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FREQUENTLY ASKED QUESTIONS

WHAT ARE ENERGY COMPACTS?

Energy Compacts are voluntary commitments on Sustainable Development Goal 7 (SDG7) made by countries, companies, NGOs, civil society groups and others to drive action on universal access to affordable and clean energy for all. Energy Compacts originated in connection with the UN High-level Dialogue on Energy, convened at the summit level by the Secretary-General in September 2021 under the auspices of the General Assembly.

The commitments made through Energy Compacts will drive forward the achievement of a just, inclusive energy transition. Since the energy system plays such a major role in a country's overall emissions, changing the energy system to be more efficient and reliant on clean energy will directly support the achievement of NDCs. Countries forming Energy Compacts can align their plans for energy system transformation with their climate ambitions, as expressed under their NDCs.

To date, over \$600 billion in funding and investment has been pledged through the voluntary commitments of governments and businesses in the over 200 Energy Compacts submitted to UN-Energy.

LEARN MORE

WHAT IS THE DIFFERENCE BETWEEN ENERGY COMPACTS AND THE NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)?

NDCs address Member States' national climate ambitions and targets that are legally required under the Paris Agreement, focusing on a country's emissions profile from the economy as a whole. Since the energy system plays such a major role in a country's overall emissions, changing the energy system to be more efficient and reliant on clean energy will directly support the achievement of NDCs. Energy Compacts include a variety of voluntary commitments, actions, initiatives, and partnerships focused specifically on the energy system and SDG7. They will cover the SDG7 targets, including those that are not reflected in a country's NDCs, such as clean cooking

access. However, because Energy Compact commitments aim to deliver affordable, clean energy for all by 2030, these commitments are complementary to the NDCs. Energy Compacts are essentially the energy system "steps" to be taken towards achieving NDCs. Countries forming Energy Compacts can align their plans for energy system transformation with their climate ambitions, as expressed under their NDCs. Finally, Energy Compacts are also open to all stakeholders in the global movement on SDG7, including businesses, organizations, and subnational authorities, and will have annual mechanisms to track progress on the commitments.

WHAT IS THE ENERGY COMPACT ACTION NETWORK?

The Energy Compact Action Network is a new multi-stakeholder mechanism that brings together governments, businesses and other actors who have committed to an Energy Compact, in order to mobilize investment, resources and know-how to enable the delivery of the commitments made. Supported by UN-Energy -- the principal mechanism for coordinating nearly 30 UN System organizations working on energy -- the Action Network will serve as an inclusive engagement platform for the Energy Compact community, to match offers of support with requests for support that have been expressed in Energy Compacts.

WHY DO WE NEED THE ENERGY COMPACT ACTION NETWORK?

Energy is key to achieving the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. However, current actions on SDG7 are insufficient, too fragmented, and lack accountability. Mobilizing strong, inclusive partnerships on SDG7 is essential to putting the world on track to achieving the SDGs by 2030 and the Paris Agreement. The 2030 Agenda recognizes multi-stakeholder partnerships as "important vehicles for mobilizing and sharing knowledge, expertise, technologies and financial resources to support the achievement of the Sustainable Development Goals in all countries, particularly developing countries."

The Energy Compact Action Network is the only platform globally that brings together offers of support and requests for support on SDG7 from all stakeholders, and across different areas of the energy transition – such as energy access, efficiency and technology – creating opportunities for collaboration between stakeholders seeking similar outcomes. Additionally, the Action Network brings together a variety of voluntary commitments, actions, initiatives, and partnerships that are complementary to the NDCs and are essentially the energy system "steps" to be taken towards achieving NDCs.

WHAT IS A PRACTICAL EXAMPLE OF WHAT THE ENERGY COMPACT ACTION NETWORK MIGHT ACHIEVE?

The potential cooperation facilitated by the Network could differ significantly depending on the type of stakeholder, the assistance it seeks and the type and scale of assistance another stakeholder may have offered in its Energy Compact.

Each government Energy Compact specifically highlights the resources, capacities or cooperation needed to meet the commitments contained in the Energy Compact. For example, a country may have requested a certain amount of financing to co-finance the first phase of an electricity grid extension project, whereas another country or international financial institution may have a programme offering financing for grid upgrades. The Network would look to match these two partners and draw in additional resources and knowledge from among the Network members to collaborate on the grid extension project.

WHO CAN JOIN THE ENERGY COMPACT ACTION NETWORK? IS THERE A MEMBERSHIP FEE?

All stakeholders in the global movement for SDG7 that have made commitments through an Energy Compact will be part of the Action Network.

This includes national and subnational governments, businesses, civil society groups and others. It also includes joint Energy Compacts that have come together to foster a coordinated approach towards achieving SDG7.

There is no membership fee to be part of the Energy Compact Action Network.

For more information on how to submit an Energy Compact and the principles that guide the selection of commitments in an Energy Compact, please visit this <u>link</u>.



WHO IS MANAGING THE ENERGY COMPACT ACTION NETWORK?

Energy Compacts originated in the lead-up to the UN High-level Dialogue on Energy in 2021. Outreach and support for Energy Compacts is an ongoing process managed by UN-Energy. The UN-Energy is also leading on creating and maintaining the Energy Compact Action Network.

WHAT ARE THE FUNCTIONS OF THE ENERGY COMPACT ACTION NETWORK AND ITS BENEFITS?

MATCHMAKING TO SUPPORT ENERGY COMPACT COMMITMENTS

Through the Energy Compact Action Network, UN-Energy will bring together offers of support that have been committed through Energy Compacts from the private sector, development partners, donor countries, industry associations and civil society actors to coalesce around the requests for support that have been put forward by developing countries and subnational regions. Through a series of facilitated dialogues that match expertise and support offers with the requirements and targets set by Member States, the Energy Compact Action Network will foster multi-party partnerships that will be monitored through pre-established quantifiable progress indicators.

SHOWCASE LEADERSHIP AND BEST PRACTICES FOR CAPACITY BUILDING

Through the Energy Compact Action Network, UN-Energy will, along with Energy Compact proponents, highlight best practices, case studies, examples of actions, policies, business models and market mechanisms that have helped accelerate SDG7 in certain regions or sectors. This structured information sharing will be done through an annual convening through written showcases and web-based tools and exchanges, as well as through twinning exercises between Network members and partners. UN-Energy's members and partners will play a critical role in supporting this function.

03

BUILDING COALITIONS OF SUPPORT ON KEY MULTI-STAKEHOLDER TOPICS

Through the Energy Compact Action Network, UN-Energy will invite, coordinate and enable multi-stakeholder Energy Compact coalitions on under-addressed and high-impact energy issues to support an inclusive energy transition. These coalitions could bring together several governments, businesses, development partners and civil society actors on a single topic. Current coalitions or multi-stakeholder Energy Compacts include a Clean Cooking Compact, a Green Hydrogen Compact, a No New Coal Compact and a 24x7 Carbon Free Energy Compact.

04

MONITORING PROGRESS IN A TRANSPARENT MANNER

Through the Energy Compact Action Network, UN-Energy will hold Energy Compact proponents accountable for their commitments through a simple, web-based annual reporting process. All Energy Compact commitments are associated with measures of progress identified by the Compact proponent at the time of submission. UN-Energy will seek updates on these indicators annually and showcase progress transparently through the Energy Compact dashboard on the UN-Energy website. In case of limited progress, especially for Member States, the Energy Compact Action Network could be leveraged to provide support. Energy Compacts are living documents and additional commitments, or enhanced goals, can be added over time and reported on in subsequent reporting cycles. In the case of Member States, efforts will be made to integrate this requirement with other existing reporting frameworks, such as on NDCs and SDGs, that are already in place.

05

RAISING AMBITION TO ADDRESS UNDERSERVED SECTORS AND REGIONS

The UN-Energy Secretariat will continually work on expanding the breadth and scale of ambitions and commitments made by the members and partners of the Energy Compact Action Network. This will include seeking new Energy Compacts to expand coverage of regions and sectors, as well as seeking enhanced commitments to close gaps and ensure that progress on SDG7 is inclusive and leaves no one behind. Analysis of existing commitments, shared on the UN-Energy website, will provide an evidence-based approach to identifying underserved regions and sectors, monitoring progress over time, and showcasing the influence of Energy Compact commitments on global SDG7 progress.

HOW DO I JOIN THE ENERGY COMPACT ACTION NETWORK?

If you have already submitted an Energy Compact, you will be invited to collaborate in the meetings and opportunities of the Energy Compact Action Network. If you have not yet submitted an Energy Compact, we strongly encourage you to complete an ambitious and action-oriented Energy Compact so you can be part of the Network and join with us to accelerate progress towards a just energy transition for all.

HOW DO I CREATE AN ENERGY COMPACT?

The first step is to identify Energy Compact commitments and the actions required for achieving them. You can find more information on submitting an Energy Compact here. Additionally, UN-Energy is holding monthly workshops to facilitate this process and you can register for these workshops here.

Interested organizations can also contact support at <u>un-energycompact@un.org</u> with copy to <u>energycompact@seforall.org</u>.



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