



G20
INDONESIA
2022

ENERGY
TRANSITIONS
MINISTER'S
MEETING

2 SEPTEMBER 2022



BALI COMPACT

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Acknowledging our leadership role, we, G20 members, representing the world's largest group of energy consumers and producers, are strengthening international cooperation and energy architecture to accelerate energy transitions during this critical decade of action. The G20 intends to work on a voluntary basis towards enhanced ambitions towards clean, sustainable, just, affordable, and inclusive energy transitions that leave no one behind and promote social and economic development, while ensuring energy security, stability, accessibility, affordability, and sustainability as well as eradicating energy poverty.

Our agenda to accelerate energy transitions will underpin a stronger, more inclusive global economic recovery and growth. We will increase our efforts to achieve SDG7 to ensure affordable, reliable, sustainable, and modern energy access for all and enable different groups of society to benefit from energy transitions, including women, youth, children, Indigenous People and local communities, migrants, and persons with disabilities.

Accelerating energy transitions should include a wide range of options towards low emissions development to achieve net zero GHG emissions or carbon neutrality, in line with the UNFCCC and the Paris Agreement. The Bali Compact lays out a set of inclusive voluntary principles for G20 members and beyond to ensure smooth and effective transitions in accordance with national circumstances and priorities:

- **Strengthening confidence and clarity in national planning, implementation and review** by using whole-of-government approaches to maximize the social, economic, and environmental advantages.
- **Enhancing energy security, markets stability and affordability**, by promoting open, transparent, and competitive international markets, strengthening and diversifying supply and value chains, affirming that energy should not be used as a means of political coercion and refraining from unilateral restrictions, increasing accessibility to technologies and related materials, while enhancing inclusive investments in sustainable energy.
- **Securing resilient, sustainable and reliable energy supply, infrastructure, and systems** to be able to meet energy demand, ensure energy security and economic prosperity, as well as respond to climate change, geopolitical situations, digital security concerns, and other emerging risks.
- **Boosting energy efficiency measures** to realize its potential as a first fuel to drive cost-effectiveness across sectors.
- **Diversifying energy systems and mixes as well as lowering emissions from all energy sources**, including by scaling up and integrating renewables, clean energy and

fuels, deploying new technologies including abatement and removal technologies for those countries which include them in the national low emission development strategies, electrifying and digitalizing demand sectors and recognizing the need to accelerate efforts towards phasing down unabated coal power generation.

- **Catalyzing sustainable inclusive investments at scale for moving towards low or net zero emissions energy systems**, phasing out inefficient fossil fuel subsidies that encourage wasteful consumption and using our policy options to create enabling environments for investments, including through partnerships to support developing countries and emerging markets.
- **Collaborating on mobilizing all sources of finance to help achieve the goals of the 2030 Agenda for Sustainable Development and the Paris Agreement** to accelerate clean, sustainable, just, affordable, and inclusive energy transitions, by deploying innovative inclusive financing options, enabling capital market flows, and enhancing multilateral development banks (MDBs) support.
- **Scaling up innovative, affordable, smart, low and net zero emissions technologies** by advancing partnerships and technology cooperation, promoting local development, and removing barriers to their rapid deployment.
- **Building and strengthening innovation ecosystems to boost research, development, demonstration, dissemination, and deployment** by enhancing public-private collaboration, improving commercial viability, and ensuring accessibility and affordability of next-generation technologies.