate change, in the context of meaningful mitigation actions;*
- *to conserve and protect at least 30 percent of global land and at least 30 percent of the ocean and seas are conserved or protected by 2030;*
- *to mobilise international public and private finance to support green, inclusive and sustainable energy development and to end the provision of international public finance for new unabated coal power generation abroad by the end of 2021;*
- *Commit to take further action implement and enhance their 2030 NDCs whilst formulating long-term low greenhouse gas emission development strategies and respective removal by sinks by or around 2050.*

⁴ G20 Rome Leaders' Declaration (2021), <http://www.g20.utoronto.ca/2021/G20ROMELEADERSDECLARATION.pdf>.