

A SMI Private Sector Call to Action How G20 Governments Can Accelerate the Transition to a Sustainable Future *20th G20 Summit | Johannesburg, South Africa | November 22–23, 2025*

INTRODUCTION

At the G7 Leaders' Summit in Cornwall, UK, in June 2021, His Majesty King Charles III, then The Prince of Wales, and the Sustainable Markets Initiative (SMI) shared market signals to accelerate the transition. This was followed by a similar presentation at the G20 Leaders' Summit in Rome in 2021. In 2022, 2023, 2024, and now 2025 the SMI continues to share its market signals and its call for direct private sector CEO engagement with G20 Leaders.

At the SMI, we recognise that it will take trillions of dollars annually to make the transition to a low-carbon and Nature-positive economy. The good news is the private sector is already directing trillions in the right direction and is eager to lean in, across all industries, and to partner with governments in all regions of the world.

While this updated market signals document is targeted at G20 Leaders, it is also inherently a Call to Action for the global private sector. We must retain high levels of ambition, speed and scale regardless of shifting political landscapes. Like no other time in human history, it is time for the private sector to lead.

RECOMMENDATIONS

1. **Private Sector Representation:** After five years of effort, it is increasingly challenging for private sector CEOs to meaningfully engage as equal partners in World Leader Summits (G7; G20; climate, biodiversity, ocean and desertification COPs). With this reality in mind, the SMI and its member CEOs invite world leaders to the SMI's Annual High-Level CEO Summit & Exhibition each March from 2025-2030 in London.
2. **Triple Global Renewable Capacity to 11,000 GW by 2030:** Collaborate with the private sector to raise annual renewable investments to over US\$1,080 billion, double grid spending to US\$800 billion, and align national targets with the 1.5°C pathway. Strengthen regulatory and permitting frameworks, harmonise cross-border standards, and advance commercialization of emerging technologies such as hydrogen, geothermal, bioenergy and more to achieve global renewable tripling goals by 2030.
3. **Expand the Use of Energy Storage Systems:** Expand grid-scale storage (battery, pumped hydro) through regulatory frameworks and incentives, coordinate multilaterally to diversify mineral supply chains (noting critical mineral concentration in China and associated social/environmental risks), and address environmental/social impacts of mining to sustain cost reductions and accelerate transitions.
4. **Remove Coal from Electricity Generation in Advanced Economies by 2030:** Phase out existing coal power in advanced economies by 2030 (globally by 2040), support early retirement/replacement with clean technologies, and encourage multilateral development banks (MDBs) to support the financing of these transitions, alongside comprehensive just transition support for coal-dependent emerging markets.
5. **Halve Methane Emissions by 2030:** G20 countries may adopt more aggressive policies, national targets, incentives, and plans to halve global methane emissions by 2030. Recommended actions include de-risking transition finance in emerging markets, leveraging AI and satellite imagery for transparent tracking and remediation, enforcing fugitive emission controls from oil/gas production, and incentivising sustainable farming practices and technologies for enteric methane reduction.
6. **Increase Installed Carbon Capture, Utilisation and Storage (CCUS) Globally as well as Carbon Dioxide Removal (CDR) to manage current and legacy CO₂:** Require clear deployment plans for CCUS and CDR

(including DAC/BiCRs), establish consistent regulations/standards across borders, offer innovative insurance/financial products (e.g., loan guarantees) to de-risk projects, and set ambitious CDR targets with direct public and private procurement and innovative financing (e.g., for DAC).

7. **Investing in Fusion and other Advanced Nuclear Sources (Fission/SMRs):** Collaborate with the private sector on rapid R&D, financing, and commercialisation of fusion energy and advanced fission/SMR technologies. Establish project risk-sharing protocols between governments and industry, become early adopters, and extend energy transition policies (tax incentives, blended finance) to include fusion and SMRs, supported by regulatory innovation.
8. **Drive Energy Efficiency and Reduce Emissions in the Buildings Sector:** Prioritise building decarbonisation by addressing energy pricing disparities (taxing electricity less than fossil fuels), mandating zero-carbon building standards for new builds, offering tax exemptions for renewable adoption, and creating state-backed debt facilities with attractive rates for smaller property operators to access affordable financing for retrofits.
9. **Accelerate Sustainable Aviation:** Retain and work to realize ambitions for a 10% Sustainable Aviation Fuel (SAF) global mandate by 2030, support production scale-up with long-term incentives, loan guarantees, and streamlined certification, help to facilitate global coordination for SAF development and distribution, and create incentives for contrail-reducing flight routes. Further, collaborate on technology demonstrator programmes for alternative propulsion (hydrogen, electric) and enable the decarbonisation of airport operations.
10. **Mandate all new car and Light Duty Vehicle (LDV) sales to be Zero Emission Vehicles (ZEV) by 2035 and heavy goods vehicle sales to be ZEV by 2040:** Maintain 2035/2040 ZEV sales targets, scale renewable energy/charging networks, strengthen supply chains (batteries, mining), and support ZEV transitions in emerging markets by de-risking private investment and ensuring affordable access.
11. **Accelerate a Decarbonized and Nature-Positive Shipping Industry:** Call on G20 governments to support and encourage the timely adoption and operationalisation of the IMO's goal-based fuel standard and global GHG pricing mechanism (IMO Net-Zero Framework, with indicative carbon prices of US\$100–380/tonne), couple incentives with regulations to bridge the fuel cost gap and create an enabling environment for Green Shipping Corridors.
12. **Develop a Meaningful Global Carbon Price:** Urge G20 governments to advance a meaningful carbon price (updated range between US\$120 and US\$250/tonne), noting the aligned IMO's proposal for shipping. Ensure revenue is used solely and transparently to finance the transition in respective industries (e.g., green initiatives and related social policies) and support the extension of compliance carbon markets.
13. **Encourage Multilateral Development Banks (MDBs), International Financial Institutions (IFIs), and Development Financial Institutions (DFIs) to increase ambition on Private Capital Mobilisation ratios targeting between 5:1 to 10:1:** As shareholders, seek to encourage mandates for MDBs to mobilise private capital (not crowd out) with clear investment plans, collaborative approaches, and a Private Capital Mobilisation (PCM) ratio using innovative risk management tools, blended finance, and transforming operational models to 'originate-to-distribute'.
14. **Scale DFIs' Co-Investment Capital and Incentivise Private Sector Engagement through Aligned Policy Frameworks and Public-Private Collaboration:** Accelerate and enhance DFI co-investment capital to catalyse private sector deployment. Encourage the issuance of sovereign green, blue, and transition bonds and establish a Clean Technology Acceleration Platform to pool R&D funds, harmonising standards and streamlining processes.
15. **Ease Prudential Regulatory Measures to Unlock Private Capital:** Ease overly burdensome capital requirements and risk-weighting frameworks to better reflect risk-adjusted returns of long-term investments, facilitating financial institutions' direct investment in domestic infrastructure and enabling greater cross-border capital flows to emerging markets.
16. **Central Banks to Advance Transition Projects with Preferential Interest Strategies:** Urge G20 governments to leverage central bank mandates with preferential financing (e.g., lower interest rates or direct financing) for sustainable transition projects, including considering green Targeted Long-Term Refinancing Operations (TLTROs) and introducing regulatory capital carve-outs to mobilise more capital into EMDEs.
17. **Leverage Government Spending Power to Drive Acceleration of Clean Technologies Through Strategic Public Procurement and Finance Mechanisms:** Use public procurement (US\$13 trillion annually) to accelerate the adoption of low-carbon projects and technologies (e.g., renewable energy

contracts, building retrofits). Reduce project risk through co-investments, loan guarantees, and viability gap funding to attract private capital, and fund green R&D.

18. **Harmonise Sustainability Standards Across Jurisdictions to Facilitate Uniform Capital Deployment:** Collaborate in developing globally consistent definitions and standards for sustainable finance, including harmonising green and transition taxonomies and accelerating the adoption and interoperability of the ISSB global baseline for sustainability disclosures to enhance cross-border investment and transparency.
19. **Stewardship of Nature, including the Blue Economy:** Accelerate delivery of the 30x30 targets for land and water with better Earth-based and satellite monitoring, developing a unified, publicly accessible global registry of confirmed protected areas.
20. **Reform Subsidies, Create Incentives and Mobilise High Integrity Nature-based Market Mechanisms:** Repurpose and redirect environmentally harmful subsidies (especially fossil fuels, agriculture, and water) to support regenerative agriculture and sustainable fisheries. Create tax incentives tied to Nature performance for corporations and facilitate the mobilisation of high-integrity Nature-based markets (e.g., Payments for Ecosystem Services/PES).
21. **Leverage the Astra Carta as a Global Public-Private Space Sustainability Framework:** Work with the private sector to support the Astra Carta roadmap and accelerate efforts on space sustainability (e.g., debris mitigation, AI for tracking). Invest in and make publicly available key Earth observation datasets (e.g., climate, biodiversity, methane) to facilitate research and private sector innovation.
22. **Embracing the opportunity of Artificial Intelligence (AI):** Work with the private sector and international partners to embrace the opportunity of AI to accelerate the transition, deliver efficiencies, and drive sustainable development, while ensuring the large energy needs of AI data centres are met with green/renewable energy. Seek to train civil servants and integrate AI education into schools to prepare the work force of the future.
23. **Strengthen Global Supply Chain Resilience, including Critical Minerals:** Cooperate to build supply chains that are diversified, digitalised, secure, efficient and low-carbon by reducing single-source dependency and promoting local value addition in strategic sectors (health, energy, transport defence).

CONCLUSION

As we stand in 2025, the urgency to deliver on our shared 2030 commitments has never been greater. Global private sector momentum and leadership is on the rise, but it must be encouraged and seized. To accelerate real world delivery, we must sit at the same tables and co-create solutions. By leveraging the market signals outlined above, we can rapidly shift to delivery.

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