

G7 Summit in 2023

Call for Global Initiatives for Ending Support for Fossil Fuels and Accelerate the Transition to Renewable Energy in Developing Countries

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Introduction

On the background of a geopolitical challenges, the 49th G7 Summit to be held in Japan, will be a major event for developed countries to review their ongoing pursuit to address the global climate crisis and to pave the way for developing world to follow and spur collective action on this global challenge (InterAction, 2023). A major demand raised by international civil societies is 'to develop a roadmap to operationalise the G7 (Group of Seven) leaders' commitment to end government support for all fossil fuels through Official Development Assistance (ODA), export finance, investment and financial and trade promotion support and accelerate the transition to renewable energy' (InterAction, 2023).

In the 2022 summit, the G7 emphasised climate change is a global challenge that requires urgent and ambitious actions. In 2023, G7 ministers agreed to speed up the clean energy transition and set new targets for solar and wind capacity as a part of the goal to reach net-zero greenhouse gas (GHG) emissions by 2050 (Obayashi, 2023). This year, the summit is committing to the transition to a global value chains towards net-zero, climate-resilient, pollution-free, more circular and nature-positive ones. But there are lack of actual action measures, rather most are still very broad based, generalised and often less specified goals, objectives and future commitments. The timeline of the implementation process and funding mechanism are not clear. They also have not reached to a consensus on a set timetable for coal phase-out.

Being an emerging developing country, Bangladesh has special interest on this summit on multiple accounts, including food and energy security, climate change and sustainable development. Based on the contemporary

geo-political dynamics of the global energy sector, it is absolutely necessary to raise the issues and concerns related to G7 countries investment in fossil fuels in developing countries, particularly in Bangladesh and to demand for accelerated renewable energy financing in the coming years.

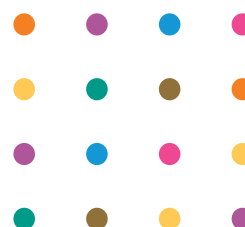
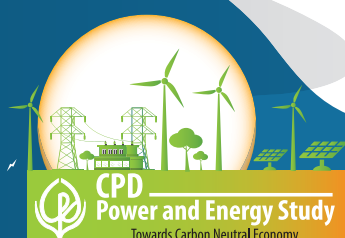
Global Commitments of G7 Countries for Energy Transition

G7 countries have taken part in the global race of commitment to shifting to renewables and reducing GHG emissions. However, not all are meeting their commitments at the same rate and a lot of delayed tactics are used. In order to meet the commitments, various actions with workplans including fossil fuel phase-out, financing in the renewable energy sector, meeting NDC targets, and fulfilling the promises as members of various inter-governmental organisations such as Green Climate Fund (GCF), Global Environment Facility (GEF) are required.

COP 27 Commitment on Fossil Fuel Phase-out

All the member countries of G7 have their commitment deadline for phasing out fossil fuels and a collective commitment. The host of this year's summit, Japan plans to phase out 90 per cent of its old and inefficient coal-fired power generators by 2030. But it will continue to build and operate high-efficiency coal power plants that are considered 'cleaner' with the argument of keeping all the possible options open for power generation (Minister's Communique, 2023).

The USA is planning to phase-out coal power by relying on market forces, regulatory policies, and public financing restrictions. The USA has significantly declined coal use over the past decade due to cheaper natural



gas and renewables competition (CSIS, 2021). However, the USA has not announced a precise date for a complete coal phase-out and still has a large coal fleet that provides around 19 per cent of its electricity.

Canada hopes to phase out coal power by 2030 and achieve a net-zero electricity grid by 2035 (Canada, 2021). It has seen a significant reduction in coal use over the past decade, accounting for only 6.2 per cent of its electricity mix in 2020, down from 16.6 per cent in 2010. Canada also announced a 'Pledge to end public financing for unabated fossil fuel projects abroad by the end of 2022' at COP26 in 2021.

Italy sets an ambitious target to phase out coal power by 2025, as outlined by the National Energy Strategy adopted in 2017 (Euractiv, 2017). Italy has gradually reduced coal use over the past decade, accounting for around 11–12 per cent of its electricity demand in 2018, down from 17 per cent in 2010.¹

France has seen a rapid reduction in coal use over the past decade, accounting for only 1.8 per cent of its electricity mix in 2019, down from 6.9 per cent in 2010 as it phased out coal by 2022. The 'Law on the end of fossil-fuel extraction', was signed in 2017 to ban new exploration and exploitation permits for oil, gas and coal in France and its overseas territories, aiming to end all fossil-fuel production by 2040 (Climate Scorecard, 2019). While two EU countries are working to achieve the aspiring targets, Germany plans to phase out coal power by as late as 2038 but has recently accelerated the exit in the western state of North Rhine-Westphalia by 2030 (Reuters, 2022).

NDC Emission Targets for Energy Sector

Every G7 nation has its Nationally Determined Contributions (NDCs) concerning its emission targets and how they plan to achieve that through various means. According to the NDCs of the seven countries, the greenhouse and carbon reduction timeline is 2030 (Annex 1). Along with the emission reduction target, Japan wants to achieve Net Zero by 2050 and create new industries and jobs for the newly transformed energy market.

To avail the highly ambitious greenhouse emission reduction targets by 2030, the USA made some mean-wise targets, including tailpipe emissions and efficiency standards, incentives for zero-emission personal vehicles, funding for charging infrastructure to support multi-unit dwellings, public charging and long-distance travel, very low carbon new-generation renewable fuels for aviation, high-performance electrified buildings, incentivise carbon capture as well as new sources of hydrogen produced from renewable energy, nuclear energy, or waste to power industrial facilities. Canada also has set pricing for carbon pollution, complementary actions to reduce emissions, adaptation and climate resilience, lean technology, innovation and jobs as mean-wise targets to achieve their moderately high targets.

The UK has planned the most enthusiastic target of at least 68 per cent economy-wide net reduction in GHG emissions by 2030 compared to 1990, supported by the agenda to decarbonise the power system fully by 2035.

Germany fixed a mean-wise target and is determined to reduce its greenhouse gas emissions by at least 55 per cent by 2030 compared to 1990 levels and the mean-wise target is -47 per cent for per-Capita Emissions by 2030 relative to 2015 (excl. LULUCF).

In addition to the 40 per cent greenhouse emission reduction, France wants to reduce the share of nuclear energy in the electricity mix from 71 to 50 per cent by 2035 while increasing the share of renewables to 33 per cent by 2030. Italy has both mean-wise and year-wise targets and wants to achieve a 33 per cent reduction in greenhouse gas emissions by 2030 compared to 2005 levels. Their energy mix target is to reach 30 per cent of the total energy consumption and 55 per cent of the electricity generation by 2030.

G7 Countries Renewable Energy Financing Commitment

Japan has set to achieve 36–38 per cent of power supplies from RE by 2030, double the level of 18 per cent in 2020. USA is also one of the leaders in providing and mobilising international climate finance. The USA aims to double its annual public climate finance to developing countries by 2024 and to triple its adaptation finance by 2024 with the core focus of six mitigation, adaptation and climate finance priority areas that includes support for the expansion of RE. The US Congress has approved a mere USD 1 billion in international climate finance for 2022—falling far short of President Joe Biden's pledge to provide USD 11.4 billion a year by 2024 (Whitehouse, 2021).

Canada has set a target to increase the share of non-emitting electricity sources to 90 per cent by 2030. It has established various policies and programs to finance domestic and international renewable energy projects to support these goals.

The UK has developed various policies and programs to finance domestic and international renewable energy projects. According to its Green Financing Framework, published in June 2021, the UK government aims to issue green gilts and retail Green Savings Bonds to raise funds for green expenditures that support its climate and environmental agenda. The UK government pledged GBP 11.6 billion for international climate finance between 2021 and 2026, supporting clean energy access, nature-based solutions and adaptation projects in developing countries. As per their official documents, they are still on the process of completing these projects.

In July 2022, the German government approved plans for a special 'climate and transformation fund' to invest EUR 177.5 billion (USD 180 billion) over the next four years to help accelerate the shift to an economy that's cleaner and less dependent on Russia for energy supplies. The German government cooperates with other countries to promote renewable energy development. For example, it has pledged EUR 4 billion for the International Climate Initiative (IKI) and is currently working on these plans in the positive direction.

In 2021, France and Italy submitted its National Recovery and Resilience Plan (NRRP) to the European Commission, including energy efficiency,

¹Italy took initiatives like the 'National Energy Strategy' with the vision and goals for a low-carbon and climate-resilient future, including phasing out coal by 2025.

building renovation, climate resilience, and adaptation. Italy allocates EUR 69 billion (USD 74 billion) for green transition measures, including renewable energy, hydrogen, grid and sustainable mobility, while France allocates EUR 30 billion (USD 32 billion) for green transition measures, including renewable energy, hydrogen, grid and sustainable mobility (IEA, 2021). The Italian government cooperates with other countries and institutions to promote renewable energy development. The French government cooperates with other countries and institutions to promote renewable energy development.

Most of these past commitments are yet to be implemented and depend on government financing. It is crucial to look after if these commitments align or deviate from the ongoing G7 discussions. But unless countries like the USA and Japan agree on phasing out fossil fuel and stop using technology in fossil fuels to achieve net zero, fulfilling the commitments will get only challenging.

Current Debate on Energy Related Issues in the G7 Summit 2023

The G7's commitment to achieve net-zero emissions during the summit is confounding. On one hand, the group is showing decent commitments on some issues, on the other hand, the efforts are not even bare minimum on other issues. The group itself has acknowledged that their movements on the phase-out of fossil fuel and fossil fuel subsidies are far behind their commitment. The discussion on ending LNG finances is still off the table as the group is considering LNG as transitional fuel. On a brighter note, the group has shown notable progress on setting some concrete renewable energy goals to be achieved by 2030 in parallel to the fossil fuel phase-out. However, the group still has not expressed any strong determination to mobilise the climate finance to fight against the risks of climate change, adaptation and mitigation, and accelerate renewable energy finances in the Least Developed Countries (LDCs), developing and vulnerable countries.

Phasing-Out Coal at Home and Abroad

The G7 accounted for 15 per cent (323 GW) of the world's operating coal capacity in 2022 (Global Energy Monitor, 2023). In 2020, they accounted for 25 per cent of global energy-related CO₂ emissions, including 2.7 Gt from their electricity sectors (IEA, 2021). The G7 countries had committed to abandoning coal by 2030 at home and to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022. But at the most recent meeting of the G7 countries, the group of nations couldn't come up with any firm date to phase out coal. Canada and the UK pushed for the inclusion of a 2030 deadline and more ambitious plans to eliminate domestic coal-fired electricity. But their plan failed following strong opposition from other G7 countries. Hence, no new deadline for the

coal phaseout at home and abroad has been announced by the group. Moreover, the private banks of G7s account for over one-third of global investments in coal, while private investors hold over two-thirds of shares in coal. Since 2019, private and commercial financial institutions of G7 have invested around USD 1.5 trillion into the global coal industry (Choksey, 2022).

While France accepted the proposal, Japan debated against them, supported by the United States² and the European Union. According to Bloomberg, Germany reportedly offered alternative jargon to the firm timeline proposed by the UK, with drafts being circulated mentioning coal phase-out 'ideally by 2030' or 'in the 2030s'. Among the G7, only Japan and the United States have not set any timeline yet to phase out coal; and are not national government members of the Powering Past Coal Alliance (PPCA).³ The group is not only deviating from the uniform goal of coal phase out, but Japan, US, Canada and UK are also financing and planning to finance coal; alleviating it with technologies such as carbon capture and ultra carbon capture.⁴

Phasing-Out LNG at Home and Abroad

Reaffirming their commitment to the elimination of inefficient fossil fuel subsidies by 2025 or sooner, the G7s have admitted that fossil fuel subsidies are inconsistent with the goals of the Paris Agreement. Climate ministers of the G7 countries may make a case for new investments in natural gas supply, despite assessments that such investments would obstruct globally agreed climate change goals. Blaming the high energy prices and inflation for the degradation of environmental, economic and social impact on the economies and people's lives all over the world, especially in developing countries; the communique stated that investment in the gas sector can be appropriate to help address potential market shortfalls provoked by the Ukraine crisis. Japan and other countries emphasised the importance of liquefied natural gas (LNG) and natural gas as energy sources for the transition period defining LNG as a transitional fuel to the global net zero commitment. Japan is considering the requirement of gas and LNG for about 10 to 15 years before figuring out the exit plan if there will be any. As a result, the global commitment to end fossil fuel and achieve carbon neutrality will be delayed.

USA is now working on promoting 'green' natural gas, LNG and has more LNG export capacity than any other country and exported more LNG than any other country. The US LNG exports averaged 11.1 billion cubic feet per day (Bcf/d) during the first half of 2022. Given the current LNG situation of Canada, it can enter the LNG export regime in 2025 and will be able to export 14 million tonnes of LNG yearly with the future potential of 28 million tonnes.⁵ The EU is the largest LNG importer in the world and G7 member country France is the largest LNG importer of EU. In the first half of

²USA announced 'Pledge to end public financing for unabated fossil fuel projects abroad' at COP26 in 2021, aiming to stop funding new coal, oil and gas projects overseas that do not capture or store their carbon emissions and to redirect finance to low-carbon alternatives

³PPCA is a coalition of national and subnational governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy

⁴https://www.banktrack.org/article/who_is_still_financing_the_global_coal_industry

⁵<https://thebusinesscouncil.ca/publication/lng-canada-has-supply-to-meet-the-global-demand/>

2022, the EU imported over 65 billion cubic meters (bcm) of LNG. Within the Asia, the only Asian country Japan is enthusiastically supporting and investing in LNG globally, including in Bangladesh.

Promoting Renewable Energy at Home and Abroad

The G7 nations recalled their commitment to achieving fully or predominantly decarbonised power sectors by 2035, through the Communiqué of the upcoming Summit. They assured to remain committed to ensuring access to affordable, reliable, and sustainable energy for all. They also committed to fostering international cooperation to accelerate clean and sustainable energy transitions to keep a temperature limit of 1.5°C within reach. The group announced major new wind and solar goals, targeting a collective increase in offshore wind capacity of 150 gigawatts

paradigm shift towards low-emission and climate-resilient development pathways by using ambitious, cost-effective, and transformative climate investments; by accelerating innovative solutions and de-risking investments both for mitigation and adaptation.

The upcoming G7 Summit commits to provide a special fund for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage in the context of Article 8 of the Paris Agreement. The G7 countries are committed to the Global Shield Financing Facility that will finance integrated financial protection packages that offer coordinated and consolidated financial support to those vulnerable to climate shocks and disasters. Table 1 summarises the alignment and deviation of G7 global commitments. It includes their pledges to end coal, discouraging fossil fuel, promoting renewable energy, mobilising climate

Table 1: Alignment or Deviation of Global Commitments with Ongoing G7 Discussion

	Japan	USA	UK	Canada	Germany	Italy	France
Coal phase-out	Red	Red	Green	Yellow	Yellow	Yellow	Green
Demotivating LNG	Red	Green	Red	Yellow	Red	Red	Red
Climate finance	Green	Yellow	Green	Green	Green	Green	Green
Renewable energy	Yellow	Green	Green	Yellow	Green	Green	Green
Co-operation for the developing countries	Yellow	Yellow	Green	Yellow	Green	Green	Green

Source: Authors' Illustration.

*Green: Archived/On the way of achieving/Positive, Red: Not achieved/Negative, Yellow: Promised but not yet achieved/Uncertain.

and 1 TW Solar PV by 2030. The group's member nations are yet to shed light on their country's target to promote renewable energy overseas and mobilise funding for those. The G7 countries have also again pledged to invest in developing and deploying next-generation technologies and establish secure, sustainable, and resilient supply chains. In 2022, V20 and G7 formed the Global Shield Financing Facility to channel grants to developing countries through World Bank projects or projects prepared by other participating partners, including UN agencies and multilateral development banks. Germany initially contributed around EUR 170 million and more than EUR 40 million from the other six countries have been accumulated.

Global Commitments to Support Developing Countries to Address Climate Change

Through the second replenishment process and development of a new Updated Strategic Plan for 2024–2027 of the Green Climate Fund (GCF), G7 aims to work towards ensuring that the GCF continues to promote the

finance, and co-operation with developing countries. France is far ahead in tackling climate change, mitigation and adaptation. The other two EU countries are also performing at a satisfactory level, whereas Japan seems to do the least followed by the USA.

Financing Debate

The group has highlighted the necessity of mobilising financial resources from private and public, national and international sources to promote private investments, blended finance and innovative finance to tackle climate change, biodiversity loss and pollution and to advance resource efficiency and circular economy, and addressing barriers faced by marginalised people, and underrepresented groups to accessing finance.

The environment ministers emphasised on the leading role of International Financial Institutions (IFIs) including Multilateral Development Banks (MDBs) in mobilising finance and call on them to mainstream climate and environment issues in their plans, policies, investments, operations and

governance to ensure the quality of funding and using existing funds and facilities in an efficient and effective manner. Different MDBs have set policies to finance clean energy at conditional and unconditional terms that they have been implementing since Covid-19 and post-Covid-19 periods.

The G7s will continue to speed up efforts to implement the Glasgow Climate Pact's call to developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025. After failing to scale up finance provision to developing countries to USD 100 billion per year, the seven nations are working with partner contributors to scale up from USD 20 billion in 2019 to USD 40 billion in 2025. The freshly doubled allocation is far less than what is actually required. Due to the delayed implementation of this goal by at least three years, and given global inflation, increasing the global commitment to beyond USD 100 billion per year—or beyond USD 50 billion for climate adaptation would be required (Lissner Et al., 2022).

Strangely, despite of the promise, new OCI data shows that the G7 public finance for fossil fuels between 2020 and 2022 was USD 73 billion, which was almost 2.6 times their clean energy support over the same period (USD 28.6 billion). Canada and Japan were the top two fossil fuel financiers between 2020 and 2022. The G7's clean energy finance is largely going to wealthy countries instead of countries in the Global South. The G7 countries themselves received 33 per cent of their combined clean energy finance instead of countries in the Global South. No low-income countries were in the top 15 recipients of clean finance, and only 4 lower-middle-income countries received the finance.

Technology as Means to Achieving Net Zero Targets

The environment ministers of the G7 countries have recognised that low-carbon and renewable hydrogen and its derivatives such as ammonia should be developed and used where they are impactful but only if it proves to be effective emission reduction tools to advance decarbonisation across sectors. Some countries also consider utilising hydrogen to convert electricity surplus from renewable energy.

In addition to the collective opinion, Japan wants to start co-firing ammonia in its coal-fueled power plants to reduce CO₂ emissions and is seeking the endorsement of other G7 countries for this plan. Japan is also seeking a backing for the use of hydrogen and ammonia as a tool to curb emissions from thermal power generation. Japan's new 'Green Transformation' (GX) policy aims to deploy JPY 150 trillion (over USD 1.1 trillion) in public and private capital over the next 10 years to overhaul industrial sectors in Japan and provide partner countries with Japanese technology and finance. Japan's greenwashed strategy relies heavily on fossil fuel technologies, including LNG, co-firing of ammonia at coal power plants, fossil hydrogen, and carbon capture, utilisation, and storage (CCUS) (OILCHANGE International, 2023). The focus of GX is on promoting industry rather than decarbonisation as no linkage to increase climate ambition or renewable energy targets were found (Climate Integrate, 2023) The approach has prompted concern on environmental and economic grounds, as critics say using ammonia to generate power with less carbon dioxide

emissions is financially burdensome, inefficient, and releases other greenhouse gases instead (Bloomberg, March 18, 2023). As a result, other group of seven nations have not endorsed the deployment of technologies to support fossil fuels for power generation.

In the Glasgow COP, the agenda of enabling developing countries to bypass fossil fuels and move directly to renewables from the technology transfer challenges to the developing world was discussed. Even though the communique of the ministries briefly mentions the need for technological advancement for renewables' rapid development, the discussion on this critical issue is yet to be proposed.

Trade and Market Measure Related Concerns⁶

The G7 environment ministers commits to transforming global value chains towards net-zero, climate-resilient, pollution-free, more circular and nature positive ones, while also ensuring their security, respect for human rights and responsible business conduct. They recognise that it is vital to increase security, sustainability, diversification, transparency and traceability of value chains globally, including by reducing reliance on insecure or monopolistic energy supply chains in a way that protects the environment and climate and respects human rights. There are lots of dualities in these commitments. The G7 countries are heavily reliant on energy suppliers that violate human and labour rights and practice monopoly measures whereas there are responsible, competitive, declining carbon emitting suppliers within themselves. Some of the G7 countries' promotion of LNG-fired electricity plants or shell gas expansion do not support these goals. A valid commitment should refrain them from these dualistic behaviours and enable funding and investments for expansion of renewable energy for developing countries like Bangladesh. The G7 countries should ensure that their circular supply chain commitments do not restrict access of developing countries to the critical raw material market for expanding RE and does not create non-trade barriers for emerging economies like Bangladesh. A transition period with gradual structural changes should be facilitated for Bangladesh.

The G7 committed to strengthening green public procurement, while considering the need to avoid disproportionate burdens and costs for small and medium-sized enterprises (SMEs). The fear for Bangladesh is that these measures may steer away the G7 countries to more protectionism and harm free trade. The G7 countries are targeting to make their economies more circular and resource efficient through enhancing a wide range of policy measures and cooperation with the private sector for increasing circularity along value chains. These circular economic targets should be global targets – not restricted to the domestic G7 economies only. Otherwise, these targets may impact Bangladesh that promotes free trade and wants to play a greater role in global supply chain.

Findings from IPCC AR6 state that demand-side measures and new end-use service provision can reduce global GHG emissions in end-use sectors by 40-70 per cent by 2050 compared to the baseline scenarios. To draft highly effective and socially-just measures—they have established the 'G7 platform for net-zero and well-being in life', and aim to accelerate

⁶Sections 3.7 and 4.6 are written based on the communique of G7 environmental ministers.

public-private partnerships for innovation that contribute to incentivising sustainable consumer choices and preferences that are in line with their climate objectives. The measures taken to promote demand side impacts should not create non-trade barriers for Bangladesh and other developing countries. Bangladesh and other developing economies should have a free and fair access to the G7 green market and competitive access to the associated technologies.

Expectations of Bangladesh from G7 Summit'23

Against the urgent expectations of the least developed (LDCs), developing and vulnerable countries, G7s are responding to those expectations which are inadequate. As a graduating developing country, Bangladesh expects to receive proper guidance, assistance, support, and funding to prevent, mitigate, counter and adapt climate change to ensure the clean energy transition without risking domestic energy security.

Ending Support for Fossil Fuels

The G7s will each provide an update on their approaches to eliminate fossil fuel supports by 2023. They should stop international funding to all types of fossil fuel with or without the carbon capture technology. Not only coal, but the investments in LNG by G7s also need to be phased out in developing countries like Bangladesh.

The G7s are emphasising the usage of LNG as a transitional fuel within their own geographical territory and overseas. As a result, Japan is promoting to make Bangladesh more reliant on LNG. Summit Corporation Ltd of Bangladesh has signed a memorandum of understanding with Japan's Jera Asia Pte Ltd to collaborate to supply liquefied natural gas (LNG) and other fuels and develop on-shore and off-shore regasification and storage infrastructure for Bangladesh. Such investments signal that G7 is not much committed to fulfil its global fossil fuel commitments. Not only LNG is one form of fossil fuel, it is also economically burdensome for LDCs and developing countries like Bangladesh. Hence G7 should immediately stop all the direct and indirect support towards financing the LNG fuel and infrastructure as it does not align with the commitment to phase out fossil fuel.

Support to Accelerate the Transition to Renewable Energy

G7s can help Bangladesh achieve the goal of 40 per cent of renewable by 2041 through providing financial and technological assistance to ensure a smooth energy transition without the risk of energy security. Bangladesh has already received USD 6.71 billion in the renewable energy sector from national and international sources between 2016 to 2022 (Change Initiative, 2023). The received investment is not adequate and would require an investment of USD 1.53 billion to USD 1.71 billion yearly during the timeline of 2024–2041 to achieve its ambitious 40 per cent renewable energy target in total generation capacity (IEEFA, 2023). In comparison to the amount G7s have committed as climate finance of the developing countries, this required investment is insignificant.⁷ The G7 members should work together with other developed country Parties to help developing and

vulnerable countries to meet their renewable energy targets through directly financing renewable and clean energy projects such as constructing renewable energy (solar, wind) power plants, help transforming diesel based irrigation systems to solar energy irrigation system, building solar PVs on the rooftops of the community infrastructures etc. Under the provisions of article 8 of the TRIPS agreement, developing countries like Bangladesh should be allowed to use renewable energy technologies to achieve critical energy security and sovereignty.

Discourage Non- clean Technologies as a Mean to Achieve Clean Energy Targets

The promotion of the usage of technologies such as CCS/CCUS, ammonia co-firing with coal and hydrogen co-firing with gas will linger the use of fossil fuels and may create a negative spill over effect in Bangladesh and hamper the goal of net zero emission. The new Integrated Power and Energy Master Plan (IEPMP) includes the detailed plan on how these technologies (31 per cent) can be used to attain the 40 per cent clean energy target by 2041. Such technologies are new, yet to be tested and expensive for developing countries like Bangladesh. Latest analysis shows retrofitting Asian coal plants to run on Ammonia would be an immense waste of capital that could do more harm than good (Transition Zero, 2023). These untested technologies generated concerns for even other G7 members, notably the US (Mainichi Shimbun, 2023), the UK and Canada (Nikkei Asia, 2023). Power from renewable energy sources are much cheaper compared to those of technologically heavy fuels such as ammonia and hydrogen. The G7 should stop advocating for these expensive non- clean technologies and must stop deploying it in the LDCs, developing countries and V20s especially in Bangladesh.

Creating a Meaningful Carbon Market with the Participation of LDCs

High integrity carbon markets can play in achieving net-zero emissions by 2050, in enhancing the implementation and ambition of 2030 NDCs. The use of carbon markets cannot be a substitute for the deep emissions cuts necessary. Utilisation and design of high integrity carbon markets with robust safeguards can play an important role in mobilising public and private sector finance, including results-based climate finance, unlocking social and environmental co-benefits, deploying clean, safe, and sustainable decarbonisation technologies, in LDCs and developing countries. The G7s are steering clear of the issue of integrating developing countries in the global carbon market. The discussion should not proceed without considering the importance of establishing carbon markets in countries like Bangladesh.

Non-trade Barriers

The G7 countries are aiming to promote a sustainable, nature-based, circular supply chain to achieve the net zero targets. It needs to be emphasised that Bangladesh supports the sustainability goals of the G7 countries. But at the same time, the path towards sustainable future and circular economy should not exclude developing countries like Bangladesh.

⁷The financial promises for renewable energy of G7 are not fully clarified. There will be a meeting in June 2023 where the targets will be declared.

Future goal of circular supply chain should remember that the circularity needs to be for the global supply chain. Non trade barriers should not be used in the name of circular economy to abandon the free trade principles and restrict access of developing countries to the G7 markets.

Inclusive and Just Transition

The G7 Countries should continue to support and prepare workers and communities, including through inclusive social dialogue, skills development and transfer, social protection, education, reskilling and training, at local, regional and national levels, in line with the International Labour Organization (ILO)'s 2015 Guidelines for a Just Transition. The G7 countries need to recognise that just transition is a key element for climate, energy and environmental action not only at the national level, but also at the international level. It should be remembered that the just transition implies a gradual transition—not a disrupting rapid transition and includes easy access to technologies, capacity building and funding.

Concluding Remarks

Every G7 summit begins with a set of goals and intentions and concludes with a set of pledges. In the ministerial communiqués of the G7 Summit in 2022 and 2023, it was mentioned that the triple global crisis needed to be addressed. This repetition could be a sign that these discussions and pledges have not yet been accomplished and may be waning over time. In other words, the current position of G7 and their previous commitments are on a stand still with some moving in opposite directions.

Developing countries such as Bangladesh have a set of renewable and clean energy goals based on the hypothesis that G7s will back them with their climate finance commitments and goals. However, the ongoing G7 debates and discussions on fossil fuel and renewable energy financing are rather ambiguous, delayed and unstable. Based on the discussions of this report, the following recommendations can be made for the upcoming G7 Summit.

The G7 should end coal investment in developing countries immediately: All the G7 countries, especially the USA and Japan, should prioritise the complete phase-out of coal through ending international coal finances,

especially in developing countries. The unmet commitment of 2022 is highly expected to be met by the end of 2023.

LNG investment in developing countries needs to be halted: The dreadful plan of supporting LNG import and financing LNG infrastructures in developing countries by the G7 countries should be stopped. LNG itself is a carbon-based fuel, and promoting LNG as a transitional fuel will further disrupt the process of fossil fuel phaseout by 2030.

Ambitious renewable energy financing goal should be determined: Promoting and financing the renewable energy sector of developing countries should be a focal point in this year's summit. The global commitment to climate financing goal should be increased to USD 100 billion per year, and at least 50 per cent of it should be allocated for renewable energy financing as a part of climate mitigation.

Advanced renewable energy technologies should be promoted in the developing countries: Developing and vulnerable countries should have the opportunity to take advantage of the new and advanced technologies for a renewable energy transition that are already in use in the G7 countries. However, using untested, debatable and expensive technologies like Hydrogen fuel and Ammonia as a clean energy source is non-negotiable and should not be imposed illogically on developing countries like Bangladesh. Low cost renewable energy technology transfer should be a propriety both for energy sovereignty and carbon mitigation in the south.

Access to Carbon Market: A global carbon market should not exclude the developing countries. Proper third-party organisations should manage such markets.

Non Trade Barriers: Circular economic transition or green procurements should consider global supply chain as the circular economy and should not create non-trade barriers to restrict access of developing countries to the G7 Markets.

Just Transition: Transition to net zero future should be just and inclusive. In that regard—the structural changes should be gradual and not disrupt the developing country economies abruptly.

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Annexure

Annex 1: Carbon Reduction Targets and Timeline of G7

Country	Timeline	Target
Japan	2030	46%
USA	2030	50-52% below 2005 levels
Canada	2030	40-45% below 2005 levels
UK	2030	68% compared to 1990 levels
Germany	2030	55% compared to 1990 levels
France	2030	40% compared to 1990 levels
Italy	2030	33% compared to 2005 levels

Source: NDCs of G7 Countries.



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