

Round table

A CRUCIAL YEAR FOR ENERGY AND CLIMATE, BETWEEN THE COP28 IN DUBAI AND THE G7 SUMMIT IN ITALY": FINDINGS FROM THE CONFERENCE

Rome, Center for American Studies, September 6th, 2023



On September 6th, 2023, [WEC Italy - Italian National Committee of the World Energy Council](#) organized a round table in Rome at the [Center for American Studies](#), focused on how the next year will be crucial, with respect to climate change, and how the COP28 and the Italian-led G7 will both have an essential role in defining further developments.

SPEAKERS OF THE DEBATE

Guests attending the round table included Landon Derentz (Senior Director and Morningstar Chair for Global Energy Security at the Atlantic Council Global Energy Center), Matthew B. Golden (Counselor for Environment, Science, Technology and Health, U.S. Embassy), Marilena Barbaro (General Directorate of Infrastructure and Security, Ministry of Environment and Energy Security), Roberto Sgalla (Director, Center for American Studies), Houda Ben Jannet Allal (Director General, Observatoire Mediterranéen de l'Energie), moderated by Marco Margheri (Chairman, WEC Italy).

The discussion among experts and stakeholders in governance, industry, and academia revolved around a central theme: the necessity of developing equitable and collaborative partnerships as the linchpin for fostering dialogue among the diverse regions within the Mediterranean Basin. It is evident that the nations in the MED Area exhibit disparities, with Northern ones making swifter strides toward the energy transition, while their Southern counterparts progress at a more measured pace. The overarching goal is to advance collectively, identifying common objectives that transcend cultural and resource disparities, with the ultimate aim of achieving Net Zero emissions by 2050 as a united front.

In light of the ongoing global crisis, the Mediterranean Basin has once again captured international attention, positioning Italy as a potential bridge between Europe and Africa. The imperative is to diversify, decarbonize, and share knowledge through the exchange of expertise and best practices, thereby serving as a catalyst for the advancement of Southern Mediterranean nations, yielding mutual benefits. While it is crucial to explore diverse solutions, taking into account varying geographical and sectoral contexts, it is equally vital not to lose sight of another pivotal factor in the equation: society. Society acts as the binding agent and essential link in the ecological transition journey, underlining the significance of inclusive and collaborative efforts.

Key points:

- It is now a time in which the transatlantic and the American energy policy dimensions align on the energy security front: since the war in Ukraine, the US has become an essential energy supplier for many European countries and will remain so for a long time.
- A fragmented dialogue is much less efficient than an organic dialogue: the US has an extraordinary technological development platform, and the EU has technology and innovation grounding programs and support for the energy and digital transition. It is therefore important to reengage the US for energy security and transition with Europe, not in Europe.
- The Mediterranean faces greater challenges than other regions in the energy transition, which also means that it offers more opportunities for cooperation and dialogue.
- Italy is at a time of extraordinary continuity in supporting a multilateral vision of international dialogue and supporting platforms that allow countries to work together, which allows it to play an important role next year as hosting Country of the G7 Presidency.
- The prevention policies and the efforts made in the past to increase diversification and infrastructure are what give Italy not only a geographical centrality in the energy and climate conversation in the Mediterranean, but they also enabled it to react more quickly to the energy crisis resulting from the war in Ukraine.
- The synergy between COP28 and the G7 is particularly valuable, especially in the clean energy transition. It is a chance to think about the climate change actions that can be taken in the next 15 months and visualize the overlapping diagrams of the G7 and COP28 and prioritize some of these efforts.
- Among priorities, renewable energies and methane initiatives hold an important role in mitigation, and there are opportunities to encourage deliverables that promote methane related wins in north Africa and the middle East;
- The clean energy transition is not a zero-sum game: there are upfront costs, but it is still an opportunity to grow economies. The G7, through purposeful actions, can show the benefits of scalable competitive supply

chains in the European Countries' markets, which can be replicated across the world.

- There is a structural advantage to the G7: because of the cumulative economic weight of this group of countries, the G7 is in the position to partner with both the industry and the marketplace.
- The G7 could also focus on food security, sustainable agriculture and water security. By doing so, it would showcase the potential value of applying science and technology. This is important to maintain stability in the world's most climate distressed regions.
- There is extensive harmony in terms of what a comprehensive G7 can look like, and where the COP28 agenda is headed: the vision of the Emiratis is to make sure that COP28 is one of action and limitation. The Emirates are looking forward for a shift in continuity of what a COP is, and that the success and the impact of the Paris agreement has led to a climax of sorts. Not a finished product, but a crescendo in terms of the work that diplomacy has brought, so that there is a shared vision of what it takes to achieve common climate objectives and keep the world on track for a potential "1.5 °C future".
- Giving that the COP28 president is an oil executive, and that the Emirates are a top 10 producer of oil and gas, this sector has been receiving a lot of attention. In terms of key opportunities in the natural gas space, the biggest portion of countries that need to take action and make momentum are national oil Companies– NOCs.
- One of the key challenges of the upcoming COP28 dialogues is the need for a cohesive vision from the Western Countries on how to implement action and embrace incremental change as the distance and the gap between the industry and the environmental goals is wide, but without preventing success and momentum at the expense of some positive action.
- The energy transition has a cost, hence there is a need for innovative finances and mechanisms. The financing for energy transition needs to be directed globally: while only having the US and Europe researching and developing could have indirect benefits of lowering technology costs and demonstrating the clean energy transition benefits, the absence of funding in regions that cannot afford energy transition might lead the said regions to continue to advance conventional means.
- The Mediterranean is an hot spot of the climate change and adaptation and mitigation measures shall be developed considering it as an integrated region in the EU and the single market, and of the energy policies that the West has. In addition, the Mediterranean Basin is also house to traditional and renewed exporters of key inputs in energy system and security, and innovation.
- Thus, succeeding the energy transition in the Mediterranean needs to integrate the South in the global picture but also to take into consideration its peculiar characteristics.
- Reaching the NDC (Nationally Determined Contributions) and Zero Net Carbon emissions is not enough, especially in the Mediterranean region where more than 76% of energy demand is based on fossil fuels: it would still leave them dependent from it. There is a need to invest in energy efficiency (which could avoid 46% of CO2 emissions) and renewables (which could avoid 44% of CO2 emissions). Reaching zero net carbons also means more electrification of the economies and more interconnection within countries.
- This transition concerns many aspects such as the economic and social ones, hence the new Italian National Climate and Energy Plan-PNIEC has been updated being mindful of them. The new plan will also aim to increase investments in renewables, which in a perspective of energy independence in Italy, are the most important ones available. The energy security plan also focuses on improving infrastructure: Italy can become an energy hub, resulting in an increase in infrastructure connecting it with the countries of the Mediterranean Basin.

- In addition to market integration and research of new technologies, de-carbonization of natural gas production processes is also important. Natural gas continues to be an indispensable source of energy for the moment, so it is a transitional resource especially by intervening in the countries that produce it and do not have the appropriate technologies.
- Looking forward to next COP28, the narrative that there needs to be action is shared universally, which allows to go into the details of what needs to be done. Among others, the lowering of methane emissions is one of the COP28 priorities, but it requires financing: countries need to be able to afford such measures.
- Now more than ever the concept of the World Energy Council's "The Energy Trilemma" is relevant in the energy discussion: the need to find balance between energy reliability, affordability, and sustainability and its impact on everyday lives.
- New consumption models, such as the Renewable Energy Communities, can have a big impact in a country's energy transition, and also in these field Italy can also lead as example.

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WORLD ENERGY COUNCIL ITALIA

Un anno cruciale tra energia e clima

Tra COP28 emiratina e G7 a guida italiana

06 SET 2023
inizio ore 17:30

SPEAKERS

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