



TASK FORCE - 4 —————

REFUELLING GROWTH

**CLEAN ENERGY AND
GREEN TRANSITIONS**

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WORKSTREAMS

- TECHNOLOGY TRANSFER FOR GREEN TRANSITIONS
- CLIMATE MAINSTREAMING AND EMBEDDED GREEN TRANSITION POLICIES
- ROLE OF MDBS, BLENDED FINANCE, NEW INSTRUMENTS, AND PRIVATE CAPITAL
- ASSESSMENT OF EMERGING ENERGY AND FUEL CHOICES
- G20 & INTERNATIONAL PARTNERSHIPS

ABOUT THE TASKFORCE

This Task Force will discuss how the green transition can be mainstreamed, the energy transition accelerated, and transition financing made more urgent and inclusive. From reducing fossil fuel dependence to technological assistance, what can the G20 do to catalyse vital inputs for this urgent transition? The transition from fossil fuel dependence to green energy needs to be equitable. How can we ensure that the green transition encompasses companies, citizens, and households in a manner that is just and sustainable? What are the instruments and institutions that are needed, domestically and globally, to ensure a swift energy transition and embed green growth in countries' development pathways? What are sustainable energy choices that can be scaled up and are affordable? How can the G20 support international efforts such as the International Solar Alliance and others?

ACKNOWLEDGEMENTS

This Task Force Statement collates the primary ideas and recommendations of the Task Force members, shared over the course of the year through meetings, convenings, and working groups. The Task Force comprises 18 members from 17 institutions.

PREAMBLE



Addressing climate change will require a near-term strategy to slow the rate of warming this decade, and a robust longer-term transition that is ambitious but also just and inclusive. A global just and inclusive transition must be cognizant of the need for developing economies to ensure that they undergo a clean energy transformation while also ensuring improved access to affordable energy, alleviating poverty, building resilience by avoiding irreversible climate tipping points, and raising living standards by addressing heat stress and air pollution. The G20 must work towards a global cooperation on technology and finance to accelerate the transition to clean energy and achieve a global net-zero emission pathway that aligns with national priorities and the principle of ‘common but differentiated responsibilities’ (CBDR). To overcome financial barriers that hinder the deployment of clean energy, the energy transition must reduce the cost of capital and de-risk green projects in developing economies that have the greatest potential for scaling up these technologies. Moreover, to ensure a just transition, energy security must be a vital consideration. Therefore, the G20 must closely collaborate to facilitate technology co-development and ensure reliable and accessible supply chains for green technologies.

1. There is a need for improving access to clean energy technologies in all forms to bring down emissions levels and achieve net-zero targets.
2. To reflect the aspirations for a better standard of living and well-being, and to escape poverty, there is a need to increase energy access to all on an equitable basis and to ensure that the energy transition decreases heat stress and localised air pollution that disproportionately impact the younger and older generations.

¹ Clean energy technologies could include solar energy, wind energy, hydrogen, ammonia, nuclear, biofuels, carbon capture utilisation and storage, and energy efficiency. The classification of clean energy will depend upon national priorities

3. As G20 countries strive to identify and adopt key principles and guidelines for a just and inclusive transition, the following fundamental aspects must be considered:
 - The focus of a just and inclusive transition must be on the entire economy, including energy, industry, transport, agriculture, thermal comfort, and forestry sectors.
 - A just and inclusive transition must result in net positive environmental, social, and economic outcomes.
 - A just and inclusive transition must ensure energy access and security as well as social and environmental justice for the workers and communities dependent on fossil fuel and fossil fuel-dependent industries to ensure that no one is left behind.
 - A just and inclusive transition in developing economies will require finance and technology support over and above those required for a clean energy transition. Therefore, an ambitious G20 collaboration is essential to mobilise finance, technology, and capacity for a just and inclusive energy transition in the developing countries.
 - A just and inclusive transition must be responsive to the needs and requirements of the vulnerable population, including informal workers, women, and indigenous communities.
 - The unique needs associated with a just and inclusive transition should be mainstreamed in the G20's approach to climate finance and energy transition finance.
4. Energy security is key, including for the fuels of the future that will drive this energy transition.
5. The socioeconomic impacts of the energy transition must be taken into account in comprehensive planning and strategies.

² Key focus area identified in priority two on clean energy technologies in the Bali Energy Transitions Roadmap

6. Improving energy efficiency, including ensuring proliferation of low global warming potential (GWP) and high energy-efficient appliances, in line with the Kigali Amendment to the Montreal Protocol is an important pillar to ensure energy security and to control energy costs.
7. To achieve climate justice, developed countries must provide concessional financing to developing countries for their energy transition towards achieving net-zero emissions.
8. Regional/global renewable energy-based electricity trade can be an effective strategy for national clean energy transitions. It can complement the domestic investment and development of renewable capacity. Renewable energy-based electricity trade can help to maintain grid stability and provides an alternative to the integration of storage in the grid system. Due to the presence of generation source complementarity and variation in demand patterns across countries, renewable electricity trade has the potential to provide economic benefits to all trading partners.
9. Women should benefit equally from, and be supported to, help lead the green transition. Women-led micro, small, and medium enterprises (MSMEs) should get greater access to climate finance and skills to become more resilient and leaders in generating dignified livelihoods for women.
10. Lack of a supportive environment, including discriminatory social norms and institutions, the disproportionate burden of unpaid care work, and reduced access to education and opportunities, especially employment, contribute to marginalise women and girls and reduce their capacity to be vectors of change. Evidence shows that tackling discrimination and putting women and girls at the centre of economies, including through harnessing the employment opportunities provided by care economy and societies can fundamentally create better sustainable development outcomes.

ACTION POINTS



1. The G20 countries must work towards encouraging existing and newer formats of cooperation to further decarbonisation and GHG emission reduction efforts. The Energy Transition Working Group and the Trade and Investment Working Group must work together to encourage countries to practice non-discriminatory trade policies.
2. The G20 energy ministers should work towards moving beyond the technology transfer paradigm and collaborate to create models of technology co-development, wherein stakeholders across countries jointly develop and own technologies that can accelerate the energy transition.
3. There has been an alarming increase in fossil fuel subsidies in the last year. The G20 must build on earlier efforts to commit to a timeline to phase out and rationalise production subsidies to prevent new fossil fuel investments and reform untargeted consumption fossil fuel subsidies that encourage wasteful consumption, while providing targeted support for the poorest and the most vulnerable.
4. The G20 energy ministers should encourage and support the development of roadmaps for eliminating untargeted fossil fuel subsidies. This should especially address subsidies for Arctic oil and gas developments, which can help protect the region, the weakest link in the chain of climate protection. This should be initiated by improving transparency on existing fossil fuel subsidies. The G20 members should commit to reporting all support for fossil fuels under indicator SDG 12.c.1 in a comprehensive manner and on an annual basis, thereby leading by example and encouraging improved data transparency from all parties to the SDGs.
5. Carbon pricing can stimulate shifts to low carbon options and offset the eventual loss of fossil fuel tax revenue but must be differentiated by country development level and/or redistributions to the most affected communities. There should not be any conditionality linking trade, investment, or development assistance to carbon pricing. The G20 energy and finance ministers must reflect deeper on the implication of carbon trade measures on growth, equity, inclusivity, and CBDR principles.

6. Alongside policy incentives, a stepwise mobilisation of investment is needed in new industries, technologies, people, and institutions to guarantee a just and sustainable transition.
7. The G20 finance ministers and central bank governors must articulate a mission for development finance that is geared toward low carbon, climate resilient, and socially inclusive growth and development. Development finance should prioritise those investments that can slow the rate of warming most effectively in the near-term, to slow self-amplifying feedbacks and avoid irreversible climate system tipping points.
8. The G20 should consider establishing a Green Development and Investment Accelerator to streamline the flow of bankable clean energy projects by serving as a global institution to support country-specific de-risking initiatives and scale best practices globally. The main purpose of this institution will be to convene trilateral processes among governments, industry, and financiers to identify key capital flow challenges, engage stakeholders to develop solutions, and establish syndication mechanisms for deal flow at the process's end.
9. The G20 finance ministers and central bank governors should prepare an annual Green Finance Report tracking clean energy investments and other finance for climate action.
10. The G20 must tackle the twin challenges of climate action and rising indebtedness. Efforts at the annual meetings of the World Bank, IMF, and other fora must ensure that finance is directed to the energy transitions in a way that does not add to debt burden and instead creates net jobs and additional economic growth.
11. The G20 finance ministers and central bank governors must work towards increased financing for clean energy transitions through such measures as committed capital increases in multilateral development banks (MDBs) and national level development financial institutions (DFIs), and implementing G20 recommendations on capital adequacy frameworks.

12. MDBs and international financial institutions (IFIs) must become more effective in mobilising private capital flows and de-risking investments in clean energy in the developing world, with a particular focus on mobilising climate finance for subnational governments. The MDBs and IFIs should support the climate transition through risk assessments, diagnostic tools, blended financing structures, and innovative approaches to debt-for-climate swaps in emerging and developing economies. The G20 finance ministers should prioritise these tasks for MDBs and IFIs and set principles for coordinated actions.
13. The G20 should look to establish coordinating and pooling mechanisms for MDBs to combine balance sheets and cooperate on clean energy transitions with national DFIs.
14. Private equity and venture funding are needed to catalyse new business models, especially MSME-focused venture capital/private equity funds with a mandate to invest in green energy in smaller economies.
15. The G20 can create a global platform to de-risk private investment and align financial regulation to trigger substantial new investment in sustainable infrastructure in developing countries and their most populated cities. It would focus on de-risking investment and reducing credit risk, with a more strategic allocation of currency and political risks across reformed multilateral financial institutions.
16. The G20 must promote resilient and sustainable clean energy supply chains. The G20 must build on existing efforts such as the G20 Resource Efficiency Dialogue to highlight the need for a circular economy that focuses on recycling critical minerals and e-waste. Existing platforms should be utilised to encourage and enable cooperative actions by governments and the private sector such as enhanced peer learning, technology awareness, and improved financial access to boost global efforts for resource efficiency and to ensure a circular economy.

17. Clean supply chains should include considerations of cold chains upon which food security, global health and pandemic response, and energy security are dependent. The G20 should commit to build upon previous agreements, such as Food and Agriculture Organization's Technical Platform on Food Loss and Waste and the G20 Action Plan on Food Price Volatility and Agriculture, that support food and energy security and climate objectives by directing financial resources and otherwise supporting member countries to adopt integrated national and regional cold chain policies.
18. The G20 countries should support green public procurement for public goods to strengthen market shifts as it sends strong signals about effective demand for green products and encourages manufacturers, financial institutions, and the market ecosystem to adopt practices directly favouring green products. Bulk purchasing of super-efficient equipment can aggregate demand and move markets towards newer, energy-efficient, higher quality, and low GWP appliances.
19. The G20 countries, led by its energy ministers, should design an energy security architecture that responds to the energy needs of developing countries and economies, while also creating a framework of rules that governs the fuels of the future.
20. The G20 should champion the cause of the 'V20' (most vulnerable countries) on climate finance, loss and damage, and just transition.
21. The G20 leaders should consider endorsing the principle for a Global Climate Alliance (GCA) through a dialogue with the G7 Climate Club with the aim to create a common structure that better reflects the interests of the Global South. The GCA could immediately raise decarbonisation targets for its members, with specific focus on the world's major greenhouse gas emitters. The GCA should focus on delivering tangible short-term outcomes related to mitigation, investments, and jobs, particularly for key sectors such as renewables, steel, cement, and green hydrogen.

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