# SUPPORTING CLIMATE AMBITION AND ENERGY EFFICIENCY ACTION THROUGH THE THREE PERCENT CLUB



### **GLOBAL PROGRESS ON ENERGY EFFICIENCY**

### $( \downarrow )$

By collaborating on energy efficiency solutions, countries of the world can deliver more than 40% of the emissions reductions needed to safeguard the climate. The policies that can deliver energy efficiency – including efficient technology, smart systems, energy management and passive building design – can put the world on track for a modern, efficient energy system with less pollution and reduced consumer costs. **It is time to act.** 

## ABOUT THE THREE PERCENT CLUB

- The Three Percent Club is a collaboration of governments and supporting organizations that commit to working together to put the world on a path to three percent annual efficiency improvement
  - COUNTRIES: Countries use the best policy levers available to them in an ambitious manner, such as adding specific efficiency actions and commitments in national plans and providing financial and technical support to other countries.
  - PRIVATE SECTOR AND SUPPORTING ORGANIZATIONS: Companies, organizations, and financial institutions agree to set public energy efficiency improvement goals for their own operations consistent with achieving a three percent annual energy efficiency improvement, and to participate in a coalition of international organizations that will support policy development and project implementation through technical assistance and national engagement.
- Three Percent Club partner offers and assistance Over the coming year, the organizing and supporting partners will engage with the Three Percent Club member countries to:
  - Convene local government, civil society and private-sector organizations

- Enhance public commitments and ambition
- Develop energy efficiency strategies and action
  plans
- Deliver training, information and capacity building on policy and finance
- Provide technical and financial assistance for policy and project implementation
- Advise on performance tracking, reporting and communications

The Three percent club partners have expertise and relationships across sectors including implementation of appliance and lighting efficiency standards, green procurement, building codes and retrofits, zero carbon buildings and communities, district energy assessments, energy management systems and fuel economy standards.

The supporting organizational partners also provide knowledge resources covering high-impact energy efficiency policies, programs, and projects including policy databases, commitment programs, financial models, amplification and replication practices, SDG reporting, training sessions, webinars and guides. Partner industry networks and financial institutions also support member countries with a range of technical, financial and project implementation assistance as well as energy efficiency strategy and policy development.



Energy efficiency is at the core of our sustainable future. There is significant potential for energy savings in every aspect of our lives – from the homes we live in, to the places we work, the transport we take, the products we make and the food we eat. However, because energy efficiency is not "visible," it often is not given the policy and investment priority it deserves.

If such efficiency gains cascade through the global economy, the result can be staggering. Moving toward energy efficiency yields multiple benefits, including decarbonizing energy markets, reducing emissions, increasing economic growth, and supporting energy and international security.

Demand side efficiency improvements represent nearly half of the total emissions abatement opportunity to deliver the Paris Agreement greenhouse gas emission reduction goals, particularly in the near term, while offering wider economic and social benefits.

To capture this potential, governments and policy makers need to invest time and resources to reap the multiple benefits energy efficiency can provide.





The rate of improvement in energy intensity has declined for three years in a row, leaving it well below the 3% minimum improvement that IEA analysis shows is central to achieving global climate and energy goals. If the world had achieved a 3% rate of improvement over that period, it could have generated an additional USD 2.6 trillion of economic output – close to the size of the entire French economy – for the same amount of energy.

Immediate policy action is required to reverse this worrying trend. Many of the policy and technology solutions are well known, yet only a minority of Nationally Determined Commitments (NDCs) currently contain specific commitments to energy efficiency actions or targets. With growing pressure for stronger action on the Paris goals, revision of NDCs represents a timely and ideal intervention point to strengthen ambition on efficiency through firm policy commitments backed by privatesector and institutional commitments to provide technical and financial support.



### WHY THREE PERCENT

Three percent annual improvement (measured as global energy intensity) represents the opportunity (analysis shows it is achievable through good policies); the necessity (it is the rate required to deliver the Paris goals); and the commitment (to meet Sustainable Development Goal 7).





To support the member countries, the Three Percent Club coalition leverages the combined global resources of the International Energy Agency, Sustainable Energy for All, the Sustainable Energy for All Energy Efficiency Accelerators and Hub, Global Environment Facility, UN Environment Programme, the European Bank for Reconstruction and Development, and the Energy Efficiency Global Alliance. Key industry partners commit via the Energy Efficiency Global Alliance to provide technical, financial, and project support to the participating countries. The Three Percent Club has the expertise, resources, networks and established programs necessary to support delivery of the country commitments.



### Three Percent at the UN Climate Action Summit

The Three Percent Club was launched under the Climate Action Summit's Energy Transition Track. The President of Seychelles and Eric Rondolat, CEO and Chairman, Signify took the stage to announce new commitments on energy efficiency.







In average, every EUR 1 invested in energy efficiency saves EUR 3 over the lifespan of a technology.





Each additional \$1 invested on energy efficiency avoids more than \$2 on energy supply spending.

\$2.9Trillion

Investing in more efficient ACs could cut future energy demand in half and save as much as \$2.9 trillion in investment, fuel and operating costs.



District energy systems can reduce primary energy for heating and cooling of urban buildings by up to 50% and improve air quality.



Buildings are large, long-lasting investments. Efficient buildings provide better social and financial returns.





Building efficiently the first time offers huge economic opportunities, particularly for developing nations in Asia, Africa and Latin America.



Policies that improve the energy efficiency of urban transport systems could help save as much as \$70 trillion in spending on vehicles, fuel and transportation infrastructure between now and 2050.





Countries interested in joining the Three Percent Club can do so by contacting the International Energy Agency or Sustainable Energy for All (contact information below).

Companies and institutions can join by signing the online <u>Declaration of Support</u> to become part of a global collaboration available to engage in projects, capacity building, and technical assistance with member countries. The Energy Efficiency Global Alliance serves as a clearinghouse for engaging supporting companies and organizations that have the appropriate technical expertise and geographic scope to help countries scale up energy efficiency action and impacts across the globe.

WWW.THREEPERCENTCLUB.ORG





COUNTRIES/GOVERNMENTS: Kathleen Gaffney, IEA Kathleen.Gaffney@iea.org

Benedikt Hoskuldsson, Sustainable Energy for All Benedikt@seforall.org

SUPPORTING ORGANISATIONS / PRIVATE SECTOR:

Laura Van Wie McGrory, EE Global Alliance Ivanwie@ase.org

COMMUNICATIONS : Sophie Loran, UN Environment Programme sophie.loran@un.org













