

Media Release



05 April 2022

IPCC Report on mitigation shows renewables remain key for energy security and climate action – Asia Investor Group on Climate Change

Only a very small window remains to meet the goals of the Paris Agreement. The new IPCC report, released today, shows how the world can meet its climate targets.

Renewables are the key to energy security, said the Intergovernmental Panel on Climate Change (IPCC) Working Group III report released yesterday. Countries that have adopted low carbon policies are already seeing a drop in emissions.

Reaching net zero by 2050 will require a **huge ramp up in the deployment of renewable technologies** like wind and solar, as costs continue to fall. To accelerate adoption of renewables, countries should set out clear energy policy that favours clean options, and embrace sustainable finance to help drive the investment needed.

In tandem with stepping up renewable energy deployment, the report urges governments to halve emissions by 2030 to keep 1.5°C within reach. Developed countries must decarbonise their power sectors by 2035 and developing countries to follow. The report warned that even with no new fossil fuel expansion, current global emissions would be 66 per cent too high to stay within 1.5°C by 2030. Governments should also implement rapid mitigation action for other greenhouse gases including methane and other short-lived gases.

The IPCC Working Group II Report, Climate Change 2022: Impacts, Adaptation and Vulnerability report [released in February 2022](#) provided a warning of the devastating consequences should governments, businesses, and investors not make decisions now to urgently reduce global warming.

Current net zero climate commitments would still produce warming of around 2.2°C – but **much more urgent action is needed to align with a 1.5°C future**. New assessments released on 30 March 2022 by Climate Action 100+, the world's largest investor engagement initiative on climate change, echoes this. [The second round of company assessments](#) showed some corporate climate progress against key climate indicators, but find much more action is urgently needed to support global efforts to limit temperature rise to 1.5°C.

Removing carbon dioxide from the atmosphere through carbon, capture and storage (CCS) technologies may be a means to meet climate targets. However, such technologies are still nascent and more likely to be cost competitive for hard-to-abate industries, such as steel production.

In Asia, there is a growing number of governments and companies putting significant stock in CCS technologies to underpin their transition plans and bridge emissions gaps to reach net zero.

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Last year, AIGCC [released an analysis](#) on the trajectory for the deployment of CCS technologies in key Asian markets against other technologies. The findings showed that **CCS will likely undershoot industry claims and scenario projections, and significant financial and operational hurdles for large-scale deployment will remain for decades.**

AIGCC Chief Executive Officer Rebecca Mikula-Wright, said: “This latest IPCC report points out the priorities for rapid mitigation to limit global warming, it will involve industries, governments and companies, and international co-operation will be crucial to meet 2030 targets.

“Net zero commitments must focus on deep emissions reductions first and be supported by detailed and transparent action plans.

“Governments will also need to follow up on these pledges with the implementation of strong policy support measures to ensure that companies are able to take timely action to reduce dependence on fossil fuels.

“By working with investors to put in place robust policies, strong targets and a clear roadmap to reach net zero emissions, Asian governments can unlock these enormous investment opportunities and the jobs, economic growth and competitive advantage they will bring.

“Institutional investors can help their countries mitigate and adapt to the effects of global heating by adopting and accelerating [Investor Climate Action Plans](#) (ICAPs), published by The Investor Agenda, through four pillars: investment practices; corporate engagement; policy advocacy; and investor disclosure.”

[The latest IPCC Working Group III Report, Climate Change 2022: Mitigation of Climate Change, is available for download from the IPCC Website.](#)

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About the Asia Investor Group on Climate Change (AIGCC)

The Asia Investor Group on Climate Change (AIGCC) is an initiative to create awareness and encourage action among Asia’s asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. AIGCC provides capacity for investors to share best practice and to collaborate on investment activity, credit analysis, risk management, engagement and policy. With a strong international profile and significant network, AIGCC represents the Asian investor perspective in the evolving global discussions on climate change and the transition to a greener economy. AIGCC has over 50 members from 11 markets and with over USD 36 trillion in assets under management.
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