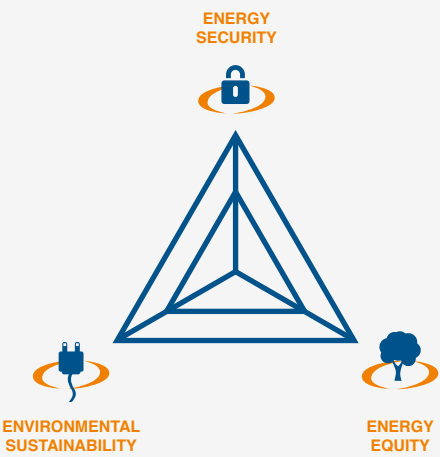


Tackling policy uncertainty

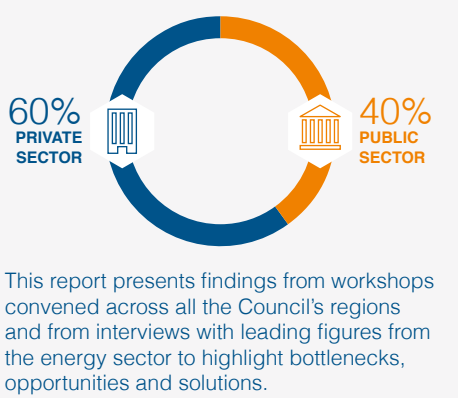
The energy sector is ready for policymakers to agree on a clear target to reduce greenhouse gas (GHG) emissions. Policy stability will enable the energy sector to deliver the transition to a sustainable energy future. Individual countries will contribute to the target through a variety of measures, in line with their energy profiles and priorities.

World Energy Trilemma

Balancing the three core dimensions of the energy trilemma is the basis for prosperity and competitiveness of individual countries. If the energy sector is to deliver on climate goals and support the achievement of development goals, it needs to do so in balance with the other two dimensions, to ensure sustainability of energy systems.



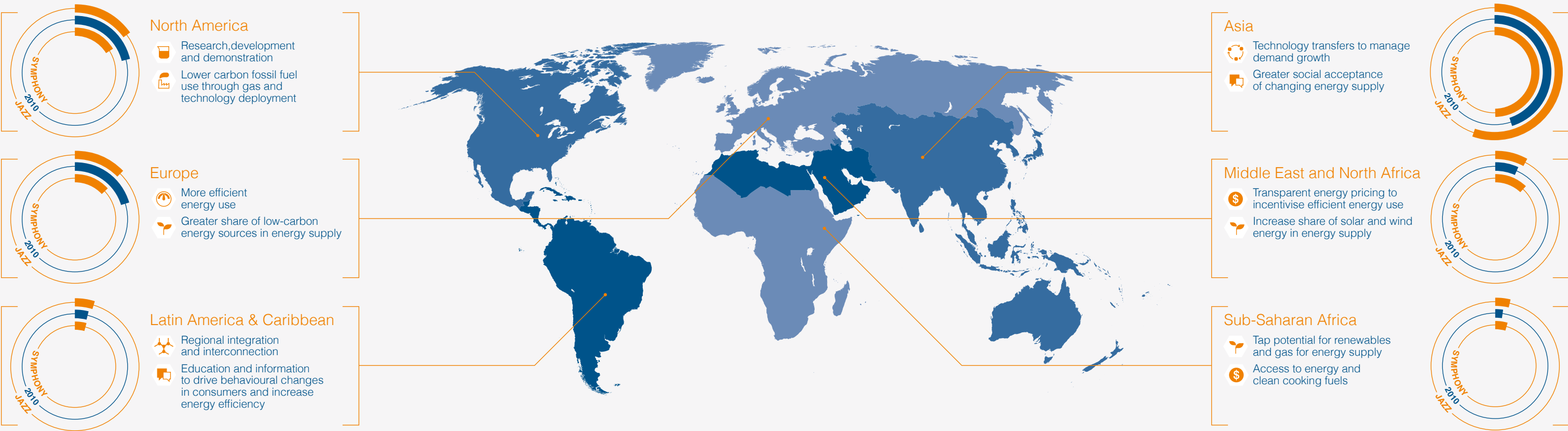
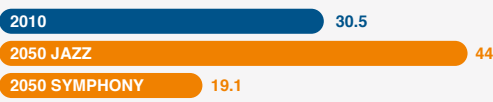
Whose views?



Regional differences and priorities

Solutions to accommodate the energy transition need to be devised according to regional and country level differences.

Total global CO₂ levels (GtCO₂/year)



Priority actions from the energy sector

To meet climate and development goals, and balance the trilemma, a focus on some key mechanisms is needed.

AT THE INTERNATIONAL LEVEL



Trade and transfer of technology

Eliminating tariffs on environmental goods and services, carefully designing local content requirements and protecting intellectual property rights are key to reducing costs, stimulating business and incentivising the use of low-carbon technologies, especially in developing countries.



Carbon pricing

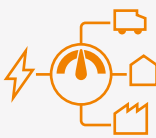
An effective price on carbon will redirect investments towards low-carbon solutions and 'level the playing field' among different technologies. Many business leaders already use a 'shadow carbon price' for their operations, corporate planning or when analysing investment options.



Financing mechanisms

The right policy signals need to be provided and a portfolio of bankable projects needs to be in place to attract more private capital. Financial markets will develop innovative financing mechanisms if the regulatory rules indicate a clear and stable direction towards sustainable energy systems.

AT THE NATIONAL LEVEL



Demand management and energy efficiency

Energy leaders emphasise that a sustainable energy future will require improved energy efficiency on the supply side and an equally strong focus on managing energy demand and increasing energy efficiency across all sectors including residential, commercial, industrial, and transport.



Prioritise innovation and RD&D

Investments in research, development and demonstration, including new technologies, materials, and fuels are essential to achieve climate targets and development goals. National and international public-private collaborations have to be encouraged.



Greater dialogue among government, business and finance is essential for a successful energy transition. More interaction would ensure a focus on practical, economically-sound solutions.