**Remarks**

**Mr. Adnan Z. Amin**

**Director-General**

**International Renewable Energy Agency**

at the

**Sixteenth Meeting of the IRENA Council**

**Presentation of the Annual Report**

**Abu Dhabi, UAE, 13November 2018**

Excellencies,

Distinguished Delegates,

Ladies and Gentlemen,

It is my pleasure to introduce the *Annual Report of the Director-General on the Implementation of the Work Programme and Budget for 2018-2019*, contained in document C/16/2. This is also the first year for implementation of the Medium-Term Strategy 2018-2022. Even within this short period, it has become evident that the strategic direction defined by the Assembly is timely and relevant and that it provides a stable framework for the Agency in the long-term.

Such a framework is of great importance at a time when the global energy system is transforming at an astonishing scale and pace. Far-reaching trends in the global economy, coupled with the imperatives of sustainable development and climate change, are shifting prior assumptions about the energy system. Technology advancements have unlocked vast new possibilities, while falling costs of renewables and new business models are altering the contours of demand, production and use of energy. The old boundaries are being redrawn by government policy and international agreements, reflecting changing priorities and increased public scrutiny.

The recent IPCC report released in October 2018 stated that urgent and unprecedented changes are needed to stop global temperatures from rising over
1.5° C. IPCC highlighted the accelerated deployment of low-carbon energy technology and energy efficiency as central to decarbonization strategy and called for fundamental shifts in investments and mindsets – further highlighting the relevance of our work in the energy transition.

These shifts have to occur at many levels - in how policies are set, how businesses are run, and how household decisions are made. Some of you participated in IRENA’s second Innovation Week in Bonn in September 2018. Over 300 participants from around 70 countries discussed the latest innovations in the power sector. It was inspiring to be part of this stimulating dialogue and encouraging to see multiple solutions coming on-stream. From advanced analytics to automation to blockchain applications, we are witnessing an emergence of a complex interplay of sectors and stakeholders. Areas that have been regarded as marginal to the energy sector are now shaping the new system. International cooperation will play a vital role in this regard and participants welcomed IRENA’s leadership in facilitating dialogue on the ongoing energy transformation and innovation remains at the heart of IRENA’s work.

Excellencies, Ladies and Gentlemen,

IRENA’s latest statistics released in June 2018 show that renewable energy generation worldwide increased by 6.7% in 2016. Further, a record 167 gigawatts of the new capacity was installed in 2017, the biggest growth ever and 8.8% increase compared to the previous year. Solar and wind accounted for 85% of this growth. Our database of 17,000 real-life projects representing some 1,000 GW of capacity in almost 150 countries indicates that both are well within the cost range of power generated by fossil fuels. IRENA’s *Renewable Power Generation Costs* report also estimates that, by 2020, all currently commercialised renewable energy power generation technologies will be fully competitive with traditional sources. This is a watershed moment for the agency. I cannot underscore how important these cost reductions are.

The advent of renewable energy has been swift and widespread, and the energy system is poised to shift from an era of concentrated power and ownership to one of decentralisation and democratisation. Achieving such energy transformation is not only a question of increasing the renewable capacity - system design and operation have to be moulded to accommodate its rise. Policies and markets must adapt to the dynamic nature of the emerging system, seek to achieve multiple objectives, and embrace the multitude of players in it.

And this new energy ecosystem is encompassing sectors and stakeholders across diverse segments of the global economy. At the recent Global Climate Action Summit in September 2018, almost 400 companies, cities, states and regions set 100% renewable energy or zero emissions targets. This included California - the host of the summit and the world’s fifth-largest economy - and businesses with collective annual revenues of USD 2.75 trillion. This presents a significant opportunity as more and more stakeholders are turning to renewables to meet the need for cost-effective long-term energy supply. During the Clean Energy Ministerial meeting in Copenhagen in May this year, we released the first analysis of the market and industry trends on corporate sourcing of renewables, which is now taking place in 75 countries around the world. We found that market for corporate sourcing in 2017 reached about 465 terawatt-hours, which is almost the level of France’s total electricity demand. And this momentum is growing as more and more companies are coming on board – including iconic companies such as Apple, Google and Microsoft.

This progress is welcome, but far from sufficient if we are to meet the objectives of international agreements forged in 2015. In April, we launched the report on *Global Energy Transformation – A roadmap to 2050* at the fourth Berlin Energy Transition Dialogue. This report conveys three key messages. First, a six-fold increase in the deployment of renewable energy, in conjunction with energy efficiency measures, could deliver around 90% of the energy-related carbon emission reductions needed by 2050. Second, this is only achievable if we accelerate efforts in end-use sectors. With electricity accounting for only 20% of the Total Final Energy Consumption, progress in transport, heat and cooling is of the essence. And the trends that we are seeing in all of these areas are positive. Third, a decisive and targeted shift in investment is required. We estimate that the additional investment would need around 0.4% of global GDP in 2050. But this investment would more than pay-off with the projected 1% growth of global GDP in 2050 compared to what countries have planned at this stage. We also estimate a total of 28.8 million jobs in renewables by 2050, a net gain of over 11 million. If we add the welfare benefits, the savings would be up to five times more than the additional costs - many of you must have followed the first WHO Global Conference on Air Pollution and Health that highlighted again that tragically more than 7 million people die each year due to air pollution, something we need to address urgently.

Ladies and gentlemen,

These are powerful facts and priority considerations for policy-makers. They are also well exemplified in the deployment of off-grid solutions, which have seen a three-fold increase in the last decade from some 2 GW to over 6.5 GW. Only a few days ago, we concluded the fourth International Off-grid Renewable Energy Conference – IOREC- in Singapore. It is estimated that, by 2030, renewable energy sources will power over 60% of new electricity access, and stand-alone and mini-grid systems will provide the means for almost half of new access. But the Conference was not only a discussion on new technology, business and finance models, but also on job creation, food security, gender empowerment, sustainable economic growth, and delivery of healthcare services. The dynamism and innovation we see has the prospect of ending energy poverty and improving the lives of people around the globe.

Such considerations are not limited to off-grid deployment. Policy-makers worldwide are now routinely looking at renewable energy as a means for meeting multiple objectives. For instance, immediately prior the IOREC, we signed the Memorandum of Understanding with ASEAN during its 36th meeting of Ministers on Energy and the Singapore International Energy Week, framing our collaboration for the coming years. One of the focus areas is the work on harvesting the social and economic benefits of renewables deployment. Our current work on the development of an action agenda for the Central African region is highlighting the potential for social and economic progress that renewables can bring. A similar discussion took place at the launch of the SIDS Lighthouses Initiative 2.0 in New York on the margins of the UN General Assembly. Island leaders were clear in their desire to realise the full economic, social and environmental potential of renewable energy deployment. I also had the great opportunity to be in Cairo a few weeks ago. As I had promised President Sisi, I presented to him the findings of the RE Outlook for Egypt. We had a wide-ranging discussion and it was inspiring to see Egypt’s leadership and ambition with regard to renewables not only to meet energy demand, but also as driver of economic growth. In the meeting, President Sisi also shared his vision as incoming Chair of the African Union, during which he wants to give a special emphasis to this issue and I pledged the full support of the Agency.

IRENA is a leading voice in supporting this approach. During the UN High-Level Political Forum’s review of SDG7 on energy, which I was very honoured to moderate, we underscored the importance of accelerating the deployment of renewables not only to achieve the energy goal, but also to enable the achievement of others, such as health, jobs and economic growth, sustainable cities and climate action amongst others. As a co-custodian of SDG7, along with IEA, UN Statistic Division, the World Bank and the World Health Organisation, IRENA is well placed to promote a holistic approach to the deployment of renewables and influence the global discourse on sustainable energy.

It is the speed of change that will determine whether the energy system of the future can deliver across three key imperatives of our times: economic growth and development; energy security and universal access; and environmental sustainability. The ingredients of success have crystalized over the years; we possess vast technology solutions, but we need policy frameworks that promote such solutions, financial capacities helping their deployment, and societal approaches that support a just and inclusive energy transformation.

Ladies and gentlemen,

Before I conclude, there is also an institutional part to my speech and I would like to provide you with an update on the Agency’s resources, given that we have received additional contributions since the submission of the report. As of early November, we had received USD 16.6 million in assessed contributions, representing some 77% per cent of our core budget. Germany and the UAE have provided 100% of the 2018 core non-assessed funds in the amount of USD 9.66 million, and we obtained 100% of the core non-assessed ‘other’ funding of USD 1.7 million for the biennium. Almost USD 10 million were received in contributions from Belgium (the Walloon government), European Commission, Germany, Italy, Japan, the Netherlands, Norway and the UAE. We are grateful to Members who are providing additional contributions to enable not only the full implementation of the Work Programme but also to ensure resource predictability for the advancement of the Medium-term Strategy. Given the shift toward greater diversification of a resource base, we have adjusted our reporting to provide a more detailed overview of these contributions and to show how they contribute to the implementation of the Work Programme and the Medium-term Strategy.

Excellencies, ladies and gentlemen,

Energy transformation is no longer an aspect of the distant future. It is a feature of today’s decision-making and livelihoods, increasingly woven into the fabric of daily life. Access to timely, accurate and objective information, advice and support will be a decisive factor in the collective ability to progress and anticipate and adapt to change. Multilateral cooperation, based on effective institutions, will be key to achieve this. IRENA has become a strong and authoritative voice of renewable energy, one that will be essential to advancing the transformation of the global energy system. With your guidance and support, we are confident that IRENA will continue to grow as an inclusive and agile platform and provide responsive leadership in this global effort. This is the last time that I will have the opportunity to present the Annual Report. Leading the Agency and having contributed to this work has been one of the extraordinary honours of my life and I hope I have met your expectations.

I thank you, Mr Chairman.