

# COVID-19 Recovery: How the G20 Can Accelerate Sustainable Energy Transitions in the Power Sector by Supporting the Private Sector

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The pace of global climate action was insufficient even pre-COVID-19.

COVID-19 changed the socioeconomic context for clean energy transitions – not the challenge.

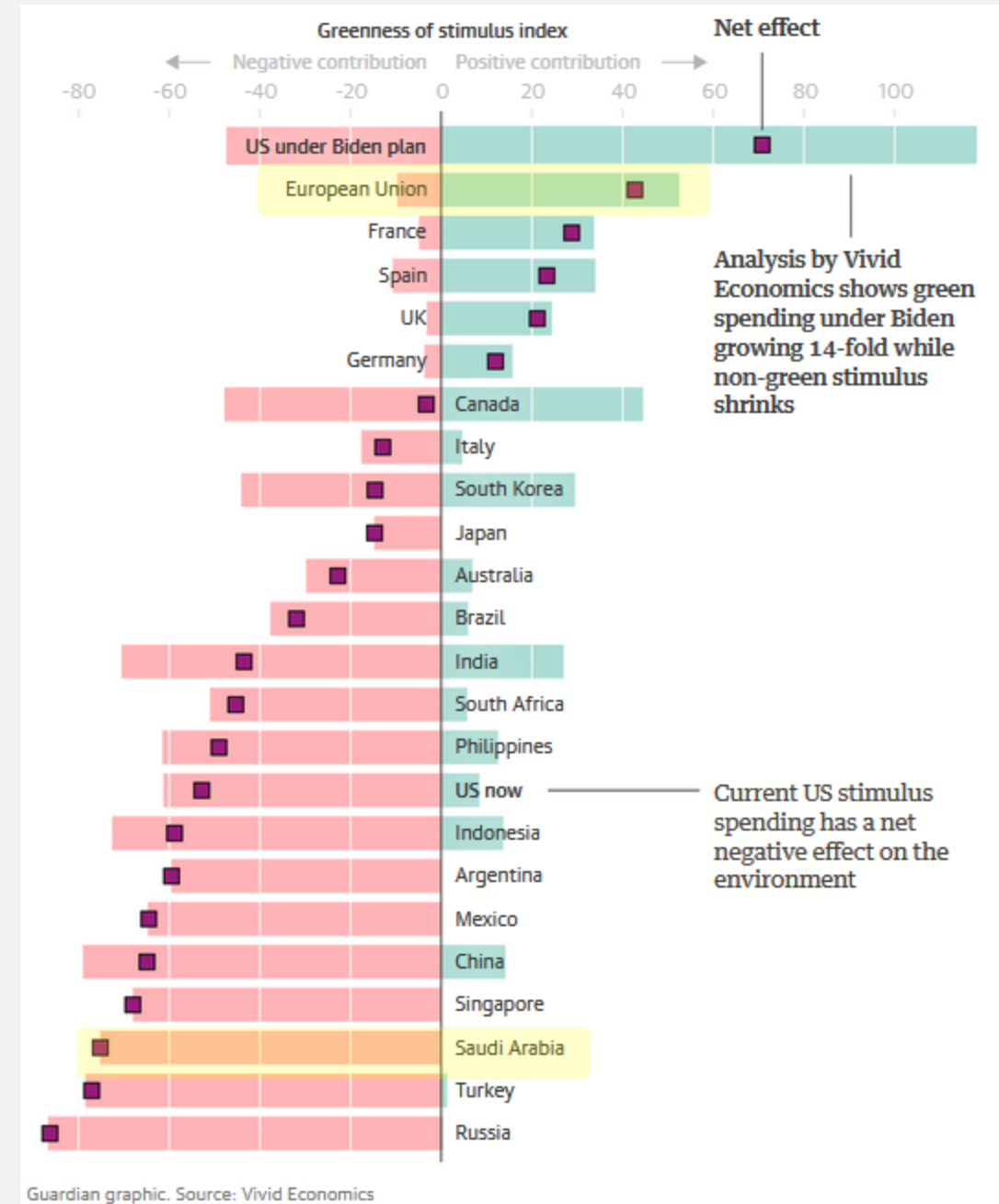
The world largely in paralysis in terms of long-term thinking through the first half of 2020.

Since September, positive policy signals from many major economies...

... net-zero emissions targets by the US, China, EU, Japan, and South Korea would put the 1.5°C limit 'within striking distance.'

Positive signs both in the EU and GCC.

**But shorter-term economic recovery plans in most countries are still skewed towards the 'brown'.**



COVID-19 recovery provides an opportunity to address two challenges at the same time.

Fiscal rescue and recovery measures unaligned with a green, resilient, and just recovery will miss the historic opportunity to realign global economic and energy trajectories with the goals of the Paris Agreement.

The private sector should be put at the heart of economic recovery policies given its potential to accelerate sustainable energy transitions and deliver growth and jobs.

**How can (G20) governments support the private sector in doing this, with the ultimate goal of achieving sustainable energy transitions in the power sector?**



# Recommendations for achieving sustainable energy transitions in the power sector across G20 economies through green recovery policies



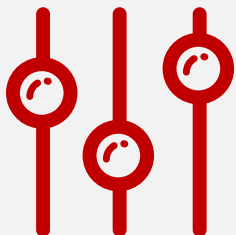
**Grow the green:** Support the expansion of renewable energy generation.



**Transition the brown:** Accurately reflect environmental externalities and ensure just transitions in the fossil fuel sector.



**Transform the rest:** Promote efficient electricity consumption and faster electrification.



**Coordinate the response:** Coordinate on green recovery measures.



## Grow the green:

- Facilitate financing for clean energy infrastructure to support clean energy capacity expansions.
- Promote flexible, transparent methods to procure new, renewable electricity generation.



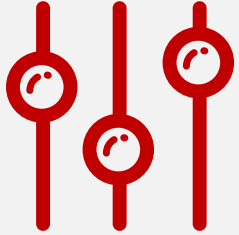
## Transition the brown:

- Harmonize and mandate climate-related disclosures from large corporations that are major electricity producers or consumers.
- Accelerate fossil fuel subsidy reforms and implement carbon pricing arrangements that consider economic and policy contexts.
- Develop ‘green transition assistance’ mechanisms for incumbent industries and workers.



## Transform the rest:

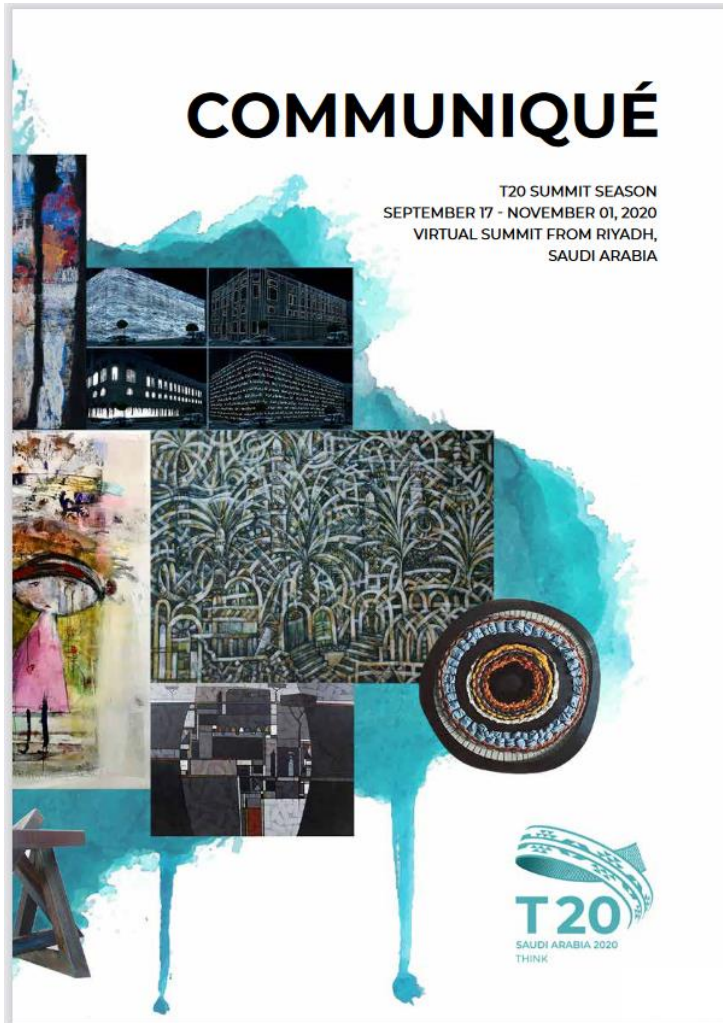
- Incubate zero-energy community and urban energy developments.
- Fund additional research, pilot projects, and collaborations to overcome barriers to flexible demand response options.
- Regulate the disclosure of lifecycle cost performance for all components of the built environment.
- Accelerate the electrification of transport, including through building infrastructure.



## **Coordinate the response:**

- Establish a G20-Engagement Group joint taskforce on Post-COVID-19 Sustainable Energy Transitions to focus on delivering coordinated responses to energy transition policy and action-oriented recovery initiatives.
- Mandate the taskforce to develop ‘Best Practices for Sustainable Power Sector Transitions Post-COVID-19’ by early 2021.





## PROPOSAL 23

### **Strengthen cooperation on climate action to support sustainable and climate-resilient economic growth and recovery in the G20 countries, and beyond**

The G20 should establish a task force on post-COVID-19 sustainable energy transitions to focus on delivering coordinated responses to the global policy-driven energy transition, promote action-oriented recovery initiatives and provide an action plan for G20 leaders at their next summit. These should include measures to swiftly bring ambient air pollution levels in the G20 countries to levels deemed by the WHO to be safe for human health and reduce deaths associated with COVID-19. The mandate of the task force, as part of this action plan, would be to develop and disseminate best practices for sustainable power sector transitions post-COVID-19 by early 2021 and have G20 energy, health, and finance ministers endorse them. The task force would include academics, stakeholders, and experts from engagement groups.

The G20 countries should increase the resilience of the global policy-driven energy transition by integrating climate action into their economic development and stimulus measures. Actions should consist of, first, reforming domestic energy markets within the G20 countries, second, adopting dedicated financial mechanisms by promoting climate investment instruments, and third, facilitating the transfer of climate technologies by promoting relevant innovation in appropriate institutions and networks.

The G20 should also consider the specific issue of assisting developing countries in achieving their mitigation and adaptation objectives. They **should support sustainable economic diversification by aligning climate mitigation and adaptation commitments with economic policies** for a pragmatic and swift transition to sustainable and climate-resilient economic growth. In addition, the G20 countries should integrate sustainable infrastructure investments into economic stimulus packages for a sustainable post-pandemic economic recovery.

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