



# Sustainable Recovery- World Energy Outlook Special Report

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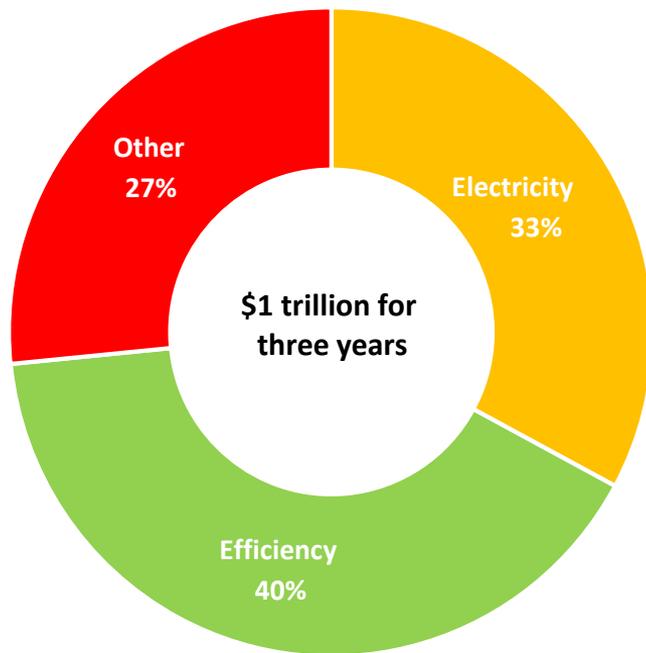
# Context

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- Covid-19 is creating the largest economic crisis since the great depression: global GDP is expected to decline by at least 4.6% in 2020.
- Around 500 million jobs are at risk across the economy, and around 3 million in energy-related sectors
- Global energy demand is set to fall by 5% in 2020; CO<sub>2</sub> emissions are set to fall by around 7% in 2020
- Recoveries from previous global economic crises have generally been accompanied by a large jump in emissions. Already, where and when economic activity has picked up, CO<sub>2</sub> emissions have bounced back.
- Until the Summer, governments were mainly focusing on emergency interventions. Recovery plans have now been incorporating different energy components.
- The magnitude of this crisis, lessons from previous crises, and the current trajectory for CO<sub>2</sub> emissions mean there is a very strong case for the energy sector to play a central part in upcoming plans.
- Based on detailed bottom-up assessment of over 30 energy measures, and economic analysis carried out by the International Monetary Fund, the IEA designed mid-June a sustainable recovery plan for the energy sector that would create jobs, boost economic growth, and improve sustainability and resilience.

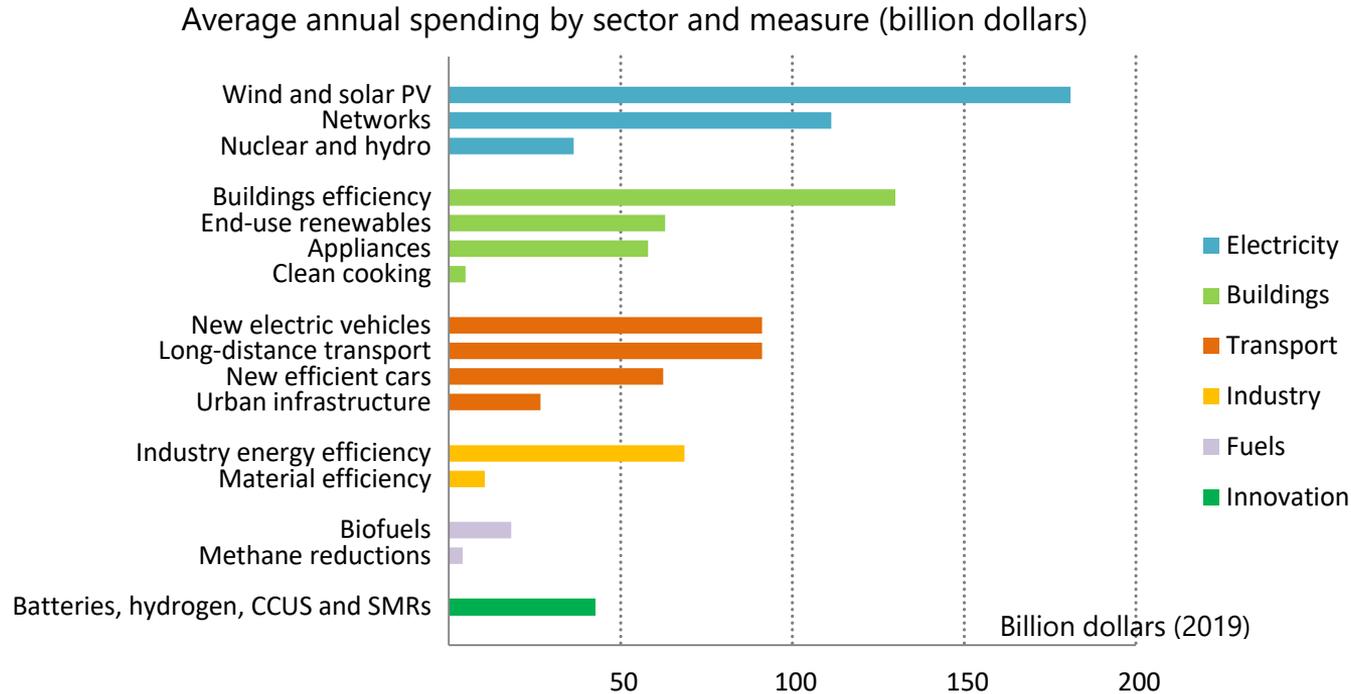
# A plan for a Sustainable Recovery post Covid-19

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The Sustainable Recovery Plan provides an integrated approach to support economic recovery and jobs while improving the resiliency & sustainability of the energy system

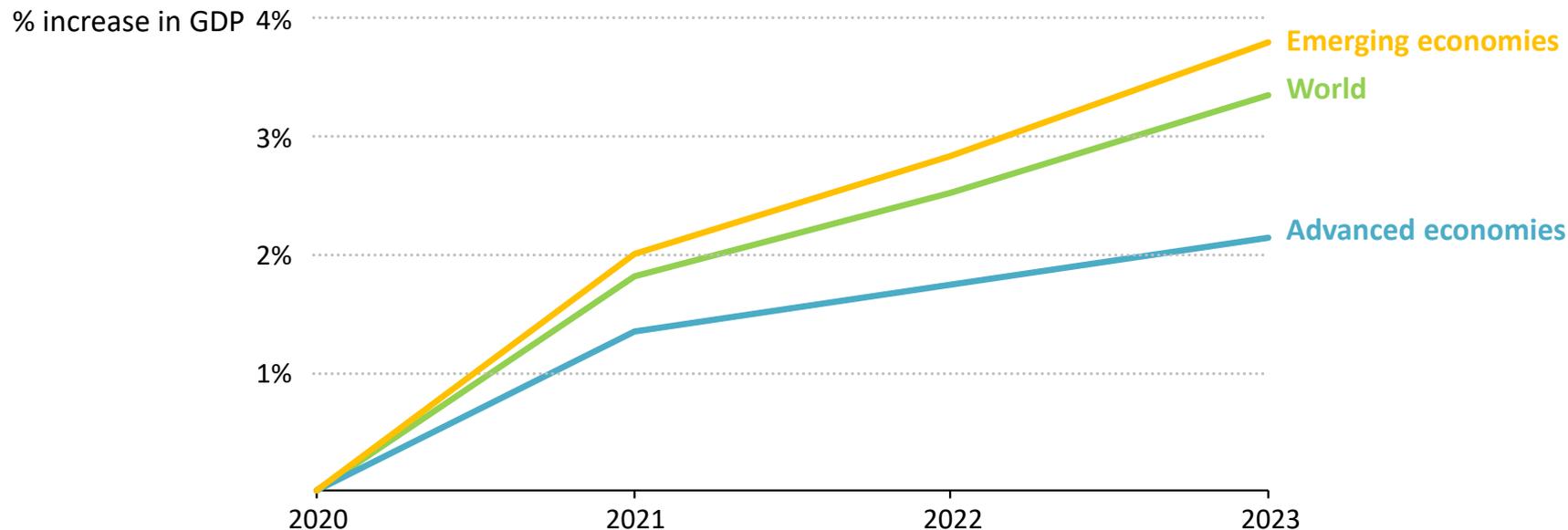
# The Plan encompasses incremental investment needed for clean energy transitions



All spending is additional to the annual levels in recent years. 70% of the \$1 trillion comes from private sources, with direct financial public support and policy design critical to mobilising these funds.

# Making the energy sector a major driving force for economic growth

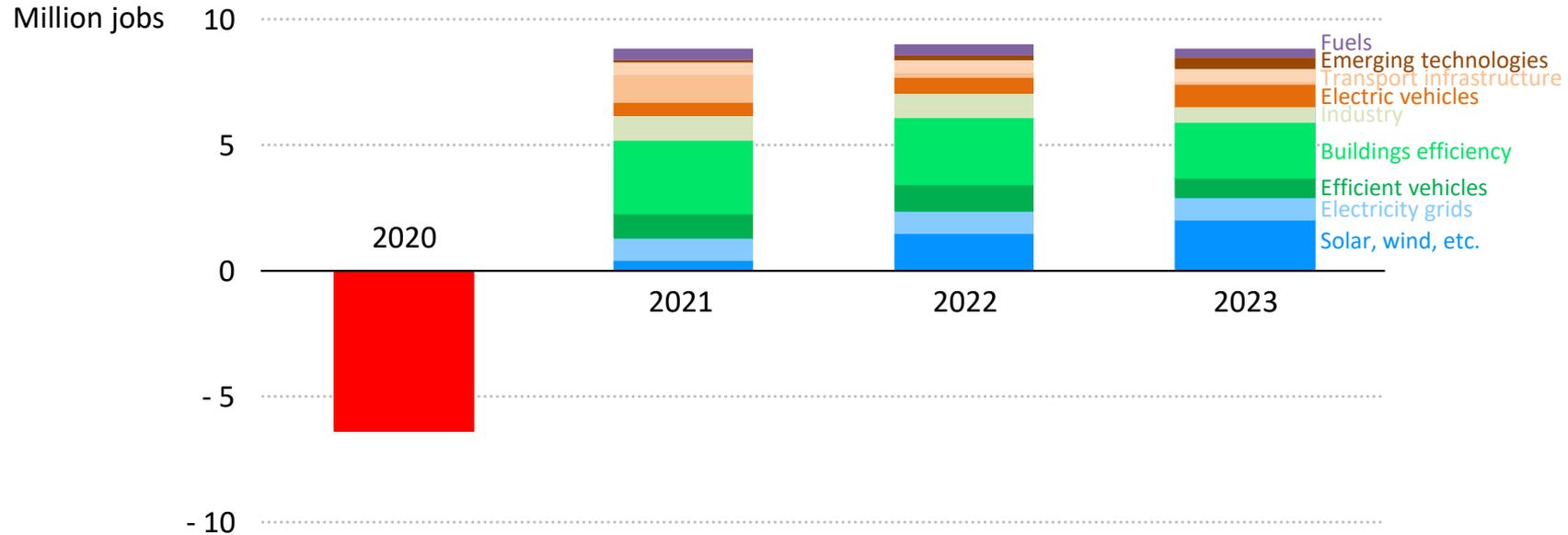
Additional growth in real GDP from the Sustainable Recovery Plan



An assessment conducted in co-operation with the International Monetary Fund shows that the Sustainable Recovery Plan would boost average annual global GDP growth by 1.1% to 2023.

# Creating new jobs

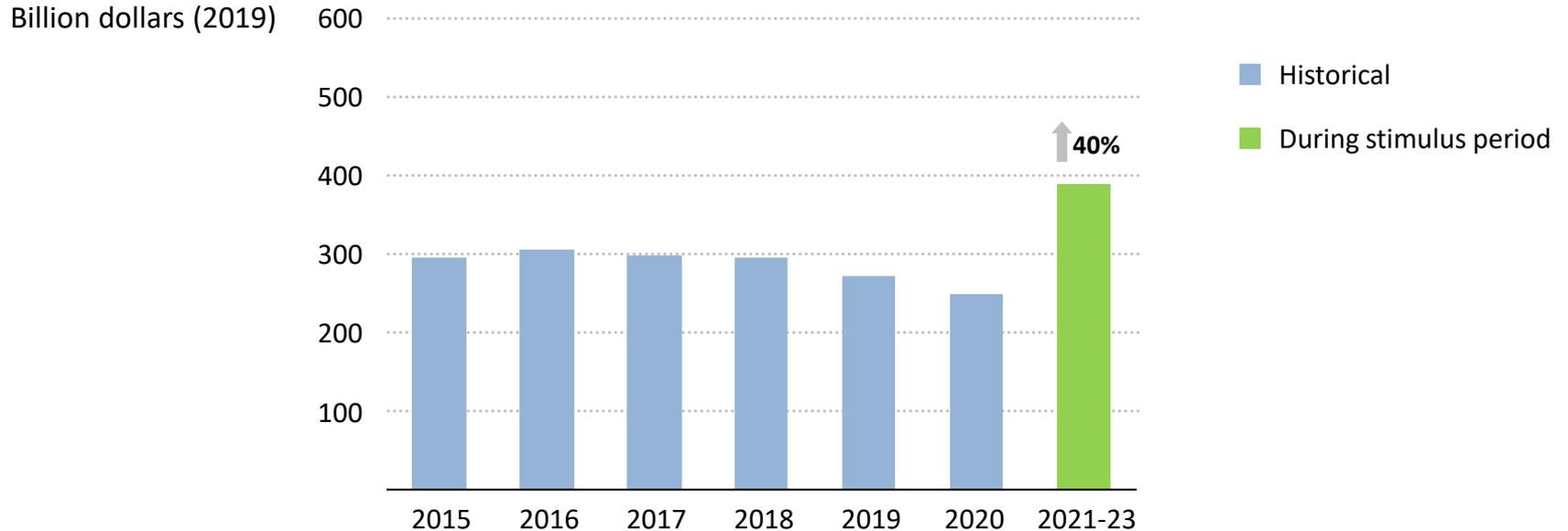
Energy-related jobs at risk due to Covid-19 in 2020 and new jobs created by the Sustainable Recovery Plan



With 6 million jobs that could be permanently lost due to the crisis, the plan could create or save some 9 million jobs in every year between 2021 and 2023 with most being in efficiency and in power.

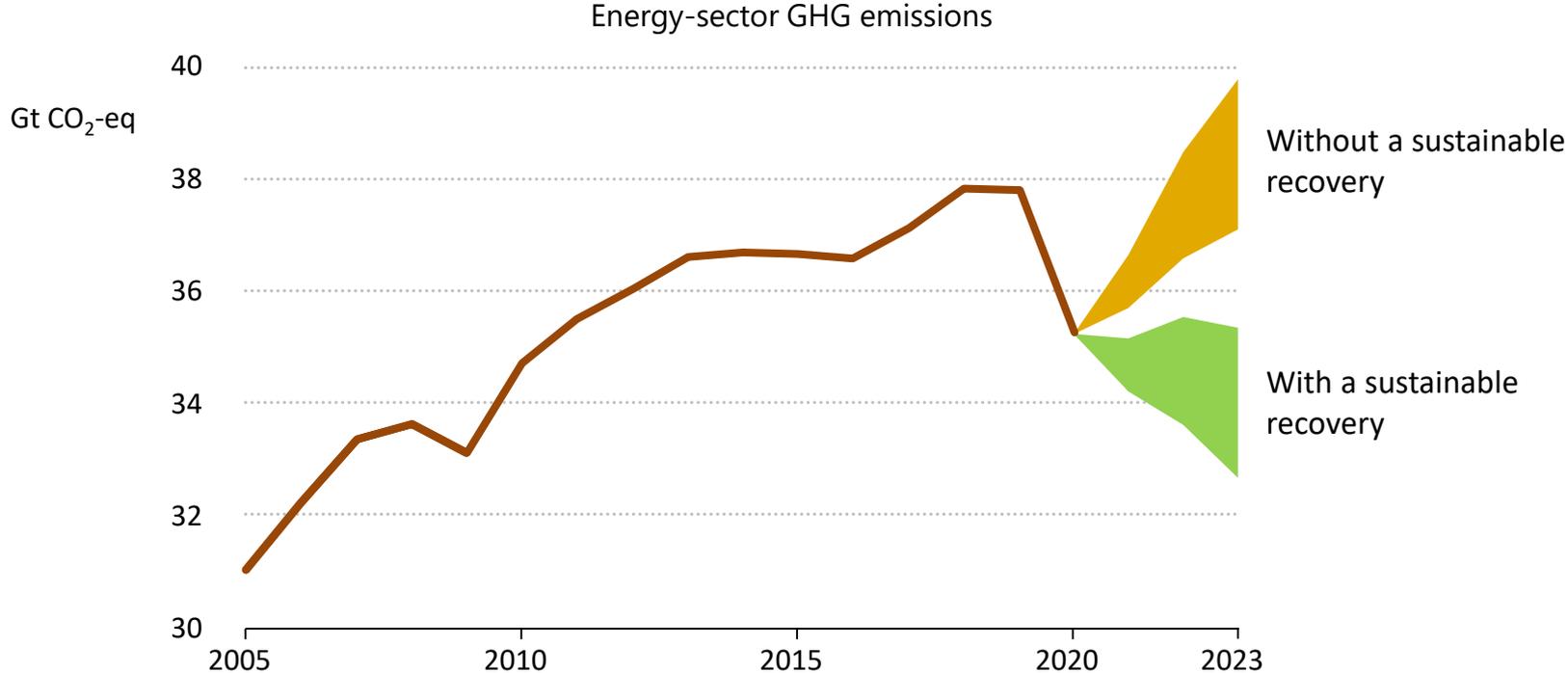
# Modern grids support robust and resilient electricity supply

Annual average global investment in electricity grids



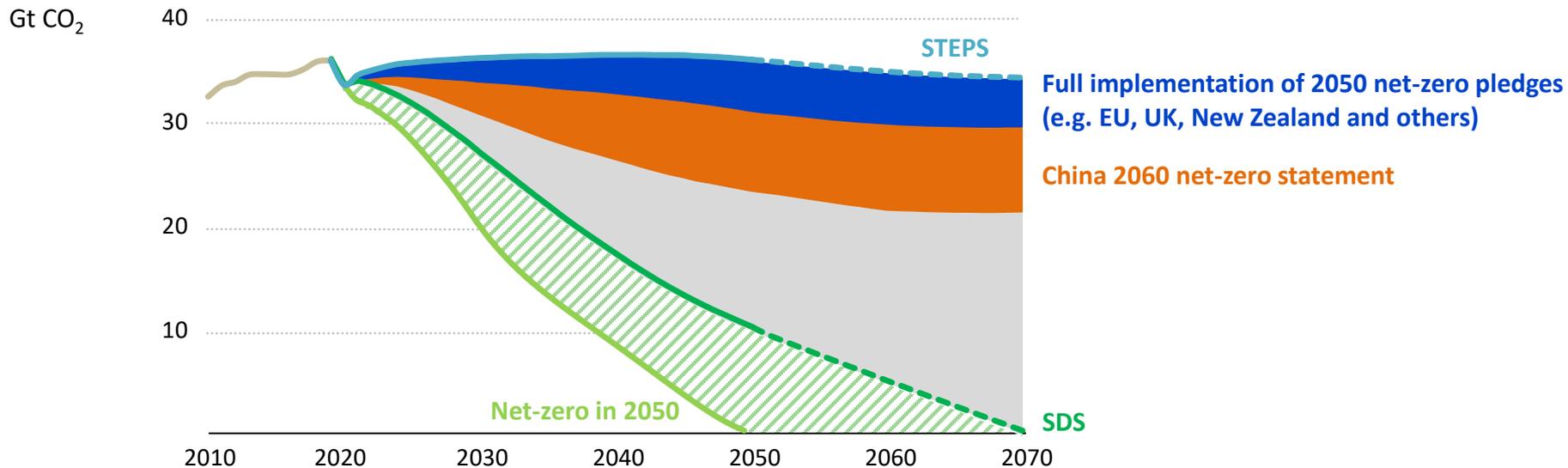
The Sustainable Recovery Plan would boost spending in grids, and so help to bolster electricity security, modernise grids, and enhance reliability, efficiency and flexibility.

# Energy systems would shift towards structurally cleaner ones



The plan would make 2019 the definitive peak in global emissions, reducing GHG emissions by 4.5 billion tonnes and putting them on a path towards achieving long-term climate goals, including the Paris Agreement.

# The Sustainable Recovery Plan is fully integrated into the SDS



Global emissions are set to bounce back more slowly than after the financial crisis of 2008-2009, but the world is still a long way from a sustainable recovery

# Conclusions

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- The pandemic will leave lasting scars, but it is still open whether it represents a setback for a more secure and sustainable energy system, or a catalyst that accelerates the pace of change
- Governments have the decisive role, as recovery plans will shape energy infrastructure and industries for decades to come.
- Implementing the Sustainable Recovery Plan can achieve a range of significant outcomes. Our analysis, carried out in cooperation with the International Monetary Fund, shows implementing the plan can:
  - Boost global economic growth by an average of 1.1 percentage points a year
  - Save or create roughly 9 million jobs a year
  - Make 2019 the definitive peak in global emissions
- The *2020 World Energy Outlook* offers a deeper dive into clean energy transition options and implications through the *Sustainable Development Scenario* (in which the Sustainable Recovery Plan is embedded ) and the *Net Zero Emissions by 2050 case*

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