



THE OXFORD
INSTITUTE
FOR ENERGY
STUDIES

International Cooperation to Accelerate Development and Deployment of Circular Carbon Economy

*Presentation of Accepted T20 Policy Brief Proposal for
Task Force 2: Climate Change, Sustainable Energy & Environment*

T20 Virtual Inception Conference

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T20 Italy TF 2 Policy Brief Proposal: International Cooperation to Accelerate Development and Deployment of Circular Carbon Economy

By Manal Shehabi, Noura Mansouri, Kirsten Westphal, Bassam Fattouh, Giacomo Luciani, Adnan Shihab-Eldin

- **Importance:** Achieving both **universal energy access** per UN SDG 7 and **the Paris Agreement targets** per SDG 13, **requires energy transition pathways** that need to rely on **all technologically feasible and economically affordable** solutions for managing greenhouse gas emissions, including low-carbon fossil-based fuel technologies.
- **Challenge:** The Saudi-presided G20 endorsed the Circular Carbon Economy (CCE) as a holistic, integrated, inclusive, pragmatic approach to managing emissions. Nevertheless, **CCE implementation requires international cooperation and agreement on how to monitor, quantify, certify, account carbon-content, & incentivize minimizing carbon emissions from fossil-based fuels.**
- **Proposal:** PB **builds upon relevant T20 Saudi Arabia 2020 PBs** by expanding necessary **efforts to transition the hard-to-abate sectors** toward carbon reduction and neutrality, with the larger aim to achieve the G20's net-zero emissions target by 2050, or soon thereafter.



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- **Proposal:** This PB calls on the G20 to commit to the consistent measuring, verifying, reporting, and certifying of GHG emissions by all energy industries and energy usage, and to identify institutions that could undertake these processes and ensure countries' adherence to them. Identifying institutions will ensure consistent processes across countries, while providing a level playing field for low-carbon development and adoption.
- **A three-point action plan for enhanced international cooperation:**
 1. Properly **measuring carbon content** that consider **products' lifecycles** from inception through energy intermediates (whether hydrocarbons, hydrogen, ammonia, petrochemicals, or aluminum) to final use.
 2. **Emissions reporting** that is **uniform** and **transparent**.
 3. Defining and implementing **GHG-content certification** based on **internationally-recognized methodology** for relevant internationally-traded products.
- **Why it matters?** Favoring low-carbon products on a lifecycle basis would **support the economic rationale for decarbonization investment**. Beyond **enhancing CCE**, the three-point action plan is indispensable for the **successful adoption of climate change response measures**, e.g., carbon pricing/taxes, limiting the outsourcing of carbon-intensive industries to less-committed jurisdictions, and economic incentives for decarbonization.