

# EXECUTIVE SUMMARY

**Sustainable energy is at the heart of the global development and climate change agenda.** Reaching the targets set by the United Nation's Sustainable Development Goal 7 (SDG7) will require a rapid increase in energy access, renewable energy and the efficient use of existing energy resources. Public debate centers on securing adequate finance to meet these global targets, but evidence demonstrates that policy can often be a prerequisite for mobilizing finance. RISE 2018 demonstrates that progress on sustainable energy outcomes has often been preceded by long-term efforts to strengthen policy and regulatory environments.

**Precisely because policy matters, it is important to track how well countries are doing in creating the regulatory environment needed to accelerate achievement of sustainable energy goals.** RISE provides such a global scorecard which summarizes countries' regulatory environments. It does so by tracking the adoption of good-practice policies with respect to energy access, energy efficiency, and renewable energy at the country level as of December 2017, scoring them on a scale from 1 to 100, and classifying the strength of a country's policy environment according to a "traffic light" system with green for advanced, yellow for intermediate, and red for early stage.

**RISE 2018 shows significant improvement in sustainable energy policies globally: the number of countries with advanced policy frameworks for sustainable energy has more than tripled over the past eight years.** In 2010, only 17 countries had advanced as well as (green) scores on their policy environment for sustainable energy, and these were largely confined to the OECD. As of 2017, the number of countries with green scores had risen to 59. Income levels or geography are not a determining factor – strong performers are found in

each region and income group. All five countries that have made the largest improvements to their policy environment in recent years are non-OECD economies – Côte d'Ivoire, United Arab Emirates, Rwanda, Jordan, and Egypt, Arab Rep.

**A significant share of the global population and global energy consumption are covered by policies for sustainable energy.** Although only 25 percent of countries score green for energy efficiency, they account for 66 percent of world energy production. Similarly, while only 26 percent of countries score green for renewable energy, these countries account for 33 percent of world energy consumption. And while only 28 percent of highest access deficit countries score green for energy access, these countries are home to 48 percent of the world's population without access to electricity.

**Nevertheless, the world as a whole is only about half way towards the adoption of advanced policy frameworks for sustainable energy.** The overall average country score for RISE in 2017 is 58 out of 100, still in the yellow zone, indicating only an intermediate stage of development and plenty of room for improvement in many countries. The same is true whether one looks at policy frameworks for energy access, renewable energy, or energy efficiency.

**This slow pace of policy adoption threatens the achievement of the SDG7 goals by 2030 as well as the Paris Agreement climate goals.** The global average RISE score has been increasing steadily by more than two percentage points each year since 2010, and under present trends would not reach the green zone before 2025, jeopardizing progress towards the sustainable energy goals for 2030. Nevertheless, when certain policies capture the attention of governments, there can be rapid

uptake or policy leapfrogging. Among the 133 countries surveyed, those that showed most improvement increased their RISE scores by more than four percentage points per year since 2010; this is twice as fast as the global average. For example, the number of countries establishing minimum energy efficiency performance standards for heating and cooling appliances doubled from 2010 to 2017.

**Clean energy policies show a strong focus on electricity, but heating and transportation sectors are often overlooked by policymakers.** Whereas the renewable share of electricity has been climbing steadily in recent years, there has been relatively little progress in harnessing renewable energy sources for heating and transportation, which together represent 80 percent of global energy use. The difference in outcomes is clearly reflected in the relative evolution of the policy environment for each of these energy uses. Policies for electricity have nearly double the scores for transportation and heating and cooling with respect to renewable energy, and nearly four times the scores for transportation and heating and cooling with respect to energy efficiency. The difference is least pronounced among OECD countries, and most pronounced in South Asia and Sub-Saharan Africa.

**In low-access countries, policymakers are increasingly turning their attention to enabling off-grid solutions for electrification.** The cost of solar photovoltaic energy has declined dramatically since 2010, prompting a targeted focus for policymakers in low-access countries to create a favorable enabling environment for off-grid electricity. The share of low-access countries adopting measures to support mini-grids and solar home systems has soared from around 15 percent in 2010 to 70 percent in 2017. In fact, as of 2017, over half of these countries received a green score for their policies on solar home systems. Over the same time frame, the enabling environment for grid electrification has remained relatively stagnant and now scores lower than that for off-grid solutions.

**There is some evidence that policymakers are beginning to take more notice of the clean cooking agenda, but much remains to be done.** Cooking has been the most overlooked area of the sustainable energy agenda, with very little progress being made on clean cooking access globally. A pilot exercise in RISE 2018, covering 12 populous countries that represent more than half the world's population without access to clean cooking, suggests that there has been some evolution of policy frameworks since 2010, particularly in the area of planning. However, there has been relatively little progress on standard-setting for cookstoves or on consumer and producer incentives to stimulate adoption of clean technologies. Moreover, greater attention has been paid to developing the policy environment for improving efficiency of cooking with solid fuels focusing on the climate impacts than to supporting fuel switching focusing on end-user cleanliness and affordability.

**Poor creditworthiness of utilities undermines the sustainable energy agenda.** Power utilities are among the central actors in the energy sector in most countries, and their financial health is critical for the viability of investments across the sustainable energy agenda. As of 2016, however, only about half of all power utilities met several basic creditworthiness requirements. Moreover, performance on almost all dimensions of creditworthiness has deteriorated since 2012. The situation is particularly acute in low-access countries, where the number of utilities meeting basic creditworthiness criteria has dropped, falling from 63 percent in 2012 to 37 percent in 2016.

**Good institutions and enforcement are also necessary elements to achieve sustainable energy results.** Adopting good practice policies will not yield results without strong institutions and consistent enforcement. RISE 2018 has incorporated proxy enforcement indicators to provide some sense of the level of attention that countries are giving to enforcement issues.