



G20 News Digest, September 2023

The Group of Twenty (G20) is the premier forum for international economic cooperation. It plays an important role in shaping and strengthening global architecture and governance on all major international economic issues. India holds the Presidency of the G20 from 1 December 2022 to 30 November 2023.

The theme of India's G20 Presidency - "Vasudhaiva Kutumbakam" or "One Earth · One Family · One Future". Essentially, the theme affirms the value of all life – human, animal, plant, and microorganisms – and their interconnectedness on the planet Earth and in the wider universe. The theme also spotlights *LiFE (Lifestyle for Environment)*, with its associated, environmentally sustainable and responsible choices, both at the level of individual lifestyles as well as national development, leading to globally transformative actions resulting in a cleaner, greener and bluer future. Key outcomes include:

Climate Change

- **G20 leaders adopt green development pact**
- **New Delhi Declaration underlines need for more finance to arrest global warming**
- **Differentiated responsibility gets G20 nod before COP28**
- **Rich nations to mobilise \$100bn in climate finance during 2023**

Energy Transition

- **Launch of the Global Biofuel Alliance (GBA)**
- **G20 leaders for inclusive growth, flag \$4 trillion a year needed for clean energy tech**
- **G20 to accelerate coal power reduction; aims to triple RE capacity**
- **PM Modi-Biden nod to joint \$1 billion fund for renewable energy infrastructure in India**

Economic Cooperation

- **G20 Summit: Started up by India, forum for new-age biz to carry on**
- **Biden and Modi discuss pathways for collaboration on technology, infrastructure, democracy and trade dispute at WTO at G20 Summit**
- **India-U.K. agree to continue to 'work at pace' towards a Free Trade Agreement**
- **Partnership for Global Infrastructure and Investment (PGII) & India-Middle East-Europe Economic Corridor (IMEC)**
- **G20 commits to halve digital gender gap by 2030**
- **G20 leaders endorse Goa Roadmap and 'Travel for LiFE' program to provide big boost to tourism sector**


 Climate Change

G20 leaders adopt green development pact. G20 leaders adopted a Green Development Pact to accelerate the steps needed to tackle the challenges of environment and climate change. The Green Development Pact recognises that global warming can be limited to 1.5 degrees Celsius through reductions in global greenhouse gas emissions by 43 per cent by 2030, compared to the 2019 levels.

"Recognising that the prosperity and well-being of present and future generations depends on our current development and other policy choices and actions, we resolve to pursue environmentally sustainable and inclusive economic growth and development in an integrated, holistic and balanced manner," said the leaders' declaration adopted on the first day of the G20 leaders' summit in the capital. "Mindful of our leadership role, we reaffirm our steadfast commitments, in pursuit of the objective of UN framework convention on climate change (UNFCCC), to tackle climate change," the leaders' declaration said.

New Delhi Declaration underlines need for more finance to arrest global warming. The G20 Leader's Declaration for the first time formally recognises the quantum jump in finance necessary for the world to transition to a renewable energy economy. The Declaration "...noted the need for USD 5.8-5.9 trillion in the pre-2030 period required for developing countries....as well as USD 4 trillion per year for clean energy technologies by 2030 to reach net zero by 2050". The G20's promise to reach 'net zero', or when there were no net carbon emissions into the atmosphere, didn't imply all nations had to equally contribute to the costs of doing so and would have to account for principles of "common but differentiated responsibility".

Differentiated responsibility gets G20 nod before COP28. G20 leaders commit to meeting Paris Agreement goals but lack details on how to achieve them. Common but differentiated responsibilities emphasized. The G20 declaration reflects a progressive yet balanced approach. On climate change and energy related issues, it has been able to get G20 support for all the IPCC indicated targets related to emissions reduction in the near term as well as long term while underscoring the finance related commitments made at the previous COPs as well as those that are expected to be made at the next COP, said Mr RR Rashmi, Distinguished Fellow and Programme Director, Earth Science and Climate Change, The Energy and Resources Institute.

Rich nations to mobilise \$100bn in climate finance during 2023. Developed countries have said that this year, for the first time, they are expecting to meet the goal of jointly mobilising \$100 billion to help climate change mitigation action by developing nations. While the resources had to be generated annually from 2020 itself, the rich nations have so far failed to raise the funds. But at the meeting of G20 finance ministers and central bank governors here, they have indicated that they are on course to meet the target in 2023 — a position that was taken note of in the 'outcome document and chair's summary', which also backed a reform of multi-lateral development banks.

UK Prime Minister Mr Rishi Sunak pledged \$2 billion to the UN's Green Climate Fund (GFC), after G20 leaders adopted a 'green development pact' to speed up measures to tackle the challenges of environment and climate change.


 Energy Transition

Launch of the Global Biofuel Alliance. The Global Biofuel Alliance (GBA) is an initiative by India as the G20 Chair. The Alliance intends to expedite the global uptake of biofuels through facilitating technology advancements, intensifying utilization of sustainable biofuels, shaping robust standard setting and certification through the participation of a wide spectrum of stakeholders. The alliance will also act as a central repository of knowledge and an expert hub. GBA aims to serve as a catalytic platform, fostering global collaboration for the advancement and widespread adoption of biofuels.

- ✓ GBA will support worldwide development and deployment of sustainable biofuels by offering capacity-building exercises across the value chain, technical support for national programs and promoting policy lessons-sharing.
- ✓ It will facilitate mobilizing a virtual marketplace to assist industries, countries, ecosystem players and key stakeholders in mapping demand and supply, as well as connecting technology providers to end users.
- ✓ It will also facilitate development, adoption and implementation of internationally recognized standards, codes, sustainability principles and regulations to incentivize biofuels adoption and trade.

According to IBA (*Indian Biogas Association*) the G20 biofuel alliance can generate opportunities worth \$500 bn in next 3 yrs for member nations:

- Biogas can generate an opportunity of USD 200 billion.
- Bioenergy/Biogas, in principle, has the potential to replace fossil fuels completely
- India has ramped-up solar energy 20-fold in the last decade.

Toyota Kirloskar Motor Country Head and Executive Vice President Mr Vikram Gulati said the Global Biofuel Alliance is a critical step towards a sustainable future which will facilitate the ongoing efforts of various stakeholders, including corporates, to bring down the oil import bill and realize the carbon reduction goal at a faster pace.

Industry body CII in a statement said that the Global Biofuels Alliance (GBA) will accelerate sustainable biofuel deployment and support the global energy transition.

G20 leaders for inclusive growth, flag \$4 trillion a year needed for clean energy tech. The declaration called for accelerating efforts to phase down unabated coal power, phase-out of inefficient fossil fuels subsidies and low-cost financing for energy transition of developing countries. The New Delhi Declaration adopted at the Summit called for reforming of international financial institutions, managing debt vulnerabilities of low and middle-income countries and the start of exchange of tax-relevant information on crypto assets by 2027.

Countries agree to accelerate energy transition through collective pathways in order to achieve climate objectives. They will support innovation, technology transfer, and low-cost financing to foster clean and sustainable energy. The leaders also emphasized the importance of uninterrupted energy flows, energy security, and market stability. Developing countries will be supported in their transitions to low carbon emissions through low-cost financing.

G20 to accelerate coal power reduction; aims to triple RE capacity. The move had faced opposition from Saudi Arabia, China, Russia and South Africa at the energy transition ministerial meeting in July 2023 and was moved to the chair's summary, as against the joint outcome. Phasedown of unabated fossil fuel did not find space in the declaration, facing opposition from "developing countries". However, phasedown of unabated coal power was agreed upon after a nod from India, the only country opposing it at the Sherpa meeting. The text was taken straight from the Bali declaration.

India with world's fourth largest renewable energy capacity is less likely to comply with the G20 decision on phasing down unabated coal power, which continues to meet more than 70% electricity needs of the country. It is set to take up the non-fossil fuel based capacity to 500 GW by 2030, raising the share of clean fuel from 40% to 50% in terms of installed capacity mix by 2030. As of July 2023 India's coal based power generation capacity was 48.6% of the total installed capacity, its share in energy mix was 70%. It usually ranges between 70% and 74%, and will remain the mainstay for some time.

PM Modi-Biden nod to joint \$1 billion fund for renewable energy infrastructure in India. A joint investment fund of up to \$1 billion to support India's efforts for faster transition through development and deployment of emerging green technology has received the green light from US President Mr Joe Biden and Prime Minister Mr Narendra Modi. India's National Investment and Infrastructure Fund and the US Development Finance Corporation have exchanged letters of intent to each provide up to \$500 million to anchor a Renewable Infrastructure Investment Fund.

Press Information Bureau, 11 September 2023| The Economic Times, 08 September 2023| The Economic Times, 09 September 2023| Press Information Bureau, 9 Sept 2023| The Hindu Business Line, 9 Sept 2023| The Economic Times, 10 September 2023| The Economic Times, 10 September 2023| The Financial Express, 11 September 2023| Economic Times, 10 September 2023| The Times of India, 11 September 2023



Economic Cooperation

G20 Summit: Started up by India, forum for new-age biz to carry on. The Startup20 engagement group, which was launched under India's presidency, will continue under the next presidency, according to the G20 leaders' declaration in New Delhi. Stakeholders in the startup system welcomed the move, saying group will work on implementing the recommendations made over the next few years.

Biden and Modi discuss pathways for collaboration on technology, infrastructure, democracy and trade dispute at WTO at G20 Summit. U.S. President Mr Joe Biden and Indian Prime Minister Mr Narendra Modi discussed plans on technology, infrastructure, and democratic values during their hour-long meeting in New Delhi. They pledged to collaborate on issues such as human rights, semiconductor supply chains, and quantum computing. The leaders also worked on a potential infrastructure and communication breakthrough that would connect India with the Middle East and Europe.

India has agreed to reduce tariffs on various US products including frozen turkey, frozen duck, and fresh and processed blueberries and cranberries. This agreement aims to expand economic opportunities for US agricultural producers in the Indian market.

India-U.K. agree to continue to 'work at pace' towards a Free Trade Agreement. Reviewing progress on the India-U.K. Free Trade Agreement (FTA) in the works, Prime Minister Mr Narendra Modi and his

British counterpart Mr Rishi Sunak agreed that Ministers and negotiating teams would continue “to work at pace” towards an agreement. They expressed hope that the remaining issues could be addressed at the earliest so that a balanced, mutually beneficial and forward looking Free Trade Agreement is concluded soon.

Partnership for Global Infrastructure and Investment (PGII) & India-Middle East-Europe Economic Corridor (IMEC). An MOU on IMEC was signed by India, USA, Saudi Arabia, UAE, European Union, Italy, France and Germany, at the sidelines of the G20 Summit in New Delhi. PGII is a developmental initiative aimed at narrowing the infrastructure gap in developing countries as well as help towards accelerating progress on SDGs globally. The IMEC comprises of an Eastern Corridor connecting India to the Gulf region and a Northern Corridor connecting the Gulf region to Europe. It will include a railway and ship-rail transit network and road transport routes.

G20 commits to halve digital gender gap by 2030. While traversing several issues pertaining to women’s empowerment, including wage gaps, sexual violence, employment opportunities and food security, a significant focus of the summit has been to bridge the gender digital divide.

G20 leaders endorses Goa Roadmap and ‘Travel for LiFE’ program to provide big boost to tourism sector. A significant milestone achieved during the G20 Leaders' Summit in Delhi was the unanimous endorsement of tourism and culture's pivotal role in sustainable socio-economic development and prosperity. By focusing on the five interconnected priorities identified and endorsed by the G20 Tourism Working Group - Green Tourism, Digitalization, Skills, Tourism MSMEs, and Destination Management - the roadmap offers a comprehensive strategy for nations to align their tourism policies with the United Nations Sustainable Development Goals 2030.

Press Information Bureau, 09 September 2023 | The Economic Times, 09 September 2023 | The Economic Times, 09 September 2023 | Mint, 10 September 2023 | The Indian Express, 10 September 2023 | The Economic Times, 11 September 2023 | The Economic Times, 11 September 2023 |