



Brasil 2024
Let's rethink the world



T20 Brasil

Task Force 02

Statement



TF02

Sustainable climate
action and inclusive
just energy transitions



ORGANIZING COMMITTEE:



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Introduction to the Task Force's mission and priorities

The planet is facing an escalating climate crisis and accelerating biodiversity loss, with its effects increasingly evident. In parallel, the global fight against poverty and hunger has experienced significant setbacks in recent years, leading to heightened inequalities within and between countries. Many countries are struggling to expand energy access even as pressure grows to navigate energy transitions. Consequently, the world is falling short in implementing the Paris Agreement and the Sustainable Development Goals (SDGs).

Task Force 02 (TF02) is dedicated to addressing critical facets of climate action, with a particular emphasis on issues related to energy transitions and a central focus on inclusivity and justice. It is structured around seven thematic subtopics, which prioritize the following:

1. Developing policy proposals to ensure that the necessary shift towards sustainable energy is inclusive and fair for all;
2. Accelerating the shift towards sustainable consumption and production patterns, while decoupling economic growth from environmental degradation;
3. Fostering a shared understanding of the concepts of socio-bioeconomy and nature-based solutions (NbS), placing emphasis on their role in helping address the inter-related climate and biodiversity crises;
4. Promoting low-carbon infrastructure investments that foster inclusivity, resilience, and sustainability across society;

5. Optimizing access to multilateral and climate funds and leveraging private capital for climate finance;
6. Proposing ways to operationalize the concept of climate justice by ensuring equitable access to financing and technology transfer;
7. Contributing to greater transparency, accountability, and standardization of companies' Environmental, Social, and Governance (ESG) metrics and taxonomies.

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Diagnosis of main problems

The recommendations provided in the following section address various aspects of the global transition towards sustainability and climate justice, taking into account the priorities of the G20 Task Force on a Global Mobilization Against Climate Change, the Sustainable Finance Working Group, the Energy Transitions Working Group and the Initiative on Bioeconomy. The recommendations are based on the 110 policy briefs received by the T20 Task Force 02 and seek to provide solutions to the following challenges:

1. Inadequate institutional capacity: Developing countries often lack adequate resources and receive insufficient support to effectively develop institutional capacity to design and implement sustainable long-term transition plans. Additionally, financial, practical and legal barriers to developing and accessing green technologies hinder the successful execution of initiatives aimed at promoting green industrialization in developing countries.

2. Limited access to financing, especially for climate adaptation: Access to affordable finance remains a significant barrier to sustainable development initiatives, particularly in low-income and commodities-dependent countries and for vulnerable communities. Existing financial mechanisms, such as Multilateral Development Banks and Climate Funds, often lack transparency and fair credit ratings. They overlook adaptation and fail to prioritize funding allocation based on local/regional vulnerabilities and needs.

3. Unsustainable economic practices: The current unjust international taxation system and the continuation of inefficient fossil fuel subsidies perpetuate unsustainable economic practices and hinder the transition to a more equitable and climate-resilient

economy. These practices limit the resources available to address environmental degradation and social inequalities.

4. Insufficient participation and ownership of local communities, especially indigenous peoples and traditional communities:

Local governance and participation is key for guaranteeing effectiveness of climate action, while respecting local characteristics. Indigenous peoples and traditional communities, which possess valuable knowledge and practices for sustainable resource management, are often marginalized in decision-making processes related to bioeconomy and sustainable development. Their exclusion leads to neglecting critical perspectives and undermines the potential for achieving climate and social justice.

5. Lack of standardization and integration of social and biodiversity indicators:

There is a lack of standardized, inclusive, and interoperable frameworks for incorporating social and biodiversity objectives into sustainability requirements and Environmental, Social, and Governance (ESG) metrics. Without clear standards and metrics, it is challenging to accurately prevent the social and biodiversity loss impacts of economic and financial activities.

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Key recommendations

1. Fostering the just dimension of transition plans through institutional capacity building, technology transfer and adequate funding.

The G20 should exercise leadership in developing holistic transition plans that promote economic decarbonization, climate adaptation, biodiversity preservation, universal access to clean, affordable energy, whilst mitigating the social impacts of energy projects and reskilling labor forces. To ensure a fair global economic transformation, **the G20 should support the development of countries' capacities to design and implement long-term systemic plans** by committing, through appropriate finance and coordination mechanisms such as country platforms, to i) build institutional capacity for the design and implementation of nationally-led transition plans in developing countries; ii) increase South-South and North-South cooperation to facilitate the transfer of existing technologies and the development of new (and low-cost) technologies to promote a green industrialization pathway, focusing on low-income and commodities-dependent developing countries; and iii) develop grants-based and highly concessional finance mechanisms to fund such plans.

2. Promoting affordable and accessible climate and sustainable development finance through fairer and more effective Multilateral Development Banks and Multilateral Climate Funds.

G20 efforts to reform MDBs and MCFs must pursue justice and inclusiveness and follow a needs-based approach to ensure funding is allocated to countries and communities where it is most needed, especially for climate adaptation. This means securing i) **finance**

accessibility, by simplifying application procedures and providing grants to strengthen capacity-building for project designs; ii) **transparent finance flows and public disclosure systems** to prevent double counting and ensure that climate financing does not divert funds from other development priorities; iii) **concessional finance** to ensure affordable climate investments that do not exacerbate or create fiscal crises; iv) **standardization, including allocation criteria** for concessional funding that prioritizes vulnerable and low-income countries, disadvantaged groups, such as women and indigenous peoples, and small businesses, while adequately considering their adaptation needs alongside mitigation.

3. Ensuring climate justice through a fairer international tax system and subsidy repurposing.

The G20 should commit to work towards a fairer international taxation system and to repurpose fossil fuel subsidies to provide the means of implementation for just transitions. This can be achieved by establishing a common roadmap and timeline for subsidy repurposing containing an assessment of affected sectors, job retraining needs, policy-specific implementation deadlines and accountability mechanisms to redirect government support from fossil fuels to clean energy. Additionally, the G20 should support international tax cooperation to facilitate a coordinated implementation of fairer taxation on high-polluting corporations and a minimum tax on the wealth of very-high-net-worth individuals. The revenue generated from these measures should be redirected to sustainable development and climate action, considering the wide range of country needs, including for climate adaption in developing countries, given the substantial funding gap they encounter in this domain.

4. Placing indigenous peoples and traditional communities' knowledge, participatory governance and equitable benefit-sharing at the core of the design and implementation of the G20 High-Level Principles on Bioeconomy and other relevant G20 instruments, such as the G20 High-Level Principles for Lifestyles for Sustainable Development.

The G20 High-Level Principles on Bioeconomy should provide a clear and comprehensive definition of bioeconomy followed by a roadmap to attract financial support for bioeconomy strategies and projects, focusing on the following elements: i) protection and restoration of biological diversity and ecosystems; ii) alignment with SDGs and the Paris Agreement; iii) circular economy; iv) community-centric approach placing indigenous peoples and traditional communities' knowledge and local participatory governance at the heart, including by fully safeguarding the right to free, prior and informed consent, as well as preventing, mitigating and compensating for adverse social impacts; and v) fair and equitable benefits sharing with indigenous peoples, traditional communities and local populations.

5. Standardizing and effectively integrating social and biodiversity objectives into green taxonomies, sustainability disclosure standards and frameworks, and ESG metrics.

The G20 efforts to foster the harmonization and implementation of sustainability requirements for companies and financial institutions should consider social and inequality indicators, as well as nature and biodiversity protection targets aligned with the SDGs and the Global Biodiversity Framework. G20 countries need to ensure these taxonomies, disclosure standards and frameworks do not become a barrier to trade and access to financial markets, while supporting sustainable supply chains, industry decarbonization, as well as green and quality jobs. As such, they should pursue interoperability of their national standards by promoting inclusive development and harmonization of international standards to ensure consistency, comparability and reliability of data across different industries and

countries and regions. G20 countries should also aim to incorporate best practices from voluntary standards into mandatory sustainability disclosure requirements.

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