DRAFT STATEMENT ON SDG 7: ENERGY Ivan Vera, UN-Energy Secretary

I am representing the international and regional organizations that are part of UN-Energy, SE4ALL and the Global Tracking Framework.

We agree with the classification as **GREEN Indicators** of: **Indicator 7.1.1(Percentage of population with electricity access, %)** for Target 7.1, and

Indicator 7.3.1 (Rate of improvement in energy intensity (%) measured in terms of primary energy and GDP) for Target 7.3.

Goal 7 has three indicators classified as YELLOW:

1) Indicator 7.1.2 (Percentage of population with primary reliance on non-solid fuels, %). This is a second indicator for Target 7.1. This indicator is supported by many countries.

Seven countries supported the proposal by UN-Women to define this indicator in a disaggregated manner by income and location (rural versus urban). In general, we agree with the "Note on Disaggregation" in the List of Proposals of 11 August which specifies that all indicators should be disaggregated by different characteristics, as relevant and possible.

Nevertheless, now we have moved to support the alternative indicator proposed by WHO and Eurostat which is Indicator 7.1.3 (Percentage of population with primary reliance on clean fuels and technologies at the household level). This is an additional indicator which was not on the 11 Aug table. "Clean fuels and technologies" is a more appropriate terminology that reflects the fact that some liquid fuels may have negative health and environmental impacts and should be excluded while some solid fuels and related technologies may be considered clean and efficient and should be included. For example, kerosene is a liquid fuel that is a major source of air pollution, particularly black carbon. More importantly, scientific studies have shown kerosene to substantially put the health and safety of household members at risk. On the other hand, the efficient use of biomass and technologies such as clean cookstoves with low pollution levels should not be excluded. In addition, defining the energy access indicator at the household level, rather than overall population, makes the indicator more specific, measurable, and comparable and requires less resources and capacity for its monitoring. The indicator is strongly supported by WHO, FAO, IRENA and other organizations. Regarding the definition of "clean fuels and technologies," it is possible to refer to the recent "WHO Indoor air quality guidelines: household energy fuel combustion" which provides evidence-based criteria for emission rates and would need to be achieved in order for home fuels and technologies to protect public health. In addition to the emission rate targets, these guidelines specifically discourage the use of kerosene in the home. Also rRelevant data is being collected through

household surveys for this indicator and stored in the WHO Global Household Energy Database which has been tracking household fuel use for decades.

In relation to the overall <u>Target</u> **7.1**, it is important to note that a **multi-tier metric system** is being developed by the "Global Tracking Framework" multi-agency effort. This system will be able to capture the levels of energy access as well as reliability and affordability which are issues that some countries expressed concern during the consultation.

2) Indicator 7.2.1 (Renewable energy share in the total final energy consumption, %) is a solid indicator and fit for purpose. It is the same indicator proposed in the 11 Aug table. We could support using "total final consumption" or "total primary energy" as proposed by Brazil. There are advantages and disadvantages for the two approaches. Share in Final energy consumption refers to the end use energy and excludes losses such as from conversion and transmission, and include secondary electricity directly. Data and methodologies are available. The indicator using "total final consumption" exists now and is being tracked by the SE4ALL Global Tracking Framework.

Renewable energy share in total primary energy refers to all energy supply at primary stage (before conversion, for example, into electricity and heat), data and methodologies are available and agreed internationally, for example in the International Recommendations on Energy Statistics (UN IRES). This approach is widely used. Nevertheless, primary energy consumption is only directly observed for fossil fuels. For renewables and nuclear, assumptions have to be made to convert them back into primary energy terms. There are three major methods used for this conversion; therefore, the indicator can be ambiguous depending on the method that is used.

3) Indicator 7.a.1 (Improvement in the net carbon intensity of the energy sector (GHG/TFC in CO2 equivalent). This is an indicator for which data and methodologies are available. It represents an indirect indicator for this target that reflects the access to clean energy technologies and infrastructures. The indicator is useful insofar as the carbon intensity of energy production is a measure that paints a much broader picture of the sustainability of the energy sector, going beyond renewable energy.

The additional proposed indicator is the "Amount of Foreign Direct Investment and financial transfer for these purposes." In general, the use of physical measures rather than financial measures of investment for tracking purposes is preferred for energy targets related to means of implementation. The reason is that due to rapid technological change, the unit costs of renewable energy are falling steeply. The implication is that the physical amount of renewable energy capacity additions can be going up even though financial measures of investment in renewable energy capacity are going down. Another main concern is the availability of data at the level of disaggregation that could reflect investment

in energy infrastructure and clean energy technologies. FDI is usually available at a highly aggregated level in developing countries.

Goal 7 has one indicator classified as Grey:

Indicator **7.b.1** "Ratio of value added to net domestic energy use, by industry." This indicator is not recommended. There is not sufficient data worldwide to support this indicator and it is only partially relevant. The proposed indicator only refers to "industries" and does not correlate directly with the target.

The proposal from Brazil "Investments in energy efficiency as percentage of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable energy services" is a very comprehensive proposal but it would be very difficult to implement due to the lack of disaggregated data on these issues especially in developing countries. As in the case of 7.a.1 the use of physical measures rather than financial measures of investment for tracking purposes is preferred for energy targets related to means of implementation. Also, it is an input indicator and therefore does not measure impacts.

Our group of international expert organizations has proposed "Percentage of population with electricity access" for this target which is the same indicator for Target 7.1 (7.1.1.). This proposed indicator suits better the Target 7.b of "expanding infrastructure and upgrading technology for supplying modern and sustainable energy services for all in developing countries." It seems that this proposal was not considered by countries during the open consultations. We recommend the use of this indicator as it is an output indicator and it would reduce the total number of indicators, which supports the strong mandate for a minimum number of indicators for each SDG.