

DIRECTOR-GENERAL

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Address
by

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to the

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Executive Secretary Alkalaj,
Excellencies,
Distinguished delegates,
Ladies and Gentlemen

Sustainable development – global case

The planet is hungry for energy. Global energy demand is predicted to rise by a third by 2035, despite advances in energy efficiency and conservation. To meet this demand, Governments are facing investment and infrastructure decisions on a scale that will define the development of generations to come. And with concerns about the environmental and economic sustainability of hydrocarbons growing, and the cost of renewable energy technologies falling, the world faces a historic choice.

A prolonged global economic crisis, political uncertainties in some oil exporting countries, high energy costs and price volatility, as well as more frequent natural disasters expose economies to substantial supply insecurity. The landscape has also changed - countries that once were not major energy consumers are now energy hungry, and those used to depending on others for their energy supply are now producers.

As the world proceeds on our current 4 degree temperature increase trajectory, we face severe impacts of climate change and the prospect of a global population reaching 8 billion by 2030, with a rapidly increasing energy demand.

These developments are creating a new global dynamic. One thing that we can say with certainty today, is that there is wide-spread conviction that renewable energy will play a major role in addressing the challenges we face.

The evidence of this conviction is all around us. Over 120 countries now have some type of national policy target of renewables support policy – an increase of 65 since 2005. This morning, the distinguished State Secretary of Serbia informed me of their recent adoption of a policy framework for Renewable Energy. 2012 was yet another record year for new renewable energy installations globally: solar PV now stands at 100GW globally, growing 10-fold over the last 5 years; and wind has continued its steady growth to reach 280GW globally, with Europe alone surpassing 100GW.

IRENA's original analysis of nearly 8,000 renewables projects, and a range of literature sources, clearly shows that the cost of renewables is falling, in some cases rapidly. Solar has decreased by 60% in two years, and wind has also continued to decrease - the economic equation for energy is changing rapidly.

Renewable technologies are now the most economical solution for new capacity in an increasing number of countries and regions. In situations where oil-fired generation is the predominant power generation source (e.g. on islands, off-grid and in some countries) a lower-cost renewable solution almost always exists today. Renewables are also increasingly the most economical solution for new grid-connected capacity where good resources are available. Further equipment cost reductions can be expected to 2020, which will further lower the average cost of electricity from renewables.

As the case for renewables improves, markets are increasingly emerging outside of developed economies, they are now found in more geographically and economically diverse areas, indicating the substantial change we see in the global map of emerging economies.

Recently, China estimated it may spend USD373 billion on energy conservation and emission reduction in 5 years on plans to reduce energy intensity by 16 per cent by 2015.

- World leader in wind.
- Solar target of 21 GW by 2015.
- Clean energy generation rose 31% in 2012 compared to 2011.

Oil producing countries are also seizing the opportunity to meet their domestic energy needs with renewables. Saudi Arabia has set a target to generate 25% of its electricity from solar by 2030, requiring around \$110 billion in investments.

- UAE just commissioned its first 100 MW plant at Shams I.

Africa recognises that it can meet its rapidly growing energy needs with renewable energy. Today only 20% of the population have direct access to electricity; thus the target of universal access to modern energy sources by 2030 is a tall order. But it is also a tremendous opportunity, offering the continent a chance to undergo a truly transformational change and Africa is moving fast and in the right direction to realise it.

A Frost +Sullivan report predicted that investment in renewables in Africa is set to grow from \$3.6 billion in 2011 to \$57 billion by 2020, representing a 1500% increase. Africa is also realizing the benefits of integration – with regional grids in the West and South carrying out ambitious plans to increase the share of renewables in their energy mix.

South East Europe [Ambassador Kaludjerevic]

These developments represent the transition that is already underway in the global energy system. With both the production and use of energy set to increase dramatically over the next decades, this represents a crucial change in terms of the long-term sustainability of our

energy system, and environment. If we do not get it right, the adverse impacts on the climate and environment will become both unmanageable and irreversible.

Rio+20 was a poignant reminder that the ambitious goals that we had set for ourselves at the Rio Earth Summit in 1992 remain far from being realized. It also served to remind us that a meaningful consensus on environmental and ecological issues is perhaps harder to achieve today than it was some 20 years ago, but even more pressing. So what can be done to address these challenges?

The need to strike a balance between short-term energy needs and long-term sustainability requires tailored approaches taking into account countries varying economic and political considerations. But there is also an ever-increasing need for countries to work together because the challenges we face simply know no borders, and because tackling these issues means going beyond traditional economic thinking and traditional political structures. To achieve this we need innovative thinking, new solutions and real action on the ground.

The evidence of enlightened policy in Europe alone, indicates that over the last five years, more than 300 000 new jobs have been created in the renewables sector; and it is estimated that meeting the EU's 2020 climate and energy goals will result in another 1.5 million new jobs related to clean technologies.

At IRENA, we are developing the tools that will help countries make the right decisions about their energy future and to implement this transition. In January, we launched the IRENA Global Atlas, a tool that is charting the world's renewables resources to support investment decisions. At present, it maps solar and wind potential, and this year we are expanding it to the mapping of geothermal, hydro, and bio mass potential.

We help countries identify priority actions for their deployment of renewables and assess their attractiveness to investors through the Renewables Readiness Assessment – a country led effort we have assisted with in some 20 countries to date, with many more planned for the coming year.

In support of the SE4ALL initiative, we are developing REMAP 2030 – a roadmap that will provide possible paths to achieving the goal of doubling the share of renewables by 2030, as well as highlighting gaps and potential for international cooperation. Our preliminary assessment shows that, if counting with business as usual, we will fall short of the aspirational goal by over 9%. As we undertake a more in-depth analysis, we will also look for possible solutions, including the opportunities for renewable energy technology deployment in end-use sectors. These are all areas in which we would welcome partnership with the ECE.

Meeting the ambitious target on renewable energy set by the Secretary-General will need a long-term, sustained commitment from all: countries, international organizations, private sector, and civil society. ECE, with its regional presence, sound expertise and long experience in the field of sustainable development is well placed to contribute to this effort. We have a long way to go, and I hope that your deliberations in the coming days will carry the spirit of the theme of this discussion – transition is no longer enough, we need transformation.

Thank you