
PRIORITISE ENERGY EFFICIENCY AS INFRASTRUCTURE INVESTMENT

We call on the G20 to promote improvements in global energy productivity by giving energy efficiency investments the same priority as other types of infrastructure investment. Energy efficiency has the characteristics of other traditionally recognized infrastructure such as roads, railways and energy supply investments. It is long-lasting capital stock and provides inputs to a wide range of goods and services. By promoting widespread investment in energy efficient technologies and services, the G20 has the opportunity to help countries achieve their climate goals, improve global quality of life and create millions of jobs. As such, while we strongly support the work being done to implement the G20 Energy Efficiency Action Plan, we call for additional action. The G20 should treat the goal of improving national energy productivity not as small scale programmatic expenditure, but instead as an integrated national infrastructure priority to ensure supply side investment is appropriate to the scale of demand

The G20 has demonstrated its commitment to promoting infrastructure investment as a means of strengthening national economies. National energy efficiency investment needs are on par with other major infrastructure choices. By supporting efficient energy use, nations can improve their energy productivity – the economic output generated by every unit of energy used. In doing so, nations become more resilient, enabling the state to manage long-term energy demand and reducing the need to invest in supply side solutions such as gas pipelines, and power plants.

Economic analysis shows that investments in energy efficiency – such as refurbishing buildings, improving industrial production processes and building more efficient energy infrastructure – perform as well as or better than other forms of infrastructure investments in terms of tax revenues and jobs created as well as the overall impact on GDP and balance of trade. At the local level, energy efficiency investments in buildings improve air quality and health while alleviating fuel poverty and mitigating the intermittency of renewable energy sources.

Besides these obvious economic benefits, investment in improving national energy productivity gives countries the opportunity to significantly reduce carbon emissions, helping to stabilize the global climate and meet international commitments.

Experience in many G20 countries has demonstrated that policies and regulations promoting efficiency in buildings, industry and appliances can attract significant private sector investment while more than covering the costs to the public. Germany demonstrates that smart use of public investments in building energy efficiency can leverage significant private sector investment. In Mexico, appliance exchange programs improve the energy productivity of households. In the United States, the projected economic benefits from meeting national level building efficiency goals have incentivized private and public entities to commit to reducing building energy use by 20 percent over 10 years.

Yet the majority of G20 countries still regard energy efficiency and energy productivity as small-scale programmatic expenditures. We call for a change in this approach in order to ensure that energy efficiency investments are prioritized alongside other large-scale capital expenditure.

We call on G20 Finance Ministers to commit to:

- ✓ Reclassify investment in energy efficiency as a public infrastructure priority;
- ✓ Undertake an assessment of the structural reforms needed to address financing barriers and grow markets for improving energy productivity, thus enabling the G20 Energy Efficiency Action Plan to be implemented in a way best-suited to each G20 economy;
- ✓ Commit to delivering sufficient public funding to ensure equal access to finance among householders and to leverage the large scale of private finance needed to repair and enhance our building infrastructure.

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