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## **G7 summit to focus on climate and biodiversity**

From 11 to 13 June, leaders of the G7 countries – the UK, USA, Canada, Japan, Germany, France and Italy, plus the EU – will gather in Cornwall under a UK Presidency.

Leaders of three ‘guest’ countries – Australia, South Africa and South Korea – will also attend. The fourth guest, India, intends to participate remotely. It is widely thought these four countries were invited to attend in part to pressure them to lift their climate ambition before the United Nations COP26 climate conference in November in Glasgow.

UK Prime Minister Boris Johnson has made it a personal priority to extract stronger commitments from advanced economies, including Australia, and his efforts have been supported by US President Joe Biden.

### **More than a single meeting**

Alongside the G7 summit Scott Morrison has a series of key bi-lateral meetings planned: his first in-person meeting with US President Biden, and meetings with UK PM Johnson, Japanese President Suga, South Korean President Moon Jae-in and French President Macron.

### **Pre-G7 commitments leading the way**

In a move that will tighten screws on less ambitious countries, the G7 Environment and Climate ministers recently forged new commitments with an aim to put climate, biodiversity and the environment at the heart of worldwide COVID recovery. These commitments are positioned to unlock wider agreement beyond the G7, using the G7 as a stepping-stone to the G20 in October and COP26 in November. The G7 Environment and Climate ministers:

- Committed to phase out new direct government support for fossil fuel projects.
- Committed to end all new finance for coal power by the end of 2021 and increase support for clean energy alternatives like solar and wind.
- Agreed to accelerate the transition away from unabated coal and decarbonise their power systems in the 2030s.
- Agreed to increase finance for climate action and nature, to help meet the \$100bn per annum Paris Agreement target to support developing countries.
- Signed up to the global ‘30x30’ initiative to conserve or protect at least 30% of the world’s land and at least 30% of the world’s ocean by 2030.

- Secured measures to tackle global deforestation, including support for sustainable supply chains that decouple agricultural production from deforestation.
- Heralded what they called ‘net zero G7’ – that all have committed to reaching net zero carbon emissions by 2050 at the latest and to deep emissions reductions in the 2020s.
- Noted that securing meaningful action from leading economies to tackle climate change is a priority for the UK’s G7 presidency ahead of COP26 in November

Following Environment and Climate Ministers’ announcements, the G7 Finance Ministers announced support for mandatory climate-related financial disclosures to provide ‘consistent and decision-useful information for market participants.’ Although not finalised, the idea to make it mandatory for all major companies to disclose their carbon emissions has progressed rapidly and could be concluded by COP26.

### **The G7 agenda**

COVID-19 recovery: In the name of ‘building back better’, solidarity of G7 countries is important to kickstarting the global economy, starting with a comprehensive strategy to ensure equitable access to COVID vaccines and medical supplies. Financial solidarity is also key including investment commitments in green recoveries that are just, resilient, climate-safe, and nature-positive. There is much more that each G7 country can do to support ‘green recovery,’ but highlighting the importance of climate and nature positive recovery and recent G7 commitments put green recovery more squarely on the global agenda.

Australia will likely be viewed very poorly on green recovery. Australia was found to be the worst performer of the world’s 50 largest economies for ‘green recovery’ in research done by Oxford’s Economic Recovery Project for the UNEP.

Climate finance is an important element of COVID recovery and G7 ambition. For low-income countries, Paris-aligned economic recovery will require financial assistance. The G7 has re-stated its commitment to help mobilise \$100bn in climate finance annually in accordance with the Paris Agreement, with each wealthy nation expected to make a higher contribution. The UK and United Nations Secretary General are calling for a doubling of contributions with 50% dedicated to adaptation.

Signals from the G7 on greening their own recoveries, are expected to help unlock further agreement at G20 and development bank (e.g., IMF/World Bank) meetings later this year. Australia will be under pressure to increase current climate finance and re-commit to the Green Climate Fund after stopping contributions to the fund entirely in 2019.

A stated focus of the G7 summit is ‘Tackling climate change and preserving the planet’s biodiversity’. The climate ambition of the G7 will play a critical role in getting stronger commitments globally ahead of and at COP26.

All G7 countries have updated their 2030 targets and committed to net zero by 2050 at the latest. Around 75% of the world’s economies have a target for net zero by 2050 or earlier.

The UK High Commissioner recently reiterated that the ‘UK was asking all countries to lift their interim emission targets to align with the Paris goal of seeking to limit heating to 1.5C

above pre-industrial levels'. Committing to net zero by 2050 (at the latest) is considered part of what's needed but remains insufficient without a Paris-aligned 2030 target.

There are 113 countries that have not yet submitted enhanced 2030 targets (Nationally Determined Contributions) as required under the Paris Agreement, including Australia. Current commitments put the world on a trajectory to at least 2.4 degrees of global warming.

The G7 has acknowledged the importance of keeping 1.5°C within reach, including the need to rapidly deploy clean energy and end public support to fossil fuels. Efforts to bring all countries' commitments in line with 1.5 degrees, or as close as possible, will take on increasing momentum at the G7 meeting and beyond. Australia's Paris commitment is far from this goal and has been assessed as being more closely in line with 3° of warming.

### **Implications for fossil fuels**

The International Energy Agency's recent report, [Net Zero by 2050: A roadmap for the global energy sector](#), set out 400 milestones to decarbonise the global economy in 30 years and avoid the most catastrophic impacts of climate change. The IEA concluded that if the world wants to reach net zero by mid-century, there can be no new coal, oil or gas developments from now (2021).

The Morrison government's gas-led recovery flies in the face of IEA findings and the G7's reported embrace of the IEA report. Morrison government efforts to accelerate the opening of new gas basins, build new long-lasting gas infrastructure and put public money into an unnecessary new gas-fired generator are all moving in the opposite direction.

### **Trade implications of low climate ambition**

Carbon border tariffs have been described as a 'live issue for discussion' at the G7. The UK High Commissioner stated that 'countries that were stepping up their climate commitments did not want to be importing carbon emissions through their supply chains.'

The UK, EU, US and Japan have all considered such tariffs in part to avoid having local emissions intensive producers leave their borders to countries without climate policies.

The UK has made clear that climate change is its number one foreign policy priority. The potential impact of such tariffs on Australia are yet to be fully calculated by the Morrison government but are a looming economic threat that is likely to gain momentum.

### **Australian Conservation Foundation climate change campaigner Suzanne Harter said:**

"Scott Morrison will have nowhere to hide at the G7 summit. He has overseen the worst performance on green Covid recovery of the world's 50 largest economies, has Paris targets in line with 3° rather than 1.5, refuses to set a net zero target, and is pumping public money into fossil fuels – it would hard to be more out of line with G7 goals.

"Pushing new gas is not consistent with a genuine commitment to climate action.

"The world is watching – and will be growing increasingly impatient with Australia on climate change – as the clock ticks down to the important UN summit in Glasgow."

**To line up an interview, please contact Josh Meadows on 0439 342 992**