

Renewed Call to Action

Governments must act now to correct course for a green recovery and accelerate progress towards Paris Agreement

December 2020

Eight months after calling for action in response to COVID-19, the **IRENA Coalition for Action urges governments worldwide** to step-up their efforts towards a green recovery. While some countries have put forward measures to support renewables and even announced more ambitious climate commitments, many others have yet to take decisive action to move towards a green post-COVID recovery.

The unprecedented financial stimulus packages put forward today will steer economies and societies for decades to come. To date, G20 countries have committed at least USD 233 billion in supporting the fossil fuel sector and fossil fuel-dependent industries, mostly without conditions to improve environmental sustainability. By **redirecting investments towards renewables**, energy efficiency and other enabling technologies and infrastructure, governments can generate immediate GDP and employment gains and set the course for a climate-safe economic recovery in line with the objectives of the Paris Agreement.

The renewables sector has demonstrated it can rapidly roll out clean, uninterrupted, cost-effective energy services, including for remote and vulnerable communities. During the COVID-19 pandemic, **renewables have shown greater resilience than other energy sectors** and have thus far continued growing in terms of power generation capacity.

Governments worldwide are mobilising resources to fight the virus, protect livelihoods and keep economies afloat. As they turn their attention towards longer-term recovery strategies, they must continuously re-assess whether their stimulus measures are fit for purpose. Any slowdown in investment, or a lack of ambition to increase investment, in renewable energy will leave the world dependent on fossil fuels, at a time when **what is needed is a significant acceleration of the energy transition**.

Coalition members urge governments to deliver on the following six actions:

1. Re-evaluate stimulus measures and correct course to ensure a green recovery in line with global climate objectives.
2. Raise policy ambitions and clarify long-term plans for renewable generation and consumption, both centralised and decentralised.
3. Ensure energy markets can deliver continuity and stimulate investment and growth in renewables.
4. Prioritise renewable energy as a key component of industrial policies.
5. Align labour and education policies with a just energy transition.
6. Intensify international co-operation and action on COVID-19 while recognising renewable energy as a key part of the solution.

How governments can deliver on the six actions

- 1. Re-evaluate stimulus measures and correct course to ensure a green recovery in line with global climate objectives.** Governments have demonstrated that they can unlock vast amounts of investment rapidly. Financial support to any sector should be made conditional upon legally binding commitments to improve environmental sustainability. Governments must recognise that investments in the fossil fuel industry are short-sighted and increasingly risky as these industries are unlikely to survive in the long-term without continued financial support. Renewables on the other hand have proven to be cost-competitive, offer fast times to market, and generate three times more jobs than the fossil fuel sector for each million dollars spent. Governments should therefore prioritise centralised and decentralised renewables, energy efficiency and other energy transition-related technologies, ensuring public funds are strategically deployed to leverage additional private capital. To make additional stimulus funds available, fossil-fuel subsidies need to be re-directed towards investments in infrastructure and digitalisation to support higher shares of renewables, as well as decarbonising end-uses such as industry, transport, heating and cooling, and other emission-intensive sectors.
- 2. Raise policy ambitions and clarify long-term plans for renewable generation and consumption, both centralised and decentralised.** Some countries have made renewables an integral part of their green recovery strategies while others have cancelled planned renewable energy projects and tenders or rolled back environmental standards. Policy certainty remains key to supporting an accelerated uptake of renewables and securing the long-term health of the renewable energy sector. In several key countries, renewable energy support schemes are coming to an end starting in 2021. To give the renewable energy sector the predictability it needs to thrive, governments must step up their ambitions, set short, mid and long-term targets, and provide clarity on existing and planned support schemes in a timely manner. Such schemes must also encourage sector coupling and consider renewable energy subsectors, such as the off-grid sector, that directly serve vulnerable communities.
- 3. Ensure energy markets can deliver continuity and stimulate investment and growth in renewables.** The decline in global power demand during the crisis has had a significant impact on wholesale energy prices, leading to depressed energy markets and falling revenues for the entire sector. The crisis has also delayed important investment and planning decisions around critical infrastructure. To prepare for a renewables-based system, governments must take steps to enact market designs that can support very high shares of variable generation and system flexibility. Market designs should provide long-term stability for investors in renewables (e.g., long-term Power Purchase Agreements), reward short-term flexibility, and provide necessary “push” factors that encourage fossil fuel plants to retire (e.g., carbon pricing). Inaction on energy market design, combined with support schemes set to expire in the near term, risks creating a potential slump in renewable energy investments from 2022 onwards, jeopardising a green recovery and progress towards the Paris Agreement.



- 4. Prioritise renewable energy as a key component of industrial policies.** Renewable energy and its value chain have vast potential to bring socio-economic benefits to communities through the creation of local industries and jobs. When assessing the impacts of their planned and deployed stimulus measures, governments should, in consultation with stakeholders, re-examine domestic industrial capabilities and supply chains to determine how to make these fit for long-term, sustainable economic development. This may include investing in research and development in heating and cooling as well as emission-intensive sectors, providing finance and promoting supplier development programmes and industry clusters. Governments should also target key transition-related infrastructure and innovative technologies (e.g., mini-grids, energy storage, green hydrogen, and digitalisation) in their industrial policies.

- 5. Align labour and education policies with a just energy transition.** While the energy transition brings vast opportunities to develop local value chains, labour markets may experience misalignments that could impact affected workers and their communities. As key parts of their stimulus packages, governments must invest in programmes to equip their societies with the knowledge and skills needed for a fully decarbonised economy. To foster a just transition, governments must also offer fossil fuel workers adequate social protection for job losses, opportunities for reskilling and support economic diversification and transformation efforts for fossil fuel-dependent regions. In the process, governments should consult with key stakeholders to ensure no one is left behind.

- 6. Intensify international co-operation and action on COVID-19 while recognising renewable energy as a key part of the solution.** The pandemic is already disproportionately affecting developing countries in the areas of energy access and international lending, and will continue to do so in the months and years ahead. Greater collaboration is still needed between governments and amongst the international community to devise clear action plans for an inclusive green recovery. Renewables are uniquely positioned to provide centralised and decentralised energy solutions and have proven to be more resilient than other energy sources, making them the only choice for a sustainable economic recovery.

The Coalition for Action urges governments to re-visit their responses to date in line with the six recommended actions. Only by making the right choices now can countries come back stronger from COVID-19, continue building broad public support for the transformative decarbonisation of societies, and pave the way for equitable, inclusive and resilient economies.



Members of the IRENA Coalition for Action

Abengoa Solar	European Geothermal Energy Council (EGEC)	Institute for Sustainable Energy Policies (ISEP)	Renewable Energy Institute
ACCIONA	European Renewable Energies Federation (EREF)	kiloWattsol	REN21
Alctris	Falck Renewables	Lekela Power	RES4Africa Foundation
Alliance for Rural Electrification (ARE)	Finergreen	Mainstream Renewable Power	Renewables Grid Initiative (RGI)
AMEA Power	First Solar	MAKE	RenewableUK
Arizona State University (ASU)	Folkecenter	Masdar	Revelle Group
Ashoka - Innovators for the Public	FTI Consulting	Middle East Solar Industry Association (MESIA)	REVOLVE
Associação Lusófona de Energias Renováveis (ALER)	German Renewable Energies Agency (GREA)	Mujeres en Energías Renovables México (MERM)	Rocky Mountain Institute (RMI)
Association Congolaise pour le Développement Agricole (ACDA)	German Solar Association	National Solar Energy Federation of India	Ryse Energy
Azelio	Global Solar Council (GSC)	National Wildlife Federation	Siemens Gamesa Renewable Energy
Bester Energy	Global Wind Energy Council (GWEC)	Netherlands Wind Energy Association (NWEA)	Skypower
Centre for Science and Environment (CSE)	Global Women's Network for the Energy Transition (GWNENT)	New Energy Nexus	SolarCoin Foundation
Chinese Photovoltaic Industry Association	Gold Standard	Network Consulting Group	Solar Head of State
Chinese Renewable Energy Industries Association (CREIA)	Graded	Novozymes	SolarPower Europe
Clean Energy Business Council MENA	Greenpeace International	Ocean Energy Europe (OEE)	Sunlabob Renewable Energy
Climate Action Network (CAN)	Hitachi ABB Power Grids	Ontario Sustainable Energy Association (OSEA)	Syndicat des Énergies Renouvelables (SER)
Confederation of Indian Industry (CII)	Hivos	Ørsted	TERI School of Advanced Studies
Desertec University Network (DUN)	Iberdrola SA	Phanes Group	The Nature Conservancy
Dii Desert Energy	ICLEI - Local Governments for Sustainability	Planet Energy Now	Trina Solar
Dulas	Integrated Development Association (IDEA)	Power for All	United Nations Foundation
ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)	International Geothermal Association (IGA)	Practical Action	Vestas Wind Systems
EKOenergy	International Hydropower Association (IHA)	Qway Energy	WaterPower Canada
ENEL Green Power (EGP)	International Network for Sustainable Energy (INFORSE)	Rahimafrooz Renewable Energy	World Bioenergy Association (WBA)
ENERGIA	International Renewable Energy Agency (IRENA)	RE100/The Climate Group	World Future Council (WFC)
Energy Watch Group (EWG)	International Solar Energy Society (ISES)	Regional Center for Renewable Energy and Energy Efficiency (RCREEE)	World Resources Institute (WRI)
Environment Development Action in the Third World (ENDA)	International Windship Association (IWSA)	Renewable Energies Association of Colombia (SER Colombia)	World Wind Energy Association (WWEA)
	Institut de la Francophonie pour le développement durable (IFDD)	Renewable Energy and Energy Efficiency Partnership (REEEP)	World Wide Fund for Nature (WWF)
			WPO
			Yansa Group
			Yellow Door Energy

About the IRENA Coalition for Action

The IRENA Coalition for Action brings together leading renewable energy players from around the world with the common goal of advancing the uptake of renewable energy. The Coalition facilitates global dialogues between public and private sectors to develop actions to increase the share of renewables in the global energy mix and accelerate the global energy transition.

<https://coalition.irena.org>

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