

## **Nairobi Business Leaders Action Plan for Public-Private Collaboration to Double Energy Efficiency Progress by 2030**

On the occasion of the IEA 9<sup>th</sup> Annual Global Conference on Energy Efficiency in Nairobi, Kenya, business leaders from across the globe took part in a business leaders' roundtable discussion hosted by the Energy Efficiency Movement, Kenya Association of Manufacturers and the International Business Council from the World Economic Forum.

During the roundtable, the assembled business leaders discussed reaffirming their goal of working together with governments to meet the COP28 target of doubling the annual global energy efficiency improvement rate to 4% by 2030.

In addition, they discussed and welcomed the new [IEA 2024 Energy Efficiency Policy Toolkit](#), which aims to help policymakers with the implementation of energy efficiency policies they can use to contribute to the global doubling target.

Business leaders also welcomed the Chairs' Statement by Dr. Fatih Birol and Cabinet Secretary Mr. Davis Chirchir, that recognised “the need to move from a global pledge to an action plan, including incorporating energy demand within country energy transition planning and key sectors such as buildings, industry, and transport.”

In support of accelerated action, business leaders discussed developing a set of initial key building blocks around public-private collaboration that would accelerate business action and investment in energy efficiency.

Business leaders also encouraged continued public-private dialogue over the next year to refine and act on these building blocks, with the aim of reporting progress at IEA's 10<sup>th</sup> Annual Global Conference on Energy Efficiency in 2025.

The building blocks to be discussed are summarized in the following proposed 5 points Nairobi Business Leaders Action Plan for Public-Private Collaboration to Double Energy Efficiency by 2030 ('Nairobi Business Leaders Action Plan'):

- 1. Including Energy Demand in Energy Transition Planning:** All governments are encouraged to build energy transition plans as part of their Nationally Determined Contributions (NDCs) that focus as much on reducing the intensity of their energy demand as on securing their energy supply, ensuring affordability, and expanding clean power and electrification. In order to best direct business action, these plans may include:
  - A focus on the key sectors where businesses have the most opportunity to invest and achieve energy efficiency gains, particularly the built environment, industry, and transport, and the role of cross-industry approaches.

- Clear guidelines for business on energy efficiency requirements, including through minimum energy performance standards (MEPS) for appliances, including clean cooking, that are aligned with international standards and appropriate given the relevant country context
- Positive incentives for action by business, including providing public sector investments in areas that will catalyze additional business investment in energy efficiency
- Recognition of the unique local context every country has in their economic and market development

**2. Mobilizing Public and Private Finance:** Governments are encouraged to work together with the private sector, particularly financial institutions, to increase access to financing appropriate for energy efficiency-related investments. The public and private sectors can take the following actions:

- For public finance, governments may consider including consideration for energy efficiency public sector interventions in the various climate-related financing packages, particularly those aimed at developing countries
- For private finance, positive incentives for energy efficiency-related financing (e.g. tax-based incentives, dynamic electricity pricing and other complementary measures) could accelerate the pace of energy efficiency-related investments. This could also include support for developing approaches to monetize the benefits of energy efficiency to create investable assets.
- For public and private finance, supporting standardized energy efficiency-related guidelines as part of broader climate or sustainable finance approaches (e.g. GSS+ bonds, energy performance-related loans) could help financial institutions grow their financing portfolio

**3. Growing Industry Energy Productivity:** according to the IEA, in industry annual energy productivity will need to grow by 2.3% per year, and electricity accounts for 30% of energy use by 2030 to achieve doubling. Business leaders encourage:

- Governments and private sector to support clustering of opportunities across industries and the built environment to improve energy intensity through sharing of infrastructure, district energy approaches as well as within industrial clusters.
- Governments and private sector to invest in digital technologies linking grids to industry to enable energy and cost savings opportunities and ensure their energy efficiency of use
- Governments to provide positive incentives for energy efficiency projects (e.g. tax incentives)

**4. Energy Efficiency in the Built Environment:** according to the IEA, retrofit rates for buildings should more than double to 2.5% per year to align with doubling. Energy-using products, such as appliances including Air Conditioners and refrigerators, would also require 30% to 40% less energy to do the same job, with all markets mainly selling LED lighting. Business leaders encourage:

- Governments to facilitate the availability of access to high-quality key data sets such as Energy Performance Certificates and appliance energy efficiency
- Governments and private sector to provide support for the creation and provision of green mortgages and other financing mechanisms to fund retrofitting
- Governments to introduce and/or strengthen mandatory building standards aligned with leading international industry standards
- Governments to provide positive incentives (e.g. tax incentives) for retrofitting interventions, electrification, and waste heat recovery, as well as working with local-level governments and actors to develop enabling planning measures
- Governments to introduce and/or strengthen standards and labelling for energy-using products, and to strengthen testing and enforcement mechanisms

**5. Electrifying Transport:** according to the IEA cars will need to become 5% more efficient each year, largely through electrification and a switch to smaller vehicles, to achieve doubling. Business leaders encourage:

- Governments to support standards and positive incentives (e.g. tax incentives) on shared infrastructure, such as charging stations
- The private sector to explore solutions to leverage this shared infrastructure to electrify their fleet and support the electrification of their logistics value chain.

The Nairobi Business Leaders Action Plan was presented to ministers at the IEA 9<sup>th</sup> Global Conference by selected business leaders during a joint minister-business leaders' dialogue on 22 May 2024. It is intended to serve as the foundation for further cooperation between the public and private sectors in pursuit of the goal of doubling energy efficiency progress this decade.