

1. **Context & challenge SDG 7**

2 challenges: decarbonisation and for ALL

HE. Mr Secretary General; Distinguish Head of states and governments; Excellencies and Colleagues

We have started a crucial decade. We must achieve the goals of the 2030 Agenda for Sustainable Development

We are currently not on track. We cannot reach 2030 and regret the lack of ambition we should have today. Regarding SDG 7 “Access to sustainable energy for all”, we have a great and urgent task.

- **Polluting energy sources** and wasteful resource consumption are causing severe global warming effects. It is of paramount importance to reach net zero carbon emissions by 2050 and embark on a pathway now consistent with the 1.5°C goal of the Paris Agreement. The window of opportunity is very tight, much more needs to be done and very quickly.
- On the other hand, there are **759 million people who currently have no electricity** and 2.6 billion people who currently depend on polluting cookstoves and cooking solutions based on fuels. Energy is truly an enabler for development, for prosperity and for many other global goals: “Health and wellbeing”, “Education”, “Industry”, “Sustainable cities”, etc.

2. **Solutions are ready (unanimity of recommendations)**

Technology ready: RES, electrification, efficiency, smart grids. R&D for unmaturred tech

- Technology has evolved to a point where progress and economic growth are in synch with the need to decarbonize our economies and preserve the planet precious resources.
- In the light of this we **should work together** as never before. The solution lies in global and joint action, intensifying international co-operation and multi-stakeholder partnerships.
- **Organizations such as Sustainable Energy for All are critical** for elevating the intersection between energy access and climate change and for galvanizing action across stakeholders.
- The energy sector has always been transforming, but - for the first time - we have the opportunity to accelerate the pace of **transition in a short time frame, guided by science and technologies** that enable us to produce and use energy in a more efficient, sustainable and cost-competitive way.
- During this year, in the **framework of this High-Level Dialogue on Energy, working groups** composed by public and private stakeholders have issued valuable **recommendations**, that are **fully in line** with the ones of the **B20 Energy Task Force**, which I had the honor to chair.
 - i. **Decarbonization** of the energy mix. Substitution of fossil fuels with decarbonized electricity and other carbon neutral energy sources and carriers. Massive installation of RES, being not only the most sustainable solution but also the cheapest.
 - ii. **Electrification** of end-uses. Shifting energy end-uses towards clean energy
 - iii. **Improving efficiency** to decrease the overall demand for energy. Opportunities: Cities, buildings, industry, public and private mobility or heating/cooling. [According to the IEA, doubling the efficiency of air conditioners could replace the equivalent of all the coal-fired electricity generation in China and India in 2018 combined](#)
 - iv. **Infrastructure** development, modernization and digitalization. As an enabling factor in the transition. Resilient to increasing extreme events and cyber-attacks and reaching all people.
 - v. **R&D** is key, to continue improving technology. For hard to abate sectors where high temperatures are needed and sustainable technologies and not yet mature.

3. **It's time for increased ambition**

Energy Compact / G20&COP commitments fossil fuels / NDCs / Accountability & Governance

- It is therefore time to **increase ambition**, based on these existing solutions.
- This week commitments in the form of **Energy Compacts** are being announced by public and private sector. The Compacts are important for bringing **all commitments on energy** together under **one platform**, to identify and track actions backing up those commitments to deliver on SDG7.
- **Enel has announced and Energy Compact including:**
 1. Reducing emissions 80% by 2030 (vs 2017), in line with 1.5 °C scenario (SBTi certified).
 2. Coal Phase-Out acceleration from 2030 to 2027.
 3. Triple renewable energy generation from 49 GW (leader), to 145GW by 2030.
 4. More than 4 million EV charging points and 10.000 electric buses by 2030.
 5. +5.6 million electricity connections to people without it today, by 2030 (from 74 Mn in 2020)

- **We have an historic opportunity to reach our global goals – on energy access and on decarbonization** – through commitments such as the **phase-out of coal**, **ending** harmful and market-distorting **fossil fuel subsidies** as soon as possible, and **ending financing of projects reliant on unabated fossil fuels**. This High-Level Dialogue and the upcoming G20 summit and COP26 represent decisive opportunities to increase these commitments and to back up these commitments with action.
- **Nationally Determined Contributions (NDC)** progress is crucial, providing to investors and companies a medium and long-term detailed decarbonization strategy, and adapting policies and regulations.
- **Transparency, accountability.** Not only aim for “net zero” as an endpoint. A credible trajectory to net zero is needed. Countries and companies should transparently review progress toward net zero.
- **Governance:** The simplification of permitting procedures is needed for boosting the ambitious deployment. The industry is able to deliver sustainable growth and durable jobs, but if new project development grinds to a halt because of permitting, we won't get what is needed.

4. **Finance**

Recovery / Stranded assets / SDG finance / No trade-offs / 100 B\$/year / Carbon pricing

- The Pandemic has been tragic and the social and economic impact terrible.
- **Economic recovery funds** should be aligned with climate and energy access and transition goals. They will carefully need to avoid technological areas that may quickly become obsolete because of our quickly changing world. **The risk of creating stranded assets** is great. We need to invest heavily on technologies that are mature and sustainable to achieve our goals.
- New **SDG finance** with opportunities to support SDG 7 and rewarding ambitious energy-transition strategies, are a great tool to be enhanced. [\[Enel elaborated, in 2019, a new "general purpose" approach with its new Sustainability Linked Bond Programme, complementary to the "use of proceeds" model of the green bonds. Target share of sustainable finance sources on total gross debt to around 50% in 2023\]](#)
- **The challenge of transition is global.** Commitments such as the one announced by President Biden this week, to increased support to developing countries with the **100 B\$/year**, are crucial to support mitigation and adaptation plans.
- Also, in **developing countries**, **de-risk instruments** and fix regulatory barriers to ensure market openness, attractiveness, and readiness for private-sector finance, are key.
- It is also important to **address the lack of carbon-pricing** frameworks and inadequate accounting of environmental externalities that hold back sustainable investment. Regulatory mechanisms coordinated across geographies that directly or indirectly price in GHG emissions are required

5. **Just transition**

People centred - vulnerable / All sectors / jobs / Gender & Youth / Biodiversity & circularity

- The energy transition is going to happen, but it must be just and inclusive
- **Put people at the center of efforts.** Countries should find ways of reorienting fossil fuel and other inefficient subsidies into smart subsidies for clean energy access, towards vulnerable groups.
- Energy policy pathways must accomplish **universal access** to electricity and clean cooking by 2030.
- The transition to a more sustainable and efficient electrified system **not only involves the energy sector**, but also encompasses and impacts other sectors, which will undergo important changes.
- Although clear global gains in **job creation will be made**, the labour-market impacts of energy transition will vary among locations and sectors. In cooperation with all involved stakeholders, countries should enact strategies for a just transition, maximizing opportunities, and minimizing hardship for individuals and communities. [According to IEA, 30 million jobs will be created with the transition until 2030, but 5 million jobs will be lost in sectors such as fossil fuels.](#)
- Integration of **gender equity and youth** into energy transition pathways, must be accelerated.
- It also paramount to reduce **consumption of natural resources**. **Biodiversity** loss and ecosystem collapse are worsening faster than ever. To preserve the natural balance, a global commitment to the proper use of natural resources and the spread of **circular economy** approaches is needed.

It's time to take strong action towards the radical decarbonization of the global economy and a sustainable energy transition for a brighter future for all.