

Establishment of an international Renewable Energy Agency IRENA

The relevance of IRENA

Country statement Ethiopia

26 January 2009

Bonn Germany

Honorable Participants invited guests ladies and gentle men,

It is a great pleasure to avail myself of this opportunity to be part of this historic moment and witness the breath of an International Renewable Energy Agency, IERNA, which statute is about to be signed.

IERNA will be a focused response to the energy and energy related challenges the world has been facing for so long. The continuation of the prevailing patterns of energy consumption in which carbon fuels have a dominant role; would significantly affect resource capacity of our planet.

For; most if not all of the environmental problems such as; greenhouse gas emission, global warming, drought, depletion of biodiversity, desertification etc. is significantly results of energy generation and energy consumption processes.

High dependence on carbon fuels has brought about the collateral energy politics and energy economics as repeatedly witnessed. Both of these have adversely affected the lives of millions of people across the world. We certainly recognize the role of carbon fuels for its significant contribution in creating today's world. Neither should we anticipate a quick exit from carbon fuel in an immediate future. The good news is that we have opened our eyes to the fact that our planet has also been offering us viable energy options. These were the areas that have not attracted enough attention so far. However,

now the time has come where the perception of viability of an energy project has been going through change. Policies of governments do give considerations to environmental impact of energy developments. Though internalization of environmental costs and benefits in most of the cases many not have been bold enough, still there is a change. A change very well decimated from project conception, to development and operation.

In Ethiopia we have developed policies including, energy, environment, water and other sectoral strategies. These are designed to provide particular focus on strategic areas for a better resource development, resource administration, availability of supply at competitive price, protection of the environment, technology transfer, sectoral synergies, investment etc.

Over the years we have seen a degree of success in developing our huge renewable energy potential from sources like; hydro power. Wind and geothermal energy sources are at development stage as well. More than 95 percent of our power supply comes from renewable energy sources. Regional interconnection too is moving forward for a better utilization of these potentials.

Ladies and gentle men dear participants, invited guests

Private Financing of power projects has been one of the challenges we have been facing for quiet some time. Much of the challenges encountered have to do with the particular characteristics of the renewable energy sources. The high initial cost and long term pay back period may be one of the universal characteristics of renewable energy. This is not in agreement with today's commercial financing structure tailored to suit conventional non renewable, technologies. In addition high predevelopment costs, high perceived risk, guarantee requirements by developers, in adequacies of concessional finance, low capacity of domestic financial institutions to generate finance for infrastructure development, and low capacity of domestic services and products to supplement the development of renewable energy projects are the out standing impediments

Such issues are of fundamental importance and are relevant to the development of renewable energy sources. And these are by design, target intervention areas by IERNA. Therefore my country is committed to bring in to reality IERNA, and to stand by its side for the fruition its aspirations as enshrined in proposed statute.

Finally I would like to extend my gratitude and appreciation to all those, especially the government of the Federal Democratic Republic of Germany who labored to bring us up to here and whose effort now to culminate by the establishment of IRENA.

I thank you very much