• Your Excellencies, distinguished guests, ladies and gentlemen, welcome and thank you for this opportunity to speak to you about the IEA’s 2013 World Energy Outlook.

• It is a timely occasion to be in the African region, and to highlight our latest analysis of the global energy scene, and especially challenges for Europe and Africa.

• While fossil fuels are very important, I believe that for both regions, cutting-edge clean energy innovation and technology deployment are central to the energy future…. Although perhaps for different reasons.

• A changing energy map and technological change mean that innovative solutions and renewable energy technologies are fast spreading among developing economies. They can provide a unique solution to energy poverty, and an increasingly cost-competitive option in regions like Africa, with abundant renewable resources and quickening demand growth.

• And of course renewable energy technologies and energy efficiency are pillars of the European strategy, and of national strategies. But the challenges are much different.

• The work of the IEA with Partners in Africa can provide an essential bridge between these two experiences – on clean energy but also regarding energy security, energy statistics, and promoting essential investment.

• So my main message to our African friends here today is simple – we are engaging with Africa at an unprecedented level this year, in terms of attention from our analysis, our focus on issues that are key to the region, and training in areas such as statistics. So we invite you to join with us in our efforts.
• That cooperation is vital because, across the globe, major changes are sweeping the energy economy.

• We all know the mega-trend of demand shifting to Asia. But regions like Africa, Latin America, and the Middle East are each expected to account for much more energy demand growth than the OECD countries.

• That is especially true of power. Meeting the electricity needs is becoming an even more important aspect of economic development. The power sector represents over half of the increase in global primary energy use to 2035, driven by emerging and developing economies.

• A “great electrification” is taking place as air conditioners, mobile phones, computers, and even transport are turned on across the developing world – and come to play an important part in an information-rich global economy. Where electricity is available in rural Africa, we can see the economic multiplier effects of communications and basic financial services.

• But where will this power come from?

• While fossil fuels continue to dominate, the share of renewables in total generation rises from 20% in 2011 to 31% in 2035, and they supply nearly half of the growth in global electricity generation.

• And with demand growth happening outside the OECD, we’re not just talking about Europe.
• Indeed, the geography of renewable energy deployment is already changing significantly.

• While Europe may have initiated the global movement, the rise of renewable energy is certainly no longer a European story.

• The United States is seeing growth despite some volatility. But especially the emerging countries of Africa, Latin America, and Asia Pacific are dominating the story of renewables growth. 140 countries worldwide now have renewable energy policies, instituted for various overlapping objectives:

• Meeting growing energy needs;
• Diversifying energy sources;
• Promoting economic development;
• Preserving the environment, including local air quality;
• Creating jobs;
• And finally contributing to the fight against climate change.

• In countries facing a growing demand for electricity, or a pressing need to replace aging capacity, renewables can often be cost competitive with new fossil fuel plants.

• But that is simply not the case in Europe, where weak demand growth means that renewables must push out existing capacity – not only at the cost of stranded assets but also at higher grid-integration and network costs. Here, renewables are a costly policy driven phenomenon pursuing decarbonization, not an economic one.
• But that is simply not the case in Europe, where weak demand growth means that renewables must push out existing capacity – not only at the cost of stranded assets but also at higher grid-integration and network costs. Here, renewables are a costly policy driven phenomenon pursuing decarbonization, not an economic one.

• Yet the experience of deployment, and also of encouraging investment and financing, is valuable. Renewable energy is a major investment and development opportunity, with more than 60% of global investment in new power plants set to be funneled to this sector by 2035. Benefitting from the experience of others, often earned through costly experimentation, can help to get issues like financing and investment right in new markets.

• In emerging economies, including Africa, there is another great opportunity: to develop renewables in parallel with flexible energy infrastructure such as grids, interconnections and storage. This will allow to integrate large shares of variable renewables such as wind and solar PV at affordable costs.

• In that specific respect the IEA looks with great interest at the initiative of the African Clean Corridor, that holds the potential to harness the region’s large renewable potential to meet the rising African energy demand.
• And in countries facing rural energy poverty, renewables and micro-grid solutions can offer a cost-effective and nimble alternative to costly and centralized grid expansion.

• That is very much an issue in Africa, which continues to dominate when it comes to lack of electricity – with around 600 million people unplugged.

• But energy poverty, and energy which is strictly renewable can still go together, in a harmful way.

• In Africa, traditional sources of biomass play a significant role in the energy sector. While this may not be a fossil fuel, it represents an unsustainable form of energy that kills millions each year, and contributes to damaging desertification. Replacing it with cleaner and more modern energy alternatives should be a priority.
Because Africa is extremely rich in modern energy. Its contribution to global fossil fuel energy production is only set to grow. And that is only one of the reasons why the region will feature so prominently in the 2014 World Energy Outlook.

That is surely the case for oil…. and especially gas, where we expect Africa’s contribution to be particularly substantial, surpassing China and even the US in 2035… even despite the shale gas revolution.

Africa will need to cope with the challenges of this growing role. The industry is now much more technology and skills intensive – and human capital is emerging as the major constraint on upstream development. Fostering those skills, particularly in among citizens of producing regions, will be very important.

Also, creating the right institutional frameworks for investment - with good governance, stable policies, and adequate infrastructure - will be key.

European oil and gas companies are already working all over Africa, utilising their expertise to help these countries develop their natural resources. And European countries can help energy producers in Africa in terms of putting in place stronger governance and developing a business environment that encourages investment.
• Stronger governance and sound policies are important not just to court investors, however. Social and political pressures for environmental safety and social best-practices are increasing. And business needs to play a strong role, since individual incidents can impact the political viability of operations in entire regions.

• The IEA has a track record of bringing together industry and policy makers to develop sound approaches. Good practices, including “golden rules”, are an important part of doing business, and also essential to public support and welfare.
• That is particularly true when combined with the energy poverty issue I mentioned earlier.

• Particularly in Africa, energy poverty is often a major issue in countries that are rich in energy resources.

• One result, for example, is that large-scale gas flaring exists alongside millions without electricity – and that is nothing short of a disgrace.

• Recognizing and addressing the energy and services needs of the local population can be one of the most effective ways to maintain political support and corporate security. That may mean sharing the benefits of fossil fuel. But it can also mean deploying innovative renewable energy technologies that improve energy poverty without sacrificing valuable exports.

• Throughout, strategies to maintain a constructive dialogue with the host population are vital.
• Ladies and gentlemen, the IEA works hard to identify and analyze key energy trends – and from our point of view that means an ongoing spread of energy demand and technology from established, developed economies to emerging and developing ones.

• And that is the reason that we are engaging with Africa and non-member Partners around the world so intensively. Part of that the development of a multi-lateral association of non-members.

• In Africa, it also means statistical and data analysis and training that can provide special value. And it also means particular attention to the region in this year's World Energy Outlook, as well as to issues like variable renewable energy deployment, good practices in fossil fuel production, and energy poverty.

• These are not battles that you or we fight alone, and so we Partner for example with the UN Sustainable Energy 4 All initiative, where I serve on the Advisory Board.

• The kind of knowledge transfer we can facilitate will be a key element of the ongoing relationship between Africa and Europe as we look to the future. And so we offer not only support, but also very tangible benefits of engagement.

• Thank you.