

Überschrift/Titel:	Renewable energy and energy efficiency in the European neighbourhood policy
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Ingrid,

Heidemarie,

Mr Carl,

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Ladies and Gentlemen,

We are at a decisive point. The challenges of climate change are great—and they continue to grow. Last week, the IPCC Report again underlined that climate change will result in higher mortality rates, for example due to more heat waves. This is no less a matter than the future of our planet. It must be clear to us all that we can only tackle it together. Either we continue as before and run headlong into disaster, or we face the challenges of the future, the challenges of climate change, and act now.

Europe needs its southern and eastern neighbours. Europe forms a very closely knit energy market with its neighbours. A number of these are

exporting or transit countries for oil and gas to Europe. Together we can not only expand the grids and pipelines, but also create a new "pillar" for the energy security of Europe and its neighbours through the targeted expansion of renewable energies, energy-saving and increased efficiency.

Ladies and Gentlemen

This energy conference in the framework of Europe's neighbourhood policy is taking place at a critical moment. It is more and more apparent that an environmentally sound, secure and affordable energy supply is becoming the decisive issue of this century. Why is this so?

- Anthropogenic climate change is advancing at a much more rapid pace and is having a much greater impact than previously assumed. Today we can only guess at the consequences, but they will be immense: as much for the Nile Delta as for the water crisis in the Middle East or for European agriculture. Since the Stern Report, if not before, we have known that non-action will be more expensive than action. The longer we wait and watch, the greater will be the damage. That is why over the next 10 to 15 years we all have to put our strength into changing direction.
  
- Greater climate protection means higher costs which mean a depressed economy - this is the generally accepted view. Wrong! In the long term the expansion of renewable

energies and greater efforts to achieve energy saving and efficiency pay off. In Germany we have established a strong economic sector. With over 200,000 jobs and an annual turnover of over 21 billion euro, renewables have long been a driving force for the economy and for business activity.

- Climate protection and energy security are therefore economic issues, but also geopolitical and security issues.
- At present, energy-related conflicts, for example in the Middle East, but also in Eastern Europe, are becoming even more tense. Access to resources is being secured not only through political but also through military means and exertion of influence.

What are the consequences of this development? Should we walk into this climate and energy disaster with our eyes wide open? Should dykes be built higher and coastal towns moved inland, wars waged over energy supply? No, ladies and gentlemen, that cannot be the answer.

Ladies and Gentlemen,

We, the European Union and our southern and eastern neighbours have to lay the foundations now for an alternative energy future that is climate friendly and ensures a secure energy supply. Our energy supply, which is largely based on fossil energies and supply from inefficient large power plants, is like a big, cumbersome tanker. We have to sail this

tanker on a new course. To some extent we may even have to abandon the tanker and embark on a new fleet of smaller ships that are more versatile and easier to steer.

Ladies and Gentlemen,

The Energy Action Plan adopted by the EU heads of state and government in March clearly showed that there is now the political will for such a change of course. In Europe we have committed to reducing our greenhouse gas emissions by 30% by 2020 as our contribution to an international agreement, and by at least 20% in any event. We have also adopted a binding target of a 20% share of renewables and at least a 10% share of biofuels, and a 20% increase in energy efficiency by 2020. It is now a question of implementing these targets together with the European Commission.

It is our experience that we first need the political will to set ambitious targets and then political instruments to implement them:

- Especially feed-in laws have led to a boom for renewable energies in Germany, Denmark and Spain. With the Feed-In Cooperation we created a platform for further exchange of experience. I would like to invite all interested countries to take part.

This conference is highly significant. More than 25 environment and energy ministers and state secretaries of the EU and neighbouring countries have come together for the first time. I am therefore delighted

that the organisers – my ministry, the Federal Ministry for Economic Cooperation and Development and the KfW – succeeded in arranging this high-level meeting. An important topic will be discussed: the future role of renewable energies and energy efficiency in Europe's neighbourhood policy.

I believe that we must keep reminding ourselves of the potential which renewables hold for a future-oriented, sustainable energy supply

- for climate and environmental protection,
- for economic development and technological innovation,
- for security of supply: a major risk lies in the growing dependence on energy imports. As is well known, not only the EU but also numerous neighbouring countries are dependent on imports. As early as 2020 the EU might depend on imports for 70% of its energy. Renewables reduce this dependence.

The expansion of renewables must take place in the three sectors electricity, heat/cooling and transport. In the electricity sector major progress has been achieved in recent years, especially with regard to wind energy and biomass. There is enormous and to a large extent still untapped potential in solar power. Studies on potential by the German Aerospace Center find that solar thermal power plants in southern Europe and northern Africa could play an important role in securing a sustainable European energy supply. I am very pleased about the power plant projects in Morocco, Algeria and Egypt, and about the planned projects in Libya and Jordan.

Ladies and Gentlemen,

The idea is ground-breaking: it means that in 20 to 30 years we can procure part of our energy from solar power plants.

To this end we need stronger regional cooperation and an investment boost in the expansion of a stable electricity grid. All this is already technically feasible. The electricity grid of the future will overcome borders and even the Mediterranean. One day, the European "super grid" will be able to transfer electricity produced in solar thermal power plants to central Europe – without any power cuts!

European neighbourhood policy should support these investments to the same extent as the expansion of oil and gas pipelines.

I am delighted at the growing interest of the Arab states, and have therefore gladly accepted the invitation of the Syrian government to take part in the 4<sup>th</sup> Middle East and North Africa Renewable Energy Conference – MENAREC 4 - in Damascus from 21 to 23 June 2007.

Another area of interest, especially with regard to cooperation with our eastern neighbours, is biofuels: the adopted EU target of at least 10% by 2020 will give development a further major boost. But we need solutions which are not only secure in terms of energy, they must also be ecologically sustainable. For this reason, we must swiftly elaborate environmental and sustainability criteria and develop a corresponding certification scheme for bioenergies.

There is further major need for action in the use of heat and cooling from renewables. This is the sleeping giant among renewables. In

Germany we will go on the offensive before the end of this year with a heat act.

Ladies and Gentlemen,

The second pillar of a sustainable energy policy is increasing energy efficiency, both on the supply and especially also on the demand side in energy consumption. By doing this we will make our tanker lighter and easier to manoeuvre. If we want to cover more than 20% of EU-wide electricity consumption in 2020 with renewable energies, this is an important step - but more than three quarters still remain, that we must produce as "cleanly" as possible from fossil energies. Of most value, however, is the energy saved, because it does not have to be produced in the first place. For this reason, efficiency and renewable energies are intrinsically linked.

- Alongside renewable energies, we need investments in modern, highly efficient gas and coal power plants, whereby carbon capture and storage can also be an important option for climate protection.
- Combined heat and power (CHP) has a particular role to play, since in conventional power plants most energy is expelled in the form of heat: instead of heating the surroundings, let us heat flats and greenhouses, or use the heat for industrial processes. Let us get the most out of every tonne of coal, every barrel of oil, every cubic metre of gas.
- The building sector has a particularly high energy saving potential. In some cases, better thermal insulation and efficient heating

systems can save up to 90% of energy. A sensible use of renewable energies can enable us to abandon fossil fuels altogether.

- There is also considerable potential in the saving of electricity, e.g. through the use of high efficiency drives or the avoidance of unnecessary losses from standby mode. Strict consumption labelling enables consumers to make energy-aware purchasing decisions.

Now that we know which course to take, we must ask the vital question: who can master this Herculean task?

The answer is: there is no Hercules and therefore we must all work on this challenge together. Each sector has a role to play:

- Policy-makers must create market economy-based framework conditions which promote innovation. Subsidies for fossil fuels impede the competitiveness of renewables and encourage users to waste energy.
- Suitable framework conditions will automatically generate technology transfer and investment in competitive products and services. This will also propagate research and development of adapted technologies and procedures.
- In addition, we are providing a range of innovative financing instruments. Germany is already actively contributing to this. The BMU is participating with 24 million euro in the Global

Energy Efficiency and Renewable Energy Fund (GEEREF), set up by the European Commission. The fund, as a risk capital security, aims to promote private investments in developing and newly industrialising countries.

At the Spring Summit, the European heads of state and government showed us the necessary political will for a new direction in energy policy. Today I call on all energy and environment ministers of the member states and neighbouring countries, to demonstrate their focus and foresight in using this momentum to accept and support ambitious agreements also in Europe's neighbourhood policy.

We are dealing here with the vital question of how to structure our future.

I would like to wish this conference every success. I trust that it will produce robust, landmark recommendations for the future European neighbourhood policy. I hope that the momentum and determination reflected in the EU targets will be taken up by the neighbourhood policy and that perhaps some of our neighbours will join us in our goals.

Thank you for your attention.