SDG7 Energy Compact of the Government of Iceland
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

[Please select all that apply, and make sure to state the baseline of each target]

(Member States targets could be based on their NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)

7.1. By 2030, ensure universal access to affordable, reliable and modern energy services.	Target: Meet all energy needs of the country in a secure manner for the near and distant future. Time frame: Ongoing Context for the ambition(s): Long-term energy policy 2050. Iceland currently meets all its electricity need with 99% renewables and 85% of total energy from sustainable sources. To ensure continued universal access to sustainable energy, the long-term energy policy and action plan includes plans to ensure diversity in energy production, ensure stability and foreseeability through energy forecasts and monitoring of energy security is stressed.
7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.	Target(s): Iceland will be independent from use of fossil fuels by 2050 at the latest. Carbon neutral by 2040. Renewable energy in transport will be at least 40% by 2030. Time frame: Ongoing Context for the ambition(s): Long-term energy policy 2050 / Iceland´s NDC to Paris Agreement, 2030. Iceland has achieved energy transition in its district heating and electricity systems, where fossil fuels have been replaced entirely by renewable energy (geothermal and hydropower). The energy transition is now in progress in land, sea and air transport. The long-term objective of the energy transition is for Iceland to be independent from fossil fuels and to meet all the energy needs of the country using renewable energy sources by 2050.
7.3. By 2030, double the global rate of improvement in energy efficiency.	Target(s): Improved energy efficiency and minimizing energy waste. Time frame: Long-term energy policy 2050 Context for the ambition(s): The technological innovation offered by smart technology must be used to improve system efficiency and flexibility. Multiple use of resources for all energy will be encouraged, maximizing the possible use of all potential by-products from energy development and waste management wherever feasible. Multi-use of material and energy from geothermal developments and waste heat from industry can benefit several sectors, from high technology and industrial processes to tourist services. Opportunities need to be identified to further develop a circular economy where practicable, both in energy development and use (energy value chain).
7.a. 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.	Target(s): Increase ODA funding to support universal access to affordable, reliable, and modern energy services in developing countries. Time frame: 2022-2023 as per current plans of ODA increase; to be revisited for 2023-2030. Context for the ambition(s): Iceland is at the forefront of geothermal utilization for heating, electricity generation and direct utilization. Iceland also provides contributions to various institutions and funds involved in energy projects, including ESMAP, SEforALL and IRENA. Furthermore, Iceland operates a list of consultants in the field of geothermal energy and hydropower. Developing countries can request expert advice, in particular in the preparation and quality assessment of projects, based on Iceland's agreements with the World Bank, FAO, and IFAD. In 2021 ODA contributions to funds and programs supporting the implementation of Goal 7 and its targets, including the GRÓ GTP, should reach approximately 614 million ISK and will increase proportionally in line with increase in overall ODA. Target: Iceland will continue to strengthen the integration of renewable energy solutions in its bilateral development cooperation programmes in education, health and water and sanitation. Time frame: Ongoing

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

7.2 Energy Fund allocation to eliminate use of fossil fuel in industry, transport, and heavy transport. The funding will eliminate 2 million liters of oil which corresponds to 5.500 tons of CO2. The fund allocated 470 m ISK in 2021 for infrastructure projects and renewable energy production. The funding for grant allocation will be decided on an annual basis.

7.3 Estimated cost of smart meters is 5.420 m ISK.

7.a ODA contributions to increase gradually to reach 0,35% of GNI in 2023 with proportional increase in funding for climate and environment related programs and projects, including in support of SDG7 implementation. A share of bilateral ODA project to remain level or increase with renewable energy access integrated into all bilateral programs as appropriate.

7.b Number of fellows at GRO GTP to remain level with continued funding. Funding for sustainable energy experts deployable to developing countries through multilateral funds and programs to remain level or increase in line with overall increase in ODA.

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