IRENA
International Renewable Energy Agency

26 May 2019

Seventeenth meeting of the Council
Abu Dhabi, 25-26 June 2019

Background Note
Socio-economic Trends of the Energy Transformation

1. Renewable energy is at the heart of advancing the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal (SDG) 7 - seeking to ensure access to affordable, reliable, sustainable and modern energy for all. As illustrated in the SDG 7 tracking report, the world is making progress but not rapidly enough to meet the 2030 targets (*Tracking SDG 7: The Energy Progress Report 2019*; co-custodians: IRENA, IEA, UNSD, World Bank and WHO).

2. Advancing SDG 7 is critical for the success of many other SDGs and thus for broad socio-economic progress. To highlight key linkages between energy and employment, IRENA is participating in the UN DESA High-Level Political Forum process (report on *Accelerating SDG 7 Achievement: Policy Brief: Interlinkages between Energy and Jobs*; Energy and Jobs Platform in partnership with several international institutions).

3. The energy transformation is already generating substantial socio-economic benefits. The expansion of renewable energy has led to growing direct and indirect employment, reaching 11 million jobs in 2018 (*Renewable Energy and Jobs – Annual Review 2019*) up from 10.3 million in 2017. Although a small number of countries are in the lead, rising deployment of generating capacities is spreading the benefits to more countries. In addition, the diversification of supply chains can broaden the geographic footprint of the renewable energy sector and add to job creation.

4. Renewable energy employment is expected to continue to flourish, and enable GDP and human welfare gains, as the energy transformation accelerates. At the global level, IRENA's analysis has shown that the REmap transition scenario performs better than the reference case, while improving energy security and energy access and reducing the adverse effects of climate change (*Renewable Energy Benefits: Measuring the Economics*).

5. The overall findings hide geographical disparities due to different socio-economic structures, diverging capacities to take advantage of emerging opportunities, and varying levels of policy ambition (*Global Energy Transformation: A Roadmap to 2050*).

6. Analysing the socio-economics of the energy transformation offers crucial insights to policy makers for designing action-oriented measures to maximise benefits and overcome transition barriers. This plenary session is an opportunity for IRENA Members to discuss how they can ensure that tomorrow's renewables-based energy system will not only meet energy demand, but also foster viable industries and create new jobs.

Objective of the session

7. The objectives of the plenary session are to:

   a. Obtain feedback and guidance to the Agency from Members on next steps in its work on the socio-economic impacts of the energy transformation.

   b. Highlight the importance of policies focused on the interactions between the energy system and the broader socio-economic structure.

   c. Exchange views on experiences and best practices to maximise socio-economic benefits from the energy transformation under different geographic, economic and social contexts.

Guiding questions

- How do findings and recommendations from IRENA's recent reports align with specific national-level experiences?

- What action-oriented measures can governments initiate to take advantage of emerging economic opportunities, in order to maximise the benefits of the energy transformation and help achieve the SDGs?

- How can governments ensure that local capacities are leveraged, and socio-economic benefits shared widely for a just and fair transition?

Associated Publications

- Renewable Energy and Jobs – Annual Review 2019 (the link will be activated at a later stage)
- Renewable Energy and Jobs – Annual Review 2018
- Renewable Energy Benefits: Measuring the Economics
- Global Energy Transformation: A Roadmap to 2050
- Tracking SDG 7: The Energy Progress Report 2019