

The goal of this report is to analyze the climate change agenda of the G20 presidencies from 2017 to 2023, focusing on how climate finance has been addressed. The resulting analysis will be used to reflect on the outlooks for the climate change agenda of the 2024 Brazilian presidency.

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Introduction

The current climate emergency is part of an unprecedented ecological crisis. It is the biggest threat to human survival that we have faced so far, since it represents a risk not only to the ecosystems' balance and services, but also to the economic growth and the population's well-being. According to the last summary report about the Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) (2023), human activities, principally through emissions of greenhouse gasses (GHG), have unequivocally caused global warming. As a consequence, in the last decade, the global surface temperature reached 1.1°C above the temperature corresponding to the pre-industrial period. In this context, if the current climate policies continue showing low ambition, it is estimated that global warming will rise to 3°C (United Nations Environment Programme, 2023), which will make the Paris Agreement targets unachievable.

In this context, the G20 functions as a place of discussion and debate for the main decision makers of the world when it comes to global climate governance. Particularly, when we take into account that the main subjects for discussion during 2024, both within and outside the United Nations Framework Convention on Climate Change (UNFCCC), will revolve around climate finance, through the negotiations about the New Collective Quantified Goal on Climate Finance (NCQG) and the operationalization of the Loss and Damage Fund, with the World Bank as a financial intermediary fund.

Brazil is in charge of the 2024 G20 presidency. With the motto "Building a just world and a sustainable planet," the Brazilian presidency aims to boost economic development, fight hunger, poverty, and inequality all around the world, and promote environment and social development that includes a just and inclusive ecological transition.

It is important to highlight that the Indian presidency (2023), the current Brazilian presidency, and the future South African presidency (2025) (or the so-called troika¹) represent an opportunity for the Global South to submit their agenda, concerns, problems, and needs that for years have been set aside for the Global North's priorities.

What is the role of the G20 in addressing the international climate change agenda?

Although the G20 was first an economic and financial forum, after their relaunch in 2008, driven by the challenges caused by the global financial crisis, they expanded their agenda and committed to address other global challenges, such as the climate crisis.

There is no doubt, given the group's characteristics, that the G20 is an actor that must be considered in the fight against climate change: they represent two-thirds of the world's population, around 85% of the world GDP, and 75% of international trade. Collectively, they are responsible for 76% of global greenhouse gas emissions (G20, 2024:4; UNEP, 2023:5) and they gather the largest emitters of GHG globally. Using 2023 values, the United States is responsible for 25% of the global emissions, followed by the European Union (22%), China (13%), Russia (6%), Japan (4%) and India (3%) (Climate Transparency, 2023:1). And Brazil is the World's 7th largest emitter (3.09%), according to the Climate Watch's most recent calculations².

On the other hand, the G20 composition³ is relatively balanced in terms of countries with advanced economies and emerging economies, which provides it with a superior potential effectiveness compared to other forums or international organizations when it comes to coming to consensus building. However, in a context marked

1. The G20 works with a troika system, a set of three members composed by the previous, current, and incoming presidencies. The government that holds the presidency coordinates the group with the support of the other two members (G20, 2024).

2. Brazil's climate profile according to Climate Watch: https://www.climatewatchdata.org/countries/BRA?end_year=2020&start_year=1990#ghg-emissions. Retrieved: January 29th, 2024.

3. G20 member countries: Argentina, Australia, Brazil, Canada, China, France, Germany, Japan, India, Indonesia, Italy, Mexico, Russia, South Africa, Saudi Arabia, South Korea, Turkey, the United Kingdom, and the United States. There is also the active participation of the European Union and the African Union (incorporated in 2023 at the Leaders Summit in New Delhi, India).

by fragmentation and lack of political willingness and trust in multilateralism to provide global solutions, the G20 has been questioned regarding their legitimacy to intervene and their effective and representative capacity to make decisions and adopt measures to face global challenges, such as climate change. According to Berger, Cooper, and Grimm (2019:494), the G20's legitimacy is questioned both from within –by their member countries– and from outside –by the countries that are not part of the G20–, given the possible effects of the group's political decisions on the whole system. Furthermore, the decisions made within the forum are non-binding for their members and they do not function as a negotiating group in the UNFCCC's Conference of the Parties (COP).

Despite all this, the G20 is worthy of close examination, given the role it has as a high-level forum for political discussion and for drawing international attention on the agenda of climate change and climate finance.

Climate leadership within the G20

The year 2015 marked a key milestone in the fight against climate change: the Paris Agreement was reached. International, legally binding and in effect since 2016, the Agreement marked the start of a change towards a world with zero emissions and provided a framework that guides the member countries' mitigation and adaptations actions.

The government decision made by the American former president Donald Trump in 2017 that consisted of withdrawing the United States from the Paris Agreement, and his decision to stop fulfilling his Nationally Determined Contribution (NDC) represented a crossroad for the G20. That year, Germany was in charge of the group's presidency, and the Leaders Summit held in Hamburg worked as an international platform to reaffirm the irreversible nature of the Paris Agreement, and the parties' commitment to fully implement said agreement, despite the United States' decision (Solikova, 2020). By doing so, and thanks to the German leadership, the G20 managed to maintain a united position and send a message of continuity and stability to the world, which was essential to strengthen and maintain the validity of a key international agreement.

In terms of climate finance, this year, the American position caused difficulties in achieving concrete commitments (Larionova, 2022). However, they were successful in expressing, in the Hamburg Declaration, the need for the operationalization of the Green Climate Fund and for the fulfillment of the commitment to provide the means of implementation for mitigation and adaptation actions. They also highlighted the role of multilateral development banks in providing climate funding.

It is worth noting that, during the German presidency, the Climate Sustainability Working Group, which addressed climate and energy issues, was created. In line with that, the Hamburg Declaration was the one that recorded the most commitments in terms of energy in comparison with the previous G20 leaders' declaration. They reaffirmed the commitment made in Pittsburgh⁴ to phase-out inefficient fossil fuel subsidies, and they mentioned the need to mitigate GHG emissions through clean energies and energy efficiency. Thus, the declaration expressed advocacy for the development and implementation of energy strategies to increase the proportion of renewable energies in the energy matrix of the member countries.

During the Argentinian presidency in 2018, the division between the members was even more evident, especially due to the American position and the approach to the climate change agenda (Solikova, 2020). This situation, made worse by the weakness of multilateralism, the commercial tensions, and the obstacles in the negotiation within the World Trade Organization, in the ministerial meeting of the Organisation for Economic Co-operation and Development, and within the G7 made it extremely difficult to achieve an agreement within the G20. In fact, "the sherpas' negotiations on the Buenos Aires declaration were the longest and hardest in the G20's history" (Larionova, 2022:259).

4. The G20 Leaders' Declaration of 2009 in Pittsburgh (United States) represents a very important milestone. In this declaration, the parties committed to "progressively reduce the medium-term inefficient fossil fuel subsidies which undermine efforts to deal with the threat of climate change". They also committed to stimulate investment in clean and renewable energy sources and in energy efficiency, and to provide financial and technical support for such projects. Lastly, the declaration promotes energy market transparency and stability.

To face these difficulties, the Argentinian presidency adopted a pragmatic position to the approach to the climate change agenda by separating the issues of energy (Energy Sustainability Working Group) and climate change (Climate Sustainability Working Group). This decision received strong criticism, especially from Germany (a troika member at the time). On the other hand, it is worth noting that the Climate Sustainability Working Group focused their work on issues related to adapting to climate change. The fact that the Adaptation Work Program was launched “shows that for the first time the topic of adaptation reached political equality with mitigation at the G20 in terms of good results (...)” (Bueno, 2021:4). However, according to Solikova (2020:33), the final conclusions on climate “were very vague.”

In regards to climate finance, the Declaration raised the issue of the alignment of international finance flows to low emission strategies, as established in the article 2.1.c of the Paris Agreement.

Lastly, it is important to note that, despite the tensions, the Argentinian presidency succeeded in restating the support to the Paris Agreement and its irreversible nature in the leaders’ declaration.

In 2019, Japan was in charge of the G20 and stated that one of their priorities for that year was to focus on climate change as a means for economic growth and environmental protection. The main debates revolved around cooperation and action in terms of adaptation and disaster risk reduction. On the other hand, there was an agreement between the parties in regards to improving energy efficiency and to transition to greener power systems and clean economies. This path includes new energy technologies such as hydrogen, renewable energy, carbon capture and storage, and utilization (Solikova, 2020:34). Furthermore, the Osaka Declaration renewed the Pittsburgh commitment.

In terms of climate finance, the Osaka Declaration used similar language to Buenos Aires’; that is to say, they reinforced the call on developed countries to provide the needed fundings for mitigation and adaptation actions in developing countries. In general, the Japanese presidency produced modest progress in regards to the climate change agenda (Larionova, 2022).

The years 2020 and 2021 posed a triple global challenge: a health crisis, an economic crisis, and a social crisis, caused by the COVID-19 pandemic.

The G20 Saudi Arabian presidency in 2020 took on the challenge to hold virtual emergency meetings in a context marked by uncertainty. Regarding the climate change agenda, the Riyadh Summit did not achieve substantial progress. However, in the leaders’ declaration, they restated the commitment to implement the Paris Agreement and the support of the climate negotiations in the UNFCCC framework. In the matter of climate finance, the declaration recalled the commitment of developed countries to mobilize USD 100 billion per year by 2020 to address the needs of developing countries.

The creation of the COVID-19 vaccine in 2021 marked the beginning of the recovery and the end of the pandemic. That year, Italy was in charge of the G20 presidency and it made climate change a cross-cutting issue to all the others discussed by the group. The Italian presidency sought, according to Larionova (2022), to energize climate governance dynamics by coordinating the G20 with diverse international institutions related to climate change.

In the matter of climate finance, the Rome Declaration reaffirmed the crucial role of the international financial institutions and the multilateral development banks in facing climate change and achieving the Sustainable Development Goals. In addition, the parties reaffirmed the commitment to mobilize by 2020 and up to 2025, USD 100 billion per year to support developing countries.

After the COVID-19 pandemic, the international scene faced a new event with global consequences: the Russian invasion of Ukraine and the international energy crisis caused by the armed conflict. In this context, Indonesia assumed the G20 presidency in 2022, which started a period of presidencies held by the Global South.

According to Liu (2023), the war in Ukraine directly affected the G20 dynamics, since several leaders refused to share the same space with the president of the Russian Federation, Vladimir Putin. This posed a challenge for the Indonesian presidency. Finally, both Russia and Ukraine were invited to participate (even though Ukraine is not a member of the group) and the Bali Declaration expressed absolute repudiation to the war and a demand to withdraw Russian troops (Liu, 2023:130-131).

Regarding the climate change agenda, they restated the commitment to the Paris Agreement's target to keep the global temperature increase below 1.5°C. In addition, the parties renewed their support of the negotiating process under the UNFCCC. In reference to the Sharm-el Sheikh COP27, the declaration encouraged the parties to scale up adaptation and mitigation efforts and the provision of means of implementation. It also called on parties to make progress on the contentious issue of loss and damage.

As to climate finance, the Bali Declaration brought up several important issues, both related to negotiation items within the COP and outside the UNFCCC framework. Within the COP, the declaration urged developed countries to fulfill their commitments made in Cancun and mobilize USD 100 billion per year to support the efforts of developing countries against climate change. Furthermore, it expressed support to the negotiations of the New Collective Quantified Goal on Climate Finance (NCQG) and it recalled the Glasgow commitment to at least double the funding provided to developing countries for adaptation action by 2025. In terms of funding schemes outside the Convention, the Bali Declaration called on the multilateral development banks to mobilize additional funding to help achieve the Sustainable Development Goals and the actions to fight climate change.

In 2023, India took over the G20 presidency after Indonesia. The Indian government used this opportunity to prove that the country is on its way to become a global leader in the 21st century. In order to do this, they sought to maximize the areas of consensus amongst the G20 members and to present themselves as the voice of the Global South (Liu, 2023:134-135).

Regarding climate change as a subject of the agenda, the Indian presidency showed great interest. This was reflected on the numerous pages of the New Delhi Declaration that were dedicated to this issue, where several key commitments were made. They highlighted their support of the UNFCCC, the Paris Agreement, and of the negotiating process that would take place in Dubai at the COP28. In this context, the declaration called on parties to contribute to a successful conclusion of the first global stocktake, to the operationalization of the Loss and Damage Fund and to the achievement of positive results for the New Collective Quantified Goal on Climate Finance, from a floor of USD 100 billion a year.

In respect to climate finance, the declaration recalled and reaffirmed the developed countries' commitment to mobilize USD 100 billion per year until 2025 to support the developing countries' efforts, and it highlighted the need of increasing investments and climate finance from billions to trillions of dollars. It also highlighted the need to provide resources to the Green Climate Fund for its 2024-2027 programming period.

One of the Indian presidency's achievements in pursuit of strengthening the Global South's position within the G20 was the official incorporation of the African Union.

Outlooks for Brazil's presidency

The previous analysis indicated that, in the last years, the climate change agenda has gained ground in G20 conversations. However, after every summit, there is still uncertainty about whether the commitments expressed in the leaders' declarations will be effectively implemented or if they will only remain a display of good will.

According to the Emissions Gap Report 2023, none of the country members of the G20 has given any indication of reducing their GHG emissions at a pace that is consistent with their climate commitments. So much so that the member countries' GHG emissions have collectively increased 1.5% in 2022 (UNEP, 2023:17).

The climate crisis requires countries, particularly the G20 members to take action and implement the reached agreements, using the Paris Agreement and the results observed in the Global Stocktake adopted at the COP28 as a guide. However, as it has been mentioned, the G20 does not have the capacity to legally bind their members to adopt the actions and the conclusions reached. That is why the role of the country that holds the group's presidency is fundamental, so they can take advantage of the international attention created around the ministerial and leaders' meetings, and bring up the most important issues to fight climate change.

In this sense, Brazil now has a great opportunity ahead, since it will not only host the G20 and the Leaders Summit this year, but it will also host the COP30 in 2025. This is an opportunity for Brazil to bring to the table and debate issues that trouble and afflict the Global South's societies, but especially Latin America, and the diverse and complex realities that affect the region's countries, which are not only climate issues, but also social and economic ones.

Issues like debt and development disparities keep many developing countries from adequately facing the climate crisis. Improving the access to unconditional climate finance, phasing-out the production and consumption of fossil fuels, promoting a just energy transition that encourages the participation of renewable energies and ensures that human rights are respected, and preserving the biodiversity and reinforcing the adaptation actions are some of the issues that developing countries, but especially, our region, are concerned about. The challenge for Brazil will be to channel the Global South's priorities, especially our region's, and to find inclusive solutions that take into account the different circumstances and needs of developing countries and of the most vulnerable countries. To sum up, the Brazilian presidency has the opportunity to give a new meaning to the climate conversations in the G20 context, in order to build a new political consensus, particularly in regards to a just energy transition and the global financial architecture reform, to address the challenges posed by the triple climate, social, and economic crisis.

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