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## PUBLICATION

Policy Brief  
Climate  
Energy  
Global Environment

# Green Shift to Sustainability

## CO-BENEFITS & IMPACTS OF ENERGY TRANSFORMATION ON RESOURCE INDUSTRIES, TRADE, GROWTH, AND TAXES



[1]

The Heads of State and Government, the G20 Leaders should understand that "Energy Transformation has many Co-Benefits but Looks Bad in Outdated Economic Statistics". This is the key message of a T20 Policy Brief presented by 15 Experts in 11 Think Tanks in 7 countries ahead of the G20 Summit under the Presidency of Germany in Hamburg in July 2017. T20 or "Think 20" is a network of think tanks in the G20 countries. Ecologic Institute founder R. Andreas Kraemer coordinated the drafting, and Max Gruenig, President of Ecologic Institute US contributed. The Policy Brief is available for download.

Energy transformation to 100% renewable energy is economically inevitable, and socially and environmentally desirable. Yet, as fossil extraction, trade and asset values in the sector shrink, it produces negative signals in outdated statistics. Herein lies the risk of misguiding policy-makers into protecting the incumbent industries, their privileges and subsidies, and thus to slow down energy transformation instead of accelerating it for the highest environmental and social benefit.

New energy systems, based on efficiency, renewables, storage and smart energy systems, are cheaper to build, run and maintain, especially the low-voltage direct-current technology. The transformation triggers innovation, value creation, and growth in

consumer rents; free environmental flows are harvested, and often not marketed but for self-consumption. The fossil energy industry's role in capital formation, international trade, economic activity (GDP), and the tax base and government revenue will decline, while total utility grows. G20 may be misled by its usual statistics.

This T20 Policy Brief argues that the paradoxon of growth that looks bad in standard economic and trade metrics should be addressed in regular joint reports by, e.g., IRENA, IMF, OECD, and the World Bank, and the Task Force on Climate-Related Financial Disclosures (TFCD). These reports should inform G20 Leaders, Ministers of Finance and Central Bank Governors on the true costs and benefits, and alert them to misleading signals. From 2019, TFCD and the other institutions should report annually through the G20 Finance Track and to G20 Ministers of Climate and Energy. Energy Sector Transformation should be a standard item on the agenda of the G20 Leaders meeting in summit.

### **Main Link**

Online: Green Shift to Sustainability

### **Ecologic Related Articles**

- Sustainable Ocean Economy, Innovation and Growth
- Building Global Governance for 'Climate Refugees'

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### **Author(s)**

Max Gruenig

### **Author(s)**

R. Andreas Kraemer (lead), Center for International Governance Innovation (CIGI)  
Barry Carin, Center for International Governance Innovation (CIGI)  
Fernando Naves Blumenschein & Renato Flores, Fundação Getulio Vargas (FGV)  
Akshay Mathur, Gateway House  
Clara Brandi, German Development Institute (GDI-DIE)  
Thomas Spencer, Institut du développement durable et des relations internationales (IDDRI)  
Sebastian Helgenberger & Sonja Thielges, Institute for Advanced Sustainability Studies (IASS)  
Scott Vaughan, International Institute for Sustainable Development (IISD)  
Shelagh Whitley, Overseas Development Institute (ODI)  
Joël Ruet, The Bridge Tank

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**Links**

[1] [https://www.ecologic.eu/sites/files/presentation/2017/g20insight\\_climate\\_green-shift-to-sustainability.jpg](https://www.ecologic.eu/sites/files/presentation/2017/g20insight_climate_green-shift-to-sustainability.jpg)