

Remarks

by

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at the

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Forum on Sustainable Development (HLPF)**

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Ladies and gentlemen,

Let me start by saying how significant this meeting is in my view, working in an international energy agency, because the adoption of SDG 7 as the first-ever global goal on energy in 2015 was ground-breaking. It placed energy at the core of the international sustainable development agenda. Under SDG7, the international community agreed to ensure universal access to modern energy, substantially increasing the share of renewables in the global energy mix and double the rate of improvement in energy efficiency. In short, it calls for a complete transformation of the global energy system if you look at the implications of this goal. Today we are reviewing for the first time progress on SDG7. And it is a unique an opportunity to take stock of where we stand and to chart the way forward for its realisation.

Ladies and gentlemen,

In our view, the world of energy is witnessing rapid and disruptive change. A fast moving global energy transition is underway driven by technological innovation, dramatic cost declines, positive socio-economic outcomes and the imperative to decarbonise our energy mix.

With respect to the renewables targets, renewables have emerged as a cost-competitive option for meeting energy demand. In the power sector, renewables capacity additions have exceeded those from conventional sources every year since 2011 and over 50% of renewables additions came from developing countries, which is a remarkable change. Renewables are no longer a luxury, but a viable energy choice for a growing number of countries, cities, companies and individuals.

In reality, the business case for renewables has never been stronger. Since 2010, the average costs of utility-scale solar PV and on-shore wind energy have fallen by 73% and 23% respectively. And just since the adoption of the SDGs, three short years ago, the average cost of utility-scale solar PV fell by 24% and that from offshore wind by 19%. Investments in renewables have exceeded 1.2 trillion USD since 2013 – the vast majority of which stems from the private sector in terms of investments. Record low prices in recent auctions have shown that prices around USD 0.03/ kWh and lower are possible in more and more countries, making it the most competitive option on the grid. Governments, through enabling frameworks, have contributed significantly to accelerating the deployment of renewables. As of last year, 147 countries had adopted policies promoting renewables, up from around

48 in 2004. Just in response to the excellent presentation made by Heather [Page, United Nations Statistics Division], if we look back at the trends that we are seeing and project forward without looking at the dynamics of innovation, we are missing the broad picture in terms of the transformation that are happening.

As a result of these developments, energy systems powered by renewables are becoming a tangible reality. Last March, Portugal generated enough renewable energy to power the whole country. And all over the world, we are seeing countries rich and poor transforming their energy systems through renewables at rapid pace and beyond expectations. Just to give you a practical flavor of this: Last year, China alone added 53 GW of solar. That is a massive amount. It is one football field of every hour of every day. In India the target of 175 GW is on track. Saudi Arabia has just signed 200 GW of solar. Morocco has just gone from a position of 98% dependence of imported energy to a 52 % target by 2030. And Sweden has achieved its 2030 target in 2018. This is the power of innovation and dynamism that we are seeing. And I am pleased that in the European Union an ambitious target has been set for the next round of energy policy, putting the EU in a leadership position in this transition.

This is truly remarkable. However, much more needs to be done: based on current policies, the share of renewables in the energy mix would reach just 21% by 2030, business as usual, which is not in line with our ambitions as laid out in the 2030 Agenda and the Paris Agreement. Particularly end-use sectors including transport and heating and cooling are lagging behind. But one of the most exciting developments is the dramatic fall in the cost of battery storage and the advent of a fast-moving e-mobility revolution that we are seeing unfolding before us.

Our recent 2050 report anticipates that such an energy transformation would achieve 90% of emission reductions needed to achieve the climate targets of the Paris Agreement. It would boost global GDP by 1% in 2050 and create millions of new jobs – last year alone, the renewables sector created 500,000 new jobs, reaching a total of 10.3 million. Higher ambition, strong domestic supply chains and the right policy mix that covers deployment, education and training can significantly increase the benefits of the transformation.

Turning to energy efficiency, the Tracking SDG7 Report shows that energy efficiency has continued to improve, especially in the industrial sector. But we must intensify our efforts further, particularly in areas such as transportation and

residential energy consumption to meet the 2.6 % yearly decline needed to meet the SDG7 target. Ultimately, progress on energy efficiency is closely linked to increasing the shares of renewables and decarbonising the economy

Likewise, clean cooking solutions need to be scaled up rapidly. 40% of the world's population still do not have access to fuels and technologies for cooking, exposing them to severe negative health impacts. Based on current trends, 2.3 billion people will still rely on traditional cooking solutions.

With respect to the universal access goal, we are seeing exciting new development that hold out new hope. Since 2010, the number of people gaining access to electricity is accelerating to around 118 million each year, reducing the number of people without access to under 1 billion. Particularly developments in the off-grid sector offer exciting opportunities, as costs are plummeting, and new innovative business models are emerging such as, pay-as-you-go solutions pioneered in East Africa. It is estimated that about 60% of the people becoming electrified between 2017 and 2030 will do so through off-grid solutions, including mini-grids and stand-alone solar systems. Already now, 133 million people are benefitting from off-grid renewables.

And across regions, off-grid renewables deliver a wide range of services. They are powering homes, public services such as health clinics and schools, agriculture farms, and industries.

Accelerating renewable energy deployment to realise SDG7 will also contribute to achieving other SDGs including on jobs and economic growth, sustainable cities, climate action, food and water security and health. On health, WHO estimates that 7 million people die every year from air pollution. And 4 million premature deaths a year are caused by household air pollution resulting from inefficient conventional fuels. Accelerating renewables deployment in line with the Paris Agreement would bring down cases of negative health effects associated with poor air quality by up to 62 % by 2050. And in the context of clean water and water security, solar PV and wind technologies require 200 times less water than conventional technologies and they can ease pressures on local water availability and contribute to improved water quality. Importantly, renewables are also empowering women through entrepreneurship in rural areas and are improving productivity and their quality of life.

Ladies and gentlemen,

Realising SDG7 is a path of opportunity. We must scale up efforts to maximise the socio-economic and environmental benefits of a global energy transformation. Only then can we ensure a sustainable energy future which leaves no one behind.

In view of the far-reaching transformative potential of SDG7, it is very fitting that the guiding theme for this year's HLPF is *Transformation towards sustainable and resilient societies*. I am delighted to take part in this in-depth review of progress towards SDG7 and to have a conversation with you about achievements and challenges, lessons learned and how to chart a path to a sustainable energy future over the next hours and beyond.



Ladies and gentlemen,

What we need going forward is to strengthen ambition, strengthen action and strengthen cooperation.

*First, we need increased ambition* to significantly scale-up our efforts across the different dimensions of SDG7 and to secure strong political commitment, bolstered by strategic, integrated and cross -sectoral long-term planning.

*Second, we need decisive action.* We have technologically feasible and economically attractive solutions available today. To realise SDG7 an estimated 1 trillion USD per year until 2030 are needed. This may seem like a large number. However, the economic benefits and savings on health, environmental and climate benefits will significantly outweigh the investments required. Accelerated deployment must start now. Early action to channel investments in the right energy technologies is critical to reduce the scale of stranded assets that we see down the roads.

*Third, we need strong cooperation.* We need to raise awareness of the benefits amongst all the different stakeholders of the energy transformation. Partnerships on all levels – regional, local and national as well as between the public sector, private sector and civil society actors are key. The Global Agenda for Accelerated SDG7 Action proposed by the Multi-Stakeholder Technical Advisory Group highlights priority actions and offers a useful foundation for concerted efforts by all stakeholders in this context.

I would like to conclude by referring to a recent meeting called by His Holiness, Pope Francis, who met with executives from oil and gas companies to discuss the energy transition and said: “Civilization requires energy, but energy use must not destroy civilization!”. Ladies and gentlemen, sustainable energy is the readily available solution to reconcile energy, climate and civilisation and to advance sustainable development in the future. And to discuss this, we have a truly inspiring panel with us.