Climate Transparency

Note: Media are invited to join the Climate Transparency webinar at 1000 hrs CET 3 July – details below.

G20 begins transition to low-carbon economy, but too slow for Paris Agreement goals – report

Berlin- 3 July 2017 - G20 countries have stepped up green finance, but their investment in fossil fuels remains so high that the "well below 2 degree" warming limits set in the Paris Agreement will be missed by a wide margin, says this year's "Brown to Green" Report from Climate Transparency.

The "Brown to Green Report 2017: the G20 transition to a low carbon economy" is the third annual stocktake of the G20's climate efforts by the Climate Transparency global partnership, released today ahead of this year's meeting of G20 leaders in Hamburg. It has been developed by a group of experts from the G20 countries Argentina, Brazil, China, France, Germany, India, Indonesia, Mexico, South Africa and the UK.

The report provides the most comprehensive - yet concise - overview on G20 countries' transition to a low-carbon economy. It rates their performance in emissions reductions, climate policy, finance, and decarbonisation, and provides graphic factsheets on each country.

"The G20 economies are becoming more efficient – they are beginning to decarbonise, but not enough to meet the goals of the Paris Agreement," said Alvaro Umaña, Co-Chair of Climate Transparency and former environment minister of Costa Rica.

"The G20 countries use energy more efficiently and use cleaner energy sources, but energy consumption and the economies have grown. So the overall growth of greenhouse gas emissions is slowing, but is not yet in decline. Renewables are on the rise, but coal and other fossil fuels still dominate the G20's energy mix," said Niklas Höhne of NewClimate Institute.

"After President Trump resigned from the Paris agreement, and began dismantling important national climate policies like the Clean Power Plan, experts now give the US much lower ratings for policy performance. The pro-Paris reactions in a lot of US States and cities will hopefully help it to still play a part in combating the climate crisis," said Jan Burck from Germanwatch, co-author of the study," said Jan Burck from Germanwatch, co-author of the study.

The report and the graphic country profiles are available here. http://www.climate-transparency.org/g20-climate-performance/g20report2017

Decarbonisation highlights

- **The report's G20 decarbonisation ratings overall are mixed:** the EU and its G20 member states get good ratings overall, while Russia is rated low, with Australia very low.
- **Renewable energy is on the rise.** The G20 countries are already home to 98% of global installed capacity of wind power, 97% of solar power and 93% of electric vehicles. In most G20 countries, renewables as part of the energy supply are growing, except in Russia, where absolute

renewable energy supply has decreased by 20% since 2009. China, the Republic of Korea, Turkey and the UK have all experienced strong growth.

- **The G20 countries' greenhouse gas emissions grew by 34% between 1990 and 2014.** Yet, in the same period their economies grew more, by nearly 117%, demonstrating that they are using energy resources more efficiently than in the past.
- **The carbon intensity of the G20 total primary energy supply is still rising.** This is largely due to most of the G20 countries meeting their increasing energy needs with coal. While the G20 economy's overall energy and carbon intensity have both decreased, energy consumption and higher efficiency has not been sufficient to lead to an overall reduction in greenhouse gas emissions.
- **In half of the G20, greenhouse gas emissions per capita are no longer rising**. Canada has the highest greenhouse gas emissions per capita, followed by Saudi Arabia, Australia and the US.

Finance highlights

- **G20 countries are attractive for renewable energy investment,** especially China, France, Germany and the UK, although the UK has now abandoned its policy support for renewables.
- **Green bonds constitute less than 1% of each G20 country's debt market**, but recent growth rates are remarkable, particularly in China.
- **In 2016, more "green" than "brown" electricity generation capacity was installed worldwide**. Yet, there is still substantial public and private investment in G20 countries into "brown" energy infrastructure;
- **Between 2013 and 2014, the G20 countries' public finance institutions** such as national and international development banks, majority state-owned banks and export credit agencies, spent an average of almost USD 88 billion a year on coal, oil and gas.
- **Despite their repeated commitment to phasing out fossil fuel subsidies,** in 2014, the G20 countries provided a total of over USD 230 billion subsidies to coal, oil and gas.
- **Among G20 countries, the highest levels of public finance for fossil fuels** come from Japan and China, who provided about USD 19 billion and USD 17 billion a year between 2013 and 2014, respectively.
- **More carbon pricing mechanisms have been introduced in recent years.** Carbon prices and effective carbon rates, which take into account various energy taxes, still remain too low in G20 countries to encourage a substantial shift to a low-carbon economy.

Policy highlights

- **Most governments perform better on the international stage, but still lack progress on national policy and implementation.** China, Brazil, France, Germany, India, Mexico and South Africa are ranked the highest for climate action. Countries with the lowest climate policy performance ranking are the US, Australia, Japan, Saudi Arabia and Turkey.

- **None of the G20 countries score particularly highly on their Paris Agreement Pledges.** None of them are on a 2˚C or 1.5˚C emissions pathway.
- **Coal is being phased out in some countries.** Canada, France and the UK have established a plan for a coal phase-out (ranked high). Other countries, Germany, Italy and Mexico, are currently considering phasing out coal, or have taken significant action to reduce coal. India and China are ranked medium for their recent closure of - or cancellation of plans for - a number of coal plants.

Climate Transparency is an international partnership that brings together experts from Argentina (Fundación Ambiente y Recursos Naturales), Brazil (CentroClima/COPPE UFRJ), China (Energy Research Institute), France (The Institute for Sustainable Development and International Relations), Germany (Germanwatch, HUMBOLDT-VIADRINA Governance Platform, NewClimate Institute), India (The Energy and Resources Institute), Indonesia (Institute for Essential Service Reform), Mexico (Initiativa Climática de México), South Africa (Energy Research Center/University of Cape Town) and the UK (Overseas Development Institute).

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Online Launch (Webinar) of the Brown to Green report

You are invited to participate in the **Online Launch of Climate Transparency's Brown to Green Report 2017 - The G20 transition to a low-carbon economy on 3 July 2017 at 10 am CEST**.

Climate Transparency will present how well each G20 country has advanced in four areas: Emissions, Policy performance, Finance and Decarbonisation.

For registration, and details of the speakers, please register here.