



Danish Ministry of Climate,
Energy and Utilities

SDG7 Energy Compact of Denmark

A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

1.1. Ambitions to achieve SDG7 by 2030. (Member States may reference and build upon their NDC and/or 2030 agenda commitments)

[Please select all that apply]

<p><input type="checkbox"/> Target 7.1. universal access TARGET: By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>INDICATORS: 7.1.1 Proportion of population with access to electricity.</p> <p>7.1.2 Proportion of population with primary reliance on clean fuels and technology.</p>	<p>Time frame: 2030-2050 Elaboration of the ambition(s):</p> <p>Access to green, affordable energy for all in Denmark In accordance with sustainable development goal (SDG) sub target 7.1 and 7.2, all Danish households have access to stable energy supplies at an affordable price. Denmark is at an advanced stage in terms of integration of renewable energy into the energy mix while also maintaining a high security of supply. On the 4th of June 2021, the Government and a large majority of Parliament reached a new political agreement on creating an effective and future-proof power infrastructure in order to meet the expected increase in electricity demand that will follow from increased electrification.</p> <p>Enable universal access renewable energy and clean cooking globally Denmark will increase its development assistance targeted at closing the energy gap for the 759 million people in the world who lack access to electricity and 2.6 billion people lacking access to clean cooking worldwide. The Danish Government has decided to significantly increase the Danish financial contribution between 2019 and 2023 for both on-grid and off-grid energy solutions. Denmark's priority is to focus on providing access to renewable energy solutions and clean cooking in Sub-Saharan Africa where the world's access deficit is increasingly concentrated. Denmark provides funding mainly through multilateral funds, agencies and banks and to a minor extent through bilateral engagements and DFIs.</p>
<p><input checked="" type="checkbox"/> Target 7.2. Renewables TARGET: By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>INDICATORS: 7.2.1 Renewable energy share in the total final energy consumption.</p>	<p>Time frame: 2030-2050 Elaboration of the ambition(s):</p> <p>Increasing the share of renewable energy in the national energy mix Denmark's mid and long-term targets are clear: a reduction of greenhouse gas emissions by 70 % in 2030 (compared to 1990 levels) and climate neutrality by 2050 at the latest. These are legally binding targets adopted by the Danish Parliament and enshrined in the so-called "Climate Act". The Government recently introduced an additional indicative short-term goal of reducing emissions by 50-54% by 2025. Electrification and an increase in the share of renewable energy in the national energy mix are key to bringing down our GHG emissions.</p> <p>The policies described in the Energy Agreement from 2018 are paving the way for renewables to represent 55% of the total national energy mix by 2030. According to the latest energy projections, Denmark will be able to cover 100% of its national electricity consumption with renewable energy by 2028.</p> <p>Denmark has a strong focus on technological developments to explore new avenues for emission reductions in the energy sector. In addition to known tools, like increasing our renewable energy capacity, new technologies like power-to-X and carbon capture and storage will contribute to the achievement of our 70% emission reduction target for 2030 and climate neutrality in 2050. The Danish Government launched a national electrification strategy this past June and will launch two new strategies on carbon capture and storage (CCS) and Power-to-X (PtX) by the end of 2021.</p>

<p>☒ Target 7.3. Energy Efficiency TARGET: By 2030, double the global rate of improvement in energy efficiency</p> <p>INDICATORS: 7.3.1 Energy intensity measured in terms of primary energy and GDP</p>	<p>Time frame: 2030 Elaboration of the ambition(s)</p> <p>Enhancing energy efficiency at national and EU-level As an EU Member State, Denmark is required to introduce national energy efficiency measures that will make it possible for the European Union as a whole to fulfil the EU's non-binding target to cut energy consumption by 32.5 percent in 2030. The target is currently being reviewed in light of the climate goal of reducing greenhouse gas emissions by at least 55 percent by 2030.</p>
<p>☒ Target 7.a. International Cooperation TARGET: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.</p> <p>INDICATORS: 7.a.1 International financial flows to developing countries in support of clean energy research and development and renewable energy production, including in hybrid systems</p>	<p>Time frame: 2030-2050 Elaboration of the ambition(s):</p> <p>Global climate action The Danish Government's long-term strategy on global climate action from September 2020 sets the direction for our international climate efforts spanning foreign, development, trade and sector policy, as well as export and investment promotion. Success in our efforts for a green and sustainable transition globally will require political support at the highest level in all countries and comprehensive solutions involving all sectors and stakeholders. The Government's priorities for global climate action are:</p> <ul style="list-style-type: none"> - <u>Enhance global climate ambition</u>: Denmark is working to influence states and non-state actors to commit to ambitious objectives contributing to limiting global warming. Denmark is committed to work with, i.a., governments, multilateral organizations and civil society for ambitious efforts on reduction targets, climate adaptation, resilience and sustainable development. - <u>Reduce global greenhouse gas emissions</u>: We are working for a global green transition towards sustainable, climate-neutral, resilient and inclusive societies. This requires a strong focus on linking emission reductions to sustainable development goals, e.g. through NDCs and the promotion of sustainable development of large emitters and developing countries, especially through bilateral energy collaborations (see Section 2, target 7.4 for more information on Denmark's bilateral energy cooperation). - <u>Strengthen focus on adaptation and sustainable development</u>: Denmark aims to inspire and drive resilience and adaptation initiatives globally. Danish development cooperation is increasingly focused on fighting climate change and promoting sustainable development in the poorest and most fragile developing countries by spreading Danish mitigation and adaptation solutions globally. - <u>Shift financial flows towards the green transition</u>: Denmark works in favour of shifting global financial flows away from fossil fuels and towards green, climate-friendly investments. We will support the greening of financial markets and the energy markets and systems designed to foster investments in renewables. We will also strive to increase mobilization of climate finance to support the poorest and most fragile countries. - <u>Cooperate with the private sector on green solutions</u>: Cooperation with the private sector to promote green Danish solutions globally is a top priority for Denmark and a tool to drive successful climate action. <p>The Government's efforts for an upscaling of green solutions around the world must go hand in hand with a decarbonisation of hard-to-abate and high-emission sectors as well as a massive increase in renewable energy supply. Phasing out fossil fuel and subsidies for fossil fuels globally are pressing global challenges that need to be tackled if we are to reach the temperature goal of the Paris Agreement. Denmark is strongly focused on strengthening efforts to phase out fossil fuels, including but not limited to coal, particularly in Asia and Africa, where the fast increasing energy demand should be met by renewable energy coupled with energy-efficient measures.</p> <p>Climate action at European level The European Union, with its 27 Member States, provides a unique platform to push for higher climate ambitions at global level. Through the EU, Denmark aims to amplify the impact of its climate action and bring pressure on other countries to commit to always more ambitious climate targets. The EU framework also allows the establishment of common standards and regulations in the single market that can incentivize the private sector to embark on a green transition journey.</p> <p>The Danish Government is actively working for higher climate ambitions at European level. Denmark supports the European Commission's efforts to make the European Green Deal a top political priority and set the European Union on a balanced, realistic and prudent path to become climate neutral by 2050. The objective to reach zero net emissions of greenhouse gasses by 2050 and the increased 2030 target to reduce greenhouse gas emissions by at least 55 percent are the first steps, and both targets have recently been enshrined in the European Climate Law. The next steps at European level include an ambitious implementation of the 2030-target in the European legislation.</p>

	<p>Ambitious and cost-effective regulation in the European Union will contribute to the green transition in Europe – and thereby Denmark since Denmark as member of the European Union is legally obliged to implement European legislation and transpose it into national law.</p> <p>In the energy sector, a wide range of energy issues are regulated at EU-level. For instance renewable energy, including a common binding target for the amount of renewable energy at EU level; energy efficiency, including a non-binding target for energy efficiency at EU-level; energy efficiency in buildings; eco-design requirements; energy labelling requirements; and electricity market regulation, including energy security. The “Fit for 55” package, published in mid-July 2021, aims to align the 2030 target with European climate and energy legislation, including the legislation on renewable energy and energy efficiency.</p>
<p><input checked="" type="checkbox"/> Target 7.b. Infrastructure and Technology</p> <p>TARGET: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.</p> <p>INDICATORS: 7.b.1 Investments in energy efficiency as a percentage of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services.</p>	<p>Time frame: 2030-2050 Elaboration of the ambition(s):</p> <p>International cooperation to expand energy infrastructure Through the Danida Sustainable Infrastructure Finance (DSIF) facility, the Danish government contributes to the expansion of infrastructure and upgrading technology in developing countries through subsidized loans (combination of guarantees, grants and technical assistance). DSIF projects focus on water and energy and are based on transfer of state-of-the-art Danish technology as well as screened for energy efficiency standards.</p> <p>A number of the Danish multilateral programmes (see annex 1 and 2) also contribute to expanding energy infrastructure and upgrading technology.</p> <p>In addition, the Danish Energy Agency cooperates with a range of governments in order to contribute to their reduction of carbon emissions and to assist in their energy transition to become a low-carbon economy. The cooperation is primarily focused on policy improvements in long-term energy planning and modelling, renewable energy integration and deployment, energy efficiency interventions and in climate change mitigation (for more information on bilateral energy cooperation see target 7.a.).</p>

1.2. Other ambitions in support of SDG7 by 2030 and net-zero emissions by 2050. *[Please describe below e.g., coal phase out or reforming fossil fuel subsidies etc.]*

<p>Time frame: 2030-2050 Elaboration of the ambition(s):</p> <p>Phase-out of oil and gas exploration by 2050 and launch of new international alliance In December 2020, a broad majority of the Danish Parliament reached a deal on the future of fossil extraction in the North Sea, leading to the cancellation of the ongoing 8th licensing round and all future rounds to extract oil and gas. The deal also establishes a final phase-out date of fossil extraction by 2050 and lays out plans for a just transition of impacted workers. The agreement sets the direction towards a climate-neutral Denmark and a complete phase-out of fossil fuel production by 2050.</p> <p>Denmark will together with Costa Rica soon be launching a Beyond Oil and Gas Alliance. Its aim will be to mobilize national governments and other jurisdictions with relevant decision-making power to take concrete steps to restrict oil and gas production. This will increase focus on oil and natural gas production in the global conversation on climate change and establish supply-side policies as a natural and necessary part of climate action, similar to what we have seen in recent years on coal. Going forward, BOGA will set a new bar for international climate leadership and create an international community of practice that will encourage and embolden additional stakeholders to take climate action through oil and gas related supply side measures.</p> <p>MI –Mission Innovation Mission Innovation is an international research cooperation launched at the opening of COP21 in Paris. The initiative focuses on the strengthening of research in clean energy technology to accelerate a sustainable energy transition. A key aim is to reduce costs by making technologies cheaper and more widely accessible. The countries participating in Mission Innovation have committed to double their investments in research within clean energy technologies over a five-year period from 2015 to 2020.</p>

In 2021 at the annual ministerial meeting the member countries agreed on raising ambition in a second phase of Mission Innovation. In addition to increase or uphold the current level of investment, the cooperation now aims to reach impactful outcomes through missions. As part of the new MI setup Denmark has develop a mission to decarbonize the shipping sector. The mission aims to reach a tipping point by 2030 that will bring the shipping sector on a trajectory towards climate neutrality in 2050. The mission was launched at MI-6 on 2 June 2021 and is co-lead by Denmark, the United States, Norway, The Global Maritime Forum and Mærsk McKinney Møller Center for Zero Carbon Shipping. The Mission is complementary with the Getting to Zero Coalition that Denmark launched at the UN Secretary General’s Climate Summit in 2019.

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

2.1. Please add at least one key action for each of the elaborated ambition(s) from section 1. *[Please add rows as needed].*

<i>Description of action (please specify for which ambition from Section 1)</i>	<i>Start and end date</i>
<p data-bbox="270 581 575 613"><i>7.1. UNIVERSAL ACCESS:</i></p> <p data-bbox="270 653 632 684">Efforts at the domestic level</p> <p data-bbox="270 688 2131 831">The power system of Denmark is advanced, and 100% of the population is connected to the grid. The share of renewable energy in the total national energy mix has increased from 20.6% in 2010 to 37.2% in 2019 and is projected to maintain a steep growth curve. Furthermore, Denmark has ambitious targets for guaranteeing a high security of supply for its citizens. This proves that securing a green energy supply based on renewables can indeed be reconciled with achieving a high security of supply.</p> <p data-bbox="270 909 679 940">Efforts at the international level</p> <p data-bbox="270 945 2139 1087">Denmark works to enable universal energy access in the poorest countries through a number of bilateral and multilateral development cooperation initiatives. For example, Denmark supports access to off-grid solar power in Uganda through the Beyond the Grid Fund for Africa managed by the Nordic Environment Finance Corporation. See section 7.4 on international cooperation regarding Danish bilateral and multilateral development cooperation for more information and Appendix 1 and 2 for more concrete examples.</p>	
<p data-bbox="270 1159 1139 1190"><i>Description of action (please specify for which ambition from Section 1)</i></p> <p data-bbox="270 1194 507 1226"><i>7.2. RENEWABLES:</i></p> <p data-bbox="270 1266 632 1297">Efforts at the domestic level</p> <p data-bbox="270 1302 2131 1373">The Climate Agreement for Energy and Industry 2020 is a political agreement between the Government and a vast majority of Parliament that describes Denmark’s climate ambitions for the energy and industry sector towards the achievement of the 70%-reduction target in 2030.</p> <p data-bbox="270 1413 1656 1444">Among the initiatives described in the Agreement, the following are directly related to the achievement of SDG7:</p> <ul data-bbox="320 1484 2154 1961" style="list-style-type: none"> <li data-bbox="320 1484 2154 1627">• <u>Construction of two large offshore energy hubs, known as “energy islands”</u>: One of the islands will be built in the Baltic Sea near the Danish island of Bornholm and will have a capacity of 2 GW; and one in the North Sea with an initial capacity of 3 GW and a long-term expansion potential of up to 10 GW. The energy islands will also contribute to the green transition beyond Denmark’s national borders and contribute to Denmark’s and Europe’s transition to climate neutrality by 2050. <li data-bbox="320 1667 2154 1776">• <u>Market-driven expansion of wind and solar energy</u>: The Climate Agreement for Energy and Industry 2020 sets out initiatives that support a transition to a market-driven expansion of renewable energy, such as continued support for technology neutral public tenders that will continue in 2020 and 2021. <li data-bbox="320 1816 2154 1961">• <u>Investment in green technologies of tomorrow</u>: The Climate Agreement on Energy and Industry allocates the equivalent of DKK 800 million annually, to be phased-in from 2024, for carbon capture and storage. The agreement also includes a tender to support the establishment of large-scale Power-to-X production. In addition, multiple large-scale projects have been announced with completion before 2030. Before the end of 2021, the Government will launch sector-specific strategies for both PtX and CCUS. 	

<ul style="list-style-type: none"> • <u>Strategy for investments in green research, technology and innovation:</u> The Danish Government published in December 2020 a strategy that sets a long-term direction for green research, innovation, development, and demonstration accelerating the development of new green solutions and technologies. In addition, in connection with the 2021 Finance Bill, the government has proposed to increase the funds earmarked for green research in 2021 to a level exceeding the historic high level of 2020. • <u>Green transition of industry:</u> The Climate Agreement for Energy and Industry 2020 includes initiatives contributing to a green transition of industry through energy efficiency improvements, electrification, and more green gas such as biogas and synthetic carbon-neutral fuels. • <u>Green heating:</u> The Climate Agreement for Energy and Industry 2020 relaxes taxes on green electricity for heating, while at the same time raising taxes on fossil heating. The agreement supports the phase-out of oil and gas boilers and supports the establishment of green and inexpensive heat production. It is projected that the heat package will reduce greenhouse gas emissions by 0.7 tons CO₂e in 2030. • <u>Green transport:</u> Building on the initiatives described in the Agreement on the Establishment of Funds for Green Transport in 2020 from April 2020, the Climate Agreement on Energy and Industry 2020 also includes measures to support a greener transport sector. • <u>Green tax reform:</u> The Government will look into formulating a green tax reform to increase the attractiveness of picking green solutions over less climate-friendly options. <p>Efforts at EU-level At the European level, the Danish Government focuses on decarbonizing the European energy system. A key priority is the further deployment of renewable energy and large-scale investments in grid infrastructure both on and offshore. In order to decarbonize sectors that are difficult to electrify such as heavy industry and transport, investments are needed to develop cost-effective technologies for the production of green hydrogen and other hydrogen-based products (e-fuels) at a commercial scale.</p>		
<p><i>Description of action (please specify for which ambition from Section 1)</i> 7.3 ENERGY EFFICIENCY</p> <p>Efforts at the domestic level The Climate agreement on Energy and Industry from 2020 ensures a massive boost to investments in energy efficiency improvements in the industrial and building sectors. This will be achieved in part by an overall increase in funding for the schemes supporting electrification and energy efficiency improvements in the industrial sector. The agreement also allocates almost DKK 500 million in the period 2021-2030 for energy efficiency improvements. Efforts will include energy-saving standards for central government buildings and contribute to taking the energy-efficiency measures into the digital age. Electrification and energy efficiency improvements are often the least expensive path to greenhouse gas reductions since many of the technologies needed are well known and have already proved their efficacy.</p> <p>The measures described in the Agreement on Energy and Industry 2020 build on the Green Housing Agreement from May 2020, which allocated DKK 30 billion from “Landsbyggefonden” (the National Building Fund) for renovations in social housing between 2020 and 2026 and suspended the national budgetary ceiling on construction spending by municipalities and regions in 2020.</p> <p>Through the agreement on Energy and Industry from 2020, along with the Energy agreement from 2018 and funding from the EU Recovery plan, a wide range of subsidy pools are made available to the private sector, to households as well as to municipalities and regions. These subsidy pools will create the right conditions for significant energy savings in the future.</p> <p>Efforts at EU-level The Danish Government is pushing for increasing the European target on energy efficiency from 32.5 percent to 40 percent by 2030. In this context Denmark also supports the introduction of more ambitious requirements on the energy efficiency of products (e.g. eco-design and energy labelling requirements) as well as increased energy-efficiency efforts with the purpose of phasing out the use of fossil fuels in buildings. The Government also supports the “energy efficiency first” principle, which places energy efficiency at the heart of cost-effective energy policy in the European Union.</p>	<p><i>Start and end date</i></p>	
<p><i>Description of action (please specify for which ambition from Section 1)</i></p>	<p><i>Start and end date</i></p>	

7.4 INTERNATIONAL COOPERATION

Denmark plays an active role in high-level multilateral energy discussions. Danish participation is focused on achieving cost-effective emission reductions and exchanging best practices on energy policy.

Climate Diplomacy

Denmark works to increase global climate ambitions through bilateral and multilateral cooperation as well as through the EU. Through its international efforts, Denmark seeks to combine high-level political dialogue with technical capacity building and dissemination of green Danish solutions. Both bilaterally and through the EU, Denmark works to increase the level of ambition in the NDCs of major emitters. In the multilateral development banks, Denmark is actively engaged in raising climate ambitions and making sure that COVID-19 recovery funds are mobilized to build the world economy back better and greener. Finally, Denmark works through a number of multilateral organizations and funds to promote the green energy transition internationally. Denmark's global leadership for SDG 7 on sustainable energy is thus a priority in Danish climate diplomacy efforts focused on promoting renewable energy, energy efficiency and access to clean energy for all.

Significant contribution to the Paris Agreement's goal of jointly providing 100 billion USD annually in climate finance globally.

Denmark has recently adopted a new strategy for development cooperation. The strategy identifies climate change and the green transition, including emission reductions and access to clean energy, as top political priorities. Danish climate-focused development assistance has increased significantly from around DKK 1.3 billion in 2017 to around DKK 2.2 billion in 2019. It is expected to further increase to at least 500 million USD annually by 2023, more than double the amount of 2019. Denmark has also set a new ambitious sub-target for grant-based adaptation finance. At least 60% of Danish public climate finance will be earmarked for adaptation, with a special focus on resilience in the poorest and most vulnerable developing countries. This is in response to the demand for more adaptation finance expressed by many developing countries.

In addition, Denmark is making efforts to mobilise public and private finance from other sources to accelerate the green transition globally. This implies that Denmark contributes with at least 1% of the collective USD 100 billion target. This is well above Denmark's share of developed countries' GNI and a strong signal that Denmark is fully committed to deliver its share of the global goal.

Bilateral cooperation on green transition with 19 countries

The Danish Ministry of Climate, Energy and Utilities collaborates with China, Mexico, South Africa, Vietnam, Ukraine, Indonesia, India, Ethiopia, Turkey, Kenya and Egypt. These countries are experiencing significant economic growth and an increasing demand for affordable, clean energy. The Danish Energy Agency provides technical advice and training for managing and regulating the energy sector, with a strong emphasis on long-term energy planning and modelling, renewable energy integration and deployment, energy efficiency measures and climate change mitigation. In addition, Denmark has established energy collaborations with the UK, the US, Germany, South Korea, the Netherlands, Japan, France and Poland in order to share experiences in areas such as offshore wind, district heating and energy efficiency. Combined, the 19 countries represent more than 60 percent of total global CO2 emissions. Through the newly launched Danish Energy Transition Initiative, Denmark will also make short-term, intensive energy collaboration with developing countries to reduce CO2 emissions and secure clean and affordable energy. Initially Denmark will collaborate with Brazil, Colombia and Pakistan on strengthening energy planning, promotion of renewable energy, offshore wind and/or energy efficiency.

International organisations and coalitions

Denmark supports the green transition worldwide through its membership in a wide variety of international organizations. See attached matrix in Appendix 2 for an overview. As a member of the European Union, Denmark contributes to the EU's external assistance programmes. Denmark is also active in launching new, and participating in existing, international coalitions to support a fair and just transition away from fossil fuels and towards the expansion of renewable energy.

Description of action (please specify for which ambition from Section 1)

7.5 INFRASTRUCTURE AND TECHNOLOGY

See attached matrix of the institutions supported by Denmark (Appendix 2).

One example of a Danida Sustainable Infrastructure Finance (DSIF) project is the Assela Wind Farm, Ethiopia. With expected completion in 2023, the 100 MW wind farm will deliver on average 330 GWh of electricity a year to the national grid, avoiding the release of 175,890 tons of CO2 annually.

Start and end date

SECTION 3: OUTCOMES

3.1. Please add at least one measurable and time-based outcome for **each** of the actions from section 2. *[Please add rows as needed].*

Target	Date
<p>7.1. ENERGY ACCESS:</p> <p>Continued access to clean energy to all citizens in Denmark. With all citizens having access to the electrical grid, Denmark’s primary focus is on increasing the share of renewable energy in the national energy mix and maintaining high security of supply. Over the past decade the share of renewable energy in the national electricity supply has increased from 20% to more than 50% and most recent projections indicate that we will reach 100% share of renewable energy in our power supply by 2028. The national planning goal for security of the power supply in 2030 is 99.993%. The most recent data (2019) on security of the power supply shows that with 99,996% coverage Denmark is on a very positive track.</p>	2030
<p>7.2. RENEWABLES:</p> <p>Phase out of fossil energy The market-driven expansion of solar and wind energy and the decision to start a new chapter in Danish wind history is based on a vision of the future in which Denmark does not depend on fossil energy. With the agreed policies from the Energy Agreement in 2018 the road has been paved for achieving a 55% share of renewable energy in the total national energy mix in 2030.</p>	2030
<p>7.3 ENERGY EFFICIENCY:</p> <p>Subsidy pools for energy efficiency</p> <ul style="list-style-type: none"> - Municipalities and regions “Tilskudsordning til energiforbedringer og digitale løsninger i kommunale og regionale bygninger”: Estimated 4 thousand tonnes CO2-reductions in 2021 and 2022. - Pool targeted at private households “Bygningspuljen”: Estimated 1,9 PJ in energy savings from 2021-2030. - Pool targeted at private businesses “Erhvervspuljen”: Estimated 191,5 PJ in energy savings from 2021-2030. <p>Green Housing Agreement from May 2020</p> <ul style="list-style-type: none"> - It is expected that green renovations of social housing will reduce greenhouse gas emissions by approximately 47,000 tonnes of CO2e. The agreement is expected to lower energy consumption by approximately 500 GWH. 	2030
<p>7.4 INTERNATIONAL COOPERATION:</p> <p>Results frameworks are agreed between Denmark and bilateral and multilateral development partners. Results are reported annually and published on the relevant websites of Danish development partners and the Danish “Open Aid” portal.</p>	2030
<p>7.5 INFRASTRUCTURE AND TECHNOLOGY</p> <p>Results frameworks are agreed between Denmark and bilateral and multilateral development partners. Results are reported annually and published on the relevant websites of Danish development partners and the Danish “Open Aid” website (https://openaid.um.dk/en/).</p>	

SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for each of the actions in section 2.

7.2. ENERGY ACCESS:

National access

The recently adopted agreement to ensure an effective and futureproof electricity infrastructure defines new regulation of the power sector that supports the electrification with timely and effective investments in the power grid and in the implementation of smart solutions that will support an increased power production.

7.2. RENEWABLES:

The Climate Agreement on Energy and Industry from 2020 allocates:

- 4 million DKK in 2020, 121 million in 2021 and 89 million in 2022 for pre-studies ahead of the construction of the two energy islands and the offshore wind farm in Hesselø.
- 2.5 million DKK in subsidies in the period 2020-2030 for electrification and energy efficiency improvements in the industry sector.
- 2.3 million DKK are allocated for the replacement of oil and natural gas boilers with green heat.
- 33 million DKK to the existing testing framework for wind turbine in 2020 and 35 million in 2021.
- 202 million DKK to testing framework for new wind turbine technology between 2022 and 2024.
- Support for improved conditions for citizens living close to onshore wind turbines are improved through an increased budget in the Climate Envelope of 125.000 kr/MW.
- 202 million in 2024, 406 million in 2025, 406 million in 2026, 626 million in 2027, 626 million in 2028 and 815 million in 2029 to CCS technology. The pool is expected to contribute reductions of 0.9 million tons of CO₂/year from 2030 through capture and storage.
- The remaining funds from the pool for green transport are advanced to 2020 and 2021, and an additional DKK 50 million is allocated in support of the green transition in transport. The funds will be targeted for projects relating to charging stations, heavy transport, ferries, etc.

7.3 ENERGY EFFICIENCY:

The agreement on Energy and Industry from 2020 allocates almost DKK 500 million in the period 2021-2030 for targeted energy-efficiency improvement efforts. Furthermore, it allocates a substantial amount of money to phasing out oil- and gas furnaces and along with funds from the 2018 energy agreement and the EU Recovery plan, it finances the following subsidy pools:

- Municipalities and regions "Tilskudsordning til energiforbedringer og digitale løsninger i kommunale og regionale bygninger": DKK 300 million in 2021 and 2022, combined.
- Pool targeted at private households "Bygningspuljen": Approximately DKK 450 million from 2021-2030.
- Pool targeted at private businesses "Erhvervspuljen": Approximately DKK 3.5 billion from 2021-2030.

2030

7.6 INTERNATIONAL COOPERATION:

Denmark will scale up its climate finance for developing countries to at least 500 million USD annually by 2023. This is almost a doubling compared to 2019.

Denmark has also set a new ambitious sub-target for grant-based adaptation finance. At least 60% of Danish public climate finance will be earmarked for adaptation, with a special focus on resilience in the poorest and most vulnerable developing countries. This is in response to the demand for more adaptation finance expressed by many developing countries.

In addition, Denmark is making efforts to mobilise public and private finance from other sources to accelerate the green transition globally. This implies that Denmark contributes with at least 1% of the collective USD 100 billion target. This is well above Denmark's share of developed countries' GNI and a strong signal that Denmark is fully committed to deliver its share of the global goal.

7.5 INFRASTRUCTURE AND TECHNOLOGY

Infrastructure development in developing countries

The planned annual DSIF budget is DKK 400 million. For the Assela Wind Farm Project, the total project budget is DKK 1.265 million, of which DSIF finances DKK 727 million in the period 2019-2022.

4.2 not relevant for Denmark

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.

[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

<input type="checkbox"/> Financing	Description
<input type="checkbox"/> In-Kind contribution	Description
<input type="checkbox"/> Technical Support	Description
<input type="checkbox"/> Other/Please specify	Description

SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

For a list of countries impacted see attached overview in Appendix 1 and 2.

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how each of the actions from section 2 impact advancing the SDGs by 2030.

[up to 500 words, please upload supporting strategy documents as needed]

- **Ensuring energy access** for 5.8 million people will contribute to SDG1 and SDG7.1
- **The energy islands and the market-driven expansion of wind and solar energy** will contribute to advancing SDG target 7.2, by substantially increasing the share of renewable energy in the global energy mix, also contributing to SDG13.
- **Investment in green technologies of tomorrow such as carbon capture and Power-to-X** will contribute to SDG target 7.a, by promoting investment in energy infrastructure and clean energy technology. The PtX facility will also contribute to SDG target 13 by reducing CO2 emissions.
- **Green transition of industry, heating and transport** will contribute to SDG7.3 and SDG13 through improving the rate of energy efficiency and reducing emissions.
- **Improvements in energy efficiency** will contribute to SDG target 7.3.

- **Denmark's international cooperation efforts** will contribute to achieving SDG7 in other countries and to meet target 7.a.

5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how **each** of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050. *[up to 500 words, please upload supporting strategy documents as needed]*

Each of the measures described in this document contribute either to Denmark's national goal of 70% CO₂-reductions by 2030 and climate neutrality in 2050 or to Denmark's effort to help other countries achieve similar targets through bilateral and multilateral cooperation. It estimated that the measures included in the incumbent Government's climate action plan will enable to achieve CO₂e reductions equal to 7.2 million tons in 2030 and pave the way for additional measures that will allow to achieve further reductions by 2030.

A detailed impact assessment of planned policies and measures from 2019 is included in Denmark's National Energy and Climate Plan submitted to the EU in 2019 under the Regulation of the European Parliament and of the Council on the Governance of the Energy Union and Climate Action (https://ec.europa.eu/energy/sites/ener/files/documents/dk_final_necp_main_en.pdf). A progress report must be submitted to the EU every two years. Denmark also submitted a Long-term strategy to the EU in December 2019 (https://ec.europa.eu/clima/sites/lts/lts_dk_en.pdf)

The Danish Energy Agency compiles a yearly technical report on how Denmark's energy consumption and production, as well as Denmark's greenhouse gas emissions, will evolve over the period up to 2030 based on the assumption of a frozen-policy scenario. A frozen-policy scenario describes a scenario with existing measures, i.e. a scenario in which no new policies are introduced. This report helps to examine the extent to which Denmark's climate and energy targets and commitments would be met within the framework of current regulation. The last version of the report available in English is from 2020 and can be found following this link: https://ens.dk/sites/ens.dk/files/Basisfremskrivning/deco_2020_27082020.pdf .

The yearly "Climate Programme" report also includes a chapter on the fulfillment of Denmark's international climate commitments. The latest version from 2020 is available here: https://unfccc.int/sites/default/files/resource/ClimateProgramme2020-Denmarks-LTS-under-the%20ParisAgreement_December2020_.pdf .

SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed targets in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed targets.

The Danish approach and our national policy framework

Whole-of-society approach

The Danish approach is characterized by a deep engagement of all sectors of society in the development of new climate and energy policies. The Danish Government puts a lot of effort into making sure nobody is left behind and that the energy transition benefits all citizens. We must solve the climate challenge together and every part of our society must contribute to achieve the Government's ambitious climate and energy goals. Some examples of how this approach is implemented:

- Thirteen Climate Partnerships between representatives from the largest business sectors in Denmark and the Government were established with the aim of exploring new ways to address climate change. This should be done in a way that also supports Danish competitiveness, export, jobs, welfare and prosperity and without increasing inequity. Embedded in the Green Business Forum, the partnerships will contribute to strengthening the dialogue between the Government, the business community and trade unions on barriers and opportunities linked to the green transition in the private sector.
- Creation of a Citizens' Assembly composed of 99 members who, over the course of two years, will discuss dilemmas and solutions linked to citizen-centric climate challenges.
- Establishment of a Youth Climate Council that aims to infuse innovative thinking into Danish climate policy through constructive input and suggestions on future climate solutions. Its members are appointed for a two-year term and come from all over Denmark and from a variety of different educational backgrounds thus representing different viewpoints on, and approaches to, climate challenges.

Mainstreaming of climate policy

The current Government has placed climate change among its top priorities. To make sure that its climate ambitions are streamlined across the entire policy spectrum the Government has innovated the way that new policies are developed and approved. One example of this is the creation of a new

permanent governmental committee for the green transition led by the Minister for Climate, Energy and Utilities where new policies relevant to the green transition are presented and discussed among relevant ministers. In addition, a set of guidelines for calculating the carbon footprint of new bills has been developed. The guidelines will help to assess the climate consequences of new legislation, both national and European.

The Government's SDG Action Plan

The Government has elaborated an Action Plan to take stock of Denmark's alignment with the SDGs. The Action Plan is based on the ambition to significantly increase the share of renewables in the national energy mix. To ensure continuous progress, the implementation of the Action Plan will be monitored on a yearly basis. In addition, all new bills will undergo careful scrutiny to analyze their alignment with the SDGs.

National monitoring framework

The Climate Act of 2020 has introduced a yearly monitoring cycle for Denmark's national climate policy. In addition, the Council on Climate Change, an independent body of experts, will advise on how to implement the transition to a low-carbon economy by 2050 in the most effective and cost-efficient way possible.

Moreover, the Climate Act requires the Minister for Climate, Energy and Utilities to prepare a "Climate Programme" for the Danish Parliament each year. The Act defines the table of contents of the Climate Programme in order to facilitate regular follow-up on the aggregate climate effort. For example, the Climate Programme must provide a status report on the fulfilment of Denmark's climate targets and commitments and presents the Government's planned climate initiatives. The Climate Programme also includes a global chapter that sets out the Government's long-term strategy for global climate action with specific initiatives to be launched in the following year. Furthermore, the Minister for Climate, Energy and Utilities is required to provide an assessment of the chances that the national climate targets will actually be reached.

Monitoring and reporting at EU-level

Denmark is through its membership in the European Union required to monitor emissions under the EU's Climate Monitoring Mechanism, which defines the EU's own internal reporting rules based on internationally agreed obligations.

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I. 1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks?

Yes No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? Yes No

I.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defined by latest global analysis and data including the outcome of the Technical Working Groups? Yes No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? Yes No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? Yes No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? Yes No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? Yes No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? Yes No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? Yes No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? Yes No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? Yes No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? Yes No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? Yes No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? Yes No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? Yes No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

Energy Compact of Denmark

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

Ministry of Climate, Energy and Utilities of Denmark

8.3. Lead entity type

Government

Local/Regional Government

Multilateral body /Intergovernmental Organization

Non-Governmental Organization (NGO)

Civil Society organization

Academic Institution /Scientific Community

Private Sector

Philanthropic Organization

Other relevant actor

8.4. Contact Information

Laura Skøt, lausk@kefm.dk; Mira Bergem, mirber@um.dk

8.5. Please select the geographical coverage of the Energy Compact

Africa Asia and Pacific Europe Latin America and Caribbean North America West Asia Global

8.6. Please select the Energy Compact thematic focus area(s)

Energy Access Energy Transition Enabling SDGs through inclusive just Energy Transitions Innovation, Technology and Data Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.