G20 PRESIDENCY 2017
WWF ASKS

25 January 2017

Introduction

WWF welcomes **the priorities of the 2017 G20 Summit** by the German Presidency including the three overarching aims: **building resilience, improving sustainability and assuming responsibility** that are also in line with WWF global priorities.

At a time when humanity needs the regenerative capacity of 1.6 Earths to provide the goods and services we use each year[1], the G20 needs to fully recognize that **economic and financial stability** cannot be achieved without **investing in the environment,** and to take action towards a healthier, more resilient planet.

G20 represents the most important forum for economic and financial policy cooperation. Together its members account for almost 90% of global GDP, 80% of international trade and 84% of fossil fuel emissions. Collective action and leadership from the **G20** will be **critical to foster sustainable development** and for the **full and effective implementation of the 2030 Agenda for Sustainable Development** and the **Paris Agreement**.

WWF commends the G20 German presidency for taking the **2030 Agenda and the Paris Agreement as key frameworks** to foster sustainable development and **calls on the G20 to take action** to **contribute to the achievement of the SDGs as well as climate targets**, particularly in the following areas:

Green Finance

WWF welcomes the decision by the German presidency to continue addressing the significance of environmental risks for international financial market stability by furthering the activities of the Green Finance Study Group (GFSG) established under the Chinese Presidency in 2016. The G20 can play a significant role to initiate better international monitoring and regulation of financial markets. Standards particularly as it relates to **addressing environmental risk are one key lever** to achieve this.

There is increasing recognition that climate change, resource scarcity, biodiversity loss, land degradation and water risks represent significant risks to the global economic system. These risks are substantial obstacles to achieving G20's priority to "*safeguard strong, sustainable, balanced and inclusive growth.*"[2]

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[1] WWF Living Planet Report 2016

The G20 can build on the learnings and best practices as more and more governments are taking policy measures to incorporate sustainability factors into their financial systems as a response to the increasing awareness of the interrelationships between environmental risks and the stability of the wider financial system (i.e. threat to solvency of banking sector, or higher risk premiums for environmentally unfriendly infrastructure debt).

WWF strongly welcomes the G20 Leaders' commitment in Hangzhou, 2016, to **scale up green finance** to support environmentally sustainable growth globally.

WWF calls on G20 to translate this **important political signal** into concrete actions towards the transformation of the global financial system. As already started under the German Presidency, we encourage the G20 to **increase policy coherence** by further integrating sustainable finance aspects into other G20 work streams, and to broaden the scope of issues covered by the GFSG.

WWF calls on the G20 to:

➢ Elevate the GFSG to a G20 **Working Group**;

➢ Increase the level of **transparency and participation** of the GFSG;

➢ Set up mechanisms to cooperate between national ministries to provide **clear strategic policy signals** and frameworks for scaling up Green Finance globally and inform about the **economic and financial opportunities** of green finance;

➢ Ensure that **environmental, including climate risks, and social risks are adequately identified, assessed, measured, managed and disclosed.** This could be done for example by including measures of environmental risk as quantitative parameters of financial risk in the regulation of banks, insurance companies, and securities markets, and recommend frameworks to conduct "environmental stress-tests";

➢ Further integrate environmental and social criteria and safeguards in the G20 **infrastructure work** to align those investments with the SDGs and the Paris Agreement.

Climate & Energy

G20 leaders have committed to stronger engagement and cooperation to fight climate change in all G20 Leaders' Declarations since 2008, notably by eliminating subsidies for fossil fuels. WWF welcomes the intention of the German Presidency to link climate and energy policy more clearly. WWF believes that one of the most effective ways to do this is through action and showing progress on eliminating fossil fuel subsidies. WWF is concerned about the lack of progress to comply with the G20 pledge from 2008 to eliminate fossil fuel subsidies despite the many opportunities afforded in a time of low petrol prices.

WWF urges the G20 to:

➢ Increase efforts to **phase out fossil fuel subsidies** by developing clear roadmaps and participating in peer reviews with a **timeline to 2020**.

➢ Ensure all possible support including fiscal and economic tools to reliable, safe, sustainable and **clean energy access for all by 2030**;

➢ Commit to the implementation of the long-term, **low-carbon development strategies** stipulated in the Paris Agreement by 2018, in an inclusive process that involves all stakeholders, and to further commit to common standards and a peer review process to regularly review the plans;

➢ Commit to the introduction of an **incentive system** for the financial markets to direct investment streams away from fossil fuels towards **renewable energy sources and**

- Take actions for technological exchange on clean and sustainable energy solutions and ensure that developing countries are provided privileged finance for investment in clean energy supplies;
- Address the external costs of the use of fossil fuels and to effectively set a **price for harmful emissions**, notably on human health.

Marine protection

WWF welcomes the German Presidency's commitment for the G20 to contribute to the reduction of **marine litter** worldwide as G20 countries are among the largest polluters of the oceans with plastic litter. Marine debris has reached worrying proportions around the world. Non-biodegradable plastic remains accumulated in huge garbage patches, on the sea floor and on beaches. Plastic can be detected in almost all marine organisms. Small micro plastic particles are entering human consumption via the food chain creating significant negative impacts on human health. Marine litter is also responsible for high social and economic costs, e.g. in the tourism and shipping industry. Improvement of waste management, one of the main root causes, in the relevant countries will not only be beneficial for the marine environment, but also for human health and food production.

To ensure economic stability, G20 need to address the problematic of **food security** and **global fish stocks** that are under pressure from expanding fisheries, the loss of marine habitats and pollution. Today, the world's fish stocks are under considerable pressure, with 31 per cent classified as overfished and a further 61 per cent as fully exploited, with no ability to produce greater harvests[3].

The unsustainable use of global fish stocks leads to an annual loss of more than USD 50 billion to the global economy[4]. Harmful subsidies to the fishing sector and the widespread practice of illegal, unreported and unregulated (IUU) fishing are some of the key drivers of overfishing.

WWF urges the G20 to:

- Commit to the outcome of "**The Ocean Conference**" (5-9 June 2017, New York) to **implement SDG14**;
- Adopt a **G20 Action Plan to combat Marine Litter** by going a step further than the G7 by developing a roadmap with concrete and measurable **goals for implementation**;
- Adopt joint measures to **eliminate fisheries subsidies** that are **harmful for fish stocks** and combat IUU fishing in line with SDG 14.6 and 14.4. and support the WTO negotiations to reform fisheries subsidies;
- Resume the **Global Marine Environment Protection** (GMEP) Initiative[5] and use it as a platform for exchange of information and best practices in marine protection.

Supply chains

WWF welcomes the German Presidency's focus on sustainable global supply chains (GSC) that addresses GSC for the first time under the sustainability aspect. WWF recalls that to achieve sustainable supply chains, the **three dimensions of sustainable development** (economic, social and environmental) need to be addressed in an **integrated way**. With the largest importing, producing and consuming countries among G20, the G20 needs to assume responsibility to organize and regulate GSC in a sustainable way.

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[3] FAO (2016). The state of wold fisheries and aquaculture. Rome.
[4] World Bank (2009). The Sunken Billions. The economic justification for fisheries reform. Washington D.C.

WWF calls on the G20 to:

- Commit to creating an **enabling environment for better production and consumption** in line with SDG 12 including a strong commitment to deforestation- and conversion-free commodities and responsible markets;

- Agree on **minimum standards** that balance the **social and environmental dimensions** of sustainability into imports, production and supply chains and expand them to all raw materials, finished goods based on forest/soft commodities and forms of use. The OECD Guidelines for Multinational Enterprises and their subordinate policies can act as a basis.

- Establish responsible supply chain management by **increasing transparency** in supply chains; including requiring non-financial reporting for larger companies to follow GRI[6] guidelines and incentivise the use of credible sustainability standards;

- Set strong legislative and policy framework that **halt deforestation and conversion** of natural habitats before 2020, while ensuring the proper implementation of existing and future laws including adherence to the OECD Agriculture Guidance.

- Set **public procurement policies** that include criteria to exclude all commodities coming from conversion to create strong base demand for sustainable commodities/end products;

- Consider using the uptake of **credible sustainability standards and certification** as robust indicators for SDG targets, including on target 12.6 which urges business to adopt more sustainable practices.

Corruption and wildlife crime

WWF welcomes the German priorities on corruption as an obstacle to growth and development, causing environmental damage. Corruption is also the main enabler of wildlife crime[7], according to some estimates the fourth largest source of illegal trade after drugs, counterfeit goods and human trafficking. A series of recent **international commitments** recognize the need to **address corruption in wildlife crime**, such as the 2030 Agenda for Sustainable Development, the UN General Assembly's resolution "Tackling Illicit Trafficking in Wildlife" (A/RES/69/314, 2015), Resolution Conf. 17.6 "Prohibiting, preventing and countering corruption facilitating activities conducted in violation of the Convention" of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, 2016).

Despite these notable commitments, solutions to wildlife crime from an anti-corruption perspective are mostly missing and international and inter-agency collaboration needs to be strengthened. G20 members play a significant role as **supply, transit and demand countries** in the global wildlife crime chain.

WWF calls on the G20 to:

- **Commit to fight corruption in wildlife crime** in the Leaders' Communiqué;

- Support, through the Anti-Corruption Working Group, the establishment of robust **corruption risk assessment** and **management procedures** in the wildlife sector, supported by iterative monitoring and evaluation;

- Encourage financial policy and regulatory bodies, for example the Financial Action Task Force (FATF), to redefine existing principles or guidelines to **make more explicit links between wildlife crime and financial crime**.

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[6] Global Reporting Initiative