Key findings

Economic benefits of combined action for growth and climate

On average across the G20, the net positive impact on GDP output of a decisive transition is 1% in 2021, rising to 2.8% in 2050. If the benefit of avoiding damages from climate change are included, the impact rises to 4.7% in 2050.

Under a more ambitious scenario, long-term growth prospects are also positive: a net positive impact on GDP of 2.5% across the G20, rising to 4.6% when avoided damages are included.

1. Scenario with a 50% chance of holding global warming below 2°C
2. Scenario with a 66% chance of holding global warming below 2°C
Climate-compatible infrastructure investment needs are only 10% higher and can be offset with fuel savings

Around USD 6.3 trillion a year of investment in infrastructure is required on average between 2016 and 2030 to meet development needs globally. Making these investments climate compatible will cost an additional USD 0.6 trillion a year over the same period. Incremental costs could be offset by fuel savings of up to USD 1.6 trillion per year through 2030.

Progress on renewables, but coal is still a problem

While renewable energy investment additions are close to the level required for a 66% chance of limiting warming to less than 2°C, far too much coal-based power generation capacity is still being built (21.8% of additions relative to 8% for 66%2°C).

Low-emission pathways will be country specific

While all countries will need to substantially reduce emissions to achieve the Paris outcomes, pathways will depend on country factors including overall income level.

Investing in Climate, Investing in Growth was prepared by the OECD in the context of the German G20 presidency. For more information and to access the full publication, see: http://oe.cd/g20climate