



Climate Action Network

G20 Issue Brief – Sustainable Infrastructure

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Climate Action Network International (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1100 members in over 120 countries. www.climatenetwork.org

Context:

The additional up-front investment required for a sustainable infrastructure pathway by 2030 is estimated at less than 5% above baseline levels, and is very likely to be more than “offset” by the resulting energy and fuel savings from modern clean energy and energy efficiency¹, with large additional benefits resulting from avoided climate impacts and air pollution related health costs, as well as reduced risk of stranded assets. Present externalities of and subsidies to burning fossil fuels amount to a staggering 6.5% of global GDP².

The G20 should adopt the following high-level policy frameworks at national level, within the G20 Global Infrastructure Connectivity Alliance, as well as to guide relevant activities such as the *Compact with Africa*:

- **Price all environmental externalities into the market** and call on **G20 members to phase out all fossil fuel subsidies by 2020** to avoid skewing market conditions in favour of fossil fuel-based investments. This should be supported by **redirecting public finance for energy toward cost-effective, clean, healthy and safe sources of renewable energy**;
- **Upgrade the study group on green finance (GFSG) to a working group** and continue its work towards a sustainable financial system that incentivizes sustainable and green investments;
- **Engage with MDBs for stringent environmental, social and governance (ESG) criteria** that will make international public finance compatible with the long-term goals of the Paris Agreement and Agenda 2030;
- Build dynamically increasing **support systems for investments in the energy transformation in developing countries**, including the development and dissemination of both small-scale stand-alone infrastructure in isolated areas and larger utility scale renewables;
- Take action steps to **increase access and affordability of infrastructure services prioritizing financing for clean, pro-poor infrastructure development**;
- Ensure robust, fit-for-purpose **evaluation of infrastructure investments** through stakeholder engagement for transparency provisions.

¹ [The New Climate Economy 2016](#)

² [IMF \(2015\) IMF Survey: Counting the Cost of Energy Subsidies](#)