

Intervention by Professor Siddharth Sareen

UNCTAD Multi-year Expert Meeting (MYEM) on Trade, Services and Development, 10-12 July 2023

The role of trade and services for enhancing science, technology and innovation to promote a fair transition to sustainable energy

Session 2: Sharing experiences with policy-making: Trade in services in support of energy transition”

Monday 10 July 2023 at 15:00 – 16.30 CEST (UTC +2)

- *What are the most relevant service sectors for energy transition in your country?*
- *What are the critical challenges in improving the performances of those service sectors?*
- *What policies (e.g., trade and STI) do you have in place to improve the performance of those sectors?*

Energy transitions rely on multiple sectors, at present chiefly electricity, transport, the built environment, and a variety of industries. Digitalisation – not just the transition from analogue to digital but also its wider effects in socioeconomic and political spheres – is enabling the real-time coordination of activities across sectors. This coordination is vital for electrification of all sectors and thereby decarbonisation, as electricity is relatively simple to supply using renewable energy sources, which are economically competitive.

As sectors like electricity, transport and the built environment are digitalised and decarbonised, a variety of challenges manifest, cutting across sectors. One major challenge is social inclusion – many actors such as the elderly and less formally educated can be systemically excluded during digitalisation of sectors, or otherwise put at a disadvantage. For instance, those paying bus fares manually usually pay more than those using a smart card or smartphone. Another major challenge is getting automated energy efficiency measures to benefit people, and not just supply side actors. Take the example of smart electric meters, which have largely benefitted incumbent electricity utilities, and not led to fair sharing of those lower costs with users, despite such good intents and promises.

Making decarbonisation and digitalisation – or the twin transition – fair is important to achieve just energy transitions. Research has identified three key solutions in this regard: (1) transition metrics must be cross-sectoral, as digitalisation will combine performance across sectors, e.g. through energy flexibility; (2) users must be treated as energy citizens, exercising both rights and responsibilities, and therefore involved throughout decision-making processes to express and enforce user priorities; and (3) the benefits of energy transitions must be shared in an equitable manner backed by sanctions to supply side actors if this fails, to achieve energy poverty alleviation, greater public legitimacy, and increased public ownership of and involvement in energy infrastructure and governance.

For more insights, see this short article: <https://doi.org/10.1016/j.eist.2021.09.016>

Speaker bio:

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