



**Fifth session of the Assembly of the
International Renewable Energy Agency
Abu Dhabi, 18 January 2015**

**Address by
Christiana Figueres, Executive Secretary
United Nations Framework Convention on Climate Change**

Dear friends,

It is fantastic to be back in Abu Dhabi, it is great to be back in the Gulf, and it is wonderful to be at the IRENA Assembly for the first time. Thank you very much for the very kind invitation, which I very much appreciate.

Today I am going to share with you three points. The first: The move toward renewable energy is already underway, it is unstoppable and it is inevitable – I think you know that better than I do – and it is going ahead, with or without climate change.

My second point: The overlap with climate change is not only mutually reinforcing, but actually underlines the urgency of deploying renewable energy.

My third point: I will speak to the historic fall in the price of oil, which deserves close examination because 2015 is a year that's going to make history in many different ways, and you are all part of that process.

Now to my first point. The move toward renewable energy is underway and it's inevitable, with or without climate change. Why? You know the reasons much better than I do.

From a financial perspective, it's because costs continue to come down, not only for solar, but also wind power. Efficiency is increasing, investment is increasing, uptake of renewables is increasing, and the understanding of how to integrate renewables into the

energy mix of each country is increasing. In addition, we have more R&D into storage, which is going to be a huge help, particularly for solar.

From a political and development point of view, there are very compelling arguments. Obviously, access to energy in rural areas is lacking. Two billion people still remain without electricity, which is completely unacceptable in the year 2015. And we know that renewable energy is a much better way of increasing access than extending grids.

From an urban perspective and a public health perspective, we must cut down on coal and replace it with renewables. The argument is very, very clear. A good example is what China is doing, motivated in large part out of concern for the people's health and, of course, jobs creation. From a statistical point of view, and a policy and development point of view, achieving 36% renewable energy in the global energy mix by 2030 is not only feasible, it is exciting for economies and investors.

Coming to my second point – and you may have noticed that when making my first point I managed to keep the arguments short without mentioning climate change or greenhouse gas emissions – while renewable energy has a value of its own, as does the inclusion of renewable energy in the overall energy mix, the climate change angle makes the case for renewables even more compelling. It adds urgency that is not necessarily there when seen only from a technical point of view.

Looking at it from the renewable energy angle, you might argue that it's the growth of renewable energy that has made climate change policy more real and more possible. This is absolutely correct. Looking at it from the climate change perspective, you might say that it's actually the advance in climate change policy at both national and international level that is accelerating the growth of renewable energy.

I think both arguments are correct, and therefore my conclusion is that renewables and climate change are mutually reinforcing. If you are interested in deploying renewables, whether from a government perspective or the private sector, and if you are interested in energy security, then you should support a strong Paris agreement this year. The Paris agreement has both a national and a multilateral component.

One very important component of the Paris agreement is the INDC, or Individual Nationally Determined Contribution. These INDCs are the contributions each country is

going to make to the global mitigation and adaptation agenda and need to be sent to the UN Climate Change Secretariat over the next few months.

Your first piece of homework is to ensure that the INDCs – from the countries you represent or from the countries you operate in – have a major renewable energy component. Renewable energy will be one of the pillars of international finance available to countries that put forward their INDCs.

Your input over the next few months is critical in coordinating with the Ministries of Environment leading the charge on INDCs and consulting if they are already in step with Ministries of Energy and the private energy sector to ensure renewable energy is featured prominently in your INDCs. That is the national part of the Paris agreement.

There is also a multilateral element where we also need your help. Once countries come forward with their national contributions, we will know, as we already do, that the sum total of all of those contributions, I'm sorry to say, is woefully insufficient to keep us under the 2 degree maximum temperature rise that all governments have agreed on.

We are going have to do something about that gap, and the most powerful options that the Paris agreement will provide to fill that gap cannot be implemented overnight. Instead, we have to include in the Paris agreement what we call a long-term goal, which means a collective agreement by all countries that 50 years from now, in the second half of the century, the world is going to achieve climate neutrality. This means re-establishing the balance we once had of emitting only as much as the Earth can naturally absorb.

As you can imagine, that creates a huge gap and a huge need for renewable energy, given the growth in demand that we are going to face over the next 50 years. At the domestic level, ensuring that we have a strong INDC with a significant renewable energy component is the first piece of homework.

Your second piece of homework is to work with all your climate change delegates to ensure that the Paris agreement is strong with respect to the long-term goal. And, my friends, let me give you the timeline. We will meet for the next climate change negotiations a few weeks from now, February 8 through thirteen in Geneva, to take a look at the Lima draft.

However, we have a very strong draft already of what the Paris agreement might look like. Whatever comes out in February will then be translated into the six UN languages and

sent to each of your countries for discussion at cabinet level. Energy Ministers will be asked for their opinion on this text because you are aware that climate change has implications for many different sectors beyond the environment.

So, in preparation for that cabinet level conversation, it is important that you get involved with your INDCs to ensure that the draft includes strong wording for the long-term goal of climate neutrality, or zero-net emissions, 50 years from now.

We will then have a session in June to receive all the feedback from all governments to that draft followed by a final session in October. Then, my friends, we will be in the very good hands of the French President and we will go to Paris to adopt a text that will need to include a strong financial package to enable developing countries to make the transformations that they need.

I would like to underscore the reason why, from the global perspective, a strong Paris agreement with a visibly strong long-term goal is fundamental. We know that over the next 15 years – not fifty, but one-five – \$90 trillion dollars are going to be invested in infrastructure around the world, mostly in developing countries. That investment is going to happen with or without the Paris agreement, with or without renewable energy, with or without climate change.

It is in our collective interest that 90 trillion dollars are invested not into technologies of the last century, but into the technologies of this century; not into infrastructure that is not resilient to climate, but into infrastructure that is resilient. And because that investment is going to occur over the next 15 years, the 2015 Paris agreement must give a very clear indication that the world is committed to reaching a peak in emissions before rapidly dropping to zero-net emissions. Investors must understand that this is the direction we are taking so they can begin to shift their investments portfolios accordingly and help us to reach and exceed that goal.

Finally, let me just say a few words about the fall in oil prices. Yes, you could argue that they have a negative effect on the deployment of renewables, not because of the price of oil, but because gas is indexed to oil and gas competes for electricity generation. So some renewables projects that were marginal may not materialize. We are beginning to see some disincentive for energy efficiency, and a reduction in the demand for electric vehicles, despite the fact that we know oil prices will go up again.

However, we've also seen positive effects from the fall in oil prices. Expensive oil projects that were in the planning, such as tar sands, deep sea or arctic, and concessions like those in Greenland being returned to the Danish government, are removed from the table.

Whether the price goes up or down – because we know it will continue to do so – the problem is the exposure of our system to the volatile fossil fuel prices. Predictability over time is needed for investments exposed to risk as a result of this volatility, and some risk could be removed if we had the price security that renewables offer.

2015 is a watershed opportunity to do three things. One, begin the decoupling of oil from gas. Two, decrease fossil fuel subsidies, as Indonesia and India are already doing. And three, many economies should use the savings now accruing due to the fall in oil price to invest in renewable energy infrastructure. That is our watershed opportunity this year.

My friends, 2015 is the year we will establish the sustainable development goals and we will negotiate a climate change treaty for all countries.

This is a new world that is being created and it's moving fast. Although much has already been done, we need the policy certainty, certainty at both the national and international level. Energy is a key component of both the sustainable development and climate goals.

There is a lot to be done by the people here in this room. Much of what has to be achieved this year depends on you, and if we don't do it in 2015, my friends, then I ask you, when?

Thank you very much.

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