

Reviewing G7 Ministers' Meeting on Climate, Energy and Environment

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On April 15-16, the Group of Seven Ministers' Meeting on Climate, Energy and Environment took place in Sapporo. Japan, this year's G7 chair, invited relevant ministers from the other G7 countries, as well as India (the Group of 20 chair), Indonesia (the chair of the Association of Southeast Asian Nations) and the United Arab Emirates (the chair of the 28th Conference of Parties to the United Nations Framework Convention on Climate Change), to the meeting. Also invited to the gathering were representatives from international organizations such as the UNFCCC Secretariat, the International Energy Agency, the International Renewable Energy Agency and the Economic Research Institute for ASEAN and East Asia and others. Towards the planned May 19-21 G7 Summit in Hiroshima, G7 ministers in charge of specific themes or issues will accumulate meetings. This year's G7 Summit will undoubtedly give priority to energy and climate change issues as a global challenge. Therefore, the G7 Ministers' Meeting on Climate, Energy and Environment attracted global attention.

On April 16, the G7 climate, energy and environment ministers released their communique compiling their discussions. The 36-page English document was divided into three parts – “Climate, Energy and Environment Joint Session”, “Environment”, and “Climate and Energy” – covering a total of 92 items. It is impossible for this report to comprehensively introduce the communique. In this report, which does not aim to summarize the communique, I would like to discuss points that I see as particularly important regarding discussions and achievements at the ministerial meeting.

The most impressive point for me regarding the meeting was that the ministers agreed to (1) achieve common goals through various pathways, (2) cooperate with the Global South and (3) manage geopolitical risks, as summarized by Japanese Economy, Trade and Industry Minister Yasutoshi Nishimura at a press conference after the meeting. In a sense, the three agreements mentioned in Minister Nishimura's statement can be viewed as the most important at the meeting and the key to interpreting the communique.

As the international situation has remained serious and complicated amid the prolonged Ukraine crisis, the fundamental enhancement of energy security has become a top priority for the G7 countries and for the entire world. While a comeback to coal for stable energy supply has emerged not only in developing countries but also in developed ones such as Germany in a manner to run counter to decarbonization, simultaneous pursuit of decarbonization and energy security over the medium to long term has become a new key challenge. Each country is required to protect and develop citizens' life, economy and industry while promoting decarbonization and energy security initiatives. Approaches on enhancing energy security and climate change countermeasures differ by country in line with various national conditions. Such differences cause conflicts of opinions and make it difficult for countries to work together for global interests. The three agreements mentioned above at the G7 ministerial meeting might have become a platform for forming agreements for global stability, prosperity and interests.

Pathways to the common goal of enhancing energy security while realizing decarbonization are not limited to one. It is not strange that optimum pathways to the common goal differ from nation to nation depending on various national conditions. Some countries choose to use nuclear energy, while others do not. Regarding clean hydrogen, ammonia and their derivatives on which hopes are growing, there are two manufacturing options – the “green” option for those made from renewable energy and the “blue” option for those made from fossil fuels with CCS/CCUS (Carbon Capture and Storage, or Carbon Capture, Utilization and Storage) systems used. The selection of either option should be based on carbon emission intensity but not based the color in a manner that respects diversity. It is important to secure various initiatives for reducing CO₂ emissions from vehicles. Instead of setting specific numerical goals for electric vehicles, the G7 countries should “note the opportunity to collectively reduce by at least 50%, CO₂ emissions from G7 vehicle stock by 2035 or earlier relative to the level in 2000,” as pointed out in the communique.

Regarding how to position or handle fossil fuels, which was taken up by many media sources after the ministerial meeting, the communique cited the G7 commitment to “accelerating the international clean energy transition and phasing out continued global investment in the unabated fossil fuel sector.” Given the keyword of “various pathways,” it is inappropriate to interpret this passage simply as emphasizing a commitment to phasing out fossil fuels. Emission reduction measures to decarbonize fossil fuels may be adopted to help secure various pathways to carbon neutrality.

Discussions on natural gas and LNG investment among fossil fuel issues attracted great attention. A key point in this respect is that the communique concludes that “investment in the gas sector can be appropriate to help address potential market shortfalls provoked by the crisis, subject to clearly defined national circumstances, and if implemented in a manner consistent with our climate objectives.” The conclusion indicates that investment in the gas sector is significant not only for the temporary response to the energy crisis but also for future efforts for the common goal. The key point is important because it meets cooperation with the Global South as the second of the three agreements. Gas sector investment not only for the temporary response to the crisis but also for future gas market stability is importantly positioned as useful for the Global South, including Asia, to secure stable energy supply and promote long-term decarbonization initiatives.

Cooperation with the Global South will allow climate change initiatives to achieve the common goal through various pathways. If pragmatic approaches are adopted commensurate with various national conditions to promote decarbonization without hampering development and growth in the Global South, countries around the world may be able to pursue global interests through global solidarity. As the division of the world is growing more serious, the escalation of the north-south confrontation has become a significant issue. Under the principle of “common but differentiated responsibilities” regarding climate change, developing countries have grown more critical of developed countries. For the sake of global interests and from the geopolitical viewpoint, developed countries including the G7 should understand various pathways and cooperate with the Global South, instead of urging developing countries haughtily to follow a single pathway. Regarding the agreement to manage geopolitical risks, a key point is that the G7 compiled a five-point action plan to tackle stable supply and uneven endowment of the critical minerals indispensable for pursuing the common goal and increase the resilience of their supply chains.

In respect to the abovementioned points, the latest G7 Ministers’ Meeting on Climate, Energy and Environment made important achievements. However, the meeting does not represent the end of the G7 process. Agreements among the G7 leaders at the G7 Hiroshima Summit in May will be

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the most important. While no optimism can be warranted, it is hoped that Japan will demonstrate its leadership in pursuing common goals through various pathways, enhancing cooperation with the Global South and managing geopolitical risks.

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