

# Goal 7

**Target number:** 7.b

**Indicator Number and Name:** 7.b.1 Investments in energy efficiency as a proportion of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services

**Agency:** International Energy Agency

## **Has work for the development of this indicator begun?**

The IEA publishes estimates of global investment in energy efficiency. The most recent examples are the *World Energy Investment 2018* and *Energy Efficiency 2017* publications. This is based on extensive work over the past three years to develop methods and datasets for estimating investment in energy efficiency. Preliminary consideration has been given to the work necessary to transform these global data for use as SDG indicator 7.b.1, but the IEA would also be interested in engaging with the IAEG-SDG process as a means of improving the methodology for quantifying energy efficiency investment.

Work on the second component of this indicator, on FDI, has not commenced and is not something that the IEA has been involved with to date.

## **Who are the entities, including national and international experts, directly involved and consulted in developing the methodology/and or data collection tools?**

National and international experts would need to be consulted, especially in national governments and public financial institutions (PFIs). Specific entities have not been identified. We would also welcome participation by a representative of the IAEG.

## **What is the involvement of or how do you plan to involve National Statistical Systems in the development of the methodology?**

For this type of indicator, reporting by National Statistical Systems annually would be appropriate and their input would be beneficial in the methodological development. No firm plan have been established at this stage, and IAEG input would be welcome on this point.

## **Please briefly describe the process of developing the methodology for the indicator**

For energy efficiency investment, the IEA recognises three sources of investment: the public sector (stemming from energy efficiency policies and programmes and including PFIs), the private sector and individual consumers. A stepwise methodological development could be foreseen, starting with public investment at a national and sub-national level via grants, loans, guarantees, obligations and tax exemptions. This would be followed by investments made in the private sector and individual consumers across major energy using sectors (e.g. buildings, industry and transport). The methodology would require agreement on the boundaries of what is included as energy efficiency investment.

## **Please indicate new international standards that will need to be proposed and approved by an intergovernmental process (such as UNSC) for this methodology.**

No known requirements.

## **When do you expect the methodological work on this indicator to be completed?**

The timeframe for completion is uncertain. It would be possible to foresee firstly a consultation process to identify relevant entities and other parties that could be involved in the methodological work, which would then better inform expected timeframes for completion.

**Are data and metadata already being collected from the National Statistical System for one or more components of this indicator?**

No, this would require a methodology to be defined and agreed, and further work in cooperation with relevant organisations, that have not yet been identified.

**If yes, please describe:**

**How do you plan to collect the data?**

Not yet determined, consultation would be required.

**If the indicator involves multiple components from different data sources, please describe how each individual component of the indicator will be collected here.**

Not yet determined, consultation would be required.

**With what frequency is data expected to be collected?**

Not yet determined, consultation would be required.

**Is there a process of data validation by countries in place or planned for this indicator?**

Not yet determined, consultation would be required.

**If yes, please briefly describe:**

**If you have any additional comments that you believe would be helpful to IAEG-SDG members in analysing the work plan and methodological development of the indicator, please provide them here:**

The IEA maintains its interest in leading the development of this methodology. This would be based on the IEA's growing work on energy efficiency, which includes investment levels. IEA proposes to firstly conduct a consultation process to identify relevant stakeholders and determine the process for defining the methodology and subsequently collecting data. It is proposed that this commence with informal consultation among the main stakeholders, leading to a workshop in the spring of 2019. This will then inform the roadmap for delivery of the indicator.

*(as of July/August 2018)*