

Remarks

by

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at the

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Strategic Plenary Ministerial discussion:

Advancing the Renewable Energy Components of NDCs

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Excellencies, Distinguished Guests, Ladies and Gentlemen,

I am pleased to welcome you to this strategic plenary ministerial discussion on '*Advancing the Renewable Energy Components of Nationally Determined Contributions*'. Many delegations during their interventions yesterday and today have emphasized the high priority they place on addressing climate change and moving forward with the implementation of the Paris Agreement. NDCs are at the heart of this endeavour, and soon the international community will be initiating a process to review and update them. For these reasons, the implementation of NDCs was also the key focus of COP23 in Bonn, and I want to again commend Fiji for their leadership on these issues as President of COP23.

As IRENA, we brought to the COP analysis undertaken last year, which shows that the accelerated deployment of renewable energy, coupled with energy efficiency measures, can achieve around 90% of the emission reductions needed by 2050 in the energy sector to limit the rise in global mean temperature to well below 2°C. This transformation is both technically feasible and economically beneficial, as it can help

us meet our climate objectives while also fuelling economic growth and employment.

Recognizing the role of renewables for a climate-resilient, low-carbon energy future, most countries have included renewable energy as part of their national contributions under the Paris Agreement. Of the 194 Parties to the UNFCCC that submitted NDCs, 145 refer to renewable energy action to mitigate and adapt to climate change, while 109 Parties include some form of quantified target for renewables.

The prompt implementation of the renewable energy targets included in current NDCs could potentially unlock significant investment opportunities in the sector. IRENA estimates that in order to implement such targets, over USD 1.7 trillion would be needed globally between 2015 and 2030. While this would not accelerate the energy transformation at the sufficient scale, it could put many economies on the right path to harness growing investments in renewables. It is also of interest since the link to NDCs allows tapping into sources of climate finance.

To attract the investment needed for the implementation of the renewable energy targets in the NDCs, the focus should be on turning such targets into investment plans, on setting stable, consistent and transparent enabling frameworks for renewables, and on mobilising private investment. Specifically, as public resources such as climate finance are limited, they should be used to effectively crowd-in private investment through the use of risk mitigation instruments and structured finance, as opposed to direct financing, i.e., grants and loans. IRENA's initial estimates suggest that public finance of between USD 65 and 580 billion would be needed up to 2030 to mobilise the investment required for the implementation of renewable energy targets in the NDCs.

Our analysis finds that NDCs have not kept up with the recent rapid growth in renewables. While the global installed capacity of renewable power grew by an average 8.5% per year between 2010 and 2016, implementation of the renewable energy targets in NDCs would only lead to an average annual increase in renewable energy deployment of 3.6% over 2015-2030.

At the same time, renewable energy targets in NDCs are often less ambitious than targets that countries have already established in national energy plans and strategies. For example, the implementation of unconditional contributions in Africa would bring online an additional 40 GW of renewable power capacity. But this could be raised to 110 GW, just by aligning NDCs with existing national energy plans and strategies.

The cost-effective potential for renewable energy is also much higher than what is currently captured in NDCs. For example, NDC implementation would bring the total installed renewable power capacity in G20 countries to 2.3 TW in 2030, leaving about half of the cost-effective potential for renewables untapped (estimated to be 4.6 TW).

As many of you are aware, a complete energy transformation goes beyond electricity to include the end-use sectors. As such, significant untapped potential exists for renewables in end-use sectors and adaptation, which is currently captured in the NDCs to a limited extent. Only 28 countries include targets for the end-use

sectors in their NDCs and 43 recognise the potential contribution of renewables for adaptation.

Ladies and Gentlemen,

Broad stakeholder engagement will be fundamental for implementing and further enhancing renewable energy targets in NDCs. While this process may be led by the climate or environment ministry, the participation of energy ministers is essential to ensure the integration of energy and climate goals. NDCs need to build on strategies and plans developed in the energy sector, while climate considerations should be taken into account in national energy policy planning. The Facilitative Dialogue that will take place this year under the UNFCCC represents an important preparatory undertaking towards the NDC revisions or updates in 2020, and provides a good opportunity for energy ministries to get engaged.

We know that the energy transformation, driven by renewables, is paramount to achieving our low-carbon ambitions. For this reason, the energy sector needs to take ownership of this part of the NDC process. And this point only grows in

importance with the process to revise NDCs being initiated later this year, which provides a key opportunity for countries to strengthen renewable energy targets in the next round of NDCs, and to extend their scope beyond electricity and mitigation. This can build on the strong current growth rates for renewables, it can pick up ambitious targets in national energy plans and strategies, and it can be informed by an assessment of the cost-effective potential of renewables in all sectors.

At IRENA, we look forward to working with our Members in this process and strengthening your efforts on NDCs. As such, we are establishing a special facility to support countries in the implementation and further development of the renewable energy component of their NDCs. This work would not be possible without strong partnerships, and in this context, I wish to extend our sincerest appreciation to the Government of the Walloon region whose generous support is directly advancing our NDC facility.

Thank you.