

The four "Cs" of the Hamburg G20: coordination, cooperation and climate change

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The Annual Summit of the G20 took place on 7 and 8 July, chaired by Germany. There were no unexpected messages, although the intensity of the stress laid on international coordination and cooperation being key to improving economic growth and social wellbeing was remarkable. Coordination and cooperation are indispensable in the fight against climate change and fundamental for achieving sustainable development, in which the participation of the financial system is essential.

The leaders, except for the US, underlined the irreversibility of the Paris Agreement and reaffirmed their commitment to achieving its objectives together with those of the 2030 Agenda for Sustainable Development. On the one hand, this is positive, since progress continues to be made in accordance with the goals established for 2020, 2030 and 2050, and since 19 of the 20 members have kept their word.

On the other hand, the USA's exit from the Paris Agreement (effective in 2020) does not seem like good news, because: it is the world's second biggest emitter of greenhouse gases (approximately 16%) after China; it is the biggest contributor to the Green Climate Fund, which had approximately US\$10 billion committed in June (including US\$3 billion from the US, of which US\$1 billion already disbursed); and because the US walk-out may lead other countries to consider following suit.

Moreover, the Fund's forty-three member countries (Spain included) have committed to mobilising US\$100 billion a year by 2020. To achieve this requires private initiative. For the public sector, OECD projections for 2020 are around US\$67 billion. Thus there is a need to align the public and private sectors. The private sector can also play a key role in mobilising funds. For example, the banks have the necessary experience and know-how and the ability to create new sustainable financial products suited to borrowers' needs.

To boost funds mobilisation, the dissemination of financial information relating to climate change is essential, as is transparency: they contribute to better price formation (the price of CO2 emissions is highly volatile) by helping to improve the valuation and management of the risks deriving from climate change and by facilitating better-informed decision-making on the part of investors.

In Spain, public bodies and private entities are aware of the significance of the impact of climate change and are working actively. Next week will see the launch of a process of public consultations based on the "Spain, Together for Climate" working sessions held by the Ministry of Agriculture, Fisheries, Food and the Environment with a view to proposing the Climate Change and Energy Transition Act.

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