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**Renewable Energy and Energy Efficiency
Innovative policy and financing tools for the EU's southern and eastern neighbors
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Check against delivery!

Development requires sustainable energy

- Development is not possible without energy. If we are to win the fight against poverty, we must also **eradicate energy poverty**.
- Forecasts show that two thirds of the rise in global energy consumption in the period up to 2030 will result from increased consumption in developing countries (unless there is a turn-around in energy policy, global energy consumption will increase by 50% between 2005 and 2030).
- It would be fatal for the environment and for the global climate if energy services continued to be provided on a traditional basis – solely through oil or coal. This means that there is a need for enormous efforts to enhance **energy efficiency** and for a vast expansion of renewable energies.
- The **Stern Report** and the **IPCC Report** have shown that we are in the midst of climate change and we need to take quick and determined action.
- This means
 - ambitious **emission reductions by the industrialized countries**. The **European Council** adopted historic Conclusions in this regard on 9 March (20% reduction of emissions by 2020 with no conditions attached; 30% under the condition that other industrialized countries join the effort; 20% renewable energy by 2020). Now we need to succeed in getting the United States and the large **emerging economies** (especially China) on board;
 - support for **developing countries** with regard to
 - **adaptation to climate change,**
 - **strengthening the global carbon market, especially CDM in Africa, and**
 - **protecting forests** to prevent greenhouse gas emissions.
 - **And, as I said, there is a need for expanding sustainable energy infrastructure** by lending targeted support to energy efficiency and to the expansion of domestic renewable energy.
 - In Germany we are currently witnessing that climate protection and **economic success** need not contradict each other. 2004 saw the production of 55 billion euros worth of environmental and climate protection goods. They already account for as much as 5.1% of the total production of industrial goods in Germany. According to estimates, almost 1.5 million people were employed in the environmental protection sector in 2004. In total, some 3.8% of Germany's labor force are employed in the area of environmental protection, which is more than, for example, in the automotive industry.

Additional resources from donors and private investors

- Europe has long since become an important partner for energy sector development in its neighboring countries in the south and east.
- Both the European Commission and the member states will enhance the quality and quantity of their efforts.
- I believe that **Germany** has a responsibility to set a good example. We therefore support a **multitude of pathbreaking energy projects** with a total volume (current projects) of **1.6 billion euros**.
- For example,
 - we support our *eastern neighbors* with regard to energy efficiency,
 - and in *North Africa* we focus on wind and solar energy.
- We will also set up a German-Arab **master program** on renewable energy and energy efficiency. We are therefore currently examining ways of supporting a regional renewable energy education center in Egypt.
- In addition to education, we also focus on **investment**. At the Renewables2004 conference in Bonn, we created the **Special Facility** for Renewable Energies and Energy Efficiency.
- It provides more than 300 million euros each year for reduced-interest loans. Projects are currently under way in Morocco, Azerbaijan, and Ukraine.
- Ultimately, Europe itself benefits if its neighboring countries have well-functioning energy infrastructures and markets, which form a prerequisite for trade in energy and, thus, for reliable energy supplies. Europe benefits if its neighbors prosper.

Further process:

- Our conference had two goals: **exchanging and disseminating information**
 - (1) on the political, economic and regulatory **environment**
 - (2) and with regard to **financing** for renewable energy and energy efficiency.
- We have succeeded in doing both.
- Even beyond its EU Presidency, Germany will continue to follow and back the process which has been launched.
- We have heard about promising examples of best practice from our partner countries which should encourage us to continue our joint efforts to improve the political, economic and regulatory environment for the promotion of renewable energy and energy efficiency in our neighboring countries.
- At the Africa-Europe energy forum which we held in Berlin in early March together with the European Commission, we confirmed that we would support Africa through a comprehensive, mutually beneficial, long-term energy partnership with a view to expanding renewable energy and energy efficiency. The EU Council is planning to discuss the Africa-Europe energy partnership in May.
- I am confident that we will succeed, within the framework of what is called our trio presidency with our partners from Portugal and Slovenia, to take up some of these aspects again and put them on a sound political footing.