



Opening Remarks

by

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at the

Egypt Renewable Energy Conference

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Your Excellency Dr. Mohamed Shaker El-Markabi, Minister of Electricity and
Renewable Energy

Excellencies,

Distinguished Guests, Ladies and Gentlemen

I am delighted to speak after my good friend His Excellency the Minister of Electricity and Renewable Energy, with whom I had the honor to work closely when he chaired our Assembly in 2016. I would like to express my appreciation for Egypt's support to the agency and its work. I am also pleased to be with you here today. Egypt is a country not only rich with history, culture and people, but also, for our purpose, rich in renewable energy which is poised to become the predominant source of energy in the world, not only on the basis of its business case but also, if humanity is serious about tackling climate change and preserving our planet. The IPCC Special Report on Global Warming of 1.5° Pathways, released yesterday, highlights the urgency to adopt pathways that limit global temperature increase to 1.5 degrees if we are to avoid catastrophic climate change impacts. The report urges for a large-scale transformation of the global energy system and a rapid energy transition fuelled by renewable energy sources.

In this regard, I wish to pay tribute to the leadership of President Abdel Fattah el-Sisi on climate change and sustainable development. For decades, there has been talk about Egypt's renewable energy potential. Today, mere aspirations have become a reality on the ground. The Egyptian Government has not only recognised renewable energy as a major energy source to power its growth and development, but it has also taken decisive action to accelerate its deployment. The Benban solar complex, which will become the largest solar park in the world, reflects this new sustainable energy future Egypt is moving towards.

With these important and positive developments, Egypt is now an integral part of the global momentum of energy transformation, driven by renewables, which we are witnessing all over the world. Renewables have developed into a solution that is affordable for all of us, becoming cheaper and cheaper every day. Since 2010, solar PV module costs have fallen by 73%, while wind turbine prices have dropped by over a third. We anticipate that this trend will continue not only in renewable technologies but also in enabling solutions. For instance, by 2030, the total installed costs for stationary power storage could fall by 60%, dramatically changing the landscape of energy.

In times of such momentous change, this conference presents a timely occasion for launching the *Egypt Renewable Energy Outlook* report which has been prepared by IRENA in close cooperation with the Ministry of Electricity and Renewable Energy and the National Renewable Energy Authority (NREA). I would particularly like to express my sincere appreciation for the support of Minister El-Markabi and the invaluable inputs from Egypt's New and Renewable Energy Authority (NREA).

The report is premised on Egypt's Vision 2030, implemented through the Integrated Sustainable Energy Strategy to 2035 which includes ambitious renewable power targets of 20% by 2022 and 42% by 2035. Within this overall framework, the report provides an in-depth assessment of the technical, policy, regulatory and financial readiness challenges facing the scaling-up of renewables in Egypt. Importantly, it outlines recommended actions to overcome these challenges while investigating the different technology pathways to maximize the country's renewables potential in the long term.

Our analysis finds that with the right enabling frameworks for renewable energy investments in place, together with the necessary energy efficiency measures, Egypt has the potential to supply 53% of its electricity mix with renewables by 2030.

This will enable energy savings of USD 900 million on average annually, not including environmental and health-related costs, which will be in the billions. The report concludes that such an energy transformation is not only technically feasible, but also economically viable and socially beneficial for Egypt.

To unlock these benefits, a significant increase in investments to scale-up renewable energy is required. IRENA's analysis shows that investment in renewables would need to grow from USD 2.5 billion per year based on today's policies to USD 6.5 billion per year to realize the full potential of renewables in Egypt.

To raise investment to that level, public finance could be used to develop innovative financial schemes through risk mitigation instruments that are effective in mobilising private sector investments and ensuring the financial viability of renewable energy projects. Egypt's banks and investment institutions should play a greater role in this investment drive. Bulk of the investment, however, has to come from the private sector and the development of an enabling and stable policy and regulatory environment is central to this.

At the same time, investments in renewable energy are not only necessary to meet rising energy demand but they should also contribute to fostering economic growth, creating employment, and local manufacturing. This is a dimension the report highlights, examining in-depth the socio-economic benefits for Egypt of accelerated renewables deployment. The report, for instance, emphasizes the importance of elaborating a masterplan for developing the country's local manufacturing capabilities given Egypt's significant comparative advantage in different segments of the renewables value chain. It also highlights the importance of a skilled workforce to take forward this industrial transformation and fills the new jobs it creates. And Egypt's efforts are starting to pay off: by 2017, implementation of two phases of the feed-in tariff scheme for renewables provided about 6,000 direct and indirect jobs downstream in the value chain at the engineering, procurement and construction stage.

In Egypt, and in many parts of the world, policy makers are increasingly realising that scaling up renewables is not just important to meet energy demand or tackle climate change: it is also fundamentally good for the economy and has a net positive economic impact. At IRENA, we released a study earlier this year which shows that, if we accelerate the deployment of renewables and energy efficiency to

meet global climate objectives, renewable energy jobs will increase to 30 million by 2050 globally from a total of 10.3 million in 2017. Global GDP would be boosted by around 1% which translates into a growth of more than USD 52 trillion by 2050.

Excellencies,

Ladies and Gentlemen,

Egypt is the most populous country in the region and sits at its geographic heart. The energy choices Egypt makes today have immense implications not only for its people, but also for the region and even for the entire world. By embracing a sustainable energy future, it can serve as an inspiring example for others. I am confident that with its strong industrial base, Egypt has the potential to become a regional renewable energy hub. The experiences of others can help to accomplish this. The UAE where IRENA is based and Morocco, which I recently visited, have also made remarkable progress in the deployment of renewables. This event is also a great opportunity to exchange knowledge and lessons-learned among the regional stakeholders that are present today.

Let me conclude by highlighting that the report we are launching today is not an end in itself. I am confident that implementing the recommendations put forth in

the report will open new areas of cooperation between Egypt and the Agency, and I hope that at this conference we will discuss how to implement some of these recommendations. We look forward to working closely with you in fostering a prosperous and sustainable future for Egypt and its people,

Thank you.