

# UNTAPPED POTENTIAL - RAISING THE BAR ON G20 AMBITION

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Climate Action Network



**CAN**  
CLIMATE ACTION NETWORK

# Untapped Potential - Raising the Bar on G20 Ambition

## Summary

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In this summary report CAN sets out key findings from our analysis of the ambition gaps in the G20. Every member of the G20 has considerable potential for immediate accelerated ambition translated into emissions reductions across all sectors above and beyond their current pledges.

We illustrate **key areas for enhanced ambition across energy and ecosystems, calling on the G20 to make progress by COP27 demonstrating an appropriate response to the Glasgow Climate Pact decision and the findings of the IPCC 6th Assessment Report**. In the energy sector this includes recognising the needs and opportunities in the phase-out of fossil fuels alongside the uptake of renewable energy; as well as actions needed to shift financial flows . With regards to ecosystems we highlight examples to enhance land and ocean sinks as well as mitigation potential in the agriculture sector: This includes investing in nature while addressing deforestation and nature conservation; and addressing short lived gasses in the agriculture sector.

In addition to accelerating systemic change in these important sectors, some of the G20 countries play a vital role in providing adequate means of implementation - finance, technology and capacity building. We also call on them to deliver on these key enabling conditions.

Full findings will be made available in supplementary country factsheets published ahead of COP27. All documents will be accessible through the CAN International website<sup>1</sup>.

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<sup>1</sup> While common data sets have been used in the first section of each profile, each country has its own emissions data that may use its own methodologies, so not all data presented can be directly compared between countries.

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## Introduction

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In the 2015 landmark Paris Agreement, Parties agreed to limit global warming to “*well below 2°C and pursue efforts to limit it to 1.5°C*” by 2100. The 1992 UN Framework Convention on Climate Change (UNFCCC) requires that its Parties should protect the climate system “*in accordance with their common but differentiated responsibilities and respective capabilities*” (CBDR-RC). This means that, although all countries should contribute to the fight against climate change, developed countries need to take the lead on climate action and support, as well as those that have the economic means to also do so, in accordance with their capabilities. The year 2022 affords an important opportunity for G20 countries to step up, not least as in Glasgow they agreed to the COP *request* to strengthen their 2030 targets by the end of 2022 to align with the Paris temperature goal<sup>2</sup>.

The IPCC 6th Assessment Report (6AR), Working Group (WG) III on Mitigation expresses alarm on the lack of ambition enhancement demonstrated by Parties to the Paris Agreement thus far. Emissions pledges to date add up to well over 2°C of warming in next decades – a rise in global average temperature that would mean heat extremes in inhabited areas, heavy precipitation in certain regions and the probability of drought and precipitation deficits in some regions<sup>3</sup>. It calls for immediate action if we are to limit global warming to below the global temperature goals. Even at the current 1.1°C of warming, we are already seeing rising frequency of catastrophic climate events and climate related casualties in every region of the world<sup>4</sup>. With the current policies and pledges, if implemented, we cannot limit global temperature to rise 1.5°C with limited or no overshoot, and 2°C seems also out of reach without further compromising potential co-benefits for people and nature.

The IPCC’s latest mitigation pathways show that to achieve the necessary deep and rapid emission cuts necessary in this decade, urgent transformations across all sectors and systems are required. Cost effective mitigation options are available in all sectors and systems. Immediate enhanced action in energy, urban and other settlements, transport, buildings, industry, and agriculture, forestry and other land use (AFOLU), that could halve global greenhouse gas emissions by 2030<sup>5</sup>. The IPCC very clearly shows that immediate and significantly increased investments and deployment of wind and solar power as well as energy efficiency in all economic sectors will be critical for a deep cut in GHG emissions by 2030. This must be accompanied by the protection and restoration of biodiverse and carbon-rich ecosystems like forests and peatlands as well as diet changes towards more plant-based nutrition.

In this summary report CAN sets out key findings from our analysis of the ambition gaps in the G20 countries. **We find that every member of the G20 has considerable potential for accelerated ambition emissions reductions across all sectors above and beyond their current emissions reduction pledges.** In this report, we illustrate key areas for enhanced ambition across energy and ecosystems - where G20 activities can and should demonstrate immediate enhanced ambition as a credible response to the Glasgow Pact decision and the findings of the IPCC 6th Assessment Report.

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<sup>2</sup> NDC enhancement could take the form of new or updated NDC submissions or the submission of addendums updating parts of existing commitments.

<sup>3</sup> IPCC, 2018: Summary for Policymakers. In: [Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty](#)

<sup>4</sup> IPCC, 2022: [Climate Change 2022: Impacts, Adaptation, and Vulnerability](#).

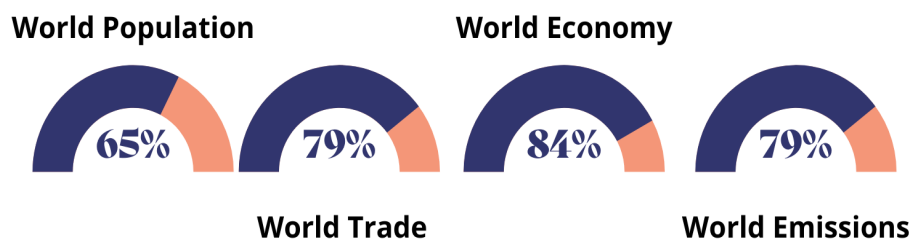
<sup>5</sup> IPCC 2022: Technical Summary. In: [Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

The key message enclosed herein is that the actions of the G20 in 2022 are vital to addressing the emissions gap and the political group must show willingness and solidarity through responding to Glasgow Pact decision and the findings of the IPCC 6th Assessment Report by COP27. With this in mind, CAN calls on the G20 to make a collective response by COP27 outlining their progress and actions, including progress on those enclosed below.

## Emissions profile of the G20

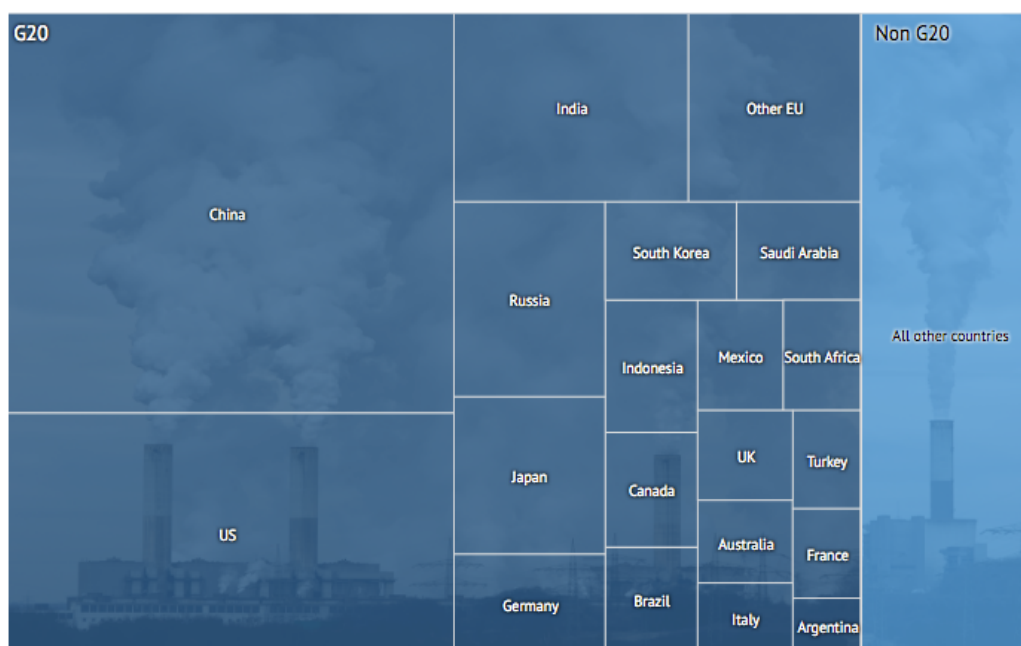
The G20 is made up of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom and the United States, plus the European Union. The G20 comprises countries that industrialized early, and thus bear a large responsibility for the climate crisis, but it also includes countries that have far less historical responsibility, having developed strong economies more recently, and yet have the capability to take decisive climate action.

Accordingly, the principle of CBDR-RC offers a balance between the interests and historical realities of the North and the South in the G20 bloc whilst also realizing the need for collaborative ambitious action with the G20 countries dominating global trade, economy and emissions:



Source: [World Economic Forum](#)

The G20 account for approximately 80% of global GHG emissions: the carbon footprint of each G20 country, compared to the rest of the world is well illustrated here:



While countries like China and India do have significant absolute national carbon footprints, it is important to note the inequalities reflected on an emissions per capita basis. India's are 1.8 t/year CO<sub>2</sub> per capita, China's 7.4t/year CO<sub>2</sub> per capita, while the likes of Australia and Canada have emissions of 15.5t/year CO<sub>2</sub> per capita, with Saudi Arabia (15.3t/ year CO<sub>2</sub> per capita) and the US (15.2t/ year CO<sub>2</sub> per capita)<sup>6</sup>, close behind.

Box 2 - G20 ambition: [#NDCsWeWant](#) analysis

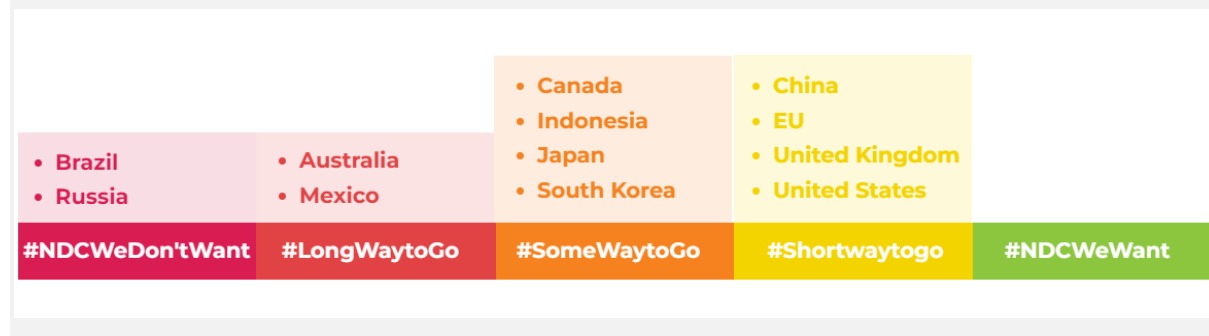


Figure: WWF #NDCsWeWant rating for the G20, source: [www.panda.org/ndcs](http://www.panda.org/ndcs), created through Piktochart

The [Paris Agreement](#) (Article 4, paragraph 2) requires each Party to prepare, communicate and maintain successive domestic climate action plans. These Nationally Determined Contributions (NDCs) should reflect the strongest possible ambition in near term action. Parties were requested to submit NDCs (new or updated NDCs) by COP 26<sup>7</sup>.

WWF's [#NDCsWeWant Checklist](#) provides a framework to spotlight progress, encourage best practices and identify key challenges in all NDC submissions to the UNFCCC. This framework assesses country pledges made through NDCs on a rating system from NDCsWeDon'tWant to NDCsWeWant. Specifically, it considers the extent that countries are showing improvement and progress on climate ambition over time. Independently of the rating, Carbon Action Tracker does not find any G20 NDC to be aligned with a pathway to 1.5°C. To date all G20 countries except India and Turkey<sup>8</sup> have submitted new or updated NDCs (See figure).

Following updates to their NDCs in 2021, WWF finds that a number of G20 countries have a #Short WayToGo to achieve Paris Agreement alignment - including the EU, US and China. These Parties typically show progress on national target setting and ambition but are yet to sufficiently incorporate their fair share into targets and ensure global climate finance goals are met. A critical concern for the US is the Supreme Court ruling in 2022 in relation to the Environmental Protection Agency's (EPA) ability to regulate carbon emissions in the power sector. This could be very detrimental to the US's ability to implement its NDC. Whilst for China, the new targets are achievable without substantial increases in

<sup>6</sup> [World Bank Data](#); PC Data from 1990 are [CAIT](#) data 2020: Climate Watch; GHG Emissions. Washington, DC: World Resources Institute. Available at: [climatewatchdata.org/ghg-emissions](http://climatewatchdata.org/ghg-emissions).

<sup>7</sup> Parties were requested to submit NDCs (*new or updated NDCs*) by the end of 2020. Owing to the COVID Pandemic, and the delayed COP26, this was pushed back to 2021.

<sup>8</sup> Turkey's 2015 INDC was converted to an NDC in October 2021, after the ratification of the Paris Agreement on Oct. 6, 2021. To be aligned with the Paris Agreement it needs to submit a new or updated NDC.

mitigation efforts and as we see through their recent 2022 14th year plan, ambitious implementation at the local level could also contribute to overperformance at the national level. The updated China NDC pledges to develop an Action Plan that will include sectoral decarbonisation strategies - which could provide an important opportunity for further enhancement of ambition targets ahead of the next NDC cycle.

Those with #SomeWayToGo includes the Asian powerhouse of Japan. For Japan, despite the significant increase from the previous NDC target (going from 26% to 46% emission reduction, and potentially achieving a 50% cut by 2030), there is yet a lack of concrete policies and measures making these targets credible. Canada's commitments also fall short of their fair share which requires a reduction of at least 140% of emissions reductions below 2005 levels by 2030, including 60% at the domestic level<sup>9</sup>.

At the other end of the scale, Australia's climate submission is one which has scored as a #LongWay ToGo to become the NDC We Want. In a response to the call for increased ambition, their updated NDC submitted the same mitigation target as their 2016 NDC despite acknowledging actual emissions reductions have outstripped previous projections. With a change in administration in 2022, there is opportunity for the country to turn around this rating by COP27.

Along with Russia, Brazil received the lowest rating of #NDCsWeDon'tWant. Brazil is one of the world's biggest emitters and the largest economy in South America, but both the 2020 and 2022 NDC updates represent a backslide from its previous 2015 targets, since the targets allow additional emissions by 2025 and 2030.

Overall, revised climate plans with enhanced ambition should be coordinated with strong implementation efforts prioritised to step up to the challenge of closing the emissions gap highlighted by the IPCC.

## Energy

*Warming cannot be limited to well below 2°C without rapid and deep reductions in energy system CO<sub>2</sub> and GHG emissions<sup>10</sup>.*

The IPCC AR6 provides reasonable expectations for Parties, particularly those tasked with showing leadership: In 1.5°C scenarios with limited overshoot), net global energy system CO<sub>2</sub> emissions fall by 87% to 97% by 2050, with the electricity sector achieving net zero CO<sub>2</sub> emissions between 2045 and 2055.

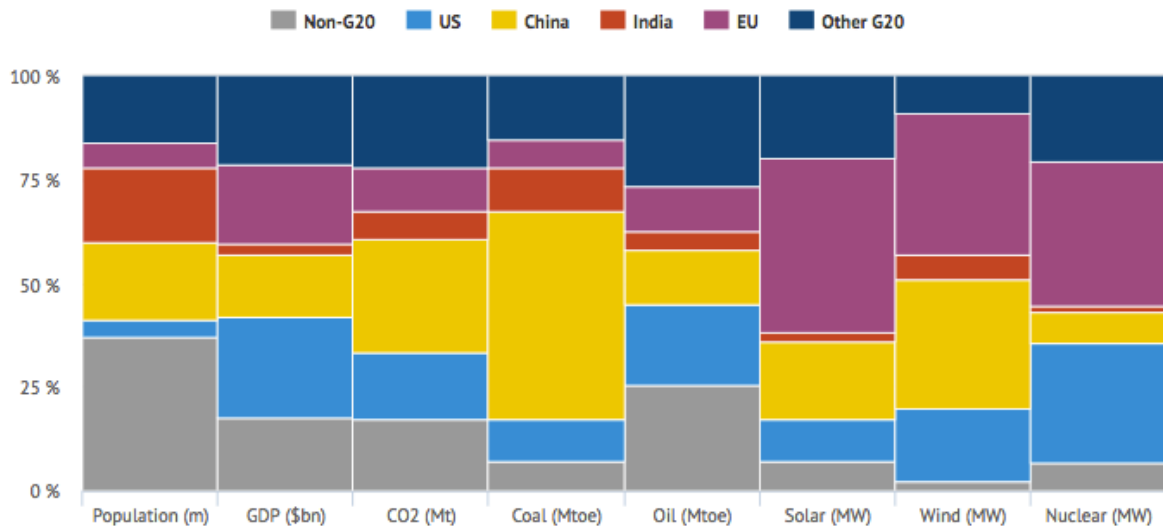
If investments in coal and other fossil infrastructure continue, energy systems will be locked-in to higher emissions, making it harder to limit warming to well below 2°C. This is particularly significant in the G20 where energy-related CO<sub>2</sub> emissions represent around 80% of the G20's total GHG emissions<sup>11</sup>. Indeed, as G20 countries have emerged from the COVID-19 pandemic, Climate Transparency found that nearly half of the economic recoveries in the G20 have been driven by the power sector and a quarter by the transport sector. A summary of their findings are provided below and the dominance of the G20 across global wealth, emissions and energy can be seen here:

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<sup>9</sup> CAN Canada, 2019: [Canada's Fair Share towards limiting global warming to 1.5°C](#)

<sup>10</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

<sup>11</sup> OECD, 2021: [Carbon Pricing in Times of COVID-19: What Has Changed in G20 Economies?](#), OECD, Paris.



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Figure: G20 and the World, Source: Image Carbon Brief; based on 2016 data, cited in [World Economic Forum](#), [note UK is represented in EU data]

Financing in the fossil fuels industry is substantial (See the figure below, Climate Transparency, 2021). A total of US\$ 298bn was committed to fossil fuel subsidies from January 2020 to August 2021 in the G20 alone, amounting to almost three times the missed global climate finance goal<sup>12</sup>. This includes US\$ 219 bn allocated to oil and gas - with France, Germany, the UK and the USA collectively making up more than US\$ 200bn of this. US\$ 47bn and US\$ 11bn, respectively has been allocated to coal and fossil-fuel-based hydrogen - including China and India each announcing subsidies of approximately US\$ 15bn aimed at expanding domestic coal mining.<sup>13</sup>

Likewise, fossil fuel consumption in the G20 is still on the rise: Overall, G20 accounted for 92% of global coal use in 2020. Coal consumption has also been projected to rise by almost 5% in 2021, driven primarily by China (accounting for 61% of the growth), the USA (18%) and India (17%). One driver of this trend is that countries pursuing coal phase-out policies simply switch from coal to natural gas. Yet, in the natural gas sector, between 2015 and 2020 average consumption also increased by 12% and this is projected to remain stagnant in 2021.<sup>14</sup>

<sup>12</sup> Note Brazil, Japan, Saudi Arabia, South Africa, South Korea, Turkey, and the UK have been categorised as ‘opaque’ in terms of the full extent of fossil fuel funding and “hidden” subsidies raising the concern that this is an underestimate.

<sup>13</sup> Climate Transparency 2021: [The Climate Transparency Report 2021](#)

<sup>14</sup> Climate Transparency 2021: [The Climate Transparency Report 2021](#)



## Conditional and unconditional fossil fuel subsidies in the G20 (January 2020-August 2021)

Policies are classified as **unconditional** if they support production and consumption of fossil fuels without any climate targets or additional pollution reduction requirements, while policies with climate targets or additional pollution reduction requirements are categorised as **conditional**.

Source: Energy Policy Tracker, 2021

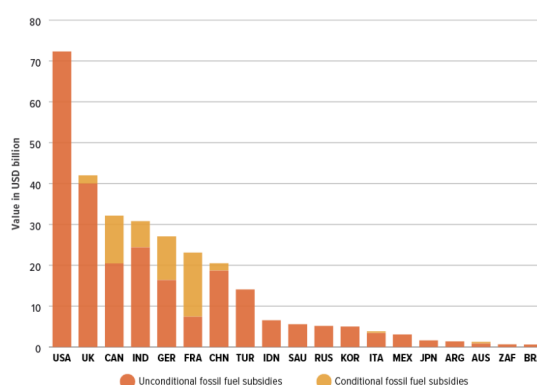


Figure - Conditional and Unconditional Fossil Fuel Subsidies in the G20, Source: Climate Transparency Report

A net-zero emissions energy system will be primarily based on renewables<sup>15</sup>. This includes a global 2030 milestone of about 40% - 45% renewable energy (without traditional inefficient biomass use) and 4% improvements in energy efficiency across all economic sectors<sup>16</sup>. This would also require up-to sixfold annual investments into both renewables and efficiency in the next years till 2030 and beyond<sup>17</sup>.

There is a misalignment of perceived risk return of such investments. In the period 2018-2020, international public finance to fossil fuels in the G20 was 2.5 times higher than that for renewable energy, and jumping to 10 times higher in 2020<sup>18</sup>. Yet, while conditions for Renewable Energy in G20 countries vary, the cost of adding new wind and solar energy capacity is below the upper end of the cost range for new fossil fuel capacity in all G20 countries<sup>19</sup>. Renewable power in the G20 increased by 20% between 2015 and 2020 and is projected to grow to nearly 30% of the power mix in 2021. The G20 share of renewables in energy supply is projected to grow to 12% in 2021.<sup>20</sup>

## Ecosystems

*Agriculture, Forestry and Other Land Uses (AFOLU) is unique due to its capacity to mitigate climate change through greenhouse gas (GHG) emission reductions, as well as enhance removals<sup>21</sup>.*

Natural ecosystems play a crucial role in climate change mitigation, in parallel to fossil fuel phase-out, by both storing large amounts of carbon in vegetation and soils, and sequestering carbon dioxide from the atmosphere. Land and ocean carbon sinks play a vital role in slowing the rise of CO<sub>2</sub> in the atmosphere - in the last decade absorbing 54% of anthropogenic atmospheric CO<sub>2</sub> emissions (31% by land and 23% by oceans sinks).

<sup>15</sup> IMF 2021: [Group of twenty - Reaching Net Zero](#)

<sup>16</sup> IEA, Paris, [World Energy Outlook 2020 – Analysis - IEA](#) and [World Energy Outlook 2021 – Analysis - IEA](#),

<sup>17</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

<sup>18</sup> Sekarintias A., and Pastukhova, M, 2022: [How can the G20 show leadership in the current energy crisis?](#)

<sup>19</sup> IMF 2021: [Group of twenty - Reaching Net Zero](#)

<sup>20</sup> Climate Transparency 2021: [The Climate Transparency Report 2021](#)

<sup>21</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

Ecosystems across the G20 vary in size and significance at the national and global scales. More than half of the world's forests are found in five G20 countries: Brazil, Canada, China, Russia and the US<sup>22</sup> and around 400 million people in G20 live within 1 kilometer of a forest<sup>23</sup>.

The biodiversity of forests varies considerably across the G20 according to factors such as forest type, geography and climate but in all biomes, natural patterns of composition, distribution, abundance and structure of biodiversity are critical for stable carbon storage and biodiversity protection. The lowland forests of Australia, Indonesia and coastal Brazil have many species with small geographical distributions. Areas with dense human populations and intense agricultural land use, such as Europe, China, India and North America, are less intact in terms of their biodiversity.<sup>24</sup> Some G7 countries have high deforestation rates; reversing them is a key contribution to tackling the climate crisis.

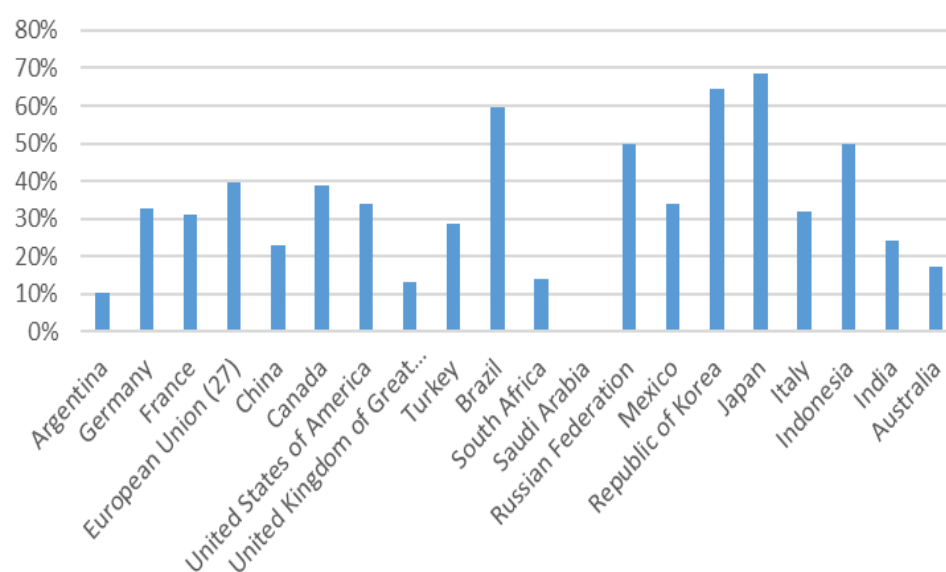


Figure - % forestry of total land area, date: [FAO: 2018 data](#)

Land also provides important commodities sustaining the global population - including food, feed, fuel and wood. Climate change and the COVID-19 pandemic had already revealed the fragility of this system - particularly in the food sector, with rising food prices and an increasing number of people facing hunger. GHG reductions in this sector, particularly reduction of methane emissions in the immediate term is an important factor in limiting peak warming<sup>25</sup>.

In 2019, G20 collectively contributed to 59% of global methane emissions from the agricultural sector<sup>26,27</sup>. Leading into COP26, tackling emissions from agriculture remained lacking from the NDC's of G20

<sup>22</sup> FAO and UNEP, 2022: [The State of the World's Forests 2020. Forests, biodiversity and people](#)

<sup>23</sup> Newton et al., Sept 18 2020: [The Number and Spatial Distribution of Forest Proximate People Globally](#)

<sup>24</sup> UNEP and FAO, 2020: [The State of the World's Forests 2020. Forests, biodiversity and people](#)

<sup>25</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

<sup>26</sup> [FAOStat, 2022](#)

<sup>27</sup> Note, it is further assumed that G20 countries, particularly the USA by its fossil gas fracking boom, are responsible for more than 90% of all methane emissions from fossil fuel mining and methane operations.

countries<sup>28</sup>. The largest contributors are the US, China, India and Brazil. Low carbon land use policies should be part of those countries' climate plans.

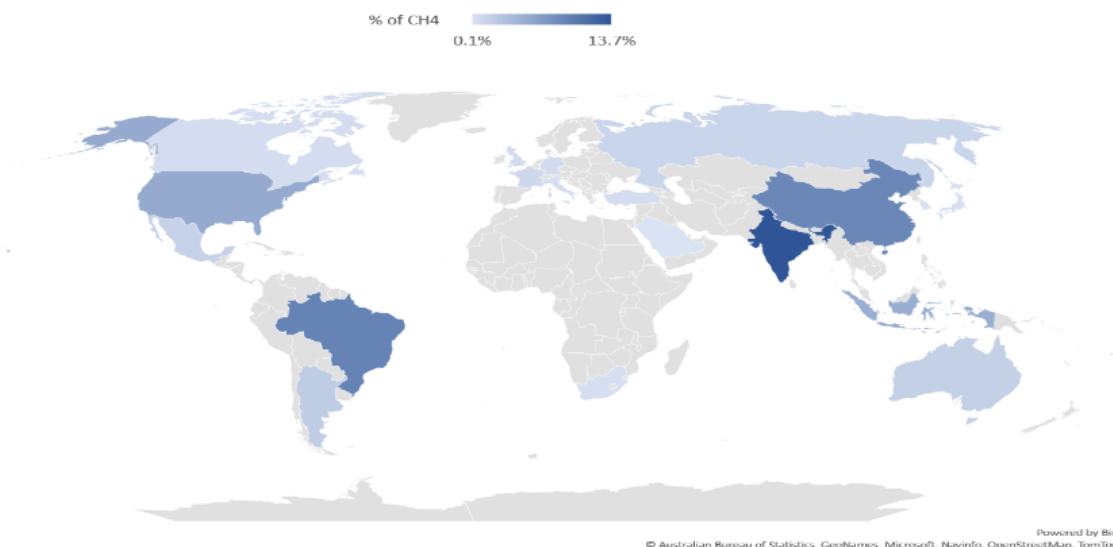


Figure - G20 Contribution to world CH<sub>4</sub> emissions on agriculture land (%) in 2019, data source: [FAO Stats](#)

## Closing the Emissions Gap through the energy sector

### 1. Transitioning away from fossil fuels

**Addressing the persistent domestic use and growth in fossil fuels would be a key milestone in G20 climate ambition.** This includes China which, despite being the biggest investor in renewable energy (RE) technology production, is still experiencing domestic growth in formal and informal coal power. In Indonesia, the energy mix remains constant and dominated by oil and coal; while in India coal expansion sits alongside impressive RE growth in supporting energy access. India has also been responsible for the largest decline of global energy poverty (electricity) in the last 6 years.

It is well understood that managed decarbonisation in this sector can also provide other social, economic and environmental benefits - including energy security/access and improved health. COP27 will provide an invaluable opportunity for the G20 partners to demonstrate early signals of success in this regard, and ahead of this are multiple climate fora providing opportunities to establish partnerships to share experiences, including Stockholm +50, G7 and G20. Implementing mitigation measures in line with the Paris Agreement provides high returns on investment, with health benefits on account of improved air pollution alone substantially outweighing the policy cost of achieving the target<sup>29</sup>. Initiatives such as the [Just Energy Transition Partnership with South Africa](#) can provide a model to expand on these experiences and support transitioning across the G20 accounting for local circumstance. So far the partnership has not

<sup>28</sup> WWF, 2022. [Investors worth \\$11.8 trillion call on G20 leaders to set specific emissions targets for food](#)

<sup>29</sup> Health co-benefits could not be yielded by carbon dioxide removal through CCS technologies, even where viable, See Markandya A, Sampredo J, Smith S J, Van Dingenen R, Pizarro-Irizar C, Arto I, González-Eguino M, 2018: [Health co-benefits from air pollution and mitigation costs of the Paris Agreement: a modelling study](#)

materialized further since its announcement at COP26 and it is vital that progress can be demonstrated ahead of COP27.

Just transition is a shared responsibility among countries that are making more rapid progress<sup>30</sup>. The extent to which fossil fuel *phase-out* targets feature in discussions along the way and the extent that the G20 show leadership here provides important means to measure the success of such endeavors on the political side. Ambition by COP27 could include, for example:

- G20 outputs recognise the global importance of a ‘*phase-out*’ of unabated fossil fuels, in line with the latest climate science. This should include a mandate for the G20 to develop a plan with end-year targets based on an equitable phase out of fossil fuel production and use in line with the 1.5°C target, accommodating high ambition alongside the different capacity of the G20 to rapidly transition and diversify their economies which also addresses issues related to energy poverty and access, and the creation of decent and green jobs and improve livelihoods.
- G20 demonstrating leadership in addressing perceived barriers to the low carbon transition<sup>31</sup>: specifically in establishing partnerships and activities aimed at promoting alternative zero carbon means of development supporting the SDG energy goals for eradicating energy poverty by 2030 in the Global South - particularly in Sub-Saharan Africa. This is an important activity for the G20 to sponsor, and will help establish the climate and sustainable development goal compatibility in the decade of action. The EU approach to international development framed by the Green Deal is one example, and concrete outcomes by COP27 can deliver valuable proof of concept.
- Updating climate pledges to the UNFCCC by COP27 to clarify decarbonisation fossil fuel phase-out plans. This should signpost strategies to further low carbon transitions: Coal and oil phase-out comes with risks of carbon leakage to undesirable alternatives including the natural gas and nuclear sectors, both counter to global climate goals and clean development pathways.

### Box 3 - Beyond Carbon: the energy transition and energy security

If in 2021 the pandemic and the economic crises were challenges for ambition and implementation and even for COP26 to take place in Glasgow, in 2022 the World is facing an additional challenge: the war in Ukraine.

Since March 2022, this has affected markets and the geopolitics of energy with a historical raise on oil and gas prices. Energy security became a main concern in terms of politics and investments, forcing the rethinking of plans, especially in Europe. **The war in Ukraine laid bare the risks of relying on fossil fuels, including the non-climate related risks.** Clean renewable energy is now more than ever crucial for national security and global peace and stability. Presently, the EU as a super-large importer, transfers approximately more than €1trillion daily to the Russian aggressor via its oil and gas imports from companies like Gazprom and Rosneft who in turn fuel Putin’s military imperialism via their taxes. Note, as

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<sup>30</sup> Nabuurs, G-J., R. Mrabet, A. Abu Hatab, M. Bustamante, H. Clark, P. Havlík, J. House, C. Mbow, K.N. Ninan, A. Popp, S. Roe, B. Sohngen, S. Towprayoon, 2022: Chapter 7: Agriculture, Forestry and Other Land Uses (AFOLU). In IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

<sup>31</sup> *The IPCC AR6 states with high confidence that the eradication of extreme poverty and universal access to energy can be achieved without resulting in significant greenhouse gas emissions (See IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#), Box 3.6 Poverty and Inequality)*

of June 2021 global Brent and WTI oil prices circle around US\$ 120 - 130 per barrel. Compared to \$US 35 - 60 per barrel in the recent pre-war years.

Alongside the rapidly developing geopolitical environment, the IPCC 6th Assessment report has taken a step back to highlight key global policy milestones which need to be reflected in climate ambition in 2022 - particularly in the near term. The parallels are clear with AR6 providing an additional case for where G20 countries could prioritize immediate ambition raising ahead of COP27 to get us back on track for limiting global warming to 1.5°C. Specifically, **AR6 calls for immediate action in seven policy areas:** 1) decarbonising electricity supply to produce net zero CO<sub>2</sub>, including renewable energy, 2) radically more efficient use of energy than today; 3) electrification of end-uses including transport; 4) dramatically lower use of fossil fuels than today; 5) converting other uses to low- or zero-carbon fuels (e.g., hydrogen, bioenergy, ammonia) in hard-to-decarbonise sectors; 6) promote bioenergy, demand reduction, dietary changes, and policies, incentives, and rules for mitigation in the land sector; and 7) setting and meeting ambitious targets to reduce methane and other short-lived climate forcers.

The climate costs of the conflict are still unclear, but will depend on how countries balance the immediate need for fossil fuels and the transition to renewables. The AR6 and The Glasgow Pact Decision are clear, however, calling upon Parties to rapidly scale up the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies. The solutions for the crisis should chart a change of course that will contribute to fulfilling the objectives of the Paris Agreement. **G20 must lead the way in exploring the systemic changes that will lead all economies away from fossil fuels, and towards low carbon energy systems.**

## 2. Shifting financial flows in the energy sector:

**Progress on the alignment of financial flows in the energy sector with low GHG emissions pathways remains slow. There is a climate financing gap which reflects a persistent misallocation of global capital.**

As outlined above, the G20 governments continue to direct taxpayers' money for fossil fuel production and consumption subsidies; including to some of the largest and most powerful corporations on the planet. This finance dwarfs the US\$ 100bn per year that was promised by developed to developing countries to support their clean development and adaptation to climate impacts – impacts being caused by the fossil fuel industry.

The IPCC AR6 finds that direct fossil fuel subsidies are responsible for about 10% of all global GHG emissions<sup>32</sup>. But these direct subsidies are also dwarfed by the indirect fossil fuel subsidies as assessed by the International Monetary Fund of almost \$US 6 trillion, a value of about 7% of global GDP annually incorporating the assumed damages by climate change, health effects and air pollution by fossil fuels<sup>33</sup>.

While presently direct fossil fuel investments, both upstream and downstream, amounted to about \$US 1 trillion annually on average between 2015 and 2019, renewable energy and energy efficiency combined saw only \$US 550 billion annually<sup>34</sup> (IEA; World Energy Outlook 2020, 2021). IPCC WG III (2022) showed that investments into clean energy, namely renewables and energy efficiency, have to at least increase

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<sup>32</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)

<sup>33</sup> IMF, Sept 24 2021: [Still Not Getting Energy Prices Right: A Global and Country Update of Fossil Fuel Subsidies](#)

<sup>34</sup> IEA, Paris, [World Energy Outlook 2020 – Analysis - IEA](#) and [World Energy Outlook 2021 – Analysis - IEA](#),

six-fold on average in the eight years annually until 2030 and beyond to have a chance for meeting the 1.5°C as well as the weaker 2°C target by end century.

Breaking through entrenched fossil fuel focused energy systems could signal a significant turning point in addressing the climate crisis and actions in 2022 that the G20 can take include, for example<sup>35</sup>:

- Collectively agreeing ahead of COP27 a near term end date on the expansion of the fossil fuel industry including a cut off on all new public and private financing; exploration licenses or permits for coal, oil, and gas extraction; exports and infrastructure. Such dates must be based on countries' capabilities and capacities meaning that rich countries such as the United States, Canada, Australia, Japan, and the United Kingdom have to set a coal extraction phase-out date ahead of 2030, and oil and gas extraction end-date by 2031 While other G20 countries with lesser capacities could set later dates in order to accommodate for the need to incorporate alternative energy strategies including just transformation and energy security efforts.
- Establishing new transformative local, regional, national and international agreements to drastically scale up transfer of technology and finance for an energy transition, focusing on stimulating regional systemic change and addressing local circumstances for change. This could include, for example, exploring partnership with China on the informal power sector, or Brazil to support the energy transition and promote regional links.
- Collectively agreeing strategies to redirect tax windfall profits to support climate justice objectives and shift financial systems away from the support of the fossil fuel industry and provide a transparent understanding on financial flow contrary to the energy transition at COP27. Specifically, CAN urges the G20 to demonstrate their collective enhanced ambition by emulating the recent G7 decision to reverse and phase out public funding for fossil fuels by 2022.

### 3. Investing in a just transition to renewable energy systems

On the clean energy front, several G20 countries' climate commitments, high energy import costs, growing air pollution from fossil fuels and reduced renewable energy manufacturing costs, have helped to drive the expansion of the global capacity for solar and wind energy. The EU and China are dominant in this and have played a role in driving down the cost of these more newly commercialised technologies - in many areas of the world they now represent the cheapest source of energy. G20 countries can incentivise market developments particularly in wind and solar, through strengthening their planning to implement NDC targets - for example, through stronger sectoral decarbonisation and clearer market signals across all G20 members. However, despite rapid growth, solar and wind supplied only about 4% of all energy (10% of all electricity) in 2020<sup>36</sup>.

While detailed national assessments on fair shares of equitable renewable energy objectives for meeting the global 1.5°C objective are widely lacking, a general assumption is that the world needs to embark on an 40-45% renewable energy share by 2030, excluding traditional, inefficient bioenergy use, and an annual growth of about 4% energy efficiency (measured in reduction of energy consumption per unit GDP) as suggested by IEA<sup>37</sup>.

The COVID-19 pandemic and the global response that it triggered have shown us that centrally driven action is effective, but disproportionately favours the wealthy over the poor both at a global and a

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<sup>35</sup> These examples are also reflected in the 500 strong CSO endorsed letter: [Now is the moment to accelerate the just, renewable energy future and end the fossil fuel era](#)

<sup>36</sup> REN 21, 2021: [Global Status Report on Renewables, 2021](#).

<sup>37</sup> IEA, 2021: [Net Zero by 2050](#)

national scale. Five million jobs may be lost in countries dependent on fossil fuels by 2030 alone<sup>38</sup> and communities are already suffering from unchecked expansion of raw material extraction to fuel the transition to renewable energies.<sup>39</sup>

This energy transition must bring energy security and be implemented in a way to address modern societal challenges including economic recoveries, climate justice and inequalities. The IEA's pathway to net-zero emissions by 2050 would create an estimated 30 million jobs, while sensitively-deployed renewable energies are expected to reduce energy sector pollution, increase energy access and even empower communities thanks to their higher decentralisation potential<sup>40</sup>. This shift must be made in coordination with the fossil fuel phase-out, as discussed. Specifically this needs proactive management including clear targets, coordinated sectoral and economy-wide decarbonisation plans.

The G20 is well placed to explore domestic strategies in their respective contexts, with many also able to fund similar action in non-G20 countries. A significant demonstration of ambition by COP27 could include a G20 declaration on Renewable Energy (RE) transition, including clear sign-posts on RE targets and fossil fuel phase-out dates, set within a managed economic transition away from fossil fuels underlined by principles of climate justice.

Clear areas for progress by COP27 include<sup>41</sup>:

- G20 countries updating climate pledges to the UNFCCC by COP27 to clarify the deployment of safe, renewable, and just energy systems across the economy, including strategies to roll out just transitioning and secure climate justice outcomes. This could include coordinating strategies, for example, setting a collective mandate to increase energy and resource efficiency, including strategies to deliver robust efficiency measures and products.
- Promote distributed, decentralized renewable energy-based systems, like roof-based solar, community-owned solar and other energy democracy systems, and mini-grid systems, where appropriate, to maximize climate resilience and affordability, especially in communities at the frontlines of the climate crisis. Support larger scale renewable energy projects like offshore wind energy for cities and industries, as appropriate, where decentralized energy does not provide sufficient power and avoid negative impacts on ecosystems.
- Mandate to establish best practice on a circular economy and responsible extraction of renewable energy minerals that uphold human and Indigenous rights, and addressing environmental risks (including to freshwater and groundwater, land integrity, air, ecosystems and imperiled species; and excludes destructive practices such as seabed mining). In doing so we call on G20 to develop initiatives for COP27 that prioritize recycling and extending the life of materials used in renewable and energy efficiency technologies.

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<sup>38</sup> Sustainable Development Goal 7 of the UN 2030 Agenda for Sustainable Development adopted in 2015

<sup>39</sup> WWF 2021: [Discussion paper: Just energy Transformation](#)

<sup>40</sup> WWF 2021: [Discussion paper: Just energy Transformation](#)

<sup>41</sup> These areas of progress are also reflected in the 500 strong CSO endorsed letter: [Now is the moment to accelerate the just, renewable energy future and end the fossil fuel era](#)

# Closing the Emissions gap through nature and land-use

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## 1. Halting and reversing deforestation by 2030

Most G20 countries committed to the [Glasgow Leaders Declaration on Land Use and Forests](#) in Glasgow (except India, South Africa and Saudi Arabia). In doing so, they commit to working collectively to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.

Halting and reversing deforestation and forest degradation by improving the protection of primary forests is a key opportunity for the G20 to reduce emissions, conserve biodiversity and support forest peoples. For example:

- Australia still has the highest rate of deforestation in the developed world and despite countless initiatives aimed at reducing deforestation in tropical forests.
- The Amazon accounts for more than half of the planet's remaining rainforest and is home to more than half the world's terrestrial species of plants and animals. However, deforestation practices put this biome increasingly under threat- with recently released data showing that deforestation in 2021 in the Brazilian Amazon has reached its highest point in 15 years<sup>42</sup> and research also indicating that the southeastern Amazonian region has even become a net-source of GHG emissions<sup>43</sup>.
- The forests in Indonesia's southern islands are unique habitats where tigers, rhinos, orangutans, and elephants live together and are home to more than 15,000 known plants. Yet, deforestation in this region represents over a third of the total global carbon emissions from deforestation and land degradation. Heavy demand for plywood, hardwoods, and wood products for the pulp and paper industry leads to both legal and illegal logging.

The production of agricultural and forestry commodities is a major driver of deforestation. G20 countries must work together to remove the deforestation, conversion and land degradation embedded in global supply chains. It is especially key for developed countries to reduce their production and consumption footprint. Building on initiatives like the Forest, Agriculture and Commodity Trade (FACT) dialogue, consumer and producer countries should cooperate within the G20 to accelerate the transition towards more sustainable production methods through financial assistance, continuous engagement (including with the private sector) to eliminate all deforestation<sup>44</sup> and conversion from global supply chains, and establish ambitious environmental standards for all agricultural trade.

CAN notes, in particular, the opportunity for Indonesia to take lead on this as G20 president in 2022. We also urge countries to include such commitments in revised NDCs and implementation plans ahead of COP27. G20 Signatories to the Glasgow Leaders Declaration on Forests and Land Use (GLDFLU) should report at COP27 on progress towards commitments they made at COP26 to build solidarity, trust and momentum.

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<sup>42</sup> Reuters Feb 11 2022: [Deforestation in Brazil's Amazon rainforest hits record January high](#)

<sup>43</sup> Gatti, L.V., Basso, L.S., Miller, J.B. et al. 2021: [Amazonia as a carbon source linked to deforestation and climate change](#)

<sup>44</sup> IPCC, 2022: [Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#)



In addition, protection and restoration of biodiverse and carbon-rich ecosystems will contribute significantly to the reduction of atmospheric CO<sub>2</sub> concentrations (the “net” component) along with deep and speedy emissions reductions from industrial fossil fuel use for a long-term 1.5°C trajectory.

## 2. Address agriculture emissions

As key players across the global food system, the G20 must take bolder steps to accelerate the low carbon transformation in the agriculture sector, focusing on efforts towards a sustainable global food system and taking a critical look at the inefficient life cycles of food currently produced.

Long-term food security, climate change and environmental protection go hand in hand: little food will be available in the future if we continue GHG emissions while emptying the ocean, degrading soils, depleting scarce water resources, or wiping out pollinators. Also, the industrial food production, mainly for meat (beef) and fodder consumes almost half of all agricultural land, encroaching into tropical forests and savannahs while producing less than 10% - 20% of calories or protein per unit than many vegetarian products. The industrial food production over its supply chain is responsible for more than 30% of global GHG emissions<sup>45</sup> and contributes to an enormous amount of food waste. Generally, agroecological systems and agroforestry with strong support for small farm holders and closed nutrient cycles hold the highest guarantee for enhanced biodiversity, soil carbon sequestration, food security and crop diversity across the globe.

Looking to the G20 to demonstrate leadership on this, especially across their varied local circumstances, immediate measures ahead of COP27 include, for example:

- A redirection of existing agriculture and forestry subsidies that are harmful to climate and biodiversity, towards activities that are aligned with a 1.5, nature-positive and equitable future for all.
- A commitment not to roll back environmental legislation or land use plans in the context of the imminent food crisis connected to the war in Ukraine.
- Stronger integration of a food systems approach in enhanced NDCs, as well as planning, implementation and policy processes in the run-up to COP27, including for example targets on a) sustainably managing half the area used for agriculture and aquaculture, with no new areas being converted; b) Halving food waste, and reducing post-harvest loss; c) supporting population shifting towards healthy, sustainable diets, in line with local cultural practices.
- Collaborative action initiatives by governments with private funders and non-state actors (also building on the FACT dialogue) to create funding schemes and long-term consistent support for implementation.
- Committed G20 countries report on progress to the [Global Methane Pledge](#) at COP27.

### Box 4 - Beyond carbon: Climate resilient development and food security

The war in Ukraine has also shone a spotlight on food systems, which have witnessed sharp rises in commodity prices amidst fears of shortages. These and other impacts on raw material supply chains show

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<sup>45</sup> IPCC, 2019: [Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems](#)

how vulnerable today's economies are to external shocks, particularly when based on the unsustainable production and consumption of natural resources. Just like it is the case for our energy systems, the war shows that **we need to accelerate the transition towards more resilient, sustainable, healthy and fair food systems**, rather than delay necessary action.

Since the start of the conflict, commodity prices have soared to their highest level since 2008<sup>46</sup>. The FAO Food Price Index rose to a new all-time high in February, exceeding the previous record in 2011<sup>47</sup>. Russia and Ukraine are real agricultural powerhouses, producing 12% of the calories produced worldwide<sup>48</sup>. In 2021, wheat exports by Russia and Ukraine accounted for ~30% of the global market<sup>49</sup>.

Countries around the world are feeling the direct impacts. Almost 40% of Africa's wheat imports come from Russia and Ukraine, and in February, US grocery prices were nearly 9% over a year prior, the largest increase in 40 years<sup>50</sup>.

Our globalised food systems face many deficiencies and problems, but shortage of supply is not one of them. Global food production today is sufficient to nourish the entire world population, even when factoring in the reduced exports and production losses in Ukraine (estimated to be 6-7% if production halts<sup>51</sup>). For example, the FAO forecasts that in 2022 global cereals production will even increase further, reaching record heights - despite the impacts of the war.<sup>52</sup>

Rather than the **production of food commodities, accessibility and affordability represent the most pressing challenges** now, particularly for low-income countries relying on food imports. Before the war in Ukraine started, price levels in the agricultural and fisheries sectors were already rapidly rising, in part due to climate change, supply chain disruptions and the economic impacts of the Covid-19 pandemic. The FAO now estimates that an additional 7.6 to 13.1 million people globally are at risk of undernourishment as a result of the war in Ukraine.<sup>53</sup> This comes on top of a rising number of people already suffering from malnutrition including undernourishment, overweight and obesity, and corresponding diet-related diseases due to existing conflicts, inequality and lack of access to healthy affordable food<sup>54</sup>.

### 3. Nature conservation

The G20 Member States have expressed their commitment to taking the necessary actions to put nature and biodiversity on a path to recovery by 2030, for the benefit of people and the planet, and achieving the vision of 'Living in Harmony with Nature' by 2050<sup>55</sup>.

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<sup>46</sup> Financial Times, Mar 3 2022: [Commodity prices soar to highest level since 2008 over Russia supply fears](#)

<sup>47</sup> FAO, 2022: [FAO Food Price Index](#)

<sup>48</sup> IFPRI Blog, Jan 24 2022: [How will Russia's invasion of Ukraine affect global food security?](#)

<sup>49</sup> GAIN, Mar 28 2022: [How war in Ukraine impacts global food supplies](#)

<sup>50</sup> How war in Ukraine impacts global food supplies

<sup>51</sup> BBC, Apr 2 2022: [Will the war in Ukraine cause a global wheat shortage?](#) More or Less: Behind the Stats radio episode.

<sup>52</sup> FAO, 2022: [FAO Cereal Supply and Demand Brief](#)

<sup>53</sup> FAO, 2022: [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict](#)

<sup>54</sup> FAO, IFAD, UNICEF, WFP and WHO, 2021: [The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all](#)

<sup>55</sup> [G20 Environment Communiqué](#), Naples, July 22, 2021

They recognize the importance of advancing policies that protect and restore nature due to its cost-effectiveness and ability to provide multiple social, environmental and economic benefits. By protecting and restoring natural ecosystems such as forests, peatlands, coastal wetlands and seagrass meadows, enormous volumes of carbon can be retained, captured and stored for the long term. CAN notes that this can only be successful when done in parallel with rapid reduction in fossil fuel emissions throughout the G20. If done right, ensuring the fundamental role of indigenous land rights and tenure, this will not only secure the integrity and stability of ecosystem carbon reservoirs but also provide numerous other benefits.

In 2021, G20 agreed to join efforts to advance together within a structured and ambitious agenda around ten key goals: (i) investment in nature as a means to address joint socioeconomic and environmental challenges; (ii) creation of an International Environmental Experts Network to boost capacity building; (iii) protection and restoration of degraded lands for an inclusive and sustainable recovery; (iv) sustainable water management; (v) protection of oceans and seas; (vi) reduction in marine plastic litter; (vii) improvements in sustainable and circular resource use; (viii) investment in circular cities; (ix) improvements in education, capacity-building and training; and, (x) growth of green finance and blue finance measures.

By COP27, G20 could demonstrate progress on these commitments through, for example:

- Setting ambitious, rights based targets for the protection, conservation and restoration of ecosystems and biodiversity, including the role of land and ocean sinks in updated national plans - NDCs, LTSs and NAPs.
- Developing a G20 framework recognising the importance of the role, and integrity, of ecosystems in meeting the objectives of the Paris Agreement
  - Collectively calling for the goal to halt and reverse the loss of nature by 2030 be incorporated into the Global Biodiversity Framework to be agreed at CBD COP15, alongside implementing supporting nature-positive policies and investments.
  - Collectively calling for concrete, action-oriented goals for the first Ocean and Climate Change Dialogue.
  - Support the assessment of ecosystem provisions through the Global Stocktake, and preparing and submitting relevant information as Source of Inputs (e.g. identifying the risks, damages and perverse incentives for biodiversity and natural ecosystems associated with current mitigation efforts, rules and definitions in the UNFCCC)
  - Support the classification of the UN System of Economic and Environmental - Ecosystem Accounts as a Source of Input to the Global Stocktake to facilitate integrated action on climate, biodiversity and climate resilient development.
- Each G20 country presenting implementation strategies for all relevant sectors aiming to maintain and enhance land and ocean carbon sinks through effective protection and restoration of natural ecosystems, in engagement with indigenous peoples and local communities whilst safeguarding and protecting their rights.

#### 4. Increasing and Shifting financial flows

The 2021 G20 Nature Communique “*highlight[s] the urgent need to align financial flows to sustainable development, as well as for additional financial flows from a wide variety of sources if we are to meet*

*biodiversity, ocean, land degradation and climate targets and enhance ecosystem services” (para 22)<sup>56</sup>. The communique further underlines the synergies in financial flows for climate, biodiversity and ecosystems, and the need to strengthen them to maximise co-benefits yet fails to quantify the scale of flows necessary. The scale of finance needs has been captured by the 2022 [State of Finance for Nature in G20](#) report which finds that the G20 countries had invested US\$120 billion in nature in 2020 which would be insufficient to meet global net zero targets. A four fold increase in nature by 2050 is required to ensure global targets are met, requiring G20 countries to scale internal spending by 140% to US\$285 billion/year by 2050.*

Closing the global biodiversity finance gap, estimated at around US\$700 billion a year, requires increased financial resources from all sources and from all governments, particularly from those G20 countries where per-capita consumption creates disproportionate impacts on global biodiversity.

Shifting financial flows for nature includes an increase of international public finance for biodiversity, primarily in the form of grants to developing countries to appropriately reflect the responsibility of developed countries.

However, increased financing alone will not be sufficient to halt biodiversity loss and restore nature. A significant boost in financial assistance from all sources should go hand in glove with an end to public and private investment that damages the environment. It is crucial that G20 countries address all incentives harmful to biodiversity, and ensure that these are redirected, repurposed, reformed or eliminated in a just and equitable way by 2030, so that incentives - including public and private, economic and regulatory - are either positive or neutral for biodiversity.

It is also key that financial institutions, businesses and the public sector align public and private financial flows to global biodiversity goals and targets. G20 countries should work towards regulatory frameworks that require all businesses and financial institutions (public and private) to regularly measure, assess and report on, and disclose their dependencies and impacts on biodiversity, and increase positive impacts, therefore reducing biodiversity-related risks.

## Beyond borders: the finance gap

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In addition to accelerating domestic action the G20 plays an important role in ensuring adequate flows of finance, technology and capacity building - between developed and developing G20 countries and also to support developing countries in meeting their conditional climate pledges. The importance of role cannot be understated in supporting climate justice, building solidarity and realizing climate resilient growth. G20 countries also have an important role to play in leveraging, and aligning partnerships and international cooperation to address finance barriers, as it has done through its country platforms which aim to unlock alternative development pathways in developing countries.

The finance gap is a significant barrier to achieving more ambitious climate action<sup>57</sup> and Parties missed the collective US\$ 100 billion climate finance goal in 2021. The current scale of finance<sup>58</sup> needed for sustainable infrastructure and accelerated energy transitions, adaptation and resilience building, and the restoration of natural capital and biodiversity has been estimated as an additional US\$0.8 trillion per year

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<sup>56</sup> G20 Environment Ministers, 2021: [G20 Environment Communiqué](#)

<sup>57</sup> IPCC, 2022: [Climate Change 2022: Impacts, Adaptation, and Vulnerability](#).

<sup>58</sup> Excluding the finance needs of China, and Loss and Damage finance

by 2025 and close to US\$2 trillion per year by 2030 for emerging economies and developing countries<sup>59</sup>. This goes well beyond the symbolic and yet to be delivered US\$100 billion a year in climate finance promised to developing countries. This will only continue to rise in the absence of delivery: The costs of delaying climate action have repeatedly been shown to be greater than the costs of action<sup>60</sup>.

Some of the notable progress CAN welcomes through the G20 process include:

- The “baseline global reporting standard” for climate and biodiversity-related financial disclosures, references in the [2021 Finance Ministers G20 Communiqué](#). As shareholder countries, G20 Finance Ministers and Central Bank Governors’ are challenging Multilateral Development Banks (MDBs) to optimise and deploy their balance sheets for enhanced impact. This includes an independent review of MDBs capital adequacy frameworks<sup>61</sup>.
- Recognition of the need to: “phase out and rationalise, over the medium term, inefficient fossil fuel subsidies, also stated in the 2021 communiqué. This includes focusing phase-out on subsidies that encourage wasteful consumption and commit to achieve this objective, while providing targeted support to the poorest and most vulnerable, and in line with national circumstances”
- Recognition of the critical importance of sustainable finance to a green, resilient and inclusive global economic recovery and to the achievement of the SDGs in the [The G20 Finance Ministers and Central Banks 2022 communiqué](#). Of particular note is the declaration that [the G20] “are taking forward actions of the G20 Sustainable Finance Roadmap, that is voluntary and flexible in nature, including by reporting and assessing on its progress in addressing the Roadmap priorities in the 2022 G20 Sustainable Finance Report.”<sup>62</sup>

Ahead of COP27, G20 countries must focus on demonstrating progress on these commitments - while building solidarity and credibility on climate finance processes as relevant to their respective circumstances. Relevant actions could include:

- Developed country members - including the US, EU and UK - urgently deliver the symbolic US\$ 100 billion a year ahead of COP27 to support developing countries. In doing so, the G20 should maintain support for balanced financial flows between mitigation, adaptation and addressing Loss & Damage.
- Update climate plans submitted to the UNFCCC to demonstrate greater clarity and transparency in terms of domestic and international financial estimates (pledged and disbursed), and details such as gender targeted projects and intersectionality of flows. This could include sectoral initiatives including, for example, resources to address and coordinate energy efficiency investments, enforcement and monitoring amongst G20 countries as well as sponsoring further alignment in recipient countries<sup>63</sup>. In doing so, G20 can demonstrate transparency by COP27 by

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<sup>59</sup> Bhattacharya, A, & Stern, N, 2021.: [Policy note Beyond the \\$100 billion: financing a sustainable and resilient future](#)

<sup>60</sup> Stern, N, 2006: [Stern Review: The economics of Climate Change](#)

<sup>61</sup> G20 Third Finance Ministers and Central Bank Governors Meeting, Venice, July 10, 2021: [Communiqué](#)

<sup>62</sup> G20 Finance Ministers and Central Bank Governors Meeting, Jakarta, Indonesia, 17-18 February 2022 [Communiqué](#)

<sup>63</sup> Sarker, T, Taghizadeh-Hesary, F, Yoshino, N, September 24, 2021: [Promoting energy efficiency financing within the G20: the role of fiscal instruments.](#)

aligning and anchoring their finance flows from a wide variety of sources with the Paris Agreement and the sustainable development agenda for a climate safe world for all.

- Collectively recognise the role of debt burden in the context of climate finance and pledge to further the Common Framework for debt treatments within a stated time frame. As the debt burden to the most vulnerable and exposed to climate change shocks continues to mount, the G20 has as yet been unable to respond to this growing issue of unsustainable debt<sup>64</sup>.
- Support the development of a New Collective Quantified Goal on Climate Finance guided the needs of developing countries; equity and fairness and on the principles of CBDR-RC. Contribute to its ongoing development throughout 2022 and at COP27 by preparing lessons learned and furthering international cooperation amongst G20 countries, including through the Just Transition Partnership, to inform on how partnerships can remove financial barriers.
- Commit to standardizing regulatory and prudential frameworks for financing climate action to urgently phase-out financing for fossil fuels promoting efficient capital-allocation decisions whilst minimizing risks within a stated time frame. In doing so, G20 should explore standardizing the accounting of carbon footprint of finance flows and demonstrate that action has already been taken to minimize it. Comparability and global tracking of carbon footprint is essential for informed investment decisions and leadership from the G20 governments could accelerate efforts of global enterprises in lowering global carbon footprint: The Science Based Target Initiative (SBTI) is an example of an initiative that could support these efforts.

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<sup>64</sup> Fresno, I. 2022: [G20 buries its head in the sand amidst increasing calls for action on sovereign debt](#)

## Conclusions

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The year 2022 affords an important opportunity for G20 countries to show global climate leadership. Responsible for more than 80% of the world's GDP, around 80% of global emissions and home to some of the most globally significant carbon sinks, the G20 must demonstrate enhanced ambition and implementation in line with the Glasgow Pact at COP27. With this in mind CAN has carried out assessments in each G20 country to explore their role and immediate opportunities in addressing this emissions gap.

This report summarizes the high level potential, illustrating key common areas for enhanced ambition across energy and ecosystems. CAN calls on G20 countries to consider the recommendations enclosed: **We find that every member of the G20 has considerable potential for accelerated ambition emissions reductions across all sectors above and beyond their current emissions reduction pledges ahead of COP27.**

Parties will be looking to the G20 for leadership in the face of the IPCC 6th Assessment Report which expresses clear alarm on the insufficient collective climate ambition thus far. It calls for immediate action if we are to limit global warming to below the global temperature goals. Moreover, there are ample cost effective opportunities to link environmental, economic and social improvements through rapid and managed low carbon transitions. Leadership in 2022 on this climate resilient development is all the more vital in the context of critical global developments, including the Global Pandemic and the War in Ukraine. Finally, *at least* the tardy delivery by developed countries on the US\$ 100bn pledge by COP27 is one example of key activities needed to ensure these benefits are not confined to the G20, and is vital to show solidarity and credibility of climate action for all Parties.

Full findings will be made available in supplementary country factsheets published ahead of COP27, and will include recommendations across all sectors. All documents will be accessible through the [CAN International website](#).