

International Business Council

Urgent actions to transform energy demand and double energy efficiency progress by 2030

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Doubling Down: Seizing the Energy Demand and Efficiency Opportunity

As the global energy system undergoes a rapid transformation, leaders in all sectors need to collaborate to accelerate an energy transition that creates positive outcomes for people, society and planet. There is one powerful lever that is often overlooked: action on transforming energy demand and improving energy efficiency. Recent research suggests acting now on this lever will come at a fraction of the long-term capital expenditure needed to switch energy supply from fossil fuels. At the same time, it will help countries decouple economic growth from energy use.

In recognition of the importance of energy demand, at COP28 countries agreed to double the rate of energy efficiency improvements by 2030. This is a hugely important target, both for the planet and for business, but now is the time to move from a pledge to an action plan. Turning this ambition into reality will require early and decisive action from both public and private sectors, including dedicated investment. According to the International Energy Agency (IEA) achieving the energy efficiency target set at COP28 will require a tripling of investment to \$1.9 trillion annually by 2030.

We business leaders are accelerating efforts on transforming energy demand and improving energy efficiency both within our operations and across our value chains. We have identified energy efficiency measures that, taken at scale, could reduce future global demand by over 30% with no loss of output, using current technology. If delivered by 2030, this could unlock savings of up to [\\$2 trillion per annum for the global economy](#), boost growth, create jobs and improve companies' competitiveness.

To support this, we are incorporating energy efficiency and other demand-side measures into our own energy transition plans in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD) and other policy requirements. We are also working to encourage energy

efficiency investments particularly in emerging markets and developing economies and to small and medium size enterprises (SMEs) across our value chain.

However, scaling up private sector action and investment is also dependent on government support to help business overcome the following challenges:

- Lack of emphasis on curbing energy demand and energy efficiency measures within national energy transition plans and overall direction-setting, including on future standards, regulation and incentives
- Poor access to energy efficiency finance, particularly in emerging markets and developing economies (EMDEs) and SMEs
- Limited information and data on performance, benchmarks and targets, particularly in the key sectors of buildings, industry and transport

Policy-makers can help business overcome challenges by acting on the following five building blocks below.

1. Include energy demand within national planning through NDCs and market-based approaches

Include energy demand as part of the nationally determined contributions (NDCs): Build energy transition plans as part of NDCs and other country-level energy and climate transition planning approaches that focus as much on reducing the intensity of energy demand as on supply-side factors and include national energy intensity targets by sector. Effective energy demand-focused policies should include an overarching legal framework, robust and enforced standards and codes (e.g., minimum energy performance standards), incentive schemes (e.g., for high efficiency projects or

targeted for SMEs), a focus on key sectors (i.e., buildings, industry, transport), access to relevant energy performance data and benchmarks by sector, and a dedicated and resourced entity with energy efficiency requirements. Governments are encouraged to align country standards with relevant international standards and include demand considerations in related policy areas (e.g., grid, energy market planning, artificial intelligence). Promote electrification across all sectors and ensure energy security through creating a framework in grid strengthening, market design and pricing mechanisms. At a regional level, governments should develop policies and frameworks that incentivize local collaboration between actors to gain system efficiencies and support development of localized flexible energy communities. The green transition, alongside more efficient production, requires new talent. Governments can play a vital role by providing incentives for green skills training and creating centralized databases and platforms for up-to-date information on labour market information.

Prioritize market-based and technology-neutral approaches: Prioritize policy approaches that support a market-driven and technology-neutral transformation that enables cost effective approaches, unlocks needed investments and increases speed of scaling. For example, better and more aligned standards for GHG accounting and setting out broad objectives at a sector or product level (e.g., energy or carbon intensity) will stimulate business action and innovation to meet these objectives.

2. Mobilize public and private finance

Work together with the private sector, particularly financial institutions, to increase access to financing appropriate for energy efficiency-related investments (e.g., energy performance contracts). For public finance, governments may examine including consideration for energy efficiency public sector interventions in the various climate-related financing packages, particularly those aimed at EMDEs. For private finance, provide positive incentives for energy efficiency-related projects, particularly for SMEs.

3. Boost industry energy productivity

Introduce minimum energy performance standards across industries. Invest in digital technologies linking grids to industry to enable energy and cost-saving opportunities and ensure efficiency of energy use. Governments can also support cross-sectoral approaches to improve energy efficiency through sharing of infrastructure, district energy approaches as well as industrial clusters. Support electrification of industrial processes/equipment such as motors and heat sources for low heat processes.

4. Enhance energy efficiency in the built environment

Facilitate the availability of high-quality key data sets such as Energy Performance Certificates and appliance energy efficiency, as well as strengthen standards and labelling. Governments can also introduce or strengthen building standards aligned with leading international industry standards and provide support for retrofitting interventions, electrification and waste heat recovery. Support efforts towards digitalization of building management systems flexibility of the energy system in the built environment.

5. Support fuel-efficient transport

Support standards and incentives for more energy-efficient transport vehicles, including investments in shared infrastructure and alternative fuels.

We affirm our intention to work closely together with governments to act quickly and decisively in order to enable further private sector action and investment in energy efficiency and transforming energy demand.

We look forward to making further progress by COP30 to take stock of advances made, and to further the momentum towards the doubling of energy efficiency by 2030 goals.

For more details on policy recommendations for each of these building blocks, please see the policy brief: [Accelerating Business Action through Government Leadership](#)

International Business Council of the World Economic Forum

The International Business Council comprises companies from across sectors and regions and its members represent 3% of global energy demand.